GERRESHEIMER

Annual Report 2007

At a glance

The Gerresheimer Group is an international-leading supplier of high-quality glass, plastic packaging and system solutions. Its most important sales market is the global pharma & life science industry. Based on own developments and state-of-the-art production technologies, Gerresheimer offers primary pharmaceutical packaging and drug delivery systems as well as diagnostic systems and a full range of glass products for the life science research industry. Smaller shares relate to cosmetics and technical plastic systems, in particular for the automotive industry, as well as to niche segments of the food and beverage industry.

The Gerresheimer Group is based in Dusseldorf (Germany) and comprises Gerresheimer AG and its direct and indirect equity investments. At the end of financial year 2007, the Group had 36 sites in Europe, the Americas and China, and 10,148 employees worldwide. Annual sales amounted to approximately EUR 958m.

Group Key Figures (IFRS)

Financial year end November 30	2007	2006
Results of Operations during the financial year		
Net sales	957.7	646.7
Adjusted EBITDA [1)]	181.6	122.6
in % of net sales	19.0	19.0
Adjusted EBITA [2)]	116.6	73.8
in % of net sales	12.2	11.4
Net income	0.8	-25.0
Adjusted net income [3)]	44.3	8.7
Net Assets as of November 30 in EUR m		
Total assets	1,442.0	941.1
Equity	505.1	-26.3
Equity ratio in %	35.0	-
Net working capital	194.5	117.8
in % of net sales	20.3	18.2
Capital expenditures	98.9	74.9
Net financial debt	390.6	574.7
Adjusted EBITDA leverage [4)]	2.2	4.7
Financial and Liquidity Position during the financial year in EUR m		
Cash flow from operating activities	54.1	62.3
Cash flow from investing activities	-304.1	-134.5
thereof cash paid for capital expenditures	-88.5	-77.5
Free cash flow before financing activities	-250.0	-72.2
Net Sales during the financial year by region in EUR m		
Germany	271.3	152.1
Europe (excluding Germany)	368.1	236.5
America	265.8	212.9
China	17.9	2.4
Other regions	34.6	42.8
Employees as of November 30 (total)	10,148	5,677
Stock Data		
Number of shares as of November 30 in million	31.4	-
Share price [5)] as of November 30 in EUR	37.70	-
Market capitalization as of November 30 in EUR billion	1.2	-
Share price high [5)] during the financial year in EUR	39.65	-
Share price low [5)] during the financial year in EUR	32.65	-
Earnings per share in EUR	-0.04	-
Adjusted earnings per share in EUR [6)]	1.34	-
Dividend per share in EUR (proposal)	0.40	-

1) Adjusted EBITDA: earnings before income taxes, financial result, depreciation and amortization, restructuring expenses and one-off income and expenses

2) Adjusted EBITA: earnings before income taxes, financial result, amortization, restructuring expenses and one-off income and expenses

3) Adjusted net income: consolidated profit before non-cash amortization of fair value adjustments, special effects from restructuring expenses, and the balance of one-off income and expenses (including significant non-cash expenses) and the related tax effects

4) Adjusted EBITDA leverage: the relation of interest bearing net debt to adjusted EBITDA

5) In each case Xetra closing price

6) Adjusted net income after minorities divided by 31.4 m shares (November 30, 2007)

Segment Key Figures

Tubular Glass in EUR m	2007	2006
Net sales [6]	271.2	243.4
Adjusted EBITDA [1]	66.7	61.9
in % of net sales	24.6	25.4
Capital expenditure	33.4	27.1

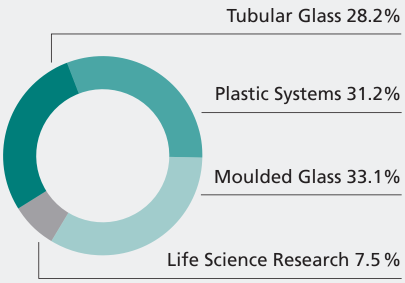
Plastic Systems in EUR m	2007	2006
Net sales [6]	299.7	48.2
Adjusted EBITDA [1]	56.1	12.0
in % of net sales	18.7	24.9
Capital expenditure (cumulated)	28.4	6.6

Moulded Glass in EUR m	2007	2006
Net sales [6]	318.8	299.4
Adjusted EBITDA [1]	65.1	54.4
in % of net sales	20.4	18.2
Capital expenditure	35.8	40.2

Life Science Research in EUR m	2007	2006
Net sales [6]	72.2	55.8
Adjusted EBITDA [1]	7.7	6.4
in % of net sales	10.7	11.5
Capital expenditure	1.0	0.5

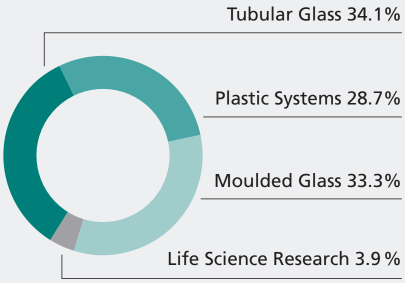
Net sales [6] during the financial year

by segment



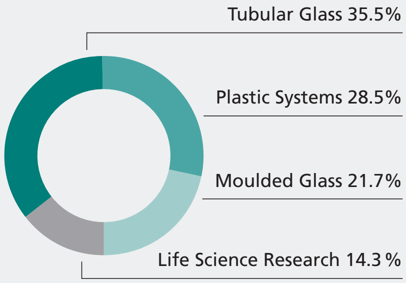
Adjusted EBITDA [8] during the financial year

by segment



Number of employees [9] as of November 30

by segment



[6] Net sales by segment also include intercompany sales

[7] Quantity

[8] The total of the EBITDAs by segment does not include central functions

[9] The total number of employees by segment does not include central functions

Contents

Highlights

of the financial year 2007

- **Successful listing of Gerresheimer AG on the Frankfurt Stock Exchange on June 11, 2007.**
- **Fast inclusion in the SDAX from September 6, 2007 following the "fast entry" rule.**
- **Successful completion of published targets for the financial year 2007.**
- **Strong growth of group net sales by 48.1% to EUR 957.7 m.**
- **Significant increase in adjusted EBITDA by 48.1% to EUR 181.6 m.**
- **Substantial reduction in adjusted EBITDA leverage from 4.7 to 2.2.**
- **Strategic acquisition of Wilden Group in the plastic systems segment and successful formation of Joint Venture with Thermo Fisher in the Life Science Research segment.**
- **Development of market position as leading manufacturer of specialty products made of glass and plastic for the pharma & life science industry.**

Dr. Axel Herberg
Chief Executive Officer

Letter to Shareholders

Dear Shareholders,

The past financial year marked a milestone in our company history as, since June 11, 2007, Gerresheimer AG has been listed on the Frankfurt Stock Exchange. With a total issue volume of more than EUR 900m, the IPO was the third largest in Germany in 2007. The successful placement of our shares in the international capital market showed that investors welcome our strategy of long-term growth. This pursues the clear objective of consistently expanding the Company's position as one of the leading worldwide enterprises in the pharma & life science markets. With the proceeds from the IPO we were able to reduce our financial indebtness substantially, in line with plan. The improved capital structure now gives us sufficient flexibility for further growth.

Shortly after the stock-exchange flotation, Gerresheimer stock was included ahead of schedule in the selective index SDAX. From the first day of trading, our share price developed significantly better than the comparable overall market.

The IPO was of course by no means the only important event for our Company in 2007. Right at the start of the year we took over the Wilden Group, the European market leader for drug delivery systems based on plastic. This acquisition gives us a leading market position in the field of plastic systems. For our company, acquisitions are an important component in our globalization strategy. Other examples of this are our purchases in North America, China and, most recently, Spain and Brazil. Today already Gerresheimer has forty-one locations in Europe, America and Asia. We will resolutely continue our globalization strategy in the future.

The latest acquisitions in the plastics field have not only expanded our regional presence but also our existing product portfolio. Through this we expect positive synergy effects and additional sales growth in the new financial year. Gerresheimer has successfully established itself as a technologically leading manufacturer of pharmaceutical primary packaging based on glass and plastic. We will continuously work to strengthen this position through targeted investments. The same applies with regard to our very successful cosmetics business where our strong market position is again based on close proximity to the customer together with innovative and highly competitive operating units.

We can be justifiably proud of the financial results achieved during the past year. We are already very close to our sales target of EUR 1 billion a year and have achieved this through acquisitions as well as sustained organic growth. Our operating strength is also shown by the Adjusted EBITDA margin of 19%. We have reinforced our asset base through capital expenditure of around EUR 99m focussing particularly on attractive new growth projects.

We wish to ensure that our shareholders will participate appropriately in the financial success of Gerresheimer AG today and in the future. The Management Board and the Supervisory Board will therefore propose to the Shareholders' Meeting that a dividend of EUR 0.40 per share is distributed for the financial year 2007.

In the coming years we will continue our success story through further growth. We will further strengthen our global presence and increase our technological lead over competitors. We are confident about our Company's outstanding success prospects above all because we can build on well qualified and exceptionally highly motivated teams. More than 10,000 employees worldwide are committed to Gerresheimer's success.

We assume that we will in the future continue to profit from a favourable market environment. Our core business is in the market for pharma & life science products, a market which displays an annual growth rate of around 7%. We benefit from the fact that the exacting requirements of the responsible health authorities demand substantial specific know-how from suppliers.

Against this background, we look to the future with optimism. Nationally and internationally we will expand and lastingly strengthen our leading position as a manufacturer of specialty packaging based on glass and plastic for the pharma & life science industry.

We will as in the past seek open dialogue with you, our shareholders, and also with our customers, business partners, employees and friends, and will keep you informed about the latest developments in Gerresheimer AG.

With best wishes,

Dr. Axel Herberg

Dr. Axel Herberg
Chief Executive Officer
Division
Plastic Systems

Hans-Jürgen Wiecha
Chief Financial Officer

Uwe Röhrhoff
Divisions
Moulded Glass,
Life Science Research

Dr. Max Raster
Division
Tubular Glass

Report of the Supervisory Board

Since its constitution on April 2, 2007, the Supervisory Board has in the past financial year 2006/2007 concerned itself intensively with the Company's position and fulfilled all its obligations under the law, the Company's Articles of Association and the Rules for the Supervisory Board.

These included consultations on the basis of prompt, regular and comprehensive reports from the Management Board, involvement of the Supervisory Board in decisions of key importance for the Company, and the necessary supervision of management by the Supervisory Board.

The Supervisory Board ensured that it was informed in detail about the Company's business development and financial position, including the risk situation and risk management. On the basis of thorough examination and discussion, the Supervisory Board approved the reports and resolution proposals of the Management Board to the extent required by the provisions of the law, the Company's Articles of Association and the Rules for the Supervisory Board. In addition, the Chairman of the Supervisory Board was in regular contact with the Management Board and in particular its Chairman. He was informed by the latter regularly and promptly about important developments and impending decisions.

With regard to projects and plans of an urgent nature, the Supervisory Board was also kept informed between meetings. Resolutions on these were passed by means of written procedures to the extent required.

Personnel Changes in the Management Board and the Supervisory Board

Following the form-changing conversion of Gerresheimer Alpha GmbH into Gerresheimer AG, a resolution was passed by the Extraordinary Shareholders' Meeting on April 2, 2007 to appoint Lionel Assant, Doug Rogers, Dr. Hanns Ostmeier, Philippe Meyer, Thorsten Langheim and Robert Ramsauer as members of the first Supervisory Board of Gerresheimer AG. At the constituting meeting of the Supervisory Board on April 2, 2007, Lionel Assant was elected as Chairman of the Supervisory Board. Following execution of the so-called "status procedure" under the German Stock Corporation Act the Supervisory Board of the Company is composed in accordance with the provisions of the German Codetermination Act. By a ruling of the Local Court of Dusseldorf dated May 7, 2007, Lydia Armer, Günter Fehn, Gottlieb Förster, Olaf Grädler, Reiner Ludwig and Harald Sikorski were appointed as Supervisory Board members representing the employees.

The Extraordinary Shareholders' Meeting on May 14, 2007 dismissed all the existing shareholder-representative members of the Supervisory Board and appointed as new shareholder-representative members of the Supervisory Board Lionel Assant, Dr. Hanns Ostmeier, Hans Peter Peters, Doug Rogers, Udo J. Vetter and Dr. Gerhard Prante. In its meeting on May 15, 2007, the Supervisory Board – which, following execution of the status procedure under the German Stock Corporation Act and the court appointment of employee representatives in accordance with the provisions of the Codetermination Act, consisted of an equal number of shareholder and employee representatives – elected Hans Peter Peters as the new Chairman of the Supervisory Board and Gottlieb Förster as the Deputy Chairman of the Supervisory Board.

The Committees of the Supervisory Board were also elected on May 15, 2007. The Presiding Committee then consisted of Hans Peter Peters (Chairman), Gottlieb Förster and Lionel Assant, the Audit Committee consisted of Lionel Assant (Chairman), Udo J. Vetter, Gottlieb Förster and Reiner Ludwig, and the Mediation Committee consisted of Hans Peter Peters (Chairman), Gottlieb Förster, Günter Fehn and Dr. Gerhard Prante.

Dr. Hanns Ostmeier resigned from his office as a member of the Supervisory Board of Gerresheimer AG with effect on August 2, 2007. Robert Ramsauer was appointed to the Supervisory Board as his successor by a ruling of the Local Court of Dusseldorf dated August 9, 2007. With effect on September 23, 2007, Hans Peter Peters resigned from his office as Chairman of the Supervisory Board. In its meeting on September 24, 2007, the Supervisory Board elected Lionel Assant as the new Chairman.

The change of the Chairman of the Supervisory Board also had personnel effects on the composition of the committees of the Supervisory Board. From September 24, 2007, the Presiding Committee consisted of Lionel Assant (Chairman), Gottlieb Förster, Reiner Ludwig and Hans Peter Peters, the Audit Committee of Udo J. Vetter (Chairman), Lionel Assant, Gottlieb Förster and Reiner Ludwig, the Mediation Committee of Lionel Assant (Chairman), Gottlieb Förster, Günter Fehn and Dr. Gerhard Prante, and the Nomination Committee of Lionel Assant (Chairman), Hans Peter Peters and Udo J. Vetter.

Since the constitution of Gerresheimer AG on April 2, 2007 the Company's Management Board has consisted of Dr. Axel Herberg (Chairman), Dr. Max Raster, Uwe Röhrhoff and Hans-Jürgen Wiecha.

Meetings of the Supervisory Board

In the financial year 2006/2007 the Supervisory Board met four times. The Management Board reported to it regularly on the business position of the Company as a whole.

In the constituting meeting of the Supervisory Board on April 2, 2007, Dr. Axel Herberg, Dr. Max Raster, Uwe Röhrhoff and Hans-Jürgen Wiecha were appointed as the first Management Board of the Company following the form-changing conversion of Gerresheimer Alpha GmbH into Gerresheimer AG, and their service contracts as members of the Management Board were approved. Dr. Axel Herberg was appointed Chairman of the Management Board. The planned IPO of the Company and all related measures were also approved. Until the election of a Supervisory Board Chairman by the Supervisory Board composed of shareholder and employee representatives, Lionel Assant was elected as Chairman of the Supervisory Board.

In the Supervisory Board meeting on May 15, 2007 the Chairman and Deputy Chairman of the Supervisory Board were newly elected. In addition, the membership of the Presiding Committee, the Audit Committee and the Mediation Committee of the Supervisory Board was established in an orderly manner in accordance with the provisions of the Company's Articles of Association and the Rules for the Supervisory Board. Dr. Axel Herberg was appointed as Labor Director for the Company.

In its meeting on September 24, 2007 the Supervisory Board dealt mainly with re-election of its Chairman, the Compliance Declaration in accordance with section 161 of the German Stock Corporation Act and commissioning of the auditor for the financial year 2006/2007.

In its meeting on November 29, 2007 the Supervisory Board dealt mainly with medium-term planning for the Group, and approved the budget for the financial year 2007/2008.

Meetings of the Committees

To ensure efficient performance of its duties the Supervisory Board set up four committees which prepare subjects for a resolution in the full Supervisory Board and in certain cases also have authority to take decisions autonomously. The committees are as follows: the Mediation Committee in accordance with section 27 (3) of the German Codetermination Act, the Presiding Committee, the Audit Committee and the Nomination Committee. With the exception of the Nomination Committee, each of the committees has four members, with two representing the shareholders and two representing the employees. The Nomination Committee consists of three representatives of the shareholders.

The responsibilities of the Presiding Committee include finalization, amendment and termination of service contracts for Management Board members. The responsibilities of the Audit Committee include preparation of decisions by the Supervisory Board on approval of the annual financial statements and of the Group financial statements. The Nomination Committee proposes suitable candidates to the Supervisory Board for its recommendations to the Shareholders' Meeting on elections to the Supervisory Board.

The Presiding Committee met on November 29, 2007. The agenda primarily concerned bonus regulations for Management Board members and adjustments to individual contracts of Management Board members.

The Audit Committee met on September 24, 2007. The main objects of discussion were commissioning of the auditor for the financial year 2006/2007, establishment and monitoring of audit procedures, specification of the key audit areas and agreement of the audit fee.

Corporate Governance

The Supervisory Board constantly monitored developments in corporate governance standards. The Management Board and the Supervisory Board issued a Compliance Declaration in accordance with section 161 of the German Stock Corporation Act for the first time on September 24, 2007 and made this permanently available to shareholders on the Company's website. By agreement with the Supervisory Board, the Company's Management Board reports on corporate governance issues in pages (11) to (15) of the Annual Report.

Annual Financial Statements and Group Financial Statements for the Financial Year 2006/2007

The annual financial statements and Group financial statements drawn up by the Management Board for the financial year from December 1, 2006 to November 30, 2007 and the Management Report for the Company and the Group were audited by Ernst & Young AG, Wirtschaftsprüfungsgesellschaft, Dusseldorf, and received an unqualified auditor's opinion. Ernst & Young AG, Wirtschaftsprüfungsgesellschaft, has furthermore audited the report of the Management Board on relations with affiliated companies (controlled company report) according to section 312 of the German Stock Corporation Act and has issued the following unqualified auditor's opinion:

"Based on our audit and assessment performed in accordance with professional standards, we confirm that:

1. the factual disclosures in the report are accurate,
2. the consideration given by the Company for the transactions specified in the report was not unreasonably high."

The annual financial statements and Management Report of Gerresheimer AG, the proposed appropriation of accumulated net earnings, the Group financial statements and Group Management Report, the controlled company report plus the auditor's reports for the financial year 2006/2007 and for the controlled company report have been made available to the Supervisory Board for examination. The documents were discussed and examined in detail in the meetings of the Audit Committee on February 25, 2008 and on March 14, 2008. The auditors attended both meetings and reported on the course and main findings of the audit. They were available to answer questions. The Audit Committee has made resolution recommendations to the Supervisory Board. The Supervisory Board has examined the annual financial statements of Gerresheimer AG, the proposed appropriation of accumulated net earnings, the Group financial statements and Group Management Report and the respective auditor's reports in the meeting of the Supervisory Board on February 25, 2008. The Management Report of Gerresheimer AG and the controlled company report as well as the respective auditor's reports have been examined by the Supervisory Board on March 14, 2008.

In accordance with the final results of examinations by the Audit Committee and after its own examinations, the Supervisory Board approves the auditor's findings and agrees that no objections are to be raised. The Supervisory Board shares the assessment made by the Management Board in the controlled company report and raises no objections against the final statement of the Management Board in the controlled company report.

The Supervisory Board approved the annual financial statements and the Group financial statements. The Management Board's proposed appropriation of accumulated net earnings was also approved by the Supervisory Board.

The Supervisory Board thanks the Management Board and all employees of Gerresheimer AG and its affiliated companies for the contribution which they have made in the financial year 2006/2007 to the successful development of the Gerresheimer Group.

Düsseldorf, March 14, 2008

The Supervisory Board

Gerhard Schulze
Chairman

Corporate Governance Report

Gerresheimer AG identifies with the objectives of the German Corporate Governance Code and the principles of transparent, responsible and value-enhancement-oriented management and control of the Company. The Management Board, the Supervisory Board and all managers and employees of Gerresheimer AG are committed to this aim. Gerresheimer AG largely implements the recommendations and suggestions of the German Corporate Governance Code as amended on June 14, 2007.

Collaboration between the Management Board and the Supervisory Board

The Management Board of Gerresheimer AG, which consists of four members, is the Group's executive body. The Supervisory Board advises and monitors the Management Board.

On the basis of the so-called "status procedure" under the German Stock Corporation Act which was executed in the spring of 2007, the Company's Supervisory Board is composed in accordance with the provisions of the German Codetermination Act and consists of twelve members, half of whom represent the shareholders and half the employees. The Management Board and Supervisory Board collaborate closely for the benefit of the Company; their common objective is sustained enhancement of shareholder value.

The Management Board reports to the Supervisory Board regularly, promptly and comprehensively about all relevant aspects of corporate planning and strategic development, the course of business and the Group's position (including the risk situation). On important business matters, approval rights are reserved for the Supervisory Board in the Rules of the Management Board. In order to perform its duties the Supervisory Board regularly discusses with the Management Board overall business developments as well as plans and strategies and their implementation. It approves the annual plans prepared by the Management Board and decides on approval of the annual financial statements and of the Group financial statements of Gerresheimer AG, taking particular account of the reports of the auditor. The Supervisory Board also decides on the appointment or dismissal of Management Board members.

The work of the Supervisory Board is supported by committees. According to the Rules of the Supervisory Board, the following four committees of the Supervisory Board exist:

The Mediation Committee to be set up in accordance with section 27 (3) of the Codetermination Act tables proposals to the Supervisory Board for the appointment of Management Board members if the required majority of two thirds of the votes of Supervisory Board members is not achieved in the first ballot.

The responsibilities of the Presiding Committee include decisions on finalization, amendment or termination of service contracts and pension agreements for Management Board members and their compensation. Furthermore it is responsible for the approval of contracts between the Company and members of the Management Board. The Presiding Committee also takes decisions on approval of contracts with Supervisory Board members in accordance with section 114 of the German Stock Corporation Act and loans to the circle of persons named in sections 89 and 115 of the German Stock Corporation Act.

The responsibilities of the Audit Committee include preparation of the Supervisory Board's decision on approval of the annual financial statements and of the Group financial statements. In addition, the Audit Committee prepares the agreement with the auditor. It takes appropriate measures to establish and monitor the independence of the auditor. It also supports the Supervisory Board in monitoring the management, and in this connection deals in particular with the Company's risk management.

The Nomination Committee tables proposals to the Supervisory Board on suitable candidates for its election proposals to the Shareholders' Meeting.

Conflicts of interest for members of the Management Board and Supervisory Board must be disclosed to the Chairman of the Supervisory Board. In the case of material and not just temporary conflicts of interests a Supervisory Board member must give up his office. In its report to the Shareholders' Meeting, the Supervisory Board provides information about conflicts of interest which have arisen, and how they have been handled.

No conflicts of interest for Management Board or Supervisory Board members arose during the reporting period.

Financial Accounting and Auditing

Financial accounting in the Gerresheimer Group is based on the International Financial Reporting Standards (IFRS). The annual financial statements of Gerresheimer AG are drawn up in accordance with the German Commercial Code (Handelsgesetzbuch/HGB).

The auditor is elected by the Shareholders' Meeting in accordance with the provisions of the law. Ernst & Young AG, Wirtschaftsprüfungsgesellschaft, Dusseldorf, was appointed as auditor for the financial year 2006/2007. The Supervisory Board commissions the auditor elected by the Shareholders' Meeting and, through the work of the Audit Committee, determines the audit program and fee. It ensures that the auditor's work is not impaired by conflicts of interest.

Good corporate governance includes responsible management of risks by the Company. Gerresheimer AG has set up systematic risk management procedures which ensure that risks are identified and evaluated at an early stage, and that risk positions are optimised. The risk management system of Gerresheimer AG is examined by the auditor.

Transparency

Gerresheimer AG communicates openly, actively and comprehensively. Shareholders, shareholder associations, analysts and interested members of the public are informed regularly, promptly and on an equal-entitlement basis about the Company's position and key business changes. The Company's website is an important medium for this purpose. The annual and interim reports, press releases, ad hoc and other communications in accordance with the German Securities Trading Act, the financial calendar of events and other relevant information can be found here. In addition, the Company organises regular analysts' and press conferences and events for investors.

Compliance Declaration

On September 24, 2007 the Management Board and Supervisory Board of Gerresheimer AG approved the following Compliance Declaration, which was made permanently available to shareholders on the Company's website under www.gerresheimer.com:

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

Gerresheimer AG complies with the recommendations of the "Government Commission on the German Corporate Governance Code" as amended on June 14, 2007, and has complied with these recommendations since the date of the initial stock-exchange listing of Gerresheimer AG on June 11, 2007, with the following exceptions:

1. Item 3.8, third sentence of the Code (Deductible for members of controlling bodies on D&O insurance)

Under the D&O insurance policy taken out by the Company for the members of its controlling bodies, no deductible for members of the Management Board or Supervisory Board is agreed. In the view of the Company, such a deductible would not be conducive to increased motivation and awareness of responsibility for members of the Management Board and Supervisory Board.

2. Item 4.2.5 of the Code (Individualized reporting of Management Board remuneration)

In accordance with a resolution of the Shareholders' Meeting on May 14, 2007, the Company will not report Management Board remuneration on an individualized basis for five years.

3. Item 5.4.7, fourth sentence of the Code (Variable remuneration for Supervisory Board members)

The Company believes that a reasonable fixed remuneration for the Supervisory Board members is better suited to reflect the Supervisory Board's control function, which has to be fulfilled regardless of the success of the business.

4. Item 6.6 of the Code (Statement of the shareholdings of members of the Management Board and the Supervisory Board)

Over and above the legal requirements, no statement of the shareholdings or related financial instruments of the members of the Company's controlling bodies, is published in the Corporate Governance report. The Company believes that compliance with the legal requirements creates sufficient transparency.

5. Item 7.1.2, third sentence of the Code (Public availability of interim reports within 45 days)

The Company intends to follow this recommendation of the Code. Because of first-time reporting after the stock-exchange listing, the half-year report for the current financial year was not publicly available within 45 days after the end of the reporting period but was made available to the public within the period stipulated by law. This will also apply to the report on the first three quarters of the current financial year."

Remuneration Report

The total emoluments of the Management Board consist of a number of remuneration elements. These comprise a fixed salary, a success-dependent bonus, a component with a long-term incentive effect, customary benefits and, in three cases, pension commitments resulting from prior activity with Gerresheimer Glas GmbH.

The remuneration of Management Board members is set by the Presiding Committee at a reasonable level on the basis of performance appraisals.

The fixed elements comprise an amount plus benefits in the form of remuneration in kind (mainly insurance premiums and company car use). The total costs for this amounted to EUR 1.7m in the past financial year. For members of the Management Board a so-called Directors & Officers liability insurance (D&O insurance) exists which, in deviation from item 3.8 of the German Corporate Governance Code, does not provide for a deductible.

The success-dependent bonus is linked to achievement of objectives defined by the Supervisory Board in terms of the key figures of EBITDA, sales, net working capital and total investment. The total costs for this amounted to EUR 1.6m in the past financial year.

In addition, the Company has entered into long-term stock-price-based variable compensation agreements with all of the members of the Management Board. These agreements provide that the members of the Management Board shall receive a total of 325,000 stock appreciation rights (so-called "phantom stocks") in the years from 2007 through 2011. This is subject to the prerequisite that the member of the Management Board must, for every ten phantom stocks awarded, purchase one share of the Company with his own funds and hold these shares – or shares already held by the Management Board member – in a restricted account for the entire duration of the agreement (own investment). Each stock appreciation right entitles the Management Board member to receive a payment related to the change in the stock price, provided that the stock price of the Company on exercise exceeds the initial price of the respective facility by at least 8% (performance hurdle). For the stock appreciation rights issued in 2007, the issue price of EUR 40 determined in the Initial Public Offering shall be the initial price. The performance hurdle is relevant only with respect to the entitlement, not the calculation of the amount of the payment. The term of each facility of stock appreciation rights is approximately two years. The entitlement in each case is equal to the absolute amount by which the stock price rose during the period between the issue of the respective stock appreciation rights and their exercise. The amount of the entitlement for each facility is, however, limited to the amount that corresponds to 25% of the initial price of all stock appreciation rights of that tranche. All unexercised stock appreciation rights expire the moment the respective Management Board member leaves the Company, unless such departure is the result of death or permanent occupational disability. Moreover, all entitlements to such future stock appreciation rights are forfeited upon departure from the Company. The Company has reserved the right to settle any awards under these stock appreciation rights with shares.

The pension commitments made to Management Board members by Gerresheimer Glas GmbH are handled through a pension fund if vested benefits were earned up to May 1, 2007. These vested benefits were fully financed through a one-off payment in the course of the financial year in the amount of EUR 3.6m. No further current amounts need therefore be expensed in this regard. The further vested benefits arising since May 1, 2007 are handled through a support fund. Additions to the support fund totalled EUR 0.2m in the past financial year.

The Company's Shareholders' Meeting on May 14, 2007 passed a resolution that, for a period of five years from the date of this resolution, no statement of the emoluments of each individual member of the Management Board would be given in the notes to the annual financial statements in accordance with section 285 sentence 1 no. 9 a sentences 5 to 9 HGB or to the Group financial statements in accordance with section 314 (1) no. 6 a sentences 5 to 9 HGB.

Gerresheimer AG shares

Gerresheimer AG Shares Successfully Placed on the Stock Exchange

Since June 11, 2007 the shares of Gerresheimer AG have been listed in the Prime Standard of the Official Market on the Frankfurt Stock Exchange. The Prime Standard is the Deutsche Börse trading segment with the highest level of transparency and therefore stands for strong orientation towards the interests of investors.

Third Largest IPO of the Year

With a total issue volume of EUR 912m the flotation of Gerresheimer AG was the third largest in Germany during 2007. Through the fast-entry procedure, Gerresheimer shares were already included in the SDAX index on September 6, 2007.

Firm Focus on Growth Strategy

A large part of the capital raised was used by Gerresheimer to achieve a substantial reduction in the level of net financial debt and therefore interest charges. This resulted in a considerable improvement of the capital structure which allows the Group to continue its growth strategy as planned.

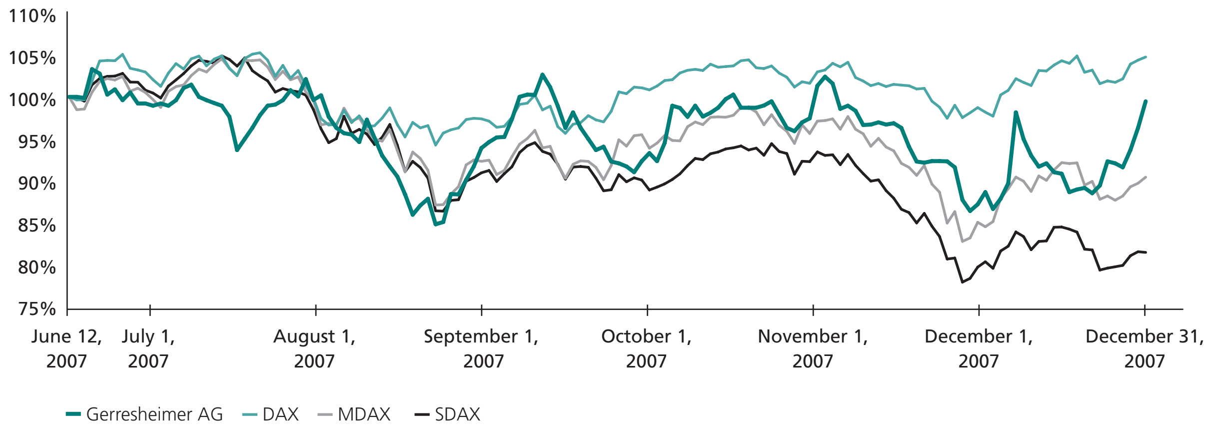
Shares Hold their own in a Volatile Capital Market Environment

Uncertainty in the international financial markets and in particular the subprime crisis in the USA resulted in worldwide asset price declines. In parallel, oil prices reached new historical highs during the second half of the year. The price for a barrel of North Sea crude on the basis of Brent Crude Oil Futures reached USD 95 at the end of November. The euro continued to rise in value against the US dollar. One euro was worth around USD 1.36 at the start of the second half of the year, but this increased to around USD 1.46 at the end of November.

Due to these factors in particular, investors were in doubt about the possibility of continued growth of the economy and company profits at previously existing levels. This resulted in substantial fluctuations in share prices. The DAX for instance suffered the loss of around 10% of its value from July to August, but reached the 8,000 mark again by the end of the year. After the strong upward movements during previous years the MDAX fell by 15% and the SDAX by 21% compared with their respective highs reached in July.

The initial public offering of Gerresheimer shares took place on June 11, 2007. Both the IPO price and the first quoted price were EUR 40 per share. On the basis of the Xetra closing price, the shares reached their high for the year of EUR 39.65 on June 14, 2007. After falling to their annual low of EUR 32.65 by mid-August, the price recovered to EUR 38.20 at the end of December. In a volatile market, Gerresheimer shares therefore performed better than the MDAX and their benchmark index SDAX. This trend accelerated towards the year end.

Comparison of Gerresheimer AG share performance with the key indexes



Market Capitalization of around EUR 1.18 billion

The market capitalisation of Gerresheimer AG totalled around EUR 1.18 billion as at the end of its financial year on November 30, 2007. In accordance with the Deutsche Börse index criteria, Gerresheimer shares hence were in 39th place in the MDAX ranking list. In terms of trading volume, Gerresheimer shares were in 67th place on this record date.

Up to November 30, 2007, the average daily trading volume was 110,218 shares. The highest trading volume of 4,063,381 shares was reached on June 11, 2007, while the lowest trading volume of 4,209 shares was recorded on October 8, 2007. The Xetra trading system processed by far the greatest part of share turnover.

Dividend Policy of Gerresheimer AG

For the past financial year the Management Board and Supervisory Board will propose to the Annual General Meeting a dividend payment of EUR 0.40 per share. The total amount of the proposed distribution will therefore be around EUR 12.6m.

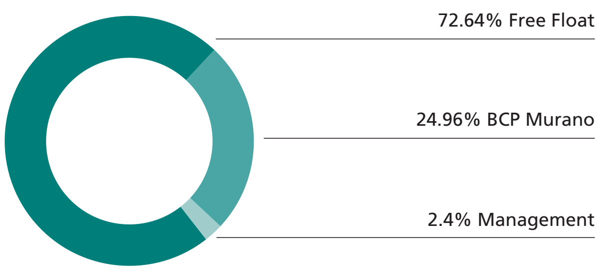
Gerresheimer AG – Listings
Berlin
Dusseldorf
Frankfurt (Xetra & floor trade)
Hamburg
Hanover
Munich
Stuttgart

Gerresheimer AG – Stock Indexes
SDAX
CDAX
Prime All Share
Prime Pharma & Healthcare
Classic All Share

Shareholder structure

The capital stock of Gerresheimer AG is based on 31.4 million bearer shares with an arithmetical par value of EUR 1.00 each. The ownership structure as at November 30, 2007 was as follows:

Shareholder structure



Notification of Voting Rights

When specified notification thresholds are reached, shareholders are obliged to inform the Company and the Federal German Institute for Supervision of Financial Services (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin). Since its IPO, a number of German and international investment companies have taken a stake in Gerresheimer AG. According to the notifications received by us up to November 30, 2007, the following institutions held more than 3% of Gerresheimer shares:

Company	Stake in %	Date of notification
Fidelity International Limited	3.13	November 26, 2007
Fidelity Management and Research Company	4.32	November 5, 2007
Capital Research and Management Company	5.25	September 17, 2007
BCP Murano	24.96	July 12, 2007
DWS Investment GmbH	7.66	June 18, 2007

Analysts see the Potential

In the course of numerous road shows, web-based telephone conferences and one-on-ones, Gerresheimer engaged in an active dialogue with analysts and investors in 2007. Members of the Management Board visited key financial centres in Europe and America. These included for example London, Paris, New York, Frankfurt, Zurich, Brussels and Edinburgh.

Since the IPO, eight banks and investment houses have published comments, valuations and recommendations on Gerresheimer shares. The analysts of these institutions assess the future share price development positively.

Company research
ABN Amro
Cazenove
Credit Suisse
Dresdner Kleinwort
MainFirst
Morgan Stanley
Sal. Oppenheim
Viscardi

Analysts' recommendations

Recommendation	Quantity
Buy/Outperform/Overweight	8
Hold	0
Sell	0

High priority for Investor Relations Activities

Continuous dialog with analysts and investors is part of our corporate philosophy. The Chief Executive Officer, Dr. Axel Herberg, and the Chief Financial Officer, Mr Hans-Jürgen Wiecha, are personally committed to this.

In addition, the Investor Relations team is available to answer your questions and listen to suggestions regarding any aspect of Gerresheimer AG at all times:

Gerresheimer AG
Investor Relations
Benrather Strasse 18–20
40213 Dusseldorf
Germany
Phone: +49-(0)211-6181-257
Fax: +49-(0)211-6181-121
E-mail: investorrelations@gerresheimer.com

In addition to the mandatory disclosures at the end of each quarter and the annual financial statements, optimization of the Internet service and other investor-related functions, we will in future expand our dialog with the capital markets. In 2008, the Investor Relations team of Gerresheimer AG will, together with members of the Management Board, visit national and international conferences, organize road shows and arrange for one-on-ones on a frequent basis.

Stock Data

Number of shares as of November 30 in million	31.4
Share price [1] as of November 30 in EUR	37.70
Market capitalisation as of November 30 in EUR billion	1.2
Share price high [1] during the financial year in EUR	39.65
Share price low [1] during the financial year in EUR	32.65
Earnings per share in EUR	-0.04
Adjusted earnings per share in EUR	1.34
Dividend per share (proposal)	0.40

Reference data for Gerresheimer shares

ISIN (International Securities Identification Number)	DE000A0LD6E6
WKN (German Securities Identification Number)	A0LD6E
Bloomberg reference	GXI
Reuters reference	GXIG.DE

[1] in each case Xetra closing price

Technologically leading. Strategically focused. Globally active.

Superior products for high-growth markets

We develop and produce top-quality specialist products based on glass and plastics, primarily for the globally oriented pharma & life science industries. We are one of the few companies in our sector to enjoy a reputation as a full-service provider in this market.

Gerresheimer's product and service range comprises pharmaceutical vials, ampoules and specialty bottles, as well as complex drug delivery systems and other system-based approaches for the safe dosage and application of medicines. At the same time, we also supply a wide range of products for diagnostics and medical technology and for use in laboratories.

Products tailored to individual customer needs

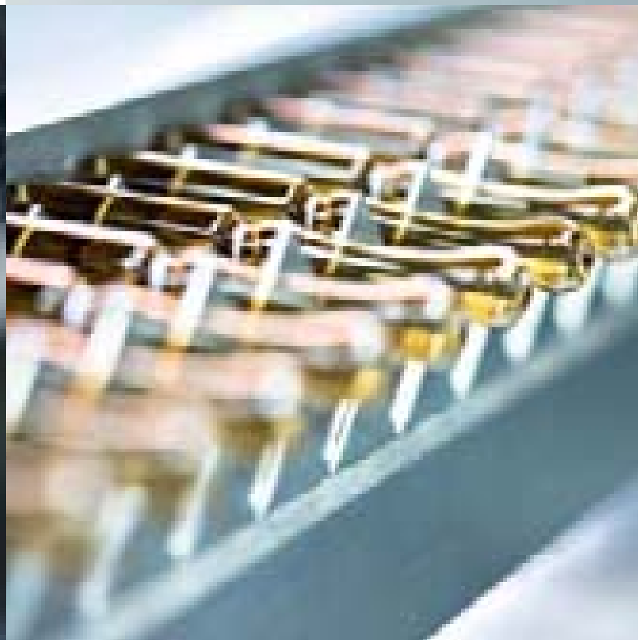
We set new standards in terms of quality and safety through innovative technologies and precision processes. We are a highly specialized supplier and a reliable partner for the pharma & life science industries.

Technology leadership is our aspiration

In a world that is developing at a rapid pace, our products, services and employees can be found wherever our customers are located. With 41 production plants in three continents and more than 10,000 employees, we are represented in Europe, America and Asia. We have expanded our international presence to make us a global leader.

Globally positioned and ready for the future

We have consolidated our strong market positions in recent years through significant organic growth and targeted acquisitions. Today, we rank among the global market leaders in almost every field in which we operate. There are good reasons for this: our know-how, our excellent employees and our technological expertise.



On a growth path

An expanding sphere of operations

Flow sensor for an artificial respiration appliance (customer: Hamilton Medical).

We are consistently pursuing our strategy of globalization and the expansion of our product range in the pharma & life science sectors, including intensive efforts to leverage attractive new markets.

Deeply rooted in pharmaceuticals and life science

Lancet filling of drum housing
for Accu Check® Multiclix
(customer: Roche Diagnostics)

Turbuhaler® (customer: AstraZeneca)

We are at home in a world that combines dynamism and innovation. The resulting technological progress is of direct benefit to people and their quality of life. Our expertise and our innovative resourcefulness allow us to develop groundbreaking system-based solutions in conjunction with our customers – time and time again.



In addition to the pharma & life science sectors, the cosmetics market plays a key role for Gerresheimer. In our innovative product range for perfumery and cosmetics, each product combines creative concept development and highly sophisticated design with optimum protection. The future's bright.

Eyes firmly fixed on the future

Group Management Report

Group Management Report

Dynamic Growth Trend Continues in 2007

In 2007, the Gerresheimer Group (hereinafter referred to as "Gerresheimer") continued its dynamic growth trend, increasing sales by 48.1% to EUR 957.7m (prior year: EUR 646.7m). Adjusted for currency effects and changes in the consolidated group, Gerresheimer generated organic growth on a comparable basis of 8.4%. All business divisions contributed to the positive development with increases in sales volumes. Overall, the significant sales growth, combined with the increase in productivity, resulted in a substantial improvement in the operating result.

In 2007, Gerresheimer once again substantially improved its performance in the pharma & life science industry. In addition to various product innovations, the acquisition of the Wilden Group at the beginning of the year was a major step. It ensured diversification in the fast growing product area of medical plastic systems. These systems include, for example, asthma inhalers and diabetes diagnosis products. With the acquisition of the Wilden Group, Gerresheimer became a European market and technology leader in the field of plastic systems for the pharmaceutical industry.

Gerresheimer also increased its business in glass packaging for pharmaceuticals in 2007 through acquisitions. The acquisition of the pharma glass division of the US company Comar Inc. further strengthened Gerresheimer's leading market position in the field of pharmaceutical vials in the USA. Gerresheimer also established the new life science research joint venture Kimble Chase Life Science and Research Products LLC (hereinafter also referred to as "Kimble Chase") in 2007, together with Thermo Fisher Scientific. This joint venture created a new global market leader for specialized life science research glass products, in which Gerresheimer holds a majority share of 51%.

In Asia, Gerresheimer expanded its business activities with the two new Chinese joint ventures Kimble Bomex (Beijing) Glass Co., Ltd. and Kimble Bomex (Beijing) Labware Co., Ltd. Kimble Chase holds 70% of the shares in both of these joint ventures. The joint venture agreements were concluded in September 2006. However, the joint ventures were not included in the consolidated financial statements until the necessary approvals for assuming control were obtained from the Chinese authorities. Approval was granted for Kimble Bomex (Beijing) Glass Co., Ltd. in the first quarter of 2007 and for Kimble Bomex (Beijing) Labware Co., Ltd in the fourth quarter of 2007.

The acquisition of additional sites in Europe, the Americas, and Asia has also contributed to the regional diversification of the Group. This is of particular importance bearing in mind the distinct global nature of the pharma industry.

In view of this expansion, Gerresheimer reorganized itself at the beginning of 2007. It now breaks down into the four divisions: Tubular Glass, Plastic Systems, Moulded Glass and Life Science Research. At the same time, Gerresheimer introduced an international umbrella brand strategy in view of the markets. Almost all group entities throughout the world have been operating under the name of Gerresheimer since Spring 2007.

Another step in the restructuring process was to continue the strategic focus on specialized regional competence centers. For example, the Boleslawiec site in Poland was made into a new center of excellence for the production of plastic packaging for liquid medications. Gerresheimer Bünde has consequently continued to focus on syringe technologies with significant investments being made. With the Technical CompetenceCenter (TCC) of Gerresheimer Wilden in Wackersdorf, the Group has a competence center for medical plastic systems, where about 40 engineers and product developers jointly work with pharmaceutical customers on the development of products. Vineland and Gerresheimer Pisa finally represent our competence centers for tubular glass technologies.

The further expansion of key account management and constant optimization of own production processes and quality standards with the help of the Gerresheimer Management System, which has been implemented at all entities, contributed to the positive development of consolidated sales and operating result in financial year 2007.

The Gerresheimer Group
Overview, Markets, Divisions, Regions

Overview

The Gerresheimer Group is an international leading supplier of high-quality glass and plastic packaging and system solutions. Its most important sales market is the global pharma & life science industry. Based on own developments and state-of-the-art production technologies, Gerresheimer offers primary pharmaceutical packaging and drug delivery systems as well as diagnostic systems and a full range of glass products for the life science research industry.

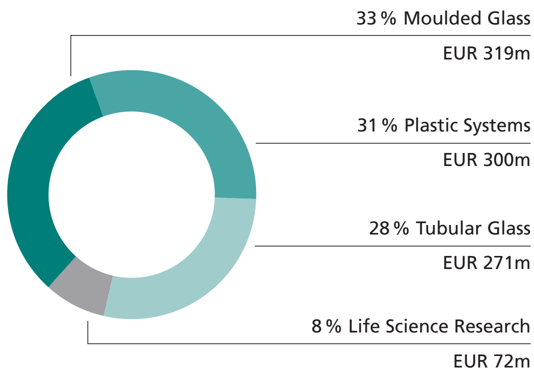
The Gerresheimer Group is based in Dusseldorf (Germany) and comprises Gerresheimer AG and its direct and indirect equity investments. At the end of financial year 2007, the Group had 38 sites in Europe, the Americas and China, and 10,148 employees worldwide. Annual sales amounted to approx. EUR 958m, 66% of which was generated in Europe and 28% in North America.

Markets

Gerresheimer focuses on the pharma & life science segment, which are served by all of its divisions with an extensive range of products and services. Around 72% of total sales are generated in this field. The vast majority of this relates to transactions with the pharma industry in Europe and North America.

Sales by Division

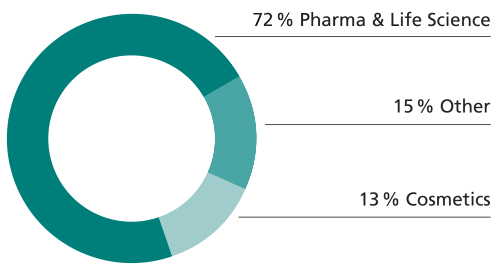
Consolidated sales: approx. EUR 958m *



* The sales by divisions include intragroup sales

Sales by Market Segment

Consolidated sales: approx. EUR 958m *



Smaller shares relate to cosmetics and technical plastic systems, in particular for the automotive industry, as well as to niche segments of the food and beverage industry. In these segments, the regional focus is largely on Europe.

Divisions

At the beginning of financial year 2007, changes were made to Gerresheimer AG's reporting structure. The Moulded Glass division remained unchanged. The Life Science Research subdivision was demerged from the Tubular Glass division and is now a separate division. Furthermore, the glass operations of the former Pharma Systems division were integrated into the Tubular Glass division. The former plastic operations ("Gerresheimer Plastic Packaging") have been amalgamated with the newly acquired Wilden Group to form the new Plastic Systems division. This new allocation reflects the organization of the management of the divisions. The prior-year figures have been adjusted accordingly.

Tubular Glass

As a vertically integrated provider, Gerresheimer produces type I borosilicate glass tubing of the highest hydrolytic resistance. This tubing is the basic material for a large number of high-quality specialized products for the pharma & life science industry. Gerresheimer sells around 50% of what it produces to external processors as half-finished products.

Our Tubular Glass division processes the glass tubing it produces itself into a wide range of high-quality primary packaging for the pharmaceutical industry. In addition to ampoules, vials and cartridges, this includes in particular prefillable disposable syringe systems. Special surface treatment procedures and innovative closure systems complement this program.

Thanks to our highly specialized expertise and pharma-compliant technologies, we are in a position to offer our customers an unusually wide range of products. We generate the majority of our sales from syringe systems under our leading syringe trademark RTF® (Ready to Fill). We supply these syringes to the pharma industry in a wide range of designs, siliconized, preassembled, sterilized and, as such, completely ready to fill.

Plastic Systems

The Plastic Systems division comprises Gerresheimer Wilden and Gerresheimer Plastic Packaging. In addition to standard system packaging for drugs from the sub-division Gerresheimer Plastic Packaging, this highly innovative division also offers complex systems and system components through Gerresheimer Wilden. We develop and produce these systems and components within the scope of individual project business, primarily for customers from the pharma industry, diagnostics and medical technology.

Gerresheimer Wilden offers individual full service at all stages of the value chain to its customers. The medical plastic systems range from all kinds of inhalers for treating respiratory diseases, lancet magazines and insulin pen systems for diabetics, through to the most varied disposable products for laboratory and molecular diagnostics. In the technical plastic systems sub-division, Gerresheimer Wilden mainly provides system components to automotive industry suppliers. The products focus on the fields of automotive electrics, drivetrains, and interior furnishings.

Gerresheimer Plastic Packaging provides a wide range of high-quality primary packaging for liquid and solid medications. This includes, for example, application and dosage systems, such as eye-droppers and miniature nasal spray vials, as well as special containers for tablets and powders. This range is complemented by key design features, including multi-function closure systems with tamper-evident closures, child-resistant closures, and integrated moisture absorbers, under the Duma® trademark.

Moulded Glass

The Moulded Glass division supplies the pharma and cosmetics industries, as well as food and beverage producers.

For primary drugs packaging, our Moulded Glass division produces all kinds of glass containers, shape categories and surface finishes suitable for pharmaceutics. On this basis, Gerresheimer effectively offers a complete range of pharmaceuticals packaging in flint and amber glass. This includes, for example, a wide variety of injection bottles, dropper bottles, and syrup bottles to meet the manifold requirements on the market.

We also cover all the relevant needs of the cosmetics industry for high-quality glass packaging. The program includes flacons and jars for perfumes, deodorants, skincare, wellness, and other products. For food and beverages, we chiefly produce strongly marketing-oriented low-volume containers. This includes, for example, individual miniature bottles for spirits.

In addition to clear and colored glass, our Moulded Glass division also produces its own opaque opal glass. All the relevant shaping and coloring processes, printing and exclusive finishing techniques are available.

Life Science Research

Our Life Science Research division focuses on specific glass containers and systems in particular for research, development and analytics. It also covers general laboratory ware.

The products are fabricated with tubular glass or paste mould technology. The extensive product portfolio ranges from standard items for wet chemistry, such as volumetric flasks, beakers, and Erlenmeyer flasks, to more complex products such as distillation and filtration systems, as well as components for precision lasers. In addition to the large number of shapes, we offer numerous options for calibration, labeling, and safety coating, which allow products to be precisely modified for a specific purpose.

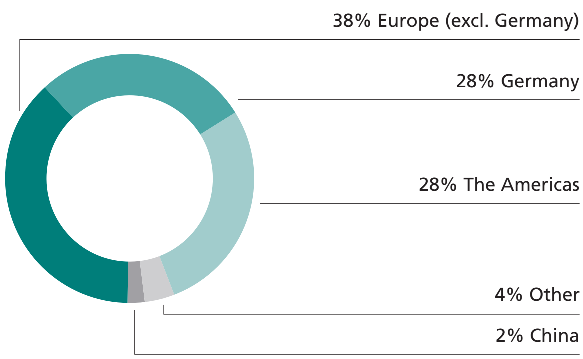
Regions

The regions Europe and North America are the most important geographical sales regions for Gerresheimer. Asia, in particular China, will gain in importance in the future. The Group has its own production facilities in each of these regions. In 2007, Gerresheimer increased its presence in North America, China, and especially in Europe by way of acquisitions, e.g. by purchasing the Wilden Group.

In Europe, Gerresheimer boosted its pharma segment sales significantly in the financial year. The medical plastic systems segment in particular was a major growth driver in 2007. The Wilden Group, acquired in January 2007, successfully rose to meet the increased market demand with its differentiated medical plastic systems product mix. Another growth driver were RTF® syringe systems. In the reporting period, a further production line was put into operation to meet the high demand for these products. The number of Gerresheimer production facilities in Europe rose to a total of 20, primarily as a result of the acquisition of the Wilden Group in 2007. The European production facilities in Belgium, Denmark, France, Italy, Poland, Switzerland, the Czech Republic, and Germany increased their contribution to consolidated sales from 60% in the prior year to 66% in 2007.

Sales by Region

Consolidated sales: approx. EUR 958m



Due to its large population and the presence of the globally operating pharmaceutical companies, North America continues to be one of Gerresheimer's core regions. In 2007, Gerresheimer has further strengthened its market position in North America through the acquisition of the pharma glass division of the US company Comar Inc. as well as through the establishment of the new life science research joint venture "Kimble Chase". This is reflected in the increase of the group sales in North America in 2007 by 25% compared to prior year.

Thanks to high growth rates, China has risen to become one of the largest economies in the world over the last few years. The country's gradual development from an agricultural state to an industrial nation, together with rising prosperity, has given the Chinese population access to better medical care. Gerresheimer benefits from the rapid growth in China, with as many as six production sites in the country. Our sites in China also provide a good basis for entering other fast-growing countries in Asia.

Business Environment

The growth trend in the global economy stayed its course in 2007. Despite occasional temporary problems on the international financial markets, global economic growth was still on the up and up. The drive of developing and emerging markets continued to be exceptional, especially in China, where production increases quickened yet again.

In spite of the problems on the international financial markets, the economic upswing in Europe increased again in 2007. Experts expect a positive development of the economies to continue over the next few months. This is due to growing domestic demand, rising exports and the continuing investment dynamic which fosters positive expectations in terms of sales volumes and earnings.

The global market for pharma & life science products is still growing strongly and steadily at around 7% p.a. This is primarily attributable to the demographic trend in the world's population. The growing proportion of older people is pushing up demand for medical care. In emerging countries too, increased access to improved medical care has boosted demand for pharma products. Above average growth rates are anticipated for China, India, and Russia in particular.

The market for glass cosmetics packaging is reporting a long-term growth trend of approx. 4% p.a. In the cosmetics segment, glass design has become an integral part of the brand image and the media for addressing the target group and, as such, has gained significance on a broad basis. The cosmetics industry as a whole is profiting from the decisive trend towards wellness products, which is reflected among other things in the increased demand for skincare and anti-aging products.

As a supplier of primary glass and plastic packaging for the pharmaceutical, life science and cosmetics industries, Gerresheimer benefits from these developments.

Product Innovations

As an innovative partner for pharmaceutics and life science, Gerresheimer made considerable progress in a number of fields last year.

Sterile All-Glass Syringe Systems

The sterile syringe segment has again set a very positive course. As a highly specialized field within the growth market of prefillable disposable syringes, these systems have been recording high growth rates for years. Using our special expertise and pharma-compliant technologies, we supply sterile syringes to the pharma industry completely "ready to fill" under our RTF® trademark (Ready to Fill). We also continuously seek to build on our advantage of expertise over the general syringe market through innovative new developments.

Due to the substantial increase in demand, we doubled production capacities for sterile RTF® all-glass syringes during the financial year. Sales from sterile syringes now exceeded that from conventional systems for the first time. In the third quarter of 2007, we used the ongoing positive market trend as a basis to bring forward investment decision for the planned expansion of RTF® production. The expansion will now be completed at the beginning of 2009.

Complementary Systems for Safe Injection

In line with prefillable syringes, multifunctional complementary systems gained in importance on the market. Gerresheimer developed these solutions to increase the safety and convenience of injections. One of the products in this segment is the Rigid Needle Shield (RNS). In contrast to traditional flexible rubber caps, this shield not only protects the needle, but prevents needle-prick injuries. Another example is the Tamper Evident Luerlock Closure (TELC), which combines the tamper-evident syringe closure and needle adapter in one. With this product we provide a state-of-the-art alternative to conventional, temporary syringe closures.

Last but not least, the successful development of business in the complementary systems segment was boosted by collateral activities, such as technical lectures at international pharmaceutical and medical conventions and the publication of market studies, which served as neutral corroboration of the concepts of these additive systems.

Insulin Pen Systems for Diabetics

The successful integration of Gerresheimer Wilden added the highly innovative project business with medical plastic systems to the Group's activities. This is a substantial expansion of our competence in an important segment and has opened up interesting potential synergies for us. One example of this are the pen systems for needle-free insulin injections, which comprise a functional plastic system and a tubular glass cartridge.

This combination opens up a new growth segment for Gerresheimer. On the basis of a long-term customer agreement concluded in the financial year, we are now investing in the production of insulin pens, a hugely helpful technical advance for the growing number of self-injecting diabetics. However, our particular expertise lies not only in the injection system segment, but also in the field of diabetes in general. In this segment, products we supply include lancet magazines and skin-prick aids for blood testing.

Inhaler Systems

Inhaler Systems for powder inhalations, in particular for asthma therapy, represent an important and significantly growing business area of Gerresheimer Wilden. In our technological center, we perform product developments in co-operation with our customers, which aim at a secure application of the medicament as well as at the industrial production of the devices. These very complex products are then manufactured in a highly automated environment taking into account the requirements of the pharmaceutical industry.

Desiccant Closures for the Tablet Container Market

For the large market of tablet containers, we launched new types of desiccant closure systems. These closure systems with desiccants are considered globally to be ground breaking, primarily thanks to their integrated production concept. Gerresheimer is the first manufacturer to integrate the production of the closures for tablet containers with the production of moisture-absorbing desiccant capsules. In the past, standard practice was to outsource production of the desiccant elements and insert them in the caps after delivery. This integration of production at Gerresheimer is a significant advance for the pharma industry. For one thing, it simplifies the registration procedures required by pharmaceutical law, which for safety reasons require all packaging components from various manufacturers to be registered separately.

In 2006, Gerresheimer set up in its Danish competence center in Vaerloese a clean-room production facility under fully-automated control for the new development. The high general acclaim in the pharma industry was accompanied in 2007 by accolades such as the German Packaging award and the global WorldStar 2007.

Gerresheimer continues to work on the improvement of manufacturing processes and to advance the current product range. Costs incurred in this context are mainly included in cost of sales. In the financial year, EUR 3.3m (prior year: EUR 0.6m) was separately spent on research and development. The increase is primarily attributable to the first-time inclusion of Gerresheimer Wilden. Besides, research and development activities are often performed in close co-operation with customers. Employees of pharmaceutical companies partly work in Gerresheimer's competence centers. The costs related to such customer specific research and development is carried by the customers. Another EUR 2.5m in development costs was capitalized in 2007, as the recognition criteria under IAS 38 were met and the costs mainly comprised internally generated expenditure for significant development projects, which are covered by future business activities.

Market Communication

In the highly specialized fields in which the Gerresheimer Group operates, intensive dialog with the markets, also going beyond day-to-day business, is crucial. At international trade fairs, conventions and symposiums in the USA, Europe, and China, Gerresheimer offers a wide range of presentations, technical lectures and discussion meetings specifically for the pharma industry. Market studies commissioned by Gerresheimer also help to objectively prove and communicate the benefits of innovative products. Studies of this kind in the financial year focused in particular on the new types of complementary systems for syringes and involved doctors, hospital staff and self-injecting patients, as well as experts from the pharma industry.

These activities and the sustained acclaim they are receiving in the industry also helped substantially in 2007 to provide information and inform opinion on current developments. Presentations at the invitation of leading pharma & life science organizations, including the global Parenteral Drug Association (PDA) and the American Association of Pharmaceutical Scientists (AAPS), confirmed and consolidated the Group's image as an innovative development and technology partner.

At the same time, Gerresheimer very successfully participated in prestigious international industry competitions with innovations for the pharma market. For its Rigid Needle Shield, developed for syringe safety, Gerresheimer accepted the Packaging Prize awarded by the German Packaging Institute in Spring 2007, and was then also crowned with the WorldStar award of the World Packaging Organization (WPO) for 2006. Gerresheimer was able to secure these prestigious awards again in 2007, this time with innovative desiccant closures for the tablet container market. Furthermore, Gerresheimer has been nominated for the WPO's President's Award to be conferred in 2008. In 2007, Gerresheimer received the internationally coveted TT prize from the German Association for Technical Plastic Products (TecPart) for the Accu-Chek Multiclix, a new kind of lancet magazine with skin-prick aid for diabetics. The product was individually developed for a leading manufacturer in the field of diagnostics.

In addition, Gerresheimer has updated the information available on its website, presented using modern media to meet market and customer needs. Customers and interested parties can research products using an interactive online catalog, which provides a new level of convenience, fast results and direct contact for queries.

Process Optimization

For years, the Gerresheimer Group has used various programs to improve production processes. The Group began to develop a standardized integrated concept according to the system of best practice from the numerous programs and from experience. The Gerresheimer Management System has been gradually implemented and improved since then. It is based on the lean manufacturing concept and comprises standardized methods for improving operational value-added processes, thus opening up additional efficiency potential. The program ensures compliance with a high global standard of quality.

Now that the Gerresheimer Management System has been successfully implemented at all subsidiaries, it will be introduced to all newly acquired entities as part of the integration process including the Gerresheimer Wilden Group, the pharmaceutical glass division acquired from the US company Comar Inc., the new life science research joint venture Kimble Chase Life Science and Research Products LLC, and the Chinese entities. During the implementation process, these entities can benefit from the experience and best practice standards of the entire Gerresheimer Group.

As part of a continuous improvement process, Gerresheimer constantly optimizes all the methods and tools it uses. An international team of experts from all fields and entities of the Group continuously revises and enhances the program thereby focusing on three areas:

- Identifying and fully integrating best practice examples developed in the factories to facilitate adaptation and specific application.
- Developing an implementation guide to simplify the introduction of the production system to Gerresheimer AG's new production sites.
- Introduction of standardized training programs to optimize the transfer of knowledge between the production sites.

The Gerresheimer Management System is a recognized, established, and actively used system for developing the Group's production processes. It is given top priority at all hierarchical levels. It globally ensures a continuous improvement process to make sure that we provide our customers with the best possible quality, both now and in the future.

Sales Development

The Gerresheimer Group's sales increased by 48.1% year on year to EUR 957.7m in 2007 (prior year: EUR 646.7m). This significant growth is primarily due to the acquisition of the Wilden Group as well as to rising sales in the pharma and cosmetics segments. Adjusted for currency effects and changes in the consolidated group, organic sales growth stood at 8.4% in the financial year.

The Wilden Group acquired in January 2007 contributed to the Group's sales for eleven months of the year, the pharmaceutical glass division of the US company Comar Inc. for nine months. In addition, the life science business brought in by Thermo Fisher Scientific through the new joint venture Kimble Chase Life Science and Research Products LLC was consolidated in July 2007 after approval was granted by the antitrust authorities. The two new joint ventures Kimble Bomex (Beijing) Glass Co., Ltd. (first quarter of 2007) and Kimble Bomex (Beijing) Labware Co., Ltd. (fourth quarter of 2007) were also included in Gerresheimer's consolidated financial statements for the first time in 2007 once the Chinese authorities granted the necessary approvals for assuming control.

Sales from the Tubular Glass division amounted to EUR 271.2m in 2007, up EUR 27.8m or 11.4% on the prior year. On a comparable basis, the Tubular Glass division increased its prior year sales by 11.6%. This positive development of sales in 2007 is chiefly attributable to sales growth of 61% for RTF syringe systems and increased sales from ampoules and vials. To further invigorate growth in syringe systems, the second RTF syringe production line went into operation in 2007. Furthermore, because of the sustained high demand, the Group made in the third quarter of 2007 the investment decision to construct a third RTF syringe line. This third line is scheduled to go into production at the beginning of 2009 and will substantially boost Gerresheimer's RTF syringe capacity.

The Plastic Systems divisions increased sales by EUR 251.5m compared with the prior year to EUR 299.7m. The organic growth rate stood at 7.8%, mainly as a result of the continued strong growth in the dropper bottle systems area, especially for eye drops. The Wilden Group, acquired in January 2007, also contributed to the positive performance in the Plastic Systems segment with sales of EUR 246.4m in the eleven months it belonged to the Group.

In 2007, our Moulded Glass division generated sales of EUR 318.8m, with nominal growth of 6.4% and organic growth of 8.7% year on year. This growth was mainly the result of higher sales from pharmaceuticals bottles in the USA and perfume flacons and cream jars for the cosmetics segment.

The Life Science Research division increased its sales by 29.4% to EUR 72.2m in the financial year. The life science business brought in by Thermo Fisher Scientific was consolidated for the first time when the antitrust authorities granted their approval for the establishment of the new joint venture Kimble Chase Life Science and Research Products LLC in July 2007. It generated sales of EUR 17.1m (in five months), which contributed to the positive development of the Life Science Research division. Prospects still look good for the market for Life Science Research products. We expect growth of the joint venture to outpace the market in the future due to its good position and the international production network with low-wage locations.

Results of Operations

The Gerresheimer Group's results of operations again improved in 2007. Earnings before income taxes, financial result, depreciation, amortization and write-downs, restructuring expenses and one-off income and expenses (Adjusted EBITDA) stood at EUR 181.6m, exceeding the prior-year result of EUR 122.6m by 48.1%.

In the Tubular Glass division, Adjusted EBITDA rose by 7.8% to EUR 66.7m. The division improved its earnings despite scheduled general overhauls of furnaces and start-up costs for the second RTF production line. The reasons for this lie in significant sales growth and further increases in productivity. The second RTF syringe line met its productivity target as early as the third quarter of 2007, only a short time after going into operation. The pharmaceutical glass division of the US company Comar Inc. acquired in March 2007 was successfully incorporated in the North American production network.

The Adjusted EBITDA of the Plastic Systems division rose by EUR 44.1m year on year to EUR 56.1m in 2007. This growth was attributable to the Adjusted EBITDA of the Wilden Group, which was acquired in January 2007, of EUR 39.7m (11 months). Since its affiliation to the Gerresheimer Group, Wilden has focused resolutely on higher-margin products. The Wilden Group was successfully integrated in the Gerresheimer Group on schedule. In the Plastic Packaging sub-division, earnings were improved through increased sales combined with the scheduled relocation of production from a German site to a Polish site.

The Moulded Glass division's Adjusted EBITDA was up 19.7% against the prior year in 2007 to EUR 65.1m. This significant increase in earnings was the result of sales growth as well as improved productivity and product quality at our facilities, especially in the USA and Belgium.

The Life Science Research division recorded an increase of 20.3% in Adjusted EBITDA to EUR 7.7m in the financial year. Despite the costs of first-time integration for the life science business brought in by Thermo Fisher Scientific in July 2007, the division's Adjusted EBITDA improved. More production was relocated from the USA to the lower-cost production site in Mexico. The establishment of Kimble Chase now makes it possible to incorporate more sites in the transfer to low-wage locations. In particular, the relocation to China can be pushed ahead with. Moreover, finished goods previously purchased externally will now be manufactured internally in China.

The negative financial result rose from EUR 53.9m in 2006 to EUR 77.6m in 2007. The development of the financial result reflects the year-on-year increase in financial liabilities in the first half of the year. This is primarily due to the financing of various acquisitions in the financial year. Besides, the financial result includes one-off expenses in context with the IPO and the related refinancing. A significant portion of the financial liabilities was repaid in 2007 from the proceeds of Gerresheimer AG's IPO, such that finance costs fell significantly in the second half of the year.

The Gerresheimer Group's restructuring expenses stood at EUR 13.0m (prior year: EUR 7.9m). They mainly arose in connection with cost-cutting measures, especially with regard to personnel, and measures to increase efficiency in production, sales and administration at various subsidiaries of the Gerresheimer Group. Restructuring expenses in the financial year chiefly related to the partial closure of the Wilden Group's production site in Sweden, to the ongoing reorganization measures at various subsidiaries (especially in Belgium), and to effects from the transfer of business activities within the pharma & life science research segment.

The balance of one-off income and expenses including significant non-cash expenses amounted to EUR 17.1m (prior year: EUR 20.0m). In the financial year, this amount mainly relates to project expenses that are not considered restructuring expenses under IFRS and to expenses arising in connection with Gerresheimer AG's IPO that could not be deducted directly from equity.

As of the end of the reporting period, the consolidated loss before income taxes amounted to EUR 24.3m (prior year: EUR -32.1m).

Income from income taxes of EUR 25.1m (prior year: EUR 7.1m) mainly comprise deferred tax income.

As of November 30, 2007, the Gerresheimer AG Group disclosed a consolidated profit of EUR 0.8m (prior year: consolidated loss of EUR 25.0m).

The Adjusted Net Income (defined as: consolidated profit before non-cash amortization of fair value adjustments, special effects from restructuring expenses, and the balance of one-off income and expenses (including significant non-cash expenses) and the related tax effects) amounted to EUR 44.3m in financial year 2007 (prior year: EUR 8.7m).

Net Assets

Gerresheimer AG's net assets developed as follows in financial year 2007:

Assets	2007 EUR m	2007 in %	2006 EUR m	2006 in %
Non-current assets	1,056	73	707	75
Current assets	386	27	234	25
Total assets	**1,442**	**100**	**941**	**100**
Equity and Liabilities				
Equity/minority interests	505	35	-26	-3
Non-current liabilities	665	46	778	83
Current liabilities	272	19	189	20
Total equity and liabilities	**1,442**	**100**	**941**	**100**

Gerresheimer AG's total assets increased by EUR 501m year on year to EUR 1,442m as of November 30, 2007. The increase is principally attributable to the acquisition of the Wilden Group and the establishment of the life science research joint venture Kimble Chase with Thermo Fisher Scientific.

The EUR 349m rise in non-current assets to EUR 1,056m as of the end of the financial year reflects in particular the changes in the consolidated group arising from acquisitions and the establishment of the life science research joint venture, in addition to ongoing investment activities.

Following Gerresheimer AG's IPO on June 11, 2007, the structure of the Group's equity and liabilities changed substantively for the better.

As of November 30, 2007, Gerresheimer AG's consolidated equity, including minority interests, increased from EUR -26m to EUR 505m. The equity ratio comes to 35%. In the prior year, it was -3%. The significant increase in equity is the result of capital increases in 2007: in April 2007 the capital stock of Gerresheimer AG was increased by EUR 20m and the capital reserve by EUR 44m through the contribution of the claim to repayment of a loan (including interest) by the shareholder BCP Murano. Furthermore, in June 2007, in connection with Gerresheimer AG's IPO, the capital stock was increased by another

EUR 11m to EUR 31m through a cash contribution and a further EUR 445m was contributed to the capital reserve. Please see the Consolidated Statement of Changes in Equity for more details on the development of consolidated equity.

Current and non-current liabilities fell from a total of EUR 967m in the prior year to EUR 937m at the end of the financial year. In the first half-year to May 31, 2007, current and non-current liabilities increased to around EUR 1,376m as a result of the financing of acquisitions. In June 2007, a substantial portion of the financial liabilities was repaid, as expected, from the proceeds of the IPO.

The EBITDA leverage, defined as the relation of interest bearing net debt to Adjusted EBITDA, amounted 2.2 as of the balance sheet date (prior year: 4.7).

Financial and Liquidity Position

Cash flows from operating activities amounted to EUR 54m in the financial year (prior year: EUR 62m).

Cash flows from investing activities netted at EUR 304m, up EUR 170m on the prior year. This is attributable in particular to the acquisition of the Wilden Group and the pharmaceutical glass division of the US company Comar Inc. in 2007. Also, capital expenditure in the reporting period was higher than in the prior year. For more information on capital expenditure in financial year 2007, please see our comments in the "Capital Expenditure" section of this group management report.

Cash flows from financing activities netted at EUR 306m in the financial year (prior year: EUR 69m). This cash inflow is chiefly due to the capital increases made in 2007 in connection with Gerresheimer AG's IPO in June 2007. We also used the net issue proceeds from Gerresheimer AG's IPO to repay a significant portion of the financial liabilities. In this regard, please see our comments on "Net Assets" in this group management report.

in EUR m	2007	2006
Cash flow from operating activities	54	62
Cash flow from investing activitities	-304	-134
Cash flow from financing activitities	306	69
Change in cash and cash equivalents	56	-3
Effect of exchange rate changes on cash and cash equivalents	-1	-1
Cash and cash equivalents at the beginning of the period	25	29
Cash and cash equivalents at the end of the period	80	25

Furthermore, as of the end of the financial year, Gerresheimer had access to an unutilized revolving loan of EUR 175m, which is available for capital expenditure, acquisitions and other operating purposes.

Capital Expenditure

In financial year 2007, Gerresheimer incurred capital expenditure of EUR 98.9m (prior year: EUR 74.9m) (including intangible assets). Primarily, it went on the expansion of various capacities and investments in growth products as well as routine general overhauls of furnaces in the Tubular Glass and Moulded Glass divisions.

At 152%, the reinvestment ratio (capital expenditure to depreciation) did not change significantly on the prior-year figure (153%).

Overall, the Tubular Glass division incurred capital expenditure of EUR 33.4m in the financial year (prior year: EUR 27.1m). Apart from general overhauls of furnaces in the USA and Italy, we mainly invested in the expansion of production capacities for sterile ready-to-fill syringes (RTF®) with a second RTF line (incl. glass machinery and needle mounting lines). We are also expanding our production area in China. A new pharma production plant based on Western standards is built in the open countryside.

In 2007, the Plastic Systems division incurred capital expenditure of EUR 28.4m (prior year: EUR 6.6m). This jump in activity is primarily attributable to increases in capacity of injection molding machines and infrastructure including new clean rooms at the Wilden Group, which was acquired in January 2007. Furthermore, in Denmark, we are investing in production lines for integrated desiccant-elements for use in packaging system closures.

EUR 35.8m of the capital expenditure (prior year: EUR 40.2m) related to the Moulded Glass division. This included general overhauls of furnaces and IS machines at our sites in Belgium, Germany and the USA. The capital expenditure mainly went towards improvements in productivity and modernization.

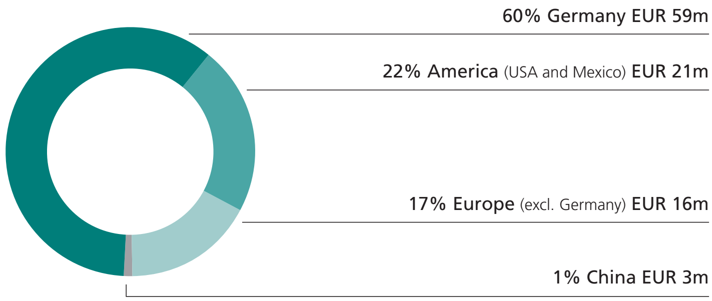
The Life Science Research division incurred capital expenditure of EUR 1.0m in the financial year (prior year: EUR 0.5m).

Projects for increasing productivity and quality assurance were given a high priority in all divisions.

22% or EUR 21m of the capital expenditure was incurred in the USA and Mexico (prior year: 32%), 1% in China (prior year: 1%) and 17% or EUR 16m in other European countries (prior year: 26%). Germany itself incurred 60% or EUR 59m (prior year: 41%).

Capital Expenditure

Capital expenditure (incl. intangible assets) for the Group's operating activities: EUR 98.9m.



Employees

Our experience has shown that sustained, profitable growth can only be achieved together with motivated and competent employees. Our employees are a key factor for value creation in our Company. We develop the future of our Company on a shared foundation of performance and reward as well as respect, recognition and fairness.

As of the end of financial year 2007, the Gerresheimer Group employed 10,148 people (prior year: 5,677).

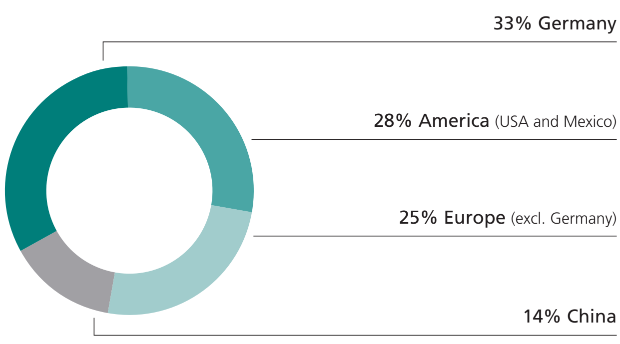
The Tubular Glass division had 3,579 employees as of the end of the reporting period (prior year: 2,726). New additions came from the Chinese facility Gerresheimer Shuangfeng Danyang and the pharmaceutical glass division of the US company Comar Inc., acquired in March 2007.

The number of employees in the Plastic Systems division rose from 405 in the prior year to 2,871 as of the end of the financial year, primarily due to the acquisition of the Wilden Group.

The Moulded Glass division employed 2,182 people as of financial year-end. The year-on-year increase of 75 employees is chiefly due to the temporary layoffs made in the prior year because of the general overhaul of the only furnace at the US facility Chicago Heights at the end of 2006.

The Life Science Research division had a total of 1,437 employees as of November 30, 2007 (prior year: 369). The increase in this new division is principally attributable to the complete inclusion for the first time of the life science research joint venture Kimble Chase Life Science and Research Products LLC. In addition, once the Chinese authorities had granted the approvals necessary for assuming control, the employees of the two Chinese joint ventures Kimble Bomex Glass and Kimble Bomex Labware were also included for the first time.

Employee Structure by Regions



The clear growth of the Gerresheimer Group also led to an increase in the number of employees at the Group's head offices to 79 (prior year: 70) at the end of 2007.

Gerresheimer's sustained global expansion brings with it changes in the regional employee structure: as of year-end, 28% (prior year: 35%) of staff were employed in America (USA and Mexico). The percentage of employees in Germany was 33% (prior year: 35%). As in the prior year, 25% of the Group's staff were employed in the rest of Europe (Poland, Belgium, Italy, France, Denmark, Sweden, Switzerland, Czech Republic). The percentage of employees in China rose from 5% in the prior year to 14%.

For entities with collective agreements, wages and salaries under these agreements increased in the financial year by between 2% and 3% in the USA and by between 2% and 5% in European countries excluding Germany. Wages and salaries increases agreed in the collective bargaining areas in Germany relevant for the Gerresheimer Group stood at between 0% and 3.7%.

The further expansion and pronounced growth of the Group have placed much greater demands on many of our employees. The successful integration of the new entities and sites was only possible thanks to the high level of team spirit, energetic commitment and unfailing motivation of our employees. For this, we offer our sincere thanks to all those involved. We expressly include all employee representatives and representatives of senior executives, who worked so hard to reconcile the interests of the people they represented with the needs of a fast-growing company.

Disclosures Pursuant to Sec. 315 (4) HGB ["Handelsgesetzbuch": German Commercial Code] and Explanatory Report

Gerresheimer AG is a German stock corporation ["Aktiengesellschaft": AG] with its registered office in Germany. It has issued voting stock which is listed on the regulated market of the Frankfurt Stock Exchange (Prime Standard), an organized market within the meaning of Sec. 2 (7) WpÜG ["Wertpapiererwerbs- und Übernahmegesetz": German Securities Acquisition and Takeover Act].

Composition of Subscribed Capital

The subscribed capital (capital stock) of Gerresheimer AG totaled EUR 31.4m as of November 30, 2007. It is divided into 31.4 million ordinary no-par bearer shares with a nominal share in capital stock of EUR 1.00 each. The capital stock of the Company has been fully paid in.

Restrictions Relating to Voting Rights or The Transfer of Shares

As of the balance sheet date, there are no restrictions on the voting rights of Gerresheimer AG stock specified by law or in the articles or incorporation and bylaws. All no-par shares in Gerresheimer AG issued as of November 30, 2007 carry full voting rights and grant the holder one vote at the shareholder meeting.

In connection with the IPO in June 2007, Gerresheimer AG entered into a lock-up agreement with the underwriters. This states that, for a period of six months following June 12, 2007, the prior written agreement of the global coordinators Credit Suisse Securities (Europe) Limited und Morgan Stanley Bank AG is required before

- any capital increase from authorized or contingent capital is announced, carried out or proposed to the shareholder meeting for resolution; or
- any issue of financial instruments with conversion rights or options in respect of the Company's shares or other economically comparable transactions is announced, carried out or proposed.

In addition, the members of the Management Board, relatives of members of the Management Board and corporations controlled by members of the Management Board which directly or indirectly held shares in Gerresheimer AG on the date of completion of the IPO, and Murano Management Beteiligungs GmbH & Co. KG have undertaken not to do the following before obtaining the prior written agreement of the global coordinators (Credit Suisse Securities (Europe) Limited und Morgan Stanley Bank AG):

- Directly or indirectly offer, sell or dispose of shares in Gerresheimer AG before the end of twelve months following June 12, 2007;
- Announce or carry out a capital increase from authorized capital, or approve or initiate a placement of shares in Gerresheimer AG before the end of six months following June 12, 2007;
- Propose a capital increase to the general meeting of Gerresheimer AG or vote for one at the general meeting before the end of six months following June 12, 2007;
- Agree to or initiate the announcement or implementation of an issue of financial instruments with conversion rights or options in respect of Gerresheimer AG shares before the end of six months following June 12, 2007;
- Take any other measures economically comparable with the above-mentioned measures before the end of six or twelve months following June 12, 2007.

The above-mentioned lock-up also applies to BCP Murano II S.à.r.l. (hereinafter also referred to as the "selling shareholder") for a six-month period following June 12, 2007.

The lock-up applicable to the selling shareholder, members of the Management Board, relatives of the Management Board, corporations controlled by members of the Management Board, and Murano Management Beteiligungs GmbH & Co. KG does not apply to:

- Transfers in the course of a public takeover bid or purchase offer from a third party;
- Transactions with Group companies of the selling shareholder within the meaning of section 15 German Stock Corporation Act if it is ensured that these companies are subject to the same lock-up agreement as the selling shareholder; and
- Transfers by the selling shareholder of shares in the Company which were indirectly held by members of the Management Board, relatives of members of the Management Board, corporations controlled by members of the Management Board or Murano Management Beteiligungs GmbH & Co. KG before the date of completion of the IPO to these members of the Management Board, relatives of members of the Management board, corporations controlled by members of the Management Board or Murano Management Beteiligungs GmbH & Co. KG.

Shareholdings Which Exceed 10% of Voting Rights

As of November 30, 2007, the only direct or indirect shareholding in the Company's capital stock exceeding 10% of the voting rights which we are aware of is 24.96% held by BCP Murano II S.à.r.l., Luxemburg, an indirect subsidiary of Blackstone Capital Partners IV, Cayman Islands. No other shareholdings exceeding 10% of the voting rights are known to us.

Shares With Special Rights Conferring Control

None of the shares issued by Gerresheimer AG have rights which confer special control to their bearer.

Type of Control of Voting Rights When Employees Are Shareholders and Do Not Directly Exercise Their Control Rights

There is no information available on the control of voting rights in the event that employees are Company shareholders and do not directly exercise their control rights.

Legal Provisions and Provisions of the Articles on the Appointment and Removal of Members of the Management Board and Amendments to the Articles

The Management Board is the legal management and representative body of Gerresheimer AG. In accordance with the articles of incorporation and bylaws of the Company, it comprises at least two members. The Supervisory Board determines the exact number of members of the Management Board. The Supervisory Board can appoint deputy members of the Management Board. In addition, the Supervisory Board appoints one member of the Management Board as CEO or spokesperson.

The Management Board is made up of the CEO and three further members, namely Dr. Axel Herberg (CEO and board member responsible for Plastic Systems), Hans-Jürgen Wiecha (CFO), Uwe Röhrhoff (board member responsible for Life Science Research and Moulded Glass) and Dr. Max Raster (board member responsible for Tubular Glass).

In accordance with section 84 German Stock Corporation Act, the members of the Management Board are appointed for a maximum of five years by the Supervisory Board. Repeat appointments or extensions of the term of office for up to a maximum of five years at a time are permissible. The Supervisory Board may revoke the appointment of a Management Board member prior to the end of the term of office for good cause, e.g. in the event of a gross breach of duty or if the Shareholders' Meeting withdraws its confidence in a member of the Management Board.

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

In accordance with section 179 German Stock Corporation Act, every amendment to the articles of incorporation and bylaws must be approved by resolution of the general meeting. Exceptions to this rule are amendments to the articles which only pertain to their wording. The Supervisory Board is authorized to make such changes.

Shareholders' meeting resolutions are adopted by a simple majority of the votes cast if this does not conflict with any legal provisions. If the law additionally requires a majority of capital, they are adopted by a simple majority of the capital stock represented upon adoption of the resolution.

Authority of the Management Board to Issue or Buy-Back Shares

In accordance with section 4 (4) of the articles, the Management Board is entitled to increase the capital stock in the period to May 31, 2012 once or repeatedly by up to a total nominal value of EUR 15.7m with the approval of the Supervisory Board by issuing new no-par bearer shares in return for cash and/or non-cash contributions. The new shares may also be acquired by one or more banks determined by the Management Board subject to the requirement that they are offered to shareholders (indirect subscription right).

The Management Board is authorized, with the approval of the Supervisory Board, to exclude the shareholders' legal subscription right in the following cases:

- For capital increases in return for non-cash contributions in order to issue shares for the purpose of acquiring companies, shares in companies, or equity investments in companies as well as for the purpose of issuing shares to employees of the company and companies affiliated with the Company in accordance with legal provisions.

- If this is required to issue subscription rights for new shares to holders of the warrants and convertible bonds issued by the Company or its subsidiaries in the scope to which they would be entitled after exercising the warrant or conversion rights or after fulfillment of the conversion or option duties.
- To exclude any fractional amounts from subscription rights.
- For capital increase in return for cash contributions, if the issue price of the new shares is, in terms of section 203 (1) and (2) and 186 (3) sentence 4 German Stock Corporation Act, not significantly less than the market price of the shares of the same class and terms already listed on the market on the date upon which the final issue price is determined by the Management Board and the share in capital stock of the new shares for which subscription rights are excluded does not exceed 10% of the capital stock available on the date of issue of the new shares. Shares which are disposed of during the term of the authorized capital under exclusion of shareholders' subscription rights in accordance with section 71 (1) No. 8 sentence 5 and section 186 (3) sentence 4 German Stock Corporation Act as well as shares which have conversion or option rights or conversion or option duties as a result of warrants or convertible bonds and which have been issued since this authorization was granted under exclusion of subscription rights pursuant to section 221 (4) and section 183 (3) sentence 4 German Stock Corporation Act are counted towards the maximum amount of 10% of capital stock .

The Management Board is authorized, with the approval of the Supervisory Board, to set out further details of the capital increase and its implementation including the conditions of the share rights and the conditions of the share issue.

In connection with this please also refer to our above-mentioned explanations on the "Restrictions Relating to Voting Rights or The Transfer of Shares".

Material Arrangements Dependent on a Change in Control in the Wake of a Take-Over Bid
There are no material arrangements between Gerresheimer AG and other parties which become effective, change, or cease in the event of a change in control in the Company in the wake of a take-over bid.

Compensation Agreements in the Event of a Take-Over Bid
Gerresheimer AG has not concluded any agreements which provide for compensation for members of the Management Board or employees in the event of a take-over bid.

Opportunities and Risks

Uniform Group Risk Management System
Operational risks are identified and mitigated by monitoring, planning, management and control systems which are integrated into the structures and procedures of the entities and the management holding companies.

There are guidelines on risk reporting for the subsidiaries and the key functional areas of the head office. The Group has continuously developed its early warning system for the detection of risk. This system fulfills the requirements of the German-Control and Transparency in Business Act ["Gesetz zur Kontrolle und Transparenz im Unternehmensbereich": KonTraG].

Key elements of the system are as follows:

- Uniform, periodic risk reporting by the subsidiaries to head office
- Regular risk assessment in key central departments
- Segmentation of risks by market, customer, finance, environmental protection, legal relationships, external political/legal requirements and strategic decisions
- Quantification of risks in terms of potential loss amount and probability of occurrence
- Recording the effects on profit and loss according to business segments
- Mitigation through loss prevention and risk transfer

The effectiveness of our early warning system for the detection of risk is regularly monitored by our internal audit as well as in accordance with legal requirements as part of the audit of the consolidated financial statements by the auditors.

Operational Risks

Energy and Raw Materials Prices
Gerresheimer's energy requirements are permanently high, especially for the combustion and smelting processes in its high-temperature furnaces. In order to offset energy cost rises, the Group has, to a large extent, hedged against further increases in energy prices. Nevertheless, another increase in energy prices could have a substantial negative impact on the results of operations at Gerresheimer AG, particularly because it is not always possible to pass on such increases by adjusting product prices, or not until a later date.

Another significant portion of our production costs relates to raw materials for the manufacture of glass and plastic. When manufacturing plastic products, we are reliant on the primary products polyethylene, polypropylene and polystyrene. The prices of these products depend largely on the development of oil prices. We constantly strive to minimize the negative effects of rising raw materials prices through a large number of distinct measures.

Product Liability Risks

Despite internal measures to ensure product quality and safety, Gerresheimer cannot rule out the possibility of damage arising from its customers' or consumers' use of packaging products and systems it has manufactured. For instance, the delivery of faulty products to customers could result in damage of their production facilities or even to business interruption. This could severely damage Gerresheimer AG's reputation. Furthermore, when combined with the medications and ingredients of its customers from the pharma & life science industry, faulty products produced by Gerresheimer AG could cause injury to the health of consumers. In such cases it cannot be ruled out that the Group will lose customers. This could have a significant effect on the net assets, financial position and results of operations of Gerresheimer AG. Gerresheimer could also be exposed to corresponding liability claims, for example, claims for damages from customers or claims from consumers under product liability. Any product liability claims made against Gerresheimer, especially in class actions in the USA, could be considerable. There is also the additional risk that the Group would have to bear substantial costs for recalls. Moreover, there is no guarantee that Gerresheimer will be able obtain adequate insurance cover at the present terms and conditions in the future. This too could have a negative impact on the net assets, financial position and results of operations of Gerresheimer AG.

Product Launches

A key component of our growth strategy is the regular market launch of innovative products. As responsible management, we are fully aware that this entails risks as well as opportunities. On the basis of comprehensive marketing analyses, we ensure that the opportunities arising from a successful product launch are maximized and the corresponding risks are minimized.

Risks Arising From the Future Development of State Health Care Systems

In financial year 2007, Gerresheimer generated 72% of its group sales in the pharma & life science market segment. Over the last few years, governments and health insurance companies in Europe and the USA have striven to reduce the rise in the cost of healthcare. This has increased price pressure in the pharma industry. Limited patent protection and constantly rising product development costs intensify the need for cost control in the pharma industry. Although generally only a small percentage of the total costs a consumer pays for medication relate to the primary pharmaceutical packaging, this trend can increase the price pressure on Gerresheimer AG's products. If this pressure cannot be offset by cost reductions or increased efficiency, this could have a significant negative impact on the net assets, financial position and results of operations of Gerresheimer AG.

Financial Risks

In the course of its operating activities, Gerresheimer is exposed to financial risks. The responsible Corporate Treasury department monitors the financial risks facing the Group centrally by means of group-wide financial risk management. Identified potential risks are managed using suitable hedging measures on the basis of clearly defined guidelines.

In addition to price risks resulting from fluctuations on the money and capital markets and the international commodities markets, risk management focuses on credit and liquidity risks.

In order to limit exchange rate and interest rate risk in operating activities, Gerresheimer conducts forward exchange contracts and interest swaps. Derivative financial instruments are used exclusively to manage risk in connection with commercial hedged items. The Corporate Treasury department responsible for concluding derivatives acts as a service center for all entities in the Group.

Credit risks resulting from the Group's trade relationships are monitored through credit and receivables management and the sales divisions of the operating entities. With the aim of avoiding bad debt losses, customers are subject to ongoing internal credit worthiness checks. Receivables from customers who do not have a first-class credit rating are insured. To avoid credit risks from financial instruments, such instruments are only concluded with partners with first-class credit ratings.

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

Overall Risk Assessment

Our assessment of the overall risk is that there are currently no significant risks to the ability of Gerresheimer AG to continue as a going concern or which could have a material effect on its net assets, financial position and results of operations.

Significant Events After the Balance Sheet Date

In financial year 2008 Gerresheimer will continue its globalization strategy and the expansion of its product range in the pharma & life science division through two further acquisitions. In December 2007, Gerresheimer acquired the Spanish company EDP S.A. whose last annual sales totaled approx. EUR 32m generated at production facilities in Spain (Zaragoza and Valencia) and Argentina (Buenos Aires). As a producer of PET containers for the pharma industry, EDP is a market leader in plastic pharmaceutical packaging in Southern Europe and South America. The approval by the antitrust authorities necessary to gain control was obtained in January 2008.

At the end of January 2008, the sales and purchase agreement for the acquisition of the Brazilian company Allplas Embalagens Ltda., São Paolo, was concluded, which generated sales of approx. EUR 16m in 2007. Allplas is Brazil's market leader in the field of pharmaceutical plastic packaging and manufactures high-end vials, application and closure systems for liquid and solid drugs.

Outlook

The global economy is expected to continue growing in 2008 at a slightly lower rate than in the prior year. Experts see the reasons for this in ongoing uncertainties on financial markets as a result of defaults on the US mortgage market which could have an effect on consumer spending. Nevertheless, we forecast a global steady growth for our relevant areas of business. We expect the dynamics of developing and emerging countries to be a driving force. China is likely to be a forerunner with considerable growth rates.

Global demand for pharma & life science products may rise as a result of the ever increasing number of chronic illnesses stemming from changes relating to civilization and the environment in connection with improved therapy methods. Furthermore, we anticipate that the global market for pharma & life science products will benefit from the demographic development of the world's population as the proportion of older people increases leading to an increased demand for medical care. Above all, rising incomes in emerging markets are expected to lead to high growth rates in pharma & life science products.

The global market for glass cosmetic packaging is expected to continue to benefit from the consistently high demand for wellness products such as skincare and anti-aging products. The increase of purchasing power in Eastern Europe, Russia and Asia will particularly contribute to this development.

Gerresheimer can benefit from these developments because of our global presence. Our investment policy and our selective acquisitions in dynamic growth markets provide further opportunities. In addition we anticipate further sales potential due to our pronounced focus on product innovations which correspond with the current needs of the demand market. We also expect the optimization of our key account management and the Gerresheimer Management System to be a source for positive impulses.

Although global economic developments, exchange rate influences, increasing raw material and energy prices and uncertainties concerning the future development of state health systems are risks which could have a negative effect on our business performance, we expect that the Gerresheimer Group will perform well in the coming two financial years bearing in mind the expectations presented above.

For 2008, we anticipate a sales growth, adjusted for currency effects, of 14% to 16%. For 2009, we expect a sales development exceeding market growth because of the numerous investments in growth projects.

With respect to Adjusted EBITDA, we expect an increase in the margin to more than 19% in 2008, driven by sales growth and productivity increases. For 2009 we also see further opportunities for an increase in the margin.

To safeguard our growth as a result of the sustained high demand for pharma products, we have planned capital expenditure of about EUR 105m to EUR 110m for 2008.

From a current perspective, our solid balance sheet structure together with the significant reduction in financial liabilities following our IPO as well as the good operating performance will also enable us to continue our growth strategy in the pharma & life science area and distribute an attractive dividend to our shareholders in the future.

Consolidated Financial Statements

IFRS

Consolidated Income Statement

for the Financial Year From December 1, 2006 to November 30, 2007

in EUR k	Note	2007	2006
Sales	(9)	957,700	646,691
Cost of sales*	(10)	-683,498	-474,143
Gross profit*		**274,202**	**172,548**
Selling expenses*	(11)	-93,964	-64,070
General administrative expenses	(12)	-70,681	-42,926
Other operating income	(13)	23,178	12,115
Restructuring expenses	(14)	-12,980	-7,858
Amortization of fair value adjustments*	(15)	-33,162	-24,109
Other operating expenses	(16)	-33,528	-23,659
Share of profits/loss of associated companies	(26)	253	-232
Profit from operations		**53,318**	**21,809**
Financial income	(17)	12,083	612
Financial expenses	(17)	-89,650	-54,550
		-77,567	-53,938
Consolidated loss before income taxes		**-24,249**	**-32,129**
Income taxes (income)	(18)	25,086	7,113
Consolidated profit/loss for the period		**837**	**-25,016**
Attributable to minority interests	(32)	2,065	1,924
Attributable to equity holders of the parent		**-1,228**	**-26,940**
Earnings per share (in EUR)	(19)	**-0.04**	

* Amortization of fair value adjustments is disclosed separately, see note [15]

Consolidated Balance Sheet

as of November 30, 2007

Assets in EUR k	Note	Nov. 30, 2007	Nov. 30, 2006
Non-current assets			
Intangible assets	(24)	564,924	369,013
Property, plant and equipment	(25)	426,274	299,680
Investment property	(25)	3,510	355
Financial assets	(26)	3,944	3,363
Investments accounted for using the equity method	(26)	3,330	2,811
Derivative financial instruments	(27)	–	3,560
Other financial assets	(27)	6,879	3,393
Deferred tax assets	(28)	46,784	25,059
		1,055,645	**707,234**
Current assets			
Inventories	(29)	138,534	94,029
Trade receivables	(30)	146,711	95,694
Income tax receivables	(30)	1,612	602
Other assets	(30)	19,256	18,581
Cash and cash equivalents	(31)	80,266	24,918
		386,379	**233,824**
Total assets		**1,442,024**	**941,058**

Equity and liabilities in EUR k	Note	Nov. 30, 2007	Nov. 30, 2006
Equity			
Subscribed capital	(32)	31,400	25
Capital reserve	(32)	513,827	36,952
Cash flow hedge reserve	(6)	-4,245	3,874
Currency translation reserve	(32)	18,472	9,024
Retained earnings	(32)	-93,369	-86,435
Equity attributable to equity holders of the parent		**466,085**	**-36,560**
Minority interests	(32)	38,973	10,296
		505,058	**-26,264**
Non-current liabilities			
Deferred tax liabilities	(33)	88,007	60,429
Provisions for pensions and similar obligations	(34)	145,945	158,135
Other provisions	(35)	9,012	6,859
Derivative financial instruments	(36)	5,876	–
Financial liabilities	(36)	415,813	552,593
		664,653	**778,016**
Current liabilities			
Provisions for pensions and similar obligations	(34)	14,078	14,441
Other provisions	(35)	47,429	31,573
Financial liabilities	(36)	60,138	39,543
Income tax liabilities	(36)	3,184	2,056
Derivative financial instruments	(36)	779	–
Trade payables and other liabilities	(36)	146,705	101,693
		272,313	**189,306**
		936,966	**967,322**
Total equity and liabilities		**1,442,024**	**941,058**

Notes [1] to [44] are an integral part of these consolidated financial statements

Consolidated Statement of Changes in Equity

in EUR k	Subscribed capital	Capital reserve	Cash flow hedge reserve
As of December 1, 2005	**25**	**36,952**	**2,573**
Change in the consolidated group	–	–	–
Changes in the fair value of interest rate swaps	–	–	1,620
Fair value of interest rate swaps recognized in profit or loss	–	–	-469
Currency translation differences	–	–	150
Total profit or loss recognized directly in equity	**–**	**–**	**1,301**
Result	–	–	–
Total result	**–**	**–**	**1,301**
Distribution	–	–	–
As of November 30/December 1, 2006	**25**	**36,952**	**3,874**
Shareholder contribution	19,975	44,169	–
Cash received for capital increase/under new issue	11,400	444,600	–
Transaction costs for capital increase (IPO), net of income taxes	–	-11,894	–
Partial disposal of investments in subsidiaries (see note 7 d) in the notes to the consolidated financial statements)	–	–	–
Change in the consolidated group	–	–	–
Changes in the fair value of interest rate swaps	–	–	-1,515
Fair value of interest rate swaps recognized in profit or loss	–	–	-6,823
Currency translation differences	–	–	219
Total profit or loss recognized directly in equity	**–**	**–**	**-8,119**
Result	–	–	–
Total result	**–**	**–**	**-8,119**
Distribution	–	–	–
As of November 30, 2007	**31,400**	**513,827**	**-4,245**

Currency translation differences	Retained earnings	Total retained earnings	Equity holders of the parent	Minority interests	Total equity
390	**-59,495**	**-59,105**	**-19,555**	**7,180**	**-12,375**
–	–	–	–	4,001	4,001
–	–	–	1,620	–	1,620
–	–	–	-469	–	-469
8,634	–	8,634	8,784	-971	7,813
8,634	**–**	**8,634**	**9,935**	**-971**	**8,964**
–	-26,940	-26,940	-26,940	1,924	-25,016
8,634	**-26,940**	**-18,306**	**-17,005**	**953**	**-16,052**
–	–	–	–	-1,838	-1,838
9,024	**-86,435**	**-77,411**	**-36,560**	**10,296**	**-26,264**
–	–	–	64,144	–	64,144
–	–	–	456,000	–	456,000
–	–	–	-11,894	–	-11,894
–	-5,706	-5,706	-5,706	–	-5,706
–	–	–	–	33,340	33,340
–	–	–	-1,515	–	-1,515
–	–	–	-6,823	–	-6,823
9,448	–	9,448	9,667	-3,823	5,844
9,448	**–**	**9,448**	**1,329**	**-3,823**	**-2,494**
–	-1,228	-1,228	-1,228	2,065	837
9,448	**-1,228**	**8,220**	**101**	**-1,758**	**-1,657**
–	–	–	–	-2,905	-2,905
18,472	**-93,369**	**-74,897**	**466,085**	**38,973**	**505,058**

Notes [1] to [44] are an integral part of these consolidated financial statements

Consolidated Cash Flow Statement

for the Financial Year From December 1, 2006 to November 30, 2007

in EUR k	Note	2007	2006
Consolidated profit/loss for the period		837	-25,016
Income taxes	(18)	-25,086	-7,113
Depreciation of property, plant and equipment	(25)	65,209	48,615
Amortization of intangible assets	(24)	32,941	24,337
Write-downs to fair value	(24)–(26)	–	7,712
Change in value of equity-accounted investments	(26)	-253	232
Change in provisions		12,874	-1,319
Change in provisions for pensions and similar obligations		-17,304	-17,247
Gain/loss on the disposal of non-current assets		-265	-646
Financial result	(17)	77,567	53,938
Interest paid		-61,573	-36,635
Interest received		11,532	2,099
Income taxes paid		-5,839	-8,863
Income taxes received		1,019	539
Change in net working capital			
Change in inventories		-1,869	-3,366
Change in trade receivables and other assets		-29,527	-11,392
Change in trade payables and other liabilities		-6,762	29,360
Other non-cash expenses/income		607	7,074
Cash flow from operating activities		**54,108**	**62,309**
Cash received from disposals of non-current assets		1,542	1,388
Cash paid for investments			
in property, plant and equipment		-84,402	-73,042
in intangible assets		-3,454	-1,809
in financial assets		-607	-2,668
Cash paid out for the aquisition of subsidiaries, net of cash received		-217,180	-58,351
Cash flow from investing activities		**-304,101**	**-134,482**

in EUR k	Note	2007	2006
Proceeds from issue of shares		456,000	–
Transaction costs paid upon issue of shares		-16,624	–
Capital contributions by minorities		–	2,126
Distributions to third parties		-2,905	-1,838
Raising of loans		568,951	76,674
Repayment of loans		-692,819	-7,528
Repayment of finance lease liabilities		-6,795	-527
Cash flow from financing activities		**305,808**	**68,907**
Change in cash and cash equivalents		**55,815**	**-3,266**
Effect of exchange rate changes on cash and cash equivalents		-467	-682
Cash and cash equivalents at the beginning of the period	(31)	24,918	28,866
Cash and cash equivalents at the end of the period	(31)	**80,266**	**24,918**

Notes [1] to [44] are an integral part of these consolidated financial statements

Notes to the Consolidated Financial Statements

of Gerresheimer AG for the Financial Year From December 1, 2006 to November 30, 2007

(1) General The Gerresheimer Group based in Dusseldorf (Germany) comprises Gerresheimer AG (formerly known as Gerresheimer Alpha GmbH) and its direct and indirect subsidiaries. The Gerresheimer Group is a leading international supplier of high-quality packaging solutions made of glass and plastic, primarily for the pharmaceutical and life science industries.

The consolidated financial statements as of November 30, 2007 were prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standard Board (IASB) as adopted by the European Union section 315a HGB ["Handelsgesetzbuch": German Commercial Code].

The accounting policies adopted are consistent with those of the prior financial year. In addition to these, the following new or revised standards were adopted for the first time:

- Amendments to IFRS 4 – Insurance Contracts
- IFRS 6 – Exploration for and Evaluation of Mineral Resources
- Amendments to IAS 19 – Employee Benefits
- Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates
- Amendments to IAS 39 – Financial Instruments: Recognition and Measurement
- IFRIC 4 – Determining Whether an Arrangement Contains a Lease
- IFRIC 5 – Rights to Interests Arising From Decommissioning, Restoration and Environmental Rehabilitation Funds
- IFRIC 7 – Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
- IFRIC 8 – Scope of IFRS 2
- IFRIC 9 – Reassessment of Embedded Derivatives
- IFRIC 10 – Interim Reporting and Impairment

The application of these amendments has not had any effect on the Group's results of operations or financial position.

The Group has not applied the following standards and IFRIC interpretations that have already been issued but not yet come into force:

Amendments for financial years beginning in 2007:

- IFRS 7 – Financial Instruments: Disclosures
- Amendments to IAS 1 – Presentation of Financial Statements (revised 2005)
- IFRIC 11, IFRS 2 – Group and Treasury Share Transactions

Amendments for financial years beginning in or after 2008:

- IFRS 8 – Operating Segments
- IAS 1 – Presentation of Financial Statements (revised 2007; not yet endorsed for application in the EU)
- IAS 23 – Borrowing Costs (revised; not yet endorsed for application in the EU)
- IFRIC 12 – Service Concession Arrangements (not yet endorsed for application in the EU)
- IFRIC 13 – Customer Loyalty Programs (not yet endorsed for application in the EU)
- IFRIC 14, IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction (not yet endorsed for application in the EU)

The Company assumes that the adoption of the abovementioned pronouncements, where applicable to the Group's business operations, will have no significant effects on the consolidated financial statements in the period of first-time adoption with the exception of additional disclosure requirements.

In preparing the consolidated financial statements in accordance with prevailing accounting principles, estimates and assumptions are made which have an effect on the valuation of assets and liabilities, the disclosure of contingent liabilities and assets as of the balance sheet date as well as on the amount of income and expenses in the reporting period. Although the estimates are made to the best of management's knowledge of current events and transactions, actual future results may differ from the estimates. The most important assumptions bearing an element of estimation uncertainty relate to the determination of the option value of phantom stocks (see Note 22), the calculation of recoverable amounts in the context of impairment tests (see Note 24), the calculation of deferred tax assets (including timing of initial recognition; see Note 28), the determination of parameters for the calculation of pension provisions (see Note 34), as well as to future-related assumptions upon purchase price allocations (see Note 7).

In order to improve the clarity and information value of the financial statements, individual items of the balance sheet and income statement are summarized and disclosed separately in these Notes. The income statement has been prepared using the function of expense method. Restructuring expenses and amortization of fair value adjustments are disclosed separately because of their significance.

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

In accordance with the resolution passed on the change in legal structure and name, Gerresheimer Alpha GmbH was transformed into Gerresheimer AG. The change in legal form took effect on April 4, 2007, upon entry in the Commercial Register.

The profit and loss transfer agreement between Gerresheimer AG and Gerresheimer Beta GmbH came into effect as of December 1, 2004. Under merger agreements dated July 26, 2007, Gerresheimer Beta GmbH and Gerresheimer Information Technology GmbH were merged into Gerresheimer AG with retroactive effect as of December 1, 2006. As a result, a profit and loss transfer agreement now exists between Gerresheimer AG and Gerresheimer Holdings GmbH. Pursuant to this agreement, Gerresheimer Holdings GmbH is obliged to transfer its entire profit to Gerresheimer AG. Conversely, Gerresheimer AG must absorb any net loss for the year.

Two arbitration proceedings resulting from the squeeze-out of minority shareholders and the discontinuation of the stock exchange listing in 2003 are currently pending at the subsidiary GERRESHEIMER GLAS GmbH. One case relates to the settlement (EUR 14.75 per share) and the compensation payment (EUR 0.84 per share) based on the domination and profit and loss transfer agreement with the majority shareholder at that time. The second case relates to the cash settlement (EUR 16.12 per share) from the squeeze-out of minority shareholders.

The consolidated financial statements of Gerresheimer AG are published in German language in the online edition of the Bundesanzeiger [German Federal Gazette] and in the internet at www.gerresheimer.com.

(2) Consolidated Group

With legal effect as of January 2, 2007, Delta-Glas GmbH, an indirect subsidiary of Gerresheimer AG, acquired all the shares in the Wilden Group, Regensburg, Germany. Under a merger agreement dated April 19, 2007, Wilden AG was merged into Delta-Glas GmbH with retroactive effect as of January 1, 2007, which was then renamed Gerresheimer Wilden GmbH.

In addition, the Gerresheimer Group acquired the pharmaceutical business of Comar Inc., Buena, New Jersey, USA, under a purchase agreement dated March 1, 2007; this acquisition was made via Gerresheimer Glass Inc. (formerly Kimble Glass Inc.), USA, an indirect subsidiary of Gerresheimer AG.

On March 19, 2007, Gerresheimer Glass Inc. and Chase Scientific Glass Inc. (a subsidiary of Thermo Fisher Scientific Inc.) entered into an agreement to set up the joint venture "Kimble Chase Life Science and Research Products LLC". Gerresheimer Glass Inc. holds the majority of shares in the joint venture (51%).

On September 25, 2006, Kimble Kontes LLC (formerly Kontes Glass LLC), a subsidiary of Gerresheimer Glass Inc., had set up two new joint ventures in China. The approvals required for assuming control were issued in 2007. As of the balance sheet date, Kimble Chase Life Science and Research Products LLC holds a 70% stake in both of these joint ventures Kimble Bomex (Beijing) Glass Co., Ltd. and Kimble Bomex (Beijing) Labware Co., Ltd.

Full information on the shareholdings is published in the electronic version of the German Federal Gazette. The consolidated financial statements of Gerresheimer AG Group as of November 30, 2007 include the following entities:

in %	Investment (direct and indirect)
Entities included in the Consolidated Financial Statements	
Asia	
Gerresheimer Shuangfeng Pharmaceutical Glass (Danyang) Co. Ltd., Danyang, Jiangsu (China)	60.00
Gerresheimer Shuangfeng Pharmaceutical Packaging (Zhenjiang) Co. Ltd., Zhenjiang, Jiangsu (China)	60.00
Gerresheimer Wilden Asia Medical and Technical PlasticSystems Co. Ltd., Wang Niu Dun Town, Dongguan City (China)	80.00
Kimble Bomex (Beijing) Glass Co., Ltd., Beijing (China)	70.00 [a)]
Kimble Bomex (Beijing) Labware Co., Ltd., Beijing (China)	70.00 [a)]
Europe	
Gerresheimer Boleslawiec S.A., Boleslawiec (Poland)	100.00
Gerresheimer Bünde GmbH, Bünde/Westfalia (Germany) [b)]	100.00
Gerresheimer Chalon S.A., Chalon-sur-Saône (France)	100.00
Gerresheimer Denmark A/S, Copenhagen (Denmark)	100.00
Gerresheimer Essen GmbH, Essen-Steele (Germany) [b)]	100.00
GERRESHEIMER GLAS GmbH, Dusseldorf (Germany) [b)]	100.00
Gerresheimer Group GmbH, Dusseldorf (Germany) [b)]	100.00
Gerresheimer Holdings GmbH, Dusseldorf (Germany)	100.00
Gerresheimer Lohr GmbH, Lohr/Main (Germany) [b)]	100.00
Gerresheimer Momignies S.A., Momignies (Belgium)	99.00
Gerresheimer Pisa S.p.A., Pisa (Italy)	100.00
Gerresheimer Plastic Packaging AB, Malmö (Sweden)	100.00
Gerresheimer Plastic Packaging SAS, Besançon (France)	100.00

in %	Investment (direct and indirect)
Gerresheimer Tettau GmbH, Tettau/Upper Franconia (Germany) [b]	100.00
Gerresheimer UK Ltd., Reading (UK)	100.00
Gerresheimer Vaerloese A/S, Vaerloese (Denmark)	100.00
Gerresheimer Wertheim GmbH, Wertheim (Germany) [b]	100.00
Gerresheimer Wilden AB, Ronneby (Sweden)	100.00
Gerresheimer Wilden AG, Küssnacht (Switzerland)	100.00
Gerresheimer Wilden Czech spol. s r.o., Plzen (Czech Republic)	100.00
Gerresheimer Wilden GmbH, Regensburg (Germany) [b]	100.00
Gerresheimer Wilden Werkzeug- und Automatisierungstechnik GmbH, Wackersdorf (Germany) [b]	100.00
Scherf Präzision Europa GmbH, Meiningen-Dreissigacker (Germany)	100.00 [a]
VR-Leasing SALMO GmbH & Co. KG, Eschborn (Germany) [c]	100.00
Wilden Leasing GmbH & Co. KG, Mannheim (Germany) [c]	100.00
USA and Mexico	
Gerresheimer Glass Inc. (sub-group), Vineland, NJ (USA)	100.00
Gerresheimer Glass Asset Management Inc., Vineland, NJ (USA)	100.00
Gerresheimer Mexico Holding LLC., Wilmington, DE (USA)	100.00
Gerresheimer MH Inc., Wilmington, DE (USA)	100.00
Gerresheimer Querétaro S.A.,Querétaro (Mexico)	100.00
KGV Inc., Vineland, NJ (USA)	100.00
Kimble Chase Life Science and Research Products LLC., Vineland, NJ (USA)	51.00
Kimble Kontes LLC., Vineland, NJ (USA)	100.00 [a]
Kontes Mexico S. de R.L. de C.V., Querétaro (Mexico)	100.00 [a]
Gerresheimer Wilden Plastics (USA) LP, Peachtree City, Georgia (USA)	100.00
Gerresheimer Wilden Plastics Inc., Peachtree City, Georgia (USA)	100.00
Associated Companies	
Beijing Gerresheimer Glass Co., Ltd., Huangcun, Beijing (China)	45.70
Wilden Wise Asia Corporation Ltd., Hong Kong (China)	40.00
Gerresheimer Wilden Bulgaria OOD, Kazanlak (Bulgaria)	48.00
Proform CNC Nastrojama spol. s r.o., Horsovsky Tyn (Czech Republic)	30.15
Wilden Italy srl., Villa Carcina (Italy)	45.00
Gerresheimer Wilden Tooling Services LLC, Peachtree City (USA)	30.00

[a] The investment percentages represent the direct share of Kimble Chase Life Science and Research Products LLC in these entities
[b] Pursuant to section 264 III German Commercial Code, the entities are not obliged to prepare a management report or publish financial statements
[c] Pursuant to SIC 12, the entity is consolidated as a special purpose entity. Gerresheimer Wilden GmbH is limited partner

(3) Consolidation Principles

In addition to Gerresheimer AG, the domestic and foreign subsidiaries directly or indirectly controlled by the Company are included in the consolidated financial statements.

Subsidiaries are consolidated for the first time as of the date the parent company assumes control. Deconsolidation is performed as of the date control ceases to exists. The shares of minority interests in equity and profit or loss are disclosed separately in the balance sheet and income statement and are reported under equity in the consolidated balance sheet, separately from the equity attributable to equity holders of the parent.

Purchases of subsidiaries are accounted for using the purchase method. For the initial valuation of a business combination, this method stipulates that all identifiable assets, liabilities and contingent liabilities of the acquired entity are fully recognized at their fair value at the acquisition date. Any remaining debit difference after the purchase price allocation is recognized as goodwill.

Investments in associated companies are recognized according to the Group's share in equity using the equity method. Interim financial statements are prepared as of the Group's balance sheet date.

The financial statements of the domestic and foreign subsidiaries included in the consolidation have been prepared on the basis of uniform accounting and valuation policies in accordance with IAS 27.

The effects from intercompany transactions are eliminated. Receivables and liabilities between consolidated entities are offset, as are intercompany income and expenses; intercompany profits and losses are eliminated. The necessary deferred taxes are recognized for temporary differences arising on consolidation in accordance with IAS 12.

(4) Currency Translation

In the separate financial statements, transactions in foreign currency are measured at the rate on the transaction date. Gains or losses from currency fluctuation are recognized in profit or loss.

Exchange gains or losses from the translation of monetary assets and liabilities denominated in foreign currency at year-end rates are recognized in profit or loss unless they qualify as cash flow hedges and are recognized temporarily in equity until realized.

Functional currency translation is used in the consolidated financial statements (IAS 21). The balance sheet items of all foreign entities which do not use the Euro as their functional currency are translated using the daily middle rates published by banks on the balance sheet date.

Income and expense items as well as cash flow items of the foreign entities are translated into the Group currency at the average exchange rate. Any resulting differences are offset directly against equity. Goodwill is treated in the same way as the assets and liabilities of the respective entities and translated at the closing rate.

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

	Closing rate for EUR as of		Average rate for EUR as of	
Currency	Nov. 30, 2007	Nov. 30, 2006	2007	2006
1 CNY	0.0915	0.0967	0.0961	0.0988
1 CZK	0.0381	–	0.0360	–
1 DKK	0.1341	0.1342	0.1342	0.1341
1 GBP	1.3995	1.4831	1.4673	1.4639
1 MXN	0.0620	0.0686	0.0670	0.0738
1 PLN	0.2768	0.2624	0.2634	0.2559
1 SEK	0.1067	–	0.1085	–
1 USD	0.6775	0.7576	0.7336	0.8025

(5) Accounting Policies

Assets and liabilities are measured at historical cost, with the exception of available-for-sale investment securities and derivative financial instruments.

Intangible Assets

Intangible assets are recognized at cost. Those with finite useful lives are amortized on a straight-line basis in line with their economic life, with impairment charges being recognized where required. The useful life of licenses and similar rights is one to five years. Brand names with limited useful lives are amortized in the same way as technologies, namely over five to ten years on the basis of the planned useful lives.

At the beginning of financial year 2007, the Gerresheimer Group launched an international umbrella brand strategy while retaining specific product brands; since then, almost all group entities throughout the world have been operating under the Gerresheimer name. Following this change in the Gerresheimer

Group's brand strategy, the brand names were identified in 2007 as intangible assets with indefinite useful lives.

Further brand names and goodwill are disclosed as intangible assets with indefinite useful lives. The latter represents the excess of the Group's share in the net fair values of the assets of the acquired subsidiary at the acquisition date over cost. These assets are tested for impairment at least once a year in accordance with IFRS 3, "Business Combinations", IAS 36, "Impairment of Assets" and IAS 38, "Intangible Assets".

Research and development costs are generally expensed as incurred. Development costs are only recognized as an intangible asset if the criteria of IAS 38 have been fulfilled, i.e. in particular if it is probable that the project will be technically and commercially feasible and if the expenditure attributable to the intangible asset during its development can be reliably measured. Capitalized development costs are amortized on a straight-line basis over useful lives of seven or ten years.

The Group receives emission allowances free of charge in certain European countries, as part of the European system for trading in greenhouse gas emission certificates. These emission allowances are disclosed using the net liability method. Pursuant to IAS 20.23, non-monetary government grants and the asset received (emission allowances) may be recorded at the nominal amount. Obligations from the emission of pollutants are only considered when the actual level of emission exceeds the existing emission allowances granted to the Gerresheimer Group. Any emission allowances purchased from third parties are recognized at cost and treated as refund claims.

Property, Plant and Equipment
Property, plant and equipment are measured at acquisition or production cost less depreciation. The cost of property, plant and equipment comprises total costs pursuant to IAS 16. Borrowing costs are not capitalized (IAS 23). Property, plant and equipment are generally subject to depreciation on a straight-line basis. This depreciation is based on the following useful lives which were generally calculated on the basis of estimates by experts:

In years	
Buildings	10–40
Plant and machinery	5–15
Furniture and fixtures	3–10

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

Investment Property

Investment property (IAS 40) comprises properties held in the long term with a view to generating rental income and/or increases in value. Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (cost model).

Leases

Property, plant and equipment used on the basis of leases are recognized in accordance with IAS 17 and depreciated when the risks and rewards associated with ownership of the asset have been transferred to a group company. Finance leases are recognized as assets and liabilities in equal amounts in the balance sheet. The amount is based on the fair value of the leased asset at inception of the lease or, if lower, the present value of the minimum lease payments. The liabilities are disclosed under financial liabilities. Lease payments are apportioned between the finance charge and the reduction of the lease liability so as to achieve a constant interest rate on the remaining balance of the liability over the period. Fixed assets acquired through finance leases are depreciated over the shorter of their expected useful life or the term of the lease.

If leased assets pursuant to IAS 17 are classified as operating leases, payments are recognized as an expense in the income statement over the term of the lease agreement.

Impairment

Property, plant and equipment, investment property, goodwill, intangible assets and other non-current assets are subject to an impairment test if circumstances and events indicate that the carrying amount does not reflect the recoverable amount. Furthermore, goodwill and assets with indefinite useful lives are subject to an annual impairment test; if required, this is done at the level of the cash-generating unit to which the respective asset belongs. The impairment loss is equal to the amount by which the carrying amount exceeds the recoverable amount, i.e. the higher of the net realizable value or the value in use. Unless the asset in question is goodwill, impairment losses are reversed if the reasons for the impairment cease to exist. Impairment losses on goodwill are disclosed as other operating expenses.

Financial Assets

Financial assets are classified as "held to maturity", "available for sale" or "loans and receivables", depending on the purpose of the investment. Assets are classified on acquisition and reviewed at each balance sheet date.

Investments are carried at amortized cost or fair value in accordance with IAS 39 (Financial Instruments: Recognition and Measurement). If there are indications of impairment, an impairment test is carried out and an impairment loss charged accordingly. If the reasons for the impairment cease to exist, the impairment losses are reversed. Equity investments carried in the balance sheet in the reporting period are classified without exception as "available for sale" and are measured at amortized cost due to the lack of a market value. Non-interest or low-interest bearing financial assets are measured at amortized cost using the effective interest method.

Investments in Associates

Investments in associates are recognized according to the Group's share in equity using the equity method and disclosed under "investments accounted for using the equity method". The ownership interest is based on the number of shares outstanding. Net equity is translated at the rate on the balance sheet date. Gains or losses incurred on investments accounted for using the equity method are disclosed in the operating result because the investments are not held for financial purposes but are regarded as part of the Group's operating business.

Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is generally average production cost, and includes production and materials overheads and amortization/depreciation in addition to direct costs. Other expenses attributable to production are also included in the cost of conversion. The cost of sales disclosed in the income statement include these production cost and also the cost of unused capacities.

Receivables

Financial assets are initially recognized when the rights to receive cash flows from the financial asset first come into existence. They are derecognized when the rights to receive cash flows from the asset have expired.

As financial assets, receivables are assigned to the category "Loans and Receivables" in accordance with IAS 39. They are recognized at amortized cost less impairment using the effective interest method. Impairment losses are recognized directly in profit or loss.

Customer-specific construction contracts are recognized using the percentage of completion method. The service rendered, including the share in the result, is disclosed under revenue in accordance with the percentage of completion. The applicable stage of completion is calculated using the cost-to-cost method. Disclosure is made under receivables.

Other Assets

As financial assets, other assets are assigned to the category "Loans and Receivables" in accordance with IAS 39. Unless the asset in question is a derivative financial instrument, it is recognized at its nominal value using the effective interest method.

Cash and Cash Equivalents

Cash and cash equivalents are carried as financial assets at their nominal values. They have terms of three months or less.

Provisions for Pensions and Similar Obligations

The Group has a number of pension schemes that are designed in accordance with the regulations and practices of the countries they apply to. Furthermore, commitments have been made in the US to provide additional post-employment medical care. More than 80% of these benefits are not financed via funds.

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

A defined benefit plan defines the amount of the benefit. This amount is linked to one or a number of factors such as age, years of service and salary. The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method. Actuarial gains and losses are recognized as income or expense when the net cumulative unrecognized actuarial gains and losses for each individual plan at the end of the previous reporting period exceed the higher amount of 10% of the defined benefit obligation or 10% of the fair value of plan assets at that date. These gains or losses are recognized over the expected average remaining working lives of the employees participating in the plans.

Past service cost is recognized on a straight-line basis over the average period until the benefits become vested. Where pension benefits become vested immediately after the establishment or change of a pension plan, past service costs are immediately expensed.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation, plus or minus actuarial gains and losses not yet recognized in profit or loss, minus past service cost not yet recognized, plus any as yet unrecognized gains from plan changes, less the fair value of plan assets out of which the obligations are to be settled directly.

The obligations are measured annually by independent actuaries. The interest payable on pensions is disclosed in the financial result.

Other Provisions

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

Other provisions also include phased retirement obligations, with the block model being applied for phased retirement agreements. The salary portion is recognized pro-rata temporis over the residual period of the employee’s term of service as soon as the employee has signed a phased retirement agreement. Provisions are set up from the date the agreement is concluded and are discounted to the present value on the balance sheet date. While the incentive amounts are paid out from the beginning of the active phase, the salary portions are due at the beginning of the passive phase.

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

Current and Deferred Income Taxes

The corporations included in the Gerresheimer AG Group (with the exception of the foreign subsidiaries) form a tax group for income tax purposes. Gerresheimer AG fulfills the role of taxpayer. As a result, the German subsidiaries consolidated into the Group do not incur income taxes. In addition to the calculation of current income taxes, deferred tax assets or liabilities are recognized for temporary differences between the tax base of an asset or liability and its carrying amount recognized in the IFRS balance sheet, which lead to a future tax burden or future tax relief, in accordance with IAS 12. The calculation is based on the tax rates applicable in the future. Deferred tax assets are only recognized when it appears sufficiently certain that they will be realized.

Stock Appreciation Rights (Phantom Stocks)

Stock appreciation rights are recognized at fair value in accordance with IFRS 2. The fair value of the phantom stocks is recorded pro rata temporis as personnel expenses and at the same time as a provision because an obligation exists to make a cash settlement. The total expense that requires recognition in the period up until the date on which the phantom stock is exercised is calculated on the basis of the fair value of the phantom stock and is reviewed on every balance sheet date.

Financial Liabilities

Liabilities are recognized for the first time when a payment obligation under these liabilities comes into existence. Upon initial recognition, they are measured at their fair value less any transaction costs. They are subsequently measured at amortized cost using the effective interest method. Differences between their fair value (less any transaction costs) and their repayable amount on maturity are recognized in profit or loss over the term of the liability. Financial liabilities are derecognized when the payment obligations under these liabilities have expired.

Revenue Recognition

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

Customer-specific construction contracts are recognized using the percentage of completion method. The service rendered, including the share in the result, is disclosed under revenue in accordance with the percentage of completion.

(6) Financial Risk Management and Derivative Financial Instruments

Derivative financial instruments are used exclusively for hedging purposes.

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

In addition to price risks resulting from fluctuations on the money and capital markets and the international commodities markets, risk management focuses on credit and liquidity risks.

To hedge **interest rate risks**, payer swaps are used which serve to secure the interest rate for variable-interest bank loans. Only bank loans with fixed terms and repayment agreements can be considered as risk exposures. The hedging rate in relation to bank loans comes to 100% (prior year: approx. 90%).

In line with intragroup financing guidelines, forward exchange contracts and currency swaps are used to hedge **exchange rate risks**. In connection with currency management, only transaction risks can be considered risk exposures. The currency derivatives are used to hedge precisely defined underlying transactions and are considered to be effective hedging instruments.

Credit risks resulting from the Group's trade relationships are monitored through credit and receivables management and the sales divisions of the operating entities. With the aim of avoiding losses on receivables, customers are subject to ongoing internal credit checks. Receivables from customers who do not have a first-class credit rating are insured. To avoid credit risks from financial instruments, such instruments are only concluded with partners with first-class credit ratings.

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

All derivative financial instruments are recognized at fair value pursuant to IAS 39. Derivative financial instruments with a positive fair value are disclosed as financial assets under other assets while derivatives with negative fair values are disclosed as financial liabilities under miscellaneous other liabilities.

The fair values of derivative financial instruments are determined on the basis of third-party confirmations.

Changes in the fair value of derivative financial instruments are recognized immediately in profit or loss unless an effective hedge is in place which meets the criteria of IAS 39. If the derivative serves to hedge anticipated future cash inflows or outflows (cash flow hedge), changes in the fair value of the derivative financial instrument are disclosed directly in equity in the cash flow hedge reserve. In this case, effects from the change in value of the derivative are not recorded in profit or loss until maturity or settlement of the underlying transaction.

The interest rate swaps were classified as cash flow hedges in line with IAS 39. The swaps meet the effectivity criteria regarding cash flow and were therefore classified as effective.

Due to the relatively low volume and the short-term nature of the hedges, the currency derivatives were classified as trading transactions pursuant to IAS 39 and measured at fair value. Changes in fair value are recognized in profit or loss.

(7) Changes to the Consolidated Group

In 2006, Gerresheimer Denmark A/S, an indirect subsidiary of Gerresheimer AG, directly or indirectly acquired all the shares in Gerresheimer Vaerloese A/S (formerly Dudek Plast A/S and Superfos Pharma Pack A/S, respectively), Denmark, all the shares in Gerresheimer Plastic Packaging AB (formerly Superfos Pharma Pack AB), Sweden, and Gerresheimer Plastic Packaging S.A.S (formerly Superfos Pharma Pack S.A.S.), France. Furthermore, in 2006, Gerresheimer AG also acquired 60% of the shares in Gerresheimer Shuangfeng Pharmaceutical Glass (Danyang) Co. Ltd., China, and Gerresheimer Shuangfeng Pharmaceutical Packaging (Zhenjiang) Co. Ltd., China, via GERRESHEIMER GLAS.

The acquisitions and formation of new entities had the following effect on the consolidated balance sheet of Gerresheimer AG as of November 30, 2007:

a) Acquisition of the Wilden Group

With legal effect as of January 2, 2007, Delta-Glas GmbH, an indirect subsidiary of Gerresheimer AG, acquired all the shares in the Wilden Group, Regensburg, Germany. The cost of acquisition came to EUR 205.3m. The acquisition has been recognized using the purchase method of accounting. The results of the Wilden Group were consolidated as of the date of acquisition. The identified assets and liabilities of the Wilden Group were initially consolidated at fair value. The acquisition of Wilden Group had the following effects on the consolidated balance sheet of Gerresheimer AG on the date of initial consolidation:

in EUR m	
Assets	
Intangible assets	124.9
Property, plant and equipment	91.5
Financial assets	2.1
Inventories	41.0
Receivables and other assets	24.9
Deferred tax assets	15.0
Cash and cash equivalents	0.9
Liabilities	
Deferred tax liabilities	60.7
Financial liabilities	64.8
Other liabilities	49.8
Provisions	6.1

Goodwill amounting to EUR 86.4m was recognized on the acquisition, which is not included in the table shown above. It covers, in particular, the expected earnings potential generated by the acquisition. Furthermore, fair value adjustments of EUR 134.8m were made as part of the purchase price allocation. In the above table, these are shown as intangible assets (EUR 123.9m) and property, plant and equipment (EUR 10.9m). Intangible assets relate to the customer base (EUR 108.9m), orders on hand (EUR 2.9m) and technologies (EUR 12.1m). Property, plant and equipment relate to land and buildings as well as plant and machinery. The deferred tax liabilities of EUR 50.3m and deferred tax assets of EUR 0.2m arising thereon are disclosed under deferred tax liabilities or deferred tax assets in the table above. In other respects, the assets acquired and liabilities assumed were recognized at their carrying amounts upon acquisition.

The Wilden Group is a European market and technological leader for medical packaging systems made of plastic. In 2006, its workforce, which numbers more than 2,200 people, generated sales of approx. EUR 240m. The result achieved for financial year 2006 has not been presented here as the Wilden Group did not report in accordance with IFRS in that financial year and a comparison is therefore not possible.

In financial year 2007, Wilden, in the eleven months it belonged to the Group, generated sales of EUR 246.4m, Adjusted EBITDA (earnings before taxes, financial result, amortization of fair value adjustments, amortization/ depreciation, restructuring expenses, as well as one-off expenses and income) of EUR 39.7m and net profit of EUR 12.9m. It is not possible to disclose a pro forma result because, at the time of acquisition, Wilden's financial year corresponded to the calendar year and it is not possible to recognize the month of December and reconcile the figures to IFRS.

b) Foundation of Two Chinese Joint Ventures

On September 25, 2006, Kimble Kontes LLC. (formerly Kontes Glass LLC.), a subsidiary of Gerresheimer Glass Inc. (formerly Kimble Glass Inc.) set up two new joint ventures. Gerresheimer holds a 70% stake in both of these joint ventures.

The official approvals necessary for the transfer of control of the joint venture Kimble Bomex (Beijing) Glass Co., Ltd. were issued on January 30, 2007. The initial consolidation as of this date had the following effects on the consolidated financial statements of Gerresheimer AG:

in EUR m	
Assets	
Property, plant and equipment	1.2

The table above does not consider Kimble Kontes LLC.'s obligations to contribute EUR 2.7m as of the date of foundation. The minority interests contributed as part of the initial consolidation amounted to EUR 1.2m. The assets were contributed at their current fair value.

The official approvals necessary for the transfer of control of the joint venture Kimble Bomex (Beijing) Labware Co., Ltd. were issued on October 1, 2007. The initial consolidation as of this date had the following effects on the consolidated financial statements of Gerresheimer AG:

in EUR m	
Assets	
Property, plant and equipment	0.2

The table above does not consider all the shareholders' obligations to contribute EUR 0.6m as of the date of foundation. The acquisition costs amounted to EUR 0.8m (EUR 0.6m in cash as well as contributions in kind of EUR 0.2m). The cash contribution of EUR 0.6m had not yet been paid in as of the balance sheet date. The minority interests recognized as part of the initial consolidation amounted to EUR 0.2m. On the date of addition, the carrying amounts of the assets equaled their fair values.

c) Acquisition of the Pharmaceutical Glass Business of Comar Inc.

Under a purchase agreement dated March 1, 2007, the Gerresheimer Group, via Gerresheimer Glass Inc., acquired the pharmaceutical glass business of Comar Inc., Buena, New Jersey, USA, for a purchase price of EUR 12.1m (USD 16.1m). The pharmaceutical glass business comprises a plant in Vineland, New Jersey, USA.

The acquisition has been recognized using the purchase method of accounting. The results of the pharmaceutical glass business newly acquired from Comar Inc. were consolidated as of the date of acquisition. The identified assets and liabilities of this pharmaceutical glass business were initially consolidated at fair value. The acquisition had the following effects on the consolidated balance sheet of Gerresheimer AG on the date of initial consolidation (March 30, 2007):

in EUR m	
Assets	
Intangible assets	1.4
Property, plant and equipment	7.1
Inventories	1.1
Liabilities	
Deferred tax liabilities	1.9

The table above does not contain the goodwill of EUR 4.4m recognized as part of the acquisition, which, in particular, includes future earnings potential arising from the acquisition. Furthermore, fair value adjustments of EUR 4.9m were made as part of the purchase price allocation. In the above table, these are shown as intangible assets (EUR 1.4m) and property, plant and equipment (EUR 3.5m). The intangible assets relate to the customer base and process know-how. Property, plant and equipment relate to land and buildings as well as plant and machinery. The deferred tax liabilities of EUR 1.9m incurred thereon are disclosed under deferred tax liabilities in the table above. In other respects, the values correspond to the carrying amounts on the date of acquisition.

Over the last 60 years, Comar's glass division has become well-established on the US market. The pharmaceutical and diagnostics business acquired by Gerresheimer covers a wide range of medical vials and sophisticated glass components for diagnostic and analytical systems. In 2006, Comar generated sales of approx. USD 24m.

In the eight months of financial year 2007 it belonged to the Group, Comar's pharmaceutical glass business generated sales of EUR 14.9m. The results achieved by the acquired pharmaceutical glass business were not disclosed due to the incomparability resulting from miscellaneous integration measures carried out.

d) Formation of a Joint Venture With Thermo Fisher Scientific

On March 19, 2007, Gerresheimer Glass Inc. and Chase Scientific Glass Inc. (a subsidiary of Thermo Fisher Scientific Inc.) entered into an agreement to set up the joint venture "Kimble Chase Life Science and Research Products LLC". Both Gerresheimer Glass Inc. and Thermo Fisher contributed their life science business to the new joint venture. Gerresheimer Glass Inc. holds the majority of shares in the joint venture (51%). The cost for the life science business contributed by Thermo Fisher in the form of a non-cash contribution amounted to EUR 18.3m and includes the share in the value of the subsidiaries contributed by Gerresheimer Glass Inc. plus the assumed liabilities. The contribution of the subsidiaries into the new joint venture led to a reduction in the Gerresheimer Group's shareholdings in these entities from 100% to 51%. This partial transfer of shares in subsidiaries without relinquishing control was presented in the consolidated financial statements using the hybrid method. According to the hybrid method, the gain from a partial sale is directly recognized in equity, since the transaction is regarded as a shareholder transaction. For this reason, the difference between the carrying amount and the fair value of the transferred shares was posted to equity (EUR 5,706k).

The formation of the joint venture "Kimble Chase Life Science and Research Products LLC" became effective with the approval of the antitrust authorities on July 2, 2007. The life science business contributed to the new joint venture by Thermo Fisher Scientific had the following effect on the consolidated financial statements of Gerresheimer AG on the date of initial consolidation:

in EUR m	
Assets	
Intangible assets	22.0
Property, plant and equipment	10.2
Inventories	5.1
Receivables and other assets	7.0
Cash and cash equivalents	0.3
Liabilities	
Liabilities	3.6
Provisions	1.3

The minority interests recognized as part of the initial consolidation amounted to EUR 31.9m. In addition, intangible assets valued at EUR 22.0m were identified during purchase price allocation. These assets relate to the customer base and are listed in the above table under intangible assets. In accordance with IFRS 3, the initial consolidation of the life science business contributed by Thermo Fisher Scientific was provisional. Gerresheimer is currently working with external advisors to finally determine the fair values of the acquired assets and liabilities. According to IFRS 3, the provisional accounting for a business combination must be finalized within twelve months from the date of acquisition. The initial consolidation resulted in negative goodwill of EUR 1.9m. In accordance with IFRS 3.56, this was immediately recognized in the income statement under "other operating income".

In the financial year, the life science business contributed by Thermo Fisher Scientific generated sales of EUR 17.1m in the first five months of the business' inclusion in the Group. The results achieved by the life science business contributed by Thermo Fisher Scientific were not disclosed as the many integration measures made comparison impossible.

e) Acquisition of OJSC Poltava Medical Glass Factory's Vial Glass Business

Under a purchase agreement dated November 26, 2007, the Gerresheimer Group, via Gerresheimer Boleslawiec S.A., Poland, acquired the vial glass business of OJSC Poltava Medical Glass Factory, Poltava, Ukraine, for a purchase price of EUR 1.1m. The acquisition has been accounted for using the purchase method. The identified assets and liabilities of the acquired vial glass business were recognized at fair value and had the following effect on Gerresheimer AG's consolidated financial statements as of November 30, 2007, which was the date of initial consolidation:

in EUR m	
Assets	
Intangible assets	0.1
Property, plant and equipment	1.0

In accordance with IFRS 3, the initial consolidation of the vial glass business acquired from OJSC Poltava Medical Glass Factory was provisional. Gerresheimer is currently working with external advisors to determine the fair values of the acquired assets and liabilities. According to IFRS 3, the provisional accounting for a business combination must be finalized within twelve months from the date of acquisition.

The vial glass business acquired by Gerresheimer mainly produces medical vials at its plant in Poltava, Ukraine. The acquired vial glass business generated sales of approx. EUR 1.3m in 2007.

In financial year 2007, the vial glass business acquired from OJSC Poltava Medical Glass Factory did not contribute to the consolidated revenue or the consolidated result of the Gerresheimer Group because first-time consolidation did not take place until the balance sheet date (November 30, 2007).

(8) Cash Flow Statement

The cash flow statement shows how the cash and cash equivalents of the Gerresheimer AG Group have changed in the course of the year under review due to inflows and outflows of funds. In this regard, the effects of acquisitions, divestments and other changes in the consolidated group have been eliminated. In accordance with IAS 7, a distinction is made between cash flows from operating, investing and financing activities. The cash and cash equivalents in the cash flow statement comprise cash on hand, checks, bills of exchange and bank balances. The cash flow statement is supplemented by a reconciliation to cash and cash equivalents stated in the balance sheet. The item "cash paid out for the acquisition of subsidiaries, net of cash received" contains the EUR 218.4m acquisition cost paid in cash for the acquisitions described in Note (7) less the EUR 1.2m total cash inflow from the change in the consolidated group".

Notes to the Consolidated Income Statement

(9) Sales

in EUR m	2007	2006
By business division		
Tubular Glass	268	243
Plastic Systems	300	48
Moulded Glass	318	300
Life Science Research	72	56
	958	**647**
By region		
Germany	271	152
Europe (excluding Germany)	368	237
Americas	266	213
China	18	2
Other regions	35	43
	958	**647**

Sales contain realized order values of EUR 1.2m based on application of the percentage of completion method. All other revenue was generated from the sale of goods.

At the start of financial year 2007, changes were made to the Group's reporting structure. For more information, please refer to Note (39). For reasons of comparability, the prior-year revenue by business division was accordingly reclassified.

(10) Cost of Sales

Cost of sales comprises the cost of the goods sold and the purchase cost of the sold merchandise. The cost of sales includes direct costs such as production materials, personnel expenses and energy costs as well as indirect costs such as depreciation on production facilities and repair costs.

(11) Selling Expenses

Selling expenses comprise personnel and non-personnel expenses for the sales organizations and distribution (including freight and commissions).

(12) General Administrative Expenses

General administrative expenses comprise personnel and non-personnel expenses for the administrative offices.

(13) Other Operating Income

Other operating income breaks down as follows:

in EUR m	2007	2006
Exchange gains	8.8	3.6
Income from the derecognition of liabilities	2.3	0.0
Income from refund claims against third parties	2.2	3.0
Income from the reversal of provisions	2.2	1.1
Income from the disposal of fixed assets	0.4	0.7
One-off income	2.3	0.4
Other income	5.0	3.3
	23.2	**12.1**

Other operating income contains one-off income of EUR 2.3m (prior year: EUR 0.4m). The one-off income in 2007 mainly contains the negative goodwill of EUR 1.9m incurred upon initial consolidation of the life science business contributed by Thermo Fisher Scientific.

(14) Restructuring Expenses

Restructuring expenses are disclosed separately in view of their significance. As in the prior year, restructuring expenses in the reporting year related in particular to cost-cutting measures and measures to boost efficiency in production, sales and administration at various subsidiaries of the Gerresheimer AG Group. Restructuring expenses of EUR 7.5m (prior year: EUR 5.3m) relate to personnel expenses.

Restructuring expenses in 2007 chiefly related to the partial closure of the Wilden Group’s production site in Sweden due to inadequate profitability, the ongoing reorganization measures at various subsidiaries (especially in Belgium), and the effects of the Gerresheimer Group focusing its business activities on the pharma & life science research segments. The restructuring expenses incurred in the prior year mainly relate to the closure of a plant in the US.

(15) Amortization of Fair Value Adjustments

For more information on the assets and liabilities identified in connection with the acquisitions made in financial year 2007, please refer to Note (7). The following table shows the amortization and depreciation of the fair value adjustments made following the acquisitions of the Gerresheimer Group GmbH in December 2004, the Dudek Plast Group at the end of December 2005, the Wilden Group in early January 2007, Comar's pharmaceutical glass business, and the foundation of the joint venture Kimble Chase Life Science and Research Products LLC. in 2007:

in EUR m	Fair value adjustments Carrying value as of Nov. 30, 2007	Amortisation of fair value adjustments 2007	Amortisation of fair value adjustments 2006
Customer bases	134.6	21.2	7.9
Orders on hand	0.1	2.8	0.5
Brand names	24.4	0.0	8.9
Technologies	17.5	3.6	2.2
Process know-how	7.0	3.5	3.5
Land	4.0	0.0	0.0
Buildings	6.7	0.3	0.0
Machinery	4.7	1.8	1.1
	199.0	**33.2**	**24.1**

If the amortization of fair value adjustments were to be allocated to the functional areas, the amortization of customer bases, orders on hand, and brand names would have to be allocated to selling expenses (2007: EUR 24.0m; prior year: EUR 17.3m), while the amortization of technologies and process know-how and the depreciation of land, buildings and machinery would have to be allocated to production costs (2007: EUR 9.2m; prior year: EUR 6.8m).

At the beginning of financial year 2007, the Gerresheimer Group launched an international umbrella brand strategy while retaining specific product brands; since then, almost all group entities throughout the world have been operating under the Gerresheimer name. Following this change in the Gerresheimer Group's brand strategy, the brand names shown in the table above were identified in 2007 as intangible assets with indefinite useful lives due to the intention to permanently retain them. As such, straight-line amortization has no longer been charged on trademarks in 2007; instead, in accordance with IFRS 3, "Business Combinations", the revised IAS 36, "Impairment of Assets" and IAS 38, "Intangible Assets", they will be tested for impairment at least once a year.

(16) Other Operating Expenses

Other operating expenses comprise all expenses not charged on to cost centers, such as exchange differences (2007: EUR 9.9m; prior year: EUR 9.2m). Overall, other operating expenses contain one-off expenses of EUR 19.5m. This amount mainly comprises consulting costs of EUR 13.2m, which primarily related to reorganization matters not considered as restructuring under IFRS and to expenses in connection with the IPO of Gerresheimer AG.

(17) Financial Result

in EUR k	2007	2006
Financial income	12,083	612
(thereof for interest rate swaps: cash flow hedges, transfer of equity)	*(9,874)*	*(0)*
Financial expenses	-89,650	-54,550
(thereof for interest rate swaps: cash flow hedges, transfer of equity)	*(803)*	*(753)*
(thereof interest expense for pension provisions less expected return on plan assets)	*(-7,876)*	*(-7,699)*
	-77,567	**-53,938**

Financial expenses contain interest expenses on liabilities to banks, bonds, finance lease liabilities, and other financial liabilities.

Financial income contains income of EUR 9.9m from the settlement of interest rate derivatives following the refinancing of the Gerresheimer Group in June 2007.

(18) Income Taxes (Income)

in EUR k	2007	2006
Current income tax (expense)/income	-6,232	-5,605
Deferred income tax (expense)/income	31,318	12,718
	25,086	**7,113**

With regard to deferred taxes, please refer to Notes (28) and (33).

Current income taxes comprise tax expenses of EUR 0.5m which relate to prior periods (prior year: EUR 0.4m).

in EUR k	2007	2006
Consolidated earnings before income taxes	**-24,249**	**-32,129**
Theoretical tax expense (income): 39% (prior year: 39%)	-9,457	-12,529
Differences:		
Non-recognition of deferred taxes for tax loss carryforwards	1,317	3,515
Effect from the change in the tax rate	-11,718	0
Tax attributable to minority interests	-645	0
Different foreign tax rates	-2,223	190
Non-deductible expenses	3,021	1,933
Tax-free income	0	-197
Change in write-down on deferred tax assets	-5,884	0
Taxes relating to prior periods	533	0
Other	-30	-25
Total differences	**-15,629**	**5,416**
Effective tax income	**-25,086**	**-7,113**

On August 17, 2007, the German Business Tax Reform Act 2008 [“Unternehmensteuerreformgesetz”] enacted on August 14, 2007 was published in Section 1 of the Bundesgesetzblatt [Federal Law Gazette]. The German Business Tax Reform Act 2008 sets forth a reduction in the corporate income tax rate for German entities as of the 2008 assessment period. This has led to an adjustment of the deferred taxes recognized by the German entities, because the tax burden or relief expected in subsequent years is determined using the tax rate that applies at the time the tax burden or relief is realized. From 2008 onwards, the corporate income tax rate in Germany amounts to 15% plus 5.5% solidarity surcharge on the corporate income tax. Trade tax amounts to approx. 13%. This results in a combined tax rate of approx. 29%.

The theoretical tax rate is derived from the tax rates applicable in Germany for 2007 and comprises 25% corporate income tax plus 5.5% solidarity surcharge on the corporate income tax and approx. 17% trade tax which is deductible from corporate income tax. The average rate comes to 39%.

The tax rates for the subsidiaries whose registered offices are not in Germany vary between 17.5% and 40%. In the year under review, some of the subsidiaries in China benefited from tax privileges resulting in a tax rate of 0%.

Effects from profit and loss transfer agreements
As a result of the tax group in place at Gerresheimer AG for income tax purposes, the results achieved by the German consolidated corporations are subject to tax at the level of Gerresheimer AG. Please also refer to our comments on current and deferred income taxes in the "Accounting Policies" section.

Unutilized tax loss carryforwards
Due to the non-utilization of tax loss carryforwards (2007: EUR 108.1m; prior year: EUR 131.1m), four foreign indirect subsidiaries did not recognize any deferred tax assets as they do not expect to utilize these tax loss carryforwards in the future. The tax loss carryforwards mainly relate to regional taxes with low tax rates, of which EUR 85.9m will expire by 2017 and a further EUR 14.8m will expire by 2027.

Despite incurring losses in the current and prior financial years, three other foreign indirect subsidiaries recognized deferred tax assets on the tax loss carryforwards (2007: EUR 8.2m; prior year: EUR 1.7m) as the entities expect to generate future tax profits.

In accordance with IAS 12, deferred taxes must be recognized on the difference between the share in equity held in subsidiaries recognized in the consolidated balance sheet and the carrying amount of the equity interest for these subsidiaries recognized in the parent company's tax balance sheet ("outside basis differences") if this difference is expected to be realized. No deferred tax liabilities were recognized on outside basis differences of EUR 86.9m (prior year: EUR 102.7m) as they are not expected to be realized.

(19) Earnings per Share

Basic earnings per share are calculated by dividing net profit for the year attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the year. The number of ordinary shares outstanding since the change in legal form and name to Gerresheimer AG on April 2, 2007 (20.0 million ordinary shares) was used as basis when determining the weighted average number of ordinary shares. The calculation also included the issue of new shares on June 6, 2007 in connection with a capital increase of EUR 11.4m (11.4 million ordinary shares), bringing the total to EUR 31.4m (31.4 million ordinary shares).

The phantom stocks program launched in financial year 2007 (see Note 22) stipulates that when the exercise target is reached, the Company has the option to issue Gerresheimer shares, but a cash payment is intended. No further options or conversion rights were issued in 2007, which helped avoid dilution of the earnings per share. The diluted and undiluted earnings therefore tally.

	2007
Profit or loss attributable to equity holders of the parent company (EUR k)	-1,228
Weighted average number of ordinary shares (in '000)	28,351
Earnings per share according to IFRSs (EUR)	**-0.04**

Other Information on the Income Statement

(20) Cost of Materials

in EUR k	2007	2006
Cost of raw materials, consumables and supplies and of merchandise	358,008	222,223
Cost of purchased services	15,667	13,328
	373,675	**235,551**

(21) Personnel Expenses

in EUR k	2007	2006
Wages and salaries	244,102	172,378
Social security and other benefit costs	56,563	42,806
Pension costs	2,740	1,262
	303,405	**216,446**

The social security contributions contain expenses for defined contribution plans within the meaning of IAS 19 in the form of premiums paid into the German statutory pension insurance scheme (EUR 9.4m; prior year: EUR 6.0m).

(22) Gerresheimer Stock Appreciation Rights (Phantom Stocks)

A share-based remuneration system and virtual shares were introduced for the first time in financial year 2007 with a view to promote motivation and strengthening the managers' relationship to the Company.

To qualify, participants must have an employment relationship with Gerresheimer AG or one of its group entities on the date of exercise of the option. The phantom stocks were granted as of June 11, 2007. They are subject to a vesting period which runs from June 11, 2007 to the end of the 30th stock exchange trading day following the first Annual General Meeting. Once this period has expired, they can be converted into income by October 31st of the year in which the second Annual General Meeting after the issue date takes place, assuming that the exercise target has been reached. The level of remuneration will depend on the development of the Gerresheimer share price. The plan stipulates that when the exercise target is reached, the Company has the option to issue Gerresheimer shares, but a cash payment is intended.

The exercise target is reached when the target price of the allocated phantom stocks exceeds the initial price by at least 8%. Share prices are compared using the non-weighted arithmetic mean of the closing prices recorded in Xetra trading on the Frankfurt Stock Exchange during the last 30 trading days prior to the date of exercise. However, the maximum amount payable to subscribers for all stock appreciation rights is limited to 25% of the initial price multiplied by the number of stock appreciation rights. The first tranche has a target value of EUR 43.20.

A recognized option pricing model (binominal model) was used to determine the fair value of the phantom stocks. The volatility of the target value was set at 28% p.a. and the employee turnover rate set at 8%. The return on German government bonds was taken as the risk-free interest rate (3.75% p.a.).

Grant date	June 11, 2007
Term of first tranche	Oct. 31, 2009
Target price (in EUR)	43.20
Number of stock appreciation rights issued	526,000
Exercise threshold as a %	8.0
Fair value in (in EUR k)	1,582
Maximum pay-out amount (in EUR k)	5,260

In addition to the tranche described above, the board members and a few further employees were granted additional tranches for the years 2008 to 2011. The conditions are generally the same as those that apply to the first tranche. One share per every block of ten stock appreciation rights is to be held as a personal investment for the entire duration of the agreement.

The fair value of the tranches 2008 to 2011 amounts to EUR 2,938k based on the above assumptions as of the balance sheet date.

(23) Employees

Number (annual average)	2007	2006
Wage earners	7,265	4,440
Salaried employees	2,152	1,164
	9,417	**5,604**
Trainees	177	73
Number of employees and trainees	**9,594**	**5,677**
Tubular Glass	3,390	2,655
Plastic Systems	2,830	407
Moulded Glass	2,197	2,171
Life Science Research	1,102	369
Head office	75	75
Employees by business division	**9,594**	**5,677**
Germany	3,317	2,051
Europe (excluding Germany)	2,466	1,484
USA and Mexico	2,522	2,002
China	1,289	140
Employees by region	**9,594**	**5,677**

Notes to the Balance Sheet

(24) Intangible Assets

Intangible assets break down as follows:

in EUR k	Goodwill	Customer bases, brand names, technologies and similar assets	Capitalized development costs	Other	Intangible assets
As of November 30, 2007					
Prior-year carrying amount	291,876	71,025	285	5,827	369,013
Change in the consolidated group	90,844	147,282	0	1,011	239,137
Exchange differences	274	-3,623	0	-88	-3,437
Additions	0	0	2,452	1,002	3,454
Disposals	9,623	0	0	190	9,813
Reclassifications	0	0	0	-489	-489
Amortization	0	31,080	42	1,819	32,941
Impairment losses	0	0	0	0	0
Carrying amount	**373,371**	**183,604**	**2,695**	**5,254**	**564,924**
Cost	375,833	265,934	2,819	8,007	652,593
Write-downs	2,462	82,330	124	2,753	87,669
Carrying amount	**373,371**	**183,604**	**2,695**	**5,254**	**564,924**
As of November 30, 2006					
Cost	277,154	117,915	367	4,493	399,929
Write-downs	0	40,488	40	1,196	41,724
Prior-year carrying amount	**277,154**	**77,427**	**327**	**3,297**	**358,205**
Change in the consolidated group	17,926	18,813	0	1,082	37,821
Exchange differences	-288	-2,246	0	-96	-2,630
Additions	0	0	0	1,809	1,809
Disposals	0	0	0	9	9
Reclassifications	0	0	0	1,148	1,148
Amortization	0	22,969	42	1,326	24,337
Impairment losses	2,916	0	0	78	2,994
Carrying amount	**291,876**	**71,025**	**285**	**5,827**	**369,013**
Cost	294,629	133,813	367	7,494	436,303
Write-downs	2,753	62,788	82	1,667	67,290
Carrying amount	**291,876**	**71,025**	**285**	**5,827**	**369,013**

The amortization of customer bases, brand names, technologies and similar assets that resulted from fair value adjustments made in connection with acquisitions is disclosed separately in the income statement as amortization of fair value adjustments. In the prior year, impairment losses on goodwill were recognized as other operating expenses while all other amortization was chiefly recognized in the cost of sales. Significant intangible assets result from the business acquisitions. While the brand names with a carrying value of EUR 24.4m have indefinite useful lives, the other identifiable assets will be written off by 2018.

Goodwill is assigned to the four cash-generating units, which form segments subject to mandatory reporting, as follows:

in EUR m	Nov. 30, 2007	Nov. 30, 2006
Tubular Glass	138.9	134.2
Plastic Systems	110.5	24.1
Moulded Glass	114.0	114.0
Life Science Research	10.0	19.6
	373.4	**291.9**

The allocation was adjusted to the Group's revised reporting structure in 2007. We refer to Note (39).

As a result of the Gerresheimer Group's revised brand strategy (international umbrella brand strategy with retention of specific product brands), the brand names were identified as intangible assets with indefinite useful lives at the beginning of financial year 2007 (see also Note (15)). The brand names existing as of November 30, 2007 were allocated as follows: Tubular Glass (EUR 16.6m), Plastic Systems (EUR 6.5m), Moulded Glass (EUR 0.0m) and Life Science Research (EUR 1.3m).

Instead of amortizing goodwill and brand names with indefinite useful lives, they are subject to an impairment test at least once a year.

The impairment test on goodwill is carried out in all four business segments (Tubular Glass, Plastic Systems, Moulded Glass and Life Science Research) on the basis of the business plan approved by management for the years 2008 to 2012 (prior year: 2007 to 2011), which was prepared with historical developments and current market expectations in mind. A growth rate of 1.0% was considered as sustainable in subsequent years. This rate does not exceed the assumed average growth rate for the market or segment. The recoverable amount was determined by applying the value in use concept and cash flow forecasts based on the business plan for the years 2008 to 2012. Future cash flows were discounted using the weighted average cost of capital. The cost of capital was derived from an analysis of listed benchmark entities using the capital asset pricing model as a statistically significant beta factor was not yet available for Gerresheimer AG. Borrowing costs were determined by analyzing the credit lines that had been utilized and their appropriateness reviewed by comparing them with bonds of similar rating that are currently listed on the market. An iterative procedure was applied to the weighted average cost of capital after tax to determine the weighted average cost of capital before tax, which breaks down as follows for the four reporting segments:

in %	
Tubular Glass	9.6
Plastic Systems	9.3
Moulded Glass	8.9
Life Science Research	8.8

In the prior year, interest rates between 7.0% and 8.9% were used in the impairment test. As in prior year, the impairment test carried out on goodwill did not result in the need for any impairment losses to be recognized.

In the Plastic Systems division, sensitivity analyses were conducted on the two key measurement parameters "growth rate" and "weighted average cost of capital". In this area, any adjustment made to the basic assumptions on the basis of prudent business judgment could lead to a situation in which the carrying amount exceeds the recoverable amount. Modifying the basic assumptions to the extent shown below would reduce the value in use for the Plastic Systems division to the recoverable amount:

- Increase of the weighted average cost of capital by 0.5 percentage points
- Reduction of the growth rate to below 0.1%; this would correspond to the assumption that growth cannot be sustained beyond 2012.

In the three other divisions, management is of the opinion that no adjustment made to the basic assumptions on the basis of prudent business judgment could lead to a situation in which the carrying amount of the cash-generating unit significantly exceeds the recoverable amount.

In the financial year, EUR 3.3m (prior year: EUR 0.6m) was spent on research and development. In 2007, research and development costs of EUR 2.5m (prior year: EUR 0.0m), which fulfill the criteria of IAS 38, were capitalized.

Other intangible assets relate in particular to standard IT programs and prepayments on intangible assets.

(25) Property, Plant and Equipment and Investment Property

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

in EUR k	Land, land rights and buildings (used commercially)	Investment property	Plant and machinery	Other equipment and machinery	Payments on account and assets under construction	Property, plant and equipment and investment property
As of November 30, 2007						
Prior-year carrying amount	62,173	355	188,880	11,616	37,011	300,035
Change in the consolidated group	48,796	3,155	45,981	9,972	4,645	112,549
Exchange differences	-1,758	0	-9,043	160	-1,575	-12,216
Additions	3,475	0	52,541	5,049	34,395	95,460
Disposals	8	0	1,195	16	105	1,324
Reclassifications	3,132	0	36,663	641	-39,947	489
Depreciation	4,710	0	54,974	5,525	0	65,209
Impairment losses	0	0	0	0	0	0
Carrying amount	**111,100**	**3,510**	**258,853**	**21,897**	**34,424**	**429,784**
Cost	121,153	3,769	357,950	30,437	34,424	547,733
Write-downs	10,053	259	99,097	8,540	0	117,949
Carrying amount	**111,100**	**3,510**	**258,853**	**21,897**	**34,424**	**429,784**
As of November 30, 2006						
Cost	59,190	614	218,144	14,343	22,183	314,474
Write-downs	4,409	259	38,358	2,922	0	45,948
Prior-year carrying amount	54,781	355	179,786	11,421	22,183	268,526
Change in the consolidated group	12,249	0	10,826	952	0	24,027
Exchange differences	-1,541	0	-9,439	-374	-1,692	-13,046
Additions	1,347	0	35,228	2,232	34,235	73,042
Disposals	709	0	335	-14	-297	733
Reclassifications	1,246	0	14,093	1,024	-17,511	-1,148
Depreciation	4,623	0	40,422	3,570	0	48,615
Impairment losses	577	0	857	83	501	2,018
Carrying amount	**62,173**	**355**	**188,880**	**11,616**	**37,011**	**300,035**
Cost	67,488	614	251,059	17,097	37,011	373,269
Write-downs	5,315	259	62,179	5,481	0	73,234
Carrying amount	**62,173**	**355**	**188,880**	**11,616**	**37,011**	**300,035**

For more information on the impairment charges recognized in financial year 2006, please refer to Note (39).

Property, plant and equipment contains leased assets of EUR 29.6m (prior year: EUR 5.7m). At the end of the reporting period, these comprised the finance lease for production, storage and administrative property and buildings (EUR 10.2m), the finance lease for plant and machinery (EUR 16.9m) and the finance lease for other equipment (EUR 2.5m).

The carrying value of the property, plant and equipment pledged as collateral for liabilities amounted to EUR 22.0m as of November 30, 2007. Thereof, the carrying value of investment property was EUR 0.0m. In the prior year, the carrying value of the property, plant and equipment pledged as collateral for liabilities amounted to EUR 213m. Thereof, the carrying value of investment property in the prior year was EUR 0.4m.

The land not used for commercial purposes, i.e. "investment property" as defined by IAS 40, mainly relates to land subject to hereditary building rights with a carrying value of EUR 0.2m as well as non-operating property. The fair value of this property is approximately EUR 1.3m. This value was calculated based on estimates by independent experts. The fair values of the other non-operating property are the same as the carrying values.

Rental income from the land amounted to EUR 4k in financial year 2007 (prior year: EUR 18k). Expenses of EUR 16k were incurred (prior year: EUR 15k). These related almost exclusively to land that does not generate rental income.

(26) Financial Assets and Investments Accounted for Using the Equity Method

Financial assets comprise investments in entities which developed as follows:

in EUR k	Investments in entities
As of November 30, 2007	
Prior-year carrying amount	3,363
Additions	607
Disposals	26
Carrying amount	**3,944**
Cost	3,944
Write-downs	0
Carrying amount	**3,944**

in EUR k	Investments in entities
As of November 30, 2006	
Prior-year carrying amount	3,421
Change in the consolidated group	-26
Additions	2,668
Impairment losses	2,700
Carrying amount	**3,363**
Cost	3,363
Write-downs	0
Carrying amount	**3,363**

The following tables summarize the balance sheet items as determined under local commercial law as well as data from the income statements of the equity-accounted entities:

in EUR k	Nov. 30, 2007	Nov. 30, 2006
Equity	7,248	5,762
Assets	16,665	10,891
Liabilities	9,417	5,129
Revenue	17,819	7,816
Profit or loss	522	-249

The development of the equity-accounted entities is shown in the table below:

in EUR k	Investments accounted for using the equity method
As of November 30, 2007	
Prior-year carrying amount	2,811
Change in the consolidated group	588
Exchange differences	-322
Share of profit/loss of associated companies	253
Carrying amount	**3,330**
Cost	3,330
Write-downs	0
Carrying amount	**3,330**
As of November 30, 2006	
Prior-year carrying amount	3,396
Exchange differences	-353
Share of profit/loss of associated companies	-232
Carrying amount	**2,811**
Cost	2,811
Write-downs	0
Carrying amount	**2,811**

(27) Derivative Financial Instruments and Other Financial Assets

Financial instruments and other financial assets are comprised as follows:

in EUR k	Nov. 30, 2007	Nov. 30, 2006
Fair value of derivative financial instruments	**0**	**3,560**
Refund claims for pension benefits	3,149	2,486
Investments	351	38
Other assets	3,379	869
Other financial assets	**6,879**	**3,393**

(28) Deferred Tax Assets

Deferred tax assets break down as follows:

in EUR k	Nov. 30, 2007 Realization expected within 12 months	Nov. 30, 2007 Realization expected after 12 months	Nov. 30, 2006 Realization expected within 12 months	Nov. 30, 2006 Realization expected after 12 months
Tax loss carryforwards	9,260	11,241	0	13,616
Temporary differences				
Property, plant and equipment and intangible assets	4	1,379	0	0
Receivables and other assets	13	331	189	0
Tax credits	1,470	4,495	0	0
Provisions for pensions	1,231	5,080	0	9,671
Other provisions	551	3,779	583	469
Liabilities and other payables	24	5,180	3	0
Cash flow hedge	0	2,408	0	0
Other	207	131	193	335
	3,500	**22,783**	**968**	**10,475**
	12,760	**34,024**	**968**	**24,091**
Recognized as non-current in the balance sheet pursuant to IAS 12	**46,784**		**25,059**	

For more information please refer to our comments on current and deferred income taxes in the section "Accounting Policies" and our comments in Notes (18) and (33).

As of the balance sheet date, deferred tax assets of EUR 2.4m (prior year: EUR 0.0m) were recognized in connection with cash flow hedges. They were netted directly against equity.

(29) Inventories

Inventories break down as follows:

in EUR k	Nov. 30, 2007	Nov. 30, 2006
Raw materials, consumables and supplies	32,946	19,721
Work in process	12,322	5,195
Finished goods and merchandise	88,888	69,060
Advance payments on inventories	4,378	53
	138,534	**94,029**

Write-downs are recognized based on age structure and technical usefulness. The write-downs amounted to:

	Nov. 30, 2007		Nov. 30, 2006	
	in EUR k	in %	in EUR k	in %
Write-downs on raw materials, consumables and supplies	2,427	7	2,480	11
Write-downs on work in process	555	4	123	2
Write-downs on finished work and merchandise	10,151	10	10,219	13

In the period under review, write-downs of EUR 0.3m were recognized on inventories (prior year: EUR 0.7m). The carrying value of inventories, which were measured at fair value less costs to sell, amounts to EUR 9.9m.

As of November 30, 2007, no inventories had been pledged as securities for liabilities (prior year: EUR 73m).

(30) Trade Receivables, Income Tax Receivables and Other Assets

in EUR k	Nov. 30, 2007	Nov. 30, 2006
Trade receivables	149,567	96,890
Less bad debt allowances	2,856	1,196
Net trade receivables	**146,711**	**95,694**
Income tax receivables	**1,612**	**602**
Other tax receivables	6,325	1,794
Fair value of derivative financial instruments	0	2,712
Prepaid expenses	3,090	3,595
Other	9,841	10,480
Other assets	**19,256**	**18,581**

The carrying amounts of the monetary assets disclosed under this item correspond to their fair values.

Trade receivables contain EUR 1.2m (prior year: EUR 0.0m) based on application of the percentage of completion method pursuant to IAS 11. Costs amounting to EUR 0.7m were recorded in the reporting period.

Bad debt expenses of EUR 1.7m were recognized in the year under review (prior year: EUR 0.5m).

Prepaid expenses mainly contain payments made prior to the balance sheet date for tax, personnel and insurance expenses related to the following financial year.

(31) Cash and Cash Equivalents

Cash and cash equivalents include cash and other non-restricted bank balances with a term of up to three months that are not subject to fluctuations in value.

(32) Equity and Minority Interests

On April 2, 2007, the Annual General Meeting resolved to increase the share capital by 20 million ordinary shares (or EUR 20.0 million). The capital increase is to be made by contributing the claim to repayment of a loan of EUR 64.1m, including interest, from the shareholder BCP Murano II S.à.r.l. (hereinafter referred to as "BCP Murano"). The portion of the contribution's value that exceeded the amount of the share capital increase was allocated to the capital reserve.

On June 6, 2007, the Extraordinary General Meeting of Gerresheimer AG resolved to increase the Company's capital stock by EUR 11.4m (11.4 million ordinary shares) to EUR 31.4m (31.4 million ordinary shares) in return for cash contributions. This was recorded in the Commercial Register on June 6, 2007.

On June 11, 2007, Gerresheimer AG was successfully listed on the regulated market in the Prime Standard segment of the Frankfurt stock exchange. The Gerresheimer AG shares are traded under the stock ticker "GXI" and the ISIN "DE000A0LD6E6". A total of 22.8 million shares were issued. 11.4 million thereof stemmed from a capital increase, 10.6 million from the departing shareholder BCP Murano, and a further 0.8 million shares owned by BCP Murano from a greenshoe option granted by a syndicate of banks. Based on an issue price of EUR 40 per share, the placement volume therefore amounted to around EUR 912m (including greenshoe options). The Gerresheimer share has been included in the SDAX since September 6, 2007.

As of November 30, 2007, subscribed capital amounted to EUR 31.4m (prior year: EUR 0.03m) and the capital reserve to EUR 513.8m (prior year: EUR 37.0m). The capital reserve contains premiums from the IPO in 2007. To the extent that the costs of the IPO could be directly allocated to the issue of new shares, they were deducted from the capital reserve, net of taxes. The IPO costs that did not meet this criterion increased other operating expenses.

As of the balance sheet date, the number of shares outstanding amounted to 31,400,000, each with a nominal value of EUR 1.00. The proposed dividend was calculated on the basis of Gerresheimer AG's retained earnings.

Proposal for Profit Distribution:

We propose to the Annual General Meeting to appropriate the retained earnings of Gerresheimer AG for the financial year 2007 as follows:

in EUR	
Retained earnings before dividend distribution	26,922,589.85
Payment of a dividend of EUR 0.40 per share	12,560,000.00
Carryforward to new account	**14,362,589.85**

In the year under review, the Gerresheimer AG Group generated consolidated profit of EUR 837k (prior year: EUR -25,016k). Total equity of Gerresheimer AG Group amounted to EUR 505.1m (prior year: EUR -26.3m).

Minority interests break down as follows:

in %	Minority interests
Entity	
Kimble Chase Life Science and Research Products LLC., Vineland, NJ (USA)	49
Gerresheimer Shuangfeng Pharmaceutical Glass (Danyang) Co. Ltd., Danyang Jiangsu (China)	40
Gerresheimer Shuangfeng Pharmaceutical Packaging (Zhenjiang) Co. Ltd., Zhenjiang Jiangsu (China)	40
Kimble Bomex (Beijing) Glass Co., Ltd., Beijing (China)	30
Kimble Bomex (Beijing) Labware Co., Ltd., Beijing (China)	30
Gerresheimer Wilden Asia Medical and Technical PlasticSystems Co. Ltd., Wang Niu Dun Town, Dongguan City (China)	20
Gerresheimer Momignies S.A., Momignies (Belgium)	1

Please see the Consolidated Statement of Changes in Equity for more details on the development of minority interests.

(33) Deferred Tax Liabilities

Deferred tax liabilities developed as follows:

in EUR k	2007	2006
As of the beginning of the year	60,429	68,907
Changes in the consolidated group	62,608	5,539
Release	50,080	15,066
Addition	16,736	3,146
Exchange differences	-1,686	-2,097
As of Nov. 30	**88,007**	**60,429**
Realization expected within 12 months	*11,854*	*1,190*
Realization expected after 12 months	*76,153*	*59,239*

Deferred tax liabilities break down as follows:

	Nov. 30, 2007		Nov. 30, 2006	
in EUR k	Realization expected within 12 months	Realization expected after 12 months	Realization expected within 12 months	Realization expected after 12 months
Temporary differences				
Property, plant and equipment and intangible assets	10,214	73,174	605	50,960
Inventories	6,271	28	3,828	-95
Receivables and other assets	1,756	6,731	320	6,388
Provisions for pensions	-1,342	-9,272	-2,300	-11,510
Other provisions	-5,188	2,489	-1,803	3,051
Cash flow hedge	0	0	0	2,398
Other	143	3,003	540	8,047
	11,854	**76,153**	**1,190**	**59,239**
Recognized as non-current in the balance sheet pursuant to IAS 12	**88,007**		**60,429**	

For more information on current and deferred income taxes please refer to our comments in the section “Accounting Policies” and our comments in Notes (18) and (28).

As of the balance sheet date, no deferred tax liabilities existed in connection with the cash flow hedges (prior year: EUR 2.4m).

(34) Provisions for Pensions and Similar Obligations

Provisions for pensions developed as follows:

in EUR k	2007	2006
As of the beginning of the year	172,576	186,545
Change in the consolidated group	426	0
Utilization	18,347	16,327
Release	0	0
Addition	8,915	7,014
Exchange differences	-3,547	-4,656
As of Nov. 30	**160,023**	**172,576**
Thereof current	*14,078*	*14,441*
Thereof non-current	*145,945*	*158,135*

The Group's pension scheme comprises both defined benefit and defined contribution plans. Provisions for pensions are set up for obligations from future and current benefit entitlements to current and former employees and their surviving dependents. The structure of the plans depends on the framework prevalent in the respective country and is usually based on the employee's length of service, salary, and position. Provisions of EUR 130m (prior year: EUR 138m) were recognized in connection with various pension plans and individual agreements entered into by German group entities; EUR 30m (prior year: EUR 35m) relates to US group entities. The provision also comprises the obligations of the US entities to assume the medical expenses of retired employees.

The benefits are mainly financed through the systematic accrual of provisions for pensions by the entities. External funds that fulfill the definition of plan assets exist both in Germany and abroad. The weighted composition of the plan assets earmarked to cover pension obligations broke down as follows as of the balance sheet date:

	Germany		Abroad	
in %	Nov. 30, 2007	Nov. 30, 2006	Nov. 30, 2007	Nov. 30, 2006
Shares (held directly)	0	–	52	70
Fixed-interest securities	40	–	38	30
Property	0	–	7	–
Liquidity	60	–	3	–
Plan assets	**100**	**–**	**100**	**100**

When accounting for defined benefit plans, all expenses and income are disclosed in the operating result, with the exception of interest components and the expected return on plan assets. The interest components and the expected return on plan assets are disclosed in the financial result.

Actuarial gains and losses from defined benefit plans are recognized in profit and loss when the corridor of 10% is exceeded.

The following assumptions were made when determining the pension accrual and plan assets:

	Germany		Abroad	
in %	Nov. 30, 2007	Nov. 30, 2006	Nov. 30, 2007	Nov. 30, 2006
Interest rate	5.60	4.50	6.00	6.00
Expected return on plan assets	4.50–5.30	5.80	8.50	8.50
Increase in salaries	2.50–3.25	2.50–3.00	3.50	3.50
Increase in pensions	1.75	1.50	–	–
Increase in medical expenses	–	–	5.00–8.00	5.00–8.00

The present value of the pension obligation breaks down as follows:

in EUR k	Nov. 30, 2007	Nov. 30, 2006
Present value of the benefit obligation at the beginning of the financial year	202,983	216,901
Service costs of the financial year	920	1,766
Interest expense for earned benefits	9,824	9,222
Changes in the consolidated group	10,712	0
Benefit payments	-14,750	-16,327
Actuarial gains/losses	-9,142	-1,922
Exchange rate and other changes	-5,994	-6,657
Present value of the benefit obligation at the end of the financial year	**194,553**	**202,983**

Experience adjustments amount to EUR 5,754k for 2007 (prior year: EUR 4,108k)

The funds break down as follows:

in EUR k	Nov. 30, 2007	Nov. 30, 2006
Fair value of plan assets at the beginning of the financial year	20,467	19,718
Changes in the consolidated group	10,286	0
Actual return on plan assets	47	0
Expected return on plan assets	2,726	2,210
Contributions to funds	6,146	2,542
Benefit payments of the funds	-2,398	-1,713
Actuarial gains/losses	-685	0
Exchange rate and other changes	-2,349	-2,290
Fair value of plan assets at the end of the financial year	**34,240**	**20,467**

The expected return on plan assets is determined by our actuaries on the basis of capital market studies which are available to the public.

The contributions to be paid into the funds in the coming financial year are estimated at EUR 3.4m.

The expenses break down as follows:

in EUR k	2007	2006
Service costs of the financial year	920	1,766
Interest expense for earned benefits	9,824	9,222
Expected return on plan assets	-1,948	-1,523
Gains on curtailments and settlements	-1	-2,636
Adjustment due to the recognition of past service cost	0	0
Adjustment due to the recognition of actuarial gains/losses	-543	153
	8,252	**6,982**
Cost of pension obligations for which corresponding refund claims exist	663	32
	8,915	**7,014**
Actual return on plan assets	2,792	2,210

Contributions of EUR 1.6m (prior year: EUR 1.8m) were paid into defined contribution plans in the financial year, mainly in the US.

The pension provision also comprises the obligations of the US entities to assume the medical expenses of retired employees. A cost increase rate of 8% was used to determine the obligation. This will fall incrementally to 5% by 2014. A change in the rate of increase of medical bills by a single percentage point would have the following effects:

in EUR k	Increase by 1% point	Decrease by 1% point
Effect on the pension expense	198	-169
Effect on the provision for pensions	2,486	-2,127

The pension obligations and the plan assets have developed as follows in recent financial years:

in EUR k	Nov. 30, 2007	Nov. 30, 2006	Nov. 30, 2005	Jan. 31, 2005
Present value of funded benefit obligations	38,556	26,783	30,963	26,990
Less fair value of plan assets	34,240	20,467	19,718	15,506
Fund shortfall	4,316	6,316	11,245	11,484
Present value of unfunded benefit obligations	152,848	173,714	183,485	172,350
Present value of pension obligations for which corresponding refund claims exist	3,149	2,486	2,454	2,432
Adjustment due to unrecognized gains/losses from changes in the plan	0	0	2,739	97
Adjustment due to the non-recognition of actuarial gains/losses	-290	-9,940	-13,378	121
	160,023	**172,576**	**186,545**	**186,484**

Effective May 1, 2007, the pension obligations to active members of the Management Board were transferred to a pension fund. The value of the plan asset of the pension fund was netted with the pension provision.

The refund claims for pension obligations are disclosed under non-current other financial assets. Please refer to Note (27).

(35) Other Provisions

Other provisions developed as follows:

in EUR k	As of Dec. 1, 2006	Reclassi-fications	Changes in the consoli-dated group	Utili-zation	Release	Addition	Ex-change differ-ences	As of Nov. 30, 2007	*Thereof current*	*Thereof non-current*
Tax provisions	1,801	0	508	1,180	0	1,143	-47	2,225	*2,225*	*0*
Personnel obligations	14,787	262	3,166	10,439	112	9,924	-230	17,358	*10,455*	*6,903*
Warranties	4,957	0	973	3,465	464	5,557	1	7,559	*7,559*	*0*
Sales bonuses, rebates and discounts	7,882	0	35	6,545	441	7,186	-457	7,660	*7,660*	*0*
Other	9,005	-262	2,221	5,376	1,138	18,223	-1,034	21,639	*19,530*	*2,109*
	38,432	**0**	**6,903**	**27,005**	**2,155**	**42,033**	**-1,767**	**56,441**	***47,429***	***9,012***

in EUR k	As of Dec. 1, 2005	Reclassi-fications	Changes in the consoli-dated group	Utili-zation	Release	Addition	Ex-change differ-ences	As of Nov. 30, 2006	*Thereof current*	*Thereof non-current*
Tax provisions	2,508	0	0	1,300	0	593	0	1,801	*1,801*	*0*
Personnel obligations	13,462	-54	0	8,742	549	11,159	-489	14,787	*9,032*	*5,755*
Warranties	3,920	0	0	1,884	45	2,964	2	4,957	*4,957*	*0*
Sales bonuses, rebates and discounts	8,203	0	156	5,089	0	5,115	-503	7,882	*7,882*	*0*
Other	12,886	54	0	9,603	505	6,567	-394	9,005	*7,901*	*1,104*
	40,979	**0**	**156**	**26,618**	**1,099**	**26,398**	**-1,384**	**38,432**	***31,573***	***6,859***

Provisions for personnel obligations include in particular expected obligations from management bonuses, long-service award and phased retirement agreements, and a group health insurance program at the US subsidiaries.

The provisions for sales bonuses, rebates and discounts relate to unpaid compensation granted on revenues recognized prior to the balance sheet date.

The other provisions also include restructuring provisions. The restructuring provisions relate to cost-cutting measures and restructuring to boost efficiency in production, sales and administration. The restructuring provisions of EUR 5.4m (prior year: EUR 1.3m) reported at the end of the financial year are based on a conclusively defined plan. All the criteria set forth in IAS 37 for the recognition of a restructuring provision have been met.

(36) Liabilities

	Nov. 30, 2007			Nov. 30, 2006		
in EUR k	Total	*Thereof current*	*Thereof non-current*	Total	*Thereof current*	*Thereof non-current*
Bonds	136,390	*0*	*136,390*	201,394	*133*	*201,261*
Liabilities to banks						
unsecured	14,930	*11,387*	*3,543*	5,508	*3,327*	*2,181*
secured	260,729	*28,334*	*232,395*	274,101	*12,520*	*261,581*
Other financial liabilities	63,902	*20,417*	*43,485*	111,133	*23,563*	*87,570*
Financial liabilities	**475,951**	***60,138***	***415,813***	**592,136**	***39,543***	***552,593***
Income tax liabilities	**3,184**	***3,184***	***0***	**2,056**	***2,056***	***0***
Fair value of derivatives	**6,655**	***779***	***5,876***	**0**	***0***	***0***
Trade payables and other liabilities						
Payments received on account of orders	14,718	*14,718*	*0*	469	*469*	*0*
Trade payables	90,757	*90,757*	*0*	71,924	*71,924*	*0*
Liabilities from taxes	7,818	*7,818*	*0*	3,041	*3,041*	*0*
Liabilities from social security obligations	4,669	*4,669*	*0*	3,460	*3,460*	*0*
Miscellaneous other liabilities	28,743	*28,743*	*0*	22,799	*22,799*	*0*
Trade payables and other liabilities	146,705	*146,705*	*0*	101,693	*101,693*	*0*
Liabilities	**632,495**	***210,806***	***421,689***	**695,885**	***143,292***	***552,593***

The carrying amounts of the monetary liabilities disclosed under this item correspond to their fair values.

The table below shows the liabilities to banks including the terms and interest rates of bonds:

November 30, 2007 (Currency in EUR k)		Amount	Due by	Interest rate %	Carrying amount (EUR)	Fair value (EUR)
Bonds	EUR	121,390	2015*	7.88	121,390	121,390
	EUR	15,000	2011*	7.50	15,000	15,000
					136,390	**136,390**
Liabilities to banks	USD	226,409	2012	6.25	153,385	153,385
	USD	5,750	2008	6.65	3,895	3,895
	USD	489	2009	5.31	331	331
	EUR	103,452	2011	5.30	103,452	103,452
	EUR	2,681	2011	4.87	2,681	2,681
	EUR	1,828	2023	5.25	1,828	1,828
	EUR	1,179	2008	5.53	1,179	1,179
	EUR	894	2008	4.82	894	894
	EUR	670	2009	4.23	670	670
	PLN	14,635	2008	5.50	4,050	4,050
	CNY	16,000	2008*	6.00	1,465	1,465
	CNY	4,500	2010*	6.15	412	412
	CZK	37,219	2010	4.77	1,417	1,417
					275,659	**275,659**
					412,049	**412,049**

* bullet

November 30, 2006 (Currency in EUR k)		Amount	Due by	Interest rate %	Carrying amount (EUR)	Fair value (EUR)
Bonds	USD	175	2007	5.85	133	133
	EUR	201,261	2015	7.88	201,261	201,261
					201,394	**201,394**
Liabilities to banks	USD	99,369	2011	7.64	75,280	75,280
	USD	55,163	2012	8.14	41,790	41,790
	USD	7,750	2007	7.63	5,871	5,871
	USD	6,000	2011	7.64	4,546	4,546
	MXP	36,000	2007	9.80	2,469	2,469
	CNY	3,000	2007	7.04	290	290
	EUR	79,159	2013	6.60	79,159	79,159
	EUR	41,146	2012	6.10	41,146	41,146
	EUR	15,500	2011	5.60	15,500	15,500
	EUR	4,500	2011	4.97	4,500	4,500
	EUR	8,050	2011	4.58	8,050	8,050
	EUR	1,008	2007	4.91	1,008	1,008
					279,609	**279,609**
Liabilities to banks					**481,003**	**481,003**

The financial liabilities with fixed interest rates are subject to the exposure that a change in interest rates might change the fair values. Due to the interest rates, the carrying amounts of financial liabilities currently correspond to their fair values.

The interest rates disclosed are the interest rates valid on the balance sheet date. In addition to the market interest rate, they comprise the financing margins agreed with the banks. Actual interest expenses were partly higher and partly lower in the financial year as long-term interest rate hedges are in place for the major loans.

In March 2005, the subsidiary Gerresheimer Holdings GmbH issued a senior note with a volume of EUR 150m which is currently listed on the Luxemburg Stock Exchange (ISIN: XS0213359671; notes sold in accordance with Regulation 144A are listed under ISIN: XS0213359754). The note has a fixed coupon of 7.875% and matures on March 1, 2015. In December 2005, the note volume was increased by a further EUR 60m, mainly to finance an acquisition. In June 2007, Gerresheimer Holdings GmbH repaid 40% of the note at a repurchase price of 107.875% of the nominal amount plus accrued interest, such that the note volume is currently EUR 126m (net of the transaction costs related to the issue of the senior note of Gerresheimer Holdings which still have to be distributed over the remaining term of the note, the volume is EUR 121.4m).

In June 2007, prior to the admission of the Gerresheimer AG shares to trading, Gerresheimer AG concluded a new agreement on credit facilities totaling EUR 450m with Commerzbank Aktiengesellschaft and The Royal Bank of Scotland plc as facility agents. The new credit facilities comprise two long-term loans totaling EUR 275m and a revolving loan of EUR 175m. The loans are repayable in June 2012 and are secured by the pledge of shares in Gerresheimer Group GmbH. In addition to the aforementioned repayment of 40% of the note, in June 2007 the long-term loans and the issue proceeds from the IPO of Gerresheimer AG were used to fully repay the vendor note with Glass Holdings Limited and the financial liabilities under the old senior credit facility. The revolving loan of EUR 175m is available for investments, acquisitions and other operating purposes and is not being utilized in cash at present.

The other financial liabilities of the prior year include a shareholder loan and a vendor loan. The shareholder loan of EUR 55.4m from BCP Murano accrued interest at 7% p.a. In April 2007, the capital stock of Gerresheimer AG was increased by EUR 20.0m and the capital reserve by EUR 44.1m through the contribution of the claim to repayment of the loan including interest.

The vendor loan of EUR 26.3m bore interest at 10% p.a. and was repaid in full in June 2007.

The other financial liabilities also include liabilities from finance leases. Please see our explanations in Note (37) in connection with the finance leases.

(37) Other Financial Obligations

Other financial obligations break down as follows:

in EUR m	Nov. 30, 2007	Nov. 30, 2006
Obligations under rental and lease agreements	29.6	20.8
Capital expenditure commitment	2.6	1.9
Other financial obligations	**32.2**	**22.7**

The obligations from rental and lease liabilities mainly relate to technical equipment and land and buildings used for operations.

Obligations from finance leases and from rental and operating lease agreements fall due as follows:

	Finance leases		Operating leases
in EUR m	Nominal value	Present value	Nominal value
Due 2008 to 2009	9.0	6.6	7.5
Due 2009 to 2012	16.7	14.9	17.1
Due after 2012	7.2	5.5	5.0
Minimum lease payments	**32.9**	**27.0**	**29.6**

In financial year 2007, the income statement included expenses of EUR 6.1m (prior year: EUR 4.1m) in connection with operating leases.

(38) Reporting on Financial Instruments

	Nov. 30, 2007		Nov. 30, 2006	
in EUR k	Exchange rate hedges	Interest rate derivatives	Exchange rate hedges	Interest rate derivatives
Nominal value (gross)	41,624[1)]	259,257	19,780	226,901
Fair value (net)	-228	-6,655	312	6,267
Residual term	02/2008	09/2010	01/2007	12/2008, 12/2009 and 12/2011
Carrying amount (underlying assets)	4,378	0	156	0
Carrying amount (underlying liabilities)	0	256,837	19,192	238,375

1) also including foreign exchange forwards related to receivables and liabilities between consolidated entities, which have been eliminated upon consolidation

The derivative financial instruments are measured at their fair values determined by banks. As hedging transactions, they are generally related to underlying operating transactions.

Exchange rate hedges are in place concluded to hedge **exchange risks** from the development of the US dollar.

To hedge **interest rate risks**, payer swaps are used which serve to secure the interest rate for variable-interest bank loans. Only bank loans with fixed terms and repayment agreements can be considered risk exposures. The hedging rate in relation to bank loans comes to 100% (prior year: approx. 90%).

(39) Segment Reporting

The Gerresheimer Group is divided into the four divisions: Tubular Glass, Plastic Systems, Moulded Glass and Life Science Research. Segment reporting is carried out in line with the Company's strategic focus. The group management report provides information on the divisions.

At the start of financial year 2007, changes were made to the Group's reporting structure. The Moulded Glass division remained unchanged. The subsegment Life Science Research was separated from the Tubular Glass division and made an independent division. The glass activities of the Pharma Systems division were integrated into the Tubular Glass division; the new Plastic Systems division was formed from the former plastic activities and the activities of the newly acquired Wilden Group. This new allocation reflects how the management of the business is now organized. The prior-year figures have been adjusted accordingly.

By business division in EUR m		Tubular Glass	Plastic Systems	Moulded Glass	Life Science Research	Head office	Group
Segment sales	2007	271.2	299.7	318.8	72.2	0.0	961.9
	2006	243.4	48.2	299.4	55.8	0.0	646.8
thereof intragroup sales	2007	-3.3	0.0	-0.9	0.0	0.0	-4.2
	2006	-0.1	0.0	0.0	0.0	0.0	-0.1
Sales third parties	2007	267.9	299.7	317.9	72.2	0.0	957.7
	2006	243.3	48.2	299.4	55.8	0.0	646.7
Share of profit/loss of associated companies	2007	0.0	0.0	0.3	0.0	0.0	0.3
	2006	0.0	0.0	-0.2	0.0	0.0	-0.2
Adjusted EBITDA	2007	66.7	56.1	65.1	7.7	-14.0	181.6
	2006	61.9	12.0	54.4	6.4	-12.1	122.6
Depreciation and amortization	2007	-20.7	-17.9	-24.8	-1.5	-0.1	-65.0
	2006	-20.5	-4.7	-22.4	-1.0	-0.2	-48.8
Adjusted EBITA	2007	46.0	38.2	40.3	6.2	-14.1	116.6
	2006	41.4	7.3	32.0	5.4	-12.3	73.8
Amortization of fair value adjustments	2007	-4.2	-20.5	-3.9	-1.1	-3.5	-33.2
	2006	-6.2	-4.5	-3.9	-0.4	-9.1	-24.1
Adjusted EBIT	2007	41.8	17.7	36.4	5.1	-17.6	83.4
	2006	35.2	2.8	28.1	5.0	-21.4	49.7
Restructuring/one-off expenses and income[1)]	2007	-3.3	-12.8	-2.3	-0.5	-10.4	-29.3
	2006	-14.8	-1.2	-1.1	-0.9	-5.0	-23.0
Significant non-cash expenses/income	2007	-0.8	0.0	0.0	0.0	0.0	-0.8
	2006	-4.9	0.0	0.0	0.0	0.0	-4.9
Result from operations	2007	37.7	4.9	34.1	4.6	-28.0	53.3
	2006	15.5	1.6	27.0	4.1	-26.4	21.8
Financial result	2007	-18.8	-21.2	-3.3	-0.4	-33.9	-77.6
	2006	-17.8	-4.8	-2.9	-0.5	-27.9	-53.9
Consolidated loss before income taxes	2007	-	-	-	-	-	-24.3
	2006	-	-	-	-	-	-32.1
Income taxes	2007	-	-	-	-	-	25.1
	2006	-	-	-	-	-	7.1
Consolidated profit/loss for the period	2007	-	-	-	-	-	0.8
	2006	-	-	-	-	-	-25.0
Segment assets	2007	441	565	297	100	39	1,442
	2006	458	101	297	34	51	941
thereof: investments accounted for using the equity-method	*2007*	*0*	*1*	*3*	*0*	*0*	*4*
	2006	*0*	*0*	*3*	*0*	*0*	*3*
Segment liabilities	2007	354	229	137	19	198	937
	2006	376	80	101	14	396	967
Capital expenditure (incl. intangible assets)	2007	33	29	36	1	0	99
	2006	27	7	40	1	0	75

1) In 2007 this item includes negative goodwill of EUR 1.9m which is disclosed under “other operating income”. In the prior year, an impairment loss of EUR 4.8m was charged in connection with the sale of the French plant in Nogent-le-Roi (Tubular Glass division). The impairment loss was disclosed in the income statement under the item „other operating expenses“

By region in EUR m		Germany	Europe excl. Germany	Americas	China	Other regions	Group
Sales by target region	2007	271	368	266	18	35	958
	2006	152	237	213	2	43	647
Sales by region of origin	2007	419	276	247	16	0	958
	2006	278	138	229	2	0	647
Capital expenditure by region	2007	59	16	21	3	0	99
	2006	31	20	24	0	0	75
Segment assets by region	2007	846	236	344	16	0	1,442
	2006	390	227	312	12	0	941

Transfer prices between segments are determined at arm's length.

(40) Audit and Consulting Fees

The auditor's fees recorded in the financial year amount to EUR 547k (prior year: EUR 418k) for audit services, EUR 2,728k (prior year: EUR 404k) for other assurance services, EUR 223k (prior year: EUR 177k) for tax services and EUR 291k (prior year: EUR 371k) for other services.

(41) Related Party Disclosures (IAS 24)

The related parties of the Gerresheimer Group as of November 30, 2007 include BCP Murano, an indirect subsidiary of Blackstone Capital Partners IV, Cayman Islands. Before the IPO in June 2007, Gerresheimer AG was a direct subsidiary of BCP Murano. In connection with the IPO of Gerresheimer AG, BCP Murano sold some of the Gerresheimer AG shares it held, and in doing so reduced its investment in the Company to 24.96% as of November 30, 2007.

In the financial year 2007, there were service relationships and financial transactions with companies of the Blackstone Group. In the financial year, the Blackstone Group invoiced EUR 4.3m (prior year: EUR 1.1m) for services rendered to the Gerresheimer Group. As of the balance sheet date, the Gerresheimer Group discloses no liabilities to the Blackstone Group company BCP Murano (prior year: EUR 62.7m). However, net interest expenses of EUR 1.5m (prior year: EUR 4.1m) were incurred for liabilities to the Blackstone Group disclosed during financial year 2007.

The liabilities to BCP Murano previously disclosed largely comprised a shareholder loan. Before going public, the Annual General Meeting of Gerresheimer AG on April 2, 2007 resolved to increase the share capital of Gerresheimer AG by EUR 20.0m and the capital reserve by EUR 44.1m by contributing the claim to repayment of the entire shareholder loan (including interest).

In the course of our operating business, we deliver materials and inventories to a lot of business partners including enterprises that are related to members of the Supervisory Board of Gerresheimer AG. Business with such entities primarily results from trade transactions, which are conducted at arm's length prices and conditions and which had a volume of EUR 5.4m in the financial year.

(42) Total Remuneration of the Members of the Supervisory Board and Management

Remuneration of members of the Supervisory and Advisory Boards of the Gerresheimer Group's holding companies for financial year 2007 totaled EUR 433k (prior year: EUR 334k), plus the statutory VAT to be paid pursuant to the articles.

Remuneration of the active Management Board members came to EUR 3,337k (prior year: general manager remuneration of EUR 2,265k). The fair value of the stock appreciation rights of the board members amounts to EUR 978k for the 2007 tranche and to EUR 2,781k for the tranches 2008 to 2011. For details, we refer to Note (22). Effective May 1, 2007, the pension obligations to active members of the Management Board were transferred to a pension fund. The pension obligations to active members of the Management Board amounted to EUR 4,269k (prior year: EUR 5,558k). Provisions of EUR 16,154k (prior year: EUR 16,964k) have been recognized for pension obligations to former members of management and their surviving dependents. Current pension payments amounted to EUR 1,315k (prior year: EUR 1,124).

On May 14, 2007, the Annual General Meeting adopted a resolution not to disclose the remuneration of the individual Management Board members for a period of five years.

(43) Corporate Governance

The term corporate governance relates to a company's entire management and monitoring system, including its organization, business policies and guidelines, and its internal and external control mechanisms. Corporate Governance aims at responsible and transparent management and control of companies focused on long-term added value. It promotes the confidence of national and international investors, business partners, financial markets, employees and the public in the management and control of Gerresheimer AG.

Under section 161 German Stock Corporation Act, as a listed company, Gerresheimer AG is obligated to publish its compliance with the recommendations as well as an explanation as to recommendations it did or does not apply ("comply or explain").

On September 24, 2007, the Management Board and Supervisory Board of Gerresheimer AG issued a joint Compliance Declaration with the recommendations of the German Corporate Governance Code pursuant to section 161 German Stock Corporation Act, as amended on June 14, 2007. The declaration is available on the Company's website (www.gerresheimer.com).

(44) Events After the Balance Sheet Date

In December 2007, Gerresheimer acquired the Spanish company EDP S.A., which most recently generated annual sales of some EUR 32m with production facilities in Spain (Zaragoza and Valencia) and Argentina (Buenos Aires). EDP manufactures PET containers for the pharmaceutical industry and is a leading producer of pharmaceutical plastic packaging in Southern Europe and South America. The approval by the antitrust authority necessary to gain control was obtained in January 2008.

At the end of January 2008, the sales and purchase agreement for the acquisition of the Brazilian company Allplas Embalagens Ltda. was signed. Allplas is Brazil's market leader for high-end pharmaceutical plastic packaging and generated sales of about EUR 16m in 2007.

These financial statements were prepared by the Management Board during its meeting on February 1, 2008, authorized for issue and submitted by the Audit Committee to the Supervisory Board for approval in its meeting on February 25, 2008.

Dusseldorf, Germany, February 1, 2008

The Management Board

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the group management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group.

Dusseldorf, Germany, February 1, 2008

The Management Board

Dr. Axel Herberg | Hans-Jürgen Wiecha | Uwe Röhrhoff | Dr. Max Raster

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 Gerresheimer AG, Dusseldorf, Germany, comprising the income statement, the balance sheet, the statement of changes in equity, cash flow statement and the notes to the financial statements, together with the group management report for the fiscal year from December 1, 2006 to November 30, 2007. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB [“Handelsgesetzbuch”: German Commercial Code] are the responsibility of the 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 [“Handelsgesetzbuch”: 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 the 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 IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development."

Dusseldorf, Germany, February 1, 2008

Ernst & Young AG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Lewe
Wirtschaftsprüfer
[German Public Auditor]

Müller-Kirchhofs
Wirtschaftsprüferin
[German Public Auditor]

Board of Directors

Supervisory Board
For Financial Year 2007, December 1, 2006 to November 30, 2007

The Supervisory Board was constituted on April 2, 2007 after the conversion of the Company to a German stock corporation (AG).

Lionel Assant
Chairman of the Supervisory Board (until May 14, 2007 and from September 24, 2007), Managing Director, The Blackstone Group International Ltd., London

Other mandates beyond the Company:
United Biscuits Ltd. UK
(Member of Board of Directors)
KP Germany Zweite GmbH
(Member of Advisory Board)

Hans Peter Peters
(since May 14, 2007) Chairman of the Supervisory Board (from May 15, 2007 to September 23, 2007), Co-Chairman Lincoln International Group, Frankfurt am Main, Germany

Other mandates beyond the Company:
Ondas Media S.A.
(Member of the Supervisory Board)
Lincoln International S.A.S.
(Chairman of the Supervisory Board)
Lincoln International AG
(Chairman of the Advisory Board)
Deutsches Aktieninstitut e.V.
(Member of the Management Board)

Robert Ramsauer
(until May 14, 2007 and since August 9, 2007), Deputy Chairman of the Supervisory Board (until May 14, 2007)
Associate, The Blackstone Group International Ltd., London

Gottlieb Förster
(since May 7, 2007) Deputy Chairman of the Supervisory Board (since May 15, 2007), Head of the Union Pay Policies Department, IG Bergbau, Chemie, Energie (Mining, Chemical and Energy Industrial Union), Hanover, Germany

Other mandates beyond the Company:
Norddeutsche Affinerie AG
(Member of the Supervisory Board)
Currenta GmbH & Co. OHG
(Deputy Chairman of the Supervisory Board)
Chemie Pensions Fonds AG
(Member of the Supervisory Board)

Lydia Armer
(since May 7, 2007) Chairwoman of the Company Works Council of Gerresheimer Wilden GmbH, Pfreimd, Germany

Other mandates beyond the Company:
Gerresheimer Wilden GmbH
(Member of the Supervisory Board)

Günter Fehn
(since May 7, 2007) Chairman of the Company Works Council of Gerresheimer Tettau GmbH, Tettau, Germany

Olaf Grädler
(since May 7, 2007) Head of Personnel, Gerresheimer Bünde GmbH, Bünde, Germany

Other mandates beyond the Company:
AG der Wirtschaft für berufliche Weiterbildung im Kreis Herford e.V.
(Member of the Management Board)
Arbeitgeberverband der deutschen Glasindustrie, Munich (Member of the Social Panel)

Thorsten Langheim
(until May 14, 2007) Managing Director, The Blackstone Group Deutschland GmbH, Hamburg, Germany

Other mandates beyond the Company:
KP Germany Zweite GmbH
(Member of the Advisory Board)

Reiner Ludwig
(since May 7, 2007) Chairman of the Works Council of Gerresheimer Lohr GmbH, Lohr, Germany

Philippe Meyer
(until May 14, 2007) Senior Advisor Blackstone, Nancy, France

Other mandates beyond the Company:
KP Germany Zweite GmbH
(Member of the Advisory Board)
HW Group S.A.
(Member of the Supervisory Board)
Kleopatra Acquisition Corp.
(Member of the Board of Directors)

Dr. Hanns Ostmeier
(until August 2, 2007), Senior Managing Director, The Blackstone Group Deutschland GmbH, Hamburg, Germany

Dr. Gerhard Prante
(since May 14, 2007) Retired Agricultural Scientist, Hofheim, Germany

Other mandates beyond the Company:
Bayer CropScience AG
(Member of the Supervisory Board)
AllessaChemie GmbH
(Member of the Supervisory Board)
Lincoln International AG
(Member of the Advisory Board)

Doug Rogers
Managing Partner, The Blackstone Group International Ltd., New York

Other mandates beyond the Company:
Charles River Laboratories International Inc., USA
(Member of the Board of Directors)
Computerized Medical Systems Inc.
(Member of the Board of Directors)

Harald Sikorski
(since May 7, 2007) Deputy Head, Landesbezirk Bayern, IG Bergbau, Chemie, Energie (Mining, Chemical and Energy Industrial Union), Munich, Germany

Other mandates beyond the Company:
Südsalz GmbH (Member of the Supervisory Board)

Udo J. Vetter
(since May 14, 2007) Pharmacist und General Partner of UV-Cap GmbH & Co. KG, Ravensburg, Germany

Other mandates beyond the Company:
Gerresheimer Wilden GmbH (Member of the Supervisory Board) (until June 18, 2007)
EDT AG (Chairman of the Supervisory Board)
ITM AG (Chairman of the Supervisory Board)
Paschal Werk G. Maier GmbH
(Chairman of the Advisory Board)
Medisynthana GmbH
(Chairman of the Advisory Board)
Atoll GmbH (Chairman of the Advisory Board)
HSM GmbH & Co. KG
(Chairman of the Advisory Board)
SeaLionPharma Pte. Ltd., Singapore
(Member of the Supervisory Board)
Gland Pharma Pte. Ltd., Hyderabad, India
(Member of the Supervisory Board)
Vetter Pharma Fertigungs GmbH & Co. KG
(Member of the Advisory Board)

Board of Directors

Mandates of the Management Board Members For Financial Year 2007, December 1, 2006 to November 30, 2007

Dr. Axel Herberg
Chairman
a) Gerresheimer Tettau GmbH
(Deputy Chairman)
Gerresheimer Wilden GmbH
(Chairman, since June 13, 2007)
b) Gerresheimer Boleslawiec S.A.
(Chairman)
Gerresheimer Pisa S.p.A.
Gerresheimer Glass Inc. (Chairman)
Gerresheimer Momignies S.A.
Gerresheimer Querétaro S.A.
Gerresheimer Denmark A/S
(Chairman)
Gerresheimer Vaerloese A/S
(Chairman)

Dr. Max Raster
a) Genthe Glas AG, Goslar, Germany
b) Gerresheimer Boleslawiec S.A.
(Deputy Chairman, since January 31, 2007)
Gerresheimer Pisa S.p.A
(Chairman, since January 24, 2007)
Gerresheimer Chalon S.A.
(since February 16, 2007)
Gerresheimer Glass Inc.
(since January 1, 2007)
Gerresheimer Querétaro S.A.
(Chairman, since February 2, 2007)
Gerresheimer Shuangfeng Pharmaceutical Glass
(Danyang) Co. Ltd.
(Chairman, since August 8, 2007)
Gerresheimer Shuangfeng Pharmaceutical
Packaging
(Zhengjiang) Co. Ltd.
(Chairman, since August 8, 2007)

Uwe Röhrhoff
a) Gerresheimer Tettau GmbH
(Chairman)
b) Member of the Advisory Board of
European Container Glass
Federation (Feve)
Gerresheimer Glass Inc.
Gerresheimer Momignies S.A.
(Chairman)
Beijing Gerresheimer Glass Co. Ltd.
(since April 2007)
Kimble Bomex (Beijing) Glass Co. Ltd.
(Chairman, since February 2007)
Kimble Bomex (Beijing) Labware Co. Ltd.
(Chairman, since October 2007)
Kimble Chase Life Science and Research
Products LLC
(Chairman, since July 2007)

Hans-Jürgen Wiecha
a) Gerresheimer Tettau GmbH
Gerresheimer Wilden GmbH
(Deputy Chairman, since June 13, 2007)
b) Gerresheimer Boleslawiec S.A.
Gerresheimer Pisa S.p.A.
Gerresheimer Chalon S.A.
Gerresheimer UK Ltd.
Gerresheimer Glass Inc.
Gerresheimer Momignies S.A.
Gerresheimer Denmark A/S
Gerresheimer Vaerloese A/S
Gerresheimer Shuangfeng Pharmaceutical Glass
(Danyang) Co. Ltd.
Gerresheimer Shuangfeng Pharmaceutical Glass
(Zhengjiang) Co. Ltd.

a) Membership in Supervisory Boards according to German legal regulations

b) Membership in comparable domestic and foreign control boards of economic enterprises

Glossary

Calibration
Scale denoting the filling volume.

Cartridge
Cylinder ampoule: a glass cylinder closed at the front end by an aluminium cap with a penetrable membrane which is penetrated by the injection needle for the actual injection.

Clean-room production
In a clean room, special processes and equipment types control particle contamination. This is a key requirement for production of a wide range of drug delivery systems, primary packaging and certain pharmaceutical production processes.

Desiccant closure
Cap with integrated moisture-absorbent desiccant.

Dropper bottle system
Special bottle system made of glass or plastic for delivery of medications in drop form: consisting of bottle, dropper and closure.

Drug delivery system
A drug delivery system transports the active substance in various ways (via pulmonary or nasal inhalation, through the skin, via the mucous membranes or orally) precisely to those areas in the body where it is intended to be effective. Examples: inhalers for the treatment of respiratory diseases and prefillable syringes for injection drugs.

Hydrolytic resistance
Criterion for the resistance of glass containers: defined in terms of resistance against leaching of alkaline glass components through ultra-pure water.

Insulin pen system
An insulin pen is a special injection system for safe and less painful delivery of insulin from a cartridge.

IS machine
Individual Section machine: machine which is used in moulded glass production and can process one to four drops per station at the same time.

Lancet magazine
Magazine with integrated lancets in a drum housing. A lancet is a blood-sampling needle which is encapsulated by injection moulding. It is inserted into a skin-prick aid for diabetic patients.

Life science
Life science is the field in which research institutes work primarily on the application of scientific findings in modern biology, chemistry and medicine as well as related areas, with a highly interdisciplinary and also market-based orientation.

Moulded Glass
Moulded glass packaging is produced in a single continuous work process directly after the melting process.

Multifunctional complementary system
Syringe component which together with the syringe body forms the syringe system.

Paste mould technology
Glass shaping process using a rotating mould (blowing process) to form a round and seamless piece of glassware.

Plastic system
Complex and technically demanding system consisting of several plastic components.

Prefillable syringes
Syringe system supplied to customers in the pharma & life science industry for filling with drug products.

Primary packaging
Packaging with which the filling contents come into direct contact.

RTF® – Ready To Fill
Under the trademark RTF®, prefillable syringes are internationally marketed by Gerresheimer and supplied to the pharmaceutical industry complete and ready to fill – siliconized, sterilized, largely assembled and, for certain sensitive medications, even with baked-on siliconization.

Sterile syringe
Collective term for sterilised syringes supplied to the pharma industry completely ready to fill, for example RTF® syringes.

Surface treatment
Special finishing process on the inside of a pharmaceutical container, eg to ensure compatibility of the packaging material with the active substance in the medication.

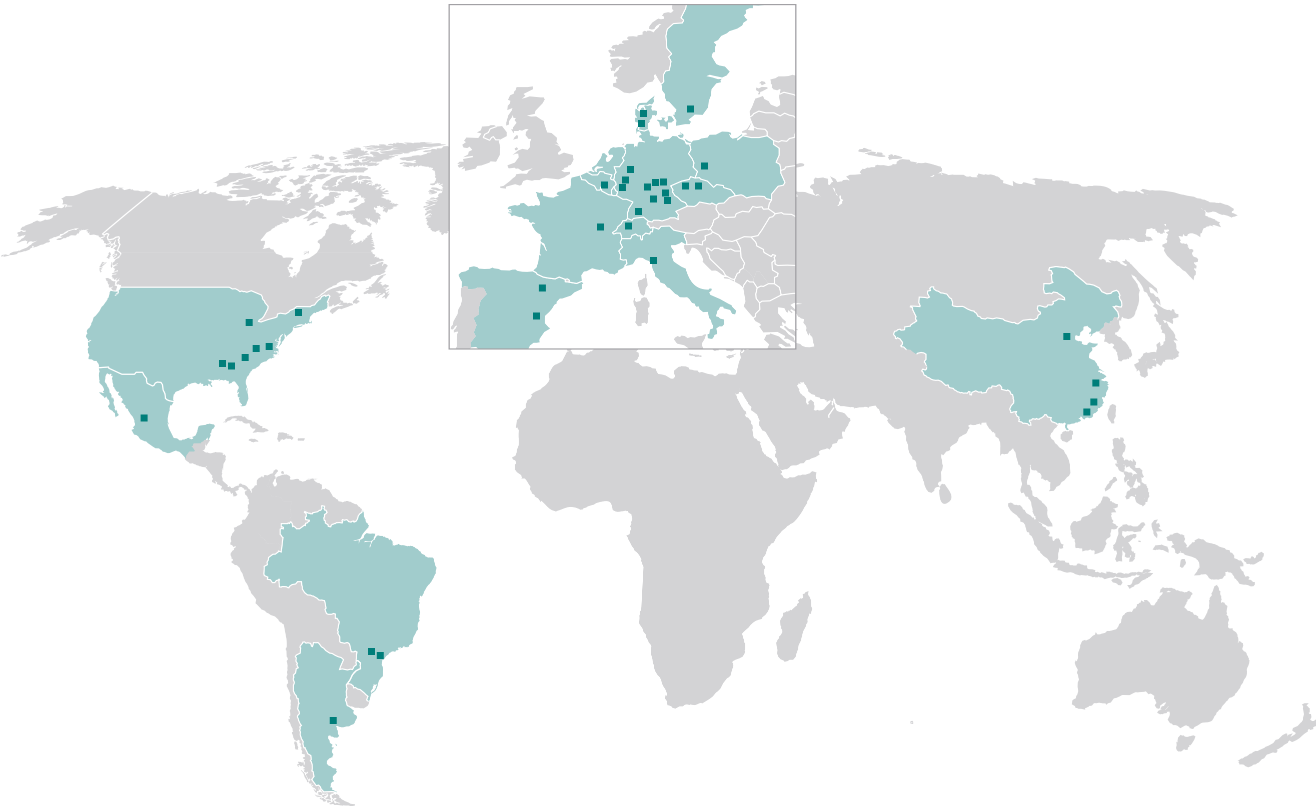
Tamper Evident Luerlock Closure (TELC)
The TELC is a Gerresheimer development for prefilled syringes and combines a tamper-evident closure and a Luerlock adapter.

Tubular Glass
Tubular glass packaging is produced in two separate process steps: first of all production of the tubular glass and then forming.

Type I borosilicate glass tubing
Glass tubing made of the high-quality type I borosilicate glass which because of its chemical composition possesses the highest possible hydrolytic resistance and because of its low alkali emission is used particularly for injection substances.

The definitions used here apply in connection with Gerresheimer's operations and should not be understood as general definitions.

Locations of Gerresheimer AG



Europe
- Gerresheimer AG, Dusseldorf (Germany)
- Gerresheimer Boleslawiec S.A., Boleslawiec (Poland)
- Gerresheimer Bünde GmbH, Bünde/Westfalia (Germany)
- Gerresheimer Chalon S.A., Chalon-sur-Saône (France)
- Gerresheimer Essen GmbH, Essen (Germany)
- Gerresheimer Lohr GmbH, Lohr/Main (Germany)
- Gerresheimer Momignies S.A., Momignies (Belgium)
- Gerresheimer Pisa S.p.A., Pisa (Italy)
- Gerresheimer Tettau GmbH, Tettau/ Upper Franconia (Germany)
- Gerresheimer Vaerloese A/S, Haarby (Denmark)
- Gerresheimer Vaerloese A/S, Vaerloese (Denmark)
- Gerresheimer Valencia, S.L.U., Valencia (Spain)
- Gerresheimer Wertheim GmbH, Wertheim
- Gerresheimer Wilden AB, Ronneby (Sweden)
- Gerresheimer Wilden AG Schweiz, Küssnacht (Switzerland)
- Gerresheimer Wilden AG Schweiz, Schönau (Germany)
- Gerresheimer Wilden Czech spol. s r.o., Horšovský Týn (Czech Republic)
- Gerresheimer Wilden Dysina spol. s r.o., Dýšina (Czech Republic) (Germany)
- Gerresheimer Wilden GmbH, Pfreimd (Germany)
- Gerresheimer Wilden GmbH, Wackersdorf (Germany)
- Gerresheimer Zaragoza, S.A., Zaragoza (Spain)
- Scherf Präzision Europa GmbH, Meiningen (Germany)

USA and Mexico
- Gerresheimer Glass Inc., Chicago Heights Plant, Chicago Heights, IL (USA)
- Gerresheimer Glass Inc., Forest Grove Plant, Vineland, NJ (USA)
- Gerresheimer Glass Inc., Millville Plant, Millville, NJ (USA)
- Gerresheimer Glass Inc., Morganton Plant, Morganton, NC (USA)
- Gerresheimer Glass Inc., Vineland Plant, Vineland, NJ (USA)
- Gerresheimer Querétaro S.A., Querétaro (Mexico)
- Gerresheimer Wilden Plastics Inc., Peachtree City, Georgia (USA)
- Kimble Chase Life Science and Research Products LLC., Rochester Plant, Rochester, NY (USA)
- Kimble Chase Life Science and Research Products LLC., Rockwood Plant, Rockwood, TN (USA)
- Kimble Chase Life Science and Research Products LLC., Vineland Plant, Vineland, NJ (USA)

South America
- Gerresheimer Buenos Aires, S.A., Buenos Aires (Argentina)
- Gerresheimer Sao Paulo Ltda., Butanta Plant, Sao Paulo (Brazil)
- Gerresheimer Sao Paulo Ltda., Cotia Plant, Sao Paulo (Brazil)

Asia
- Beijing Gerresheimer Glass Co., Ltd., Huangcun, Beijing (China) (minority interest)
- Gerresheimer Shuangfeng Pharmaceutical Glass (Danyang) Co. Ltd, Danyang, Jiangsu (China)
- Gerresheimer Shuangfeng Pharmaceutical Packaging (Zhenjiang) Co. Ltd., Zhenjiang, Jiangsu (China)
- Gerresheimer Wilden Asia Medical and Technical Plastic Systems Co. Ltd., Wang Niu Dun Town, Dongguan City (China)
- Kimble Bomex (Beijing) Glass Co. Ltd., Beijing (China)
- Kimble Bomex (Beijing) Labware Co. Ltd., Beijing (China)

As of 26 February 2008

Financial Calendar

April 14, 2008	Interim Report 1st Quarter 2008
May 23, 2008	Annual General Meeting Financial Year 2007 in Dusseldorf
July 15, 2008	Interim Report 2nd Quarter 2008
October 15, 2008	Interim Report 3rd Quarter 2008
February 17, 2009	Annual Report 2008

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Note to the Annual Report
This Annual Report is the English translation of the original German version; in case of deviations between these two the German version prevails.

Note Regarding the Rounding of Figures
Due to the commercial rounding of figures and percentages small deviations may occur.

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