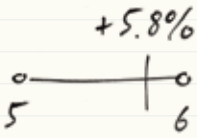
Our Financial Year
Annual Report 2013

GERRESHEIMER

FACTS AND FIGURES

CAPITAL MARKET GUIDANCE MET IN FULL:

Revenue growth 2013 at constant exchange rates:



Adjusted EBITDA[1] at constant exchange rates:

INTERNATIONAL:

Over 40 plants
16 countries
4 continents
Around 11,000 employees

SUCCESSFUL:

Adjusted earnings per share 2013:

EUR 3.08

Proposed dividend:

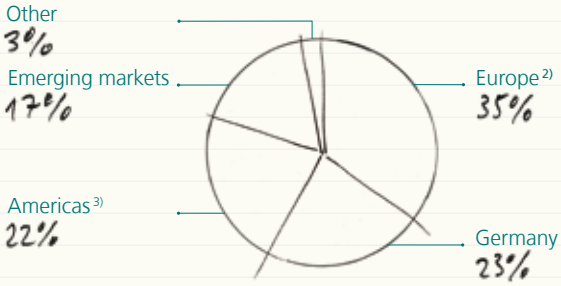
EUR 0.70 per share

[1] This includes EUR 7.5m in other operating income from fair value evaluation of the Triveni put option.

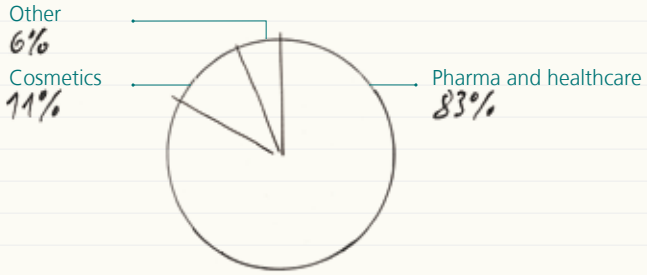
REVENUES 2013

EUR 1,265.9m

By economic regions



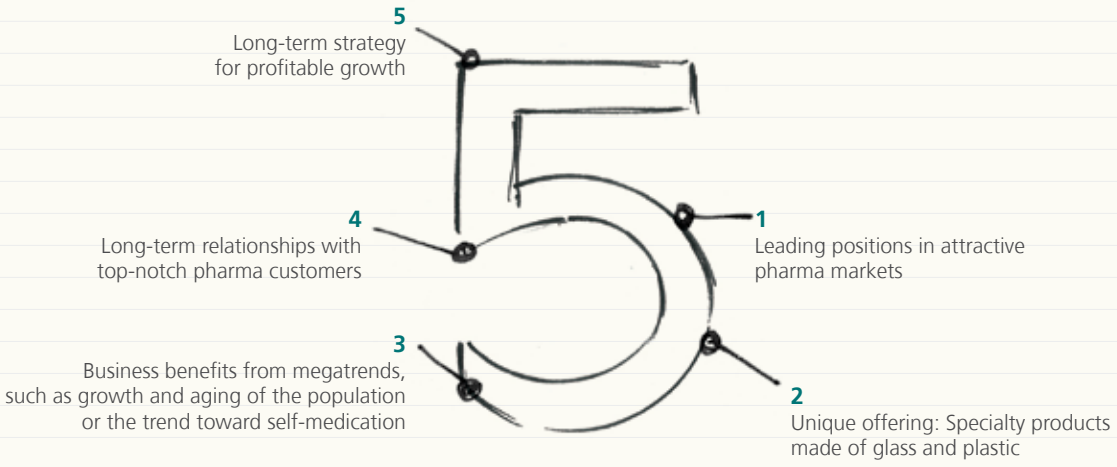
By markets



[2] Excluding Germany, Poland, Romania, Russia, Turkey and Ukraine
[3] Excluding Argentina, Brazil, Mexico and Venezuela

REASONS FOR INVESTING

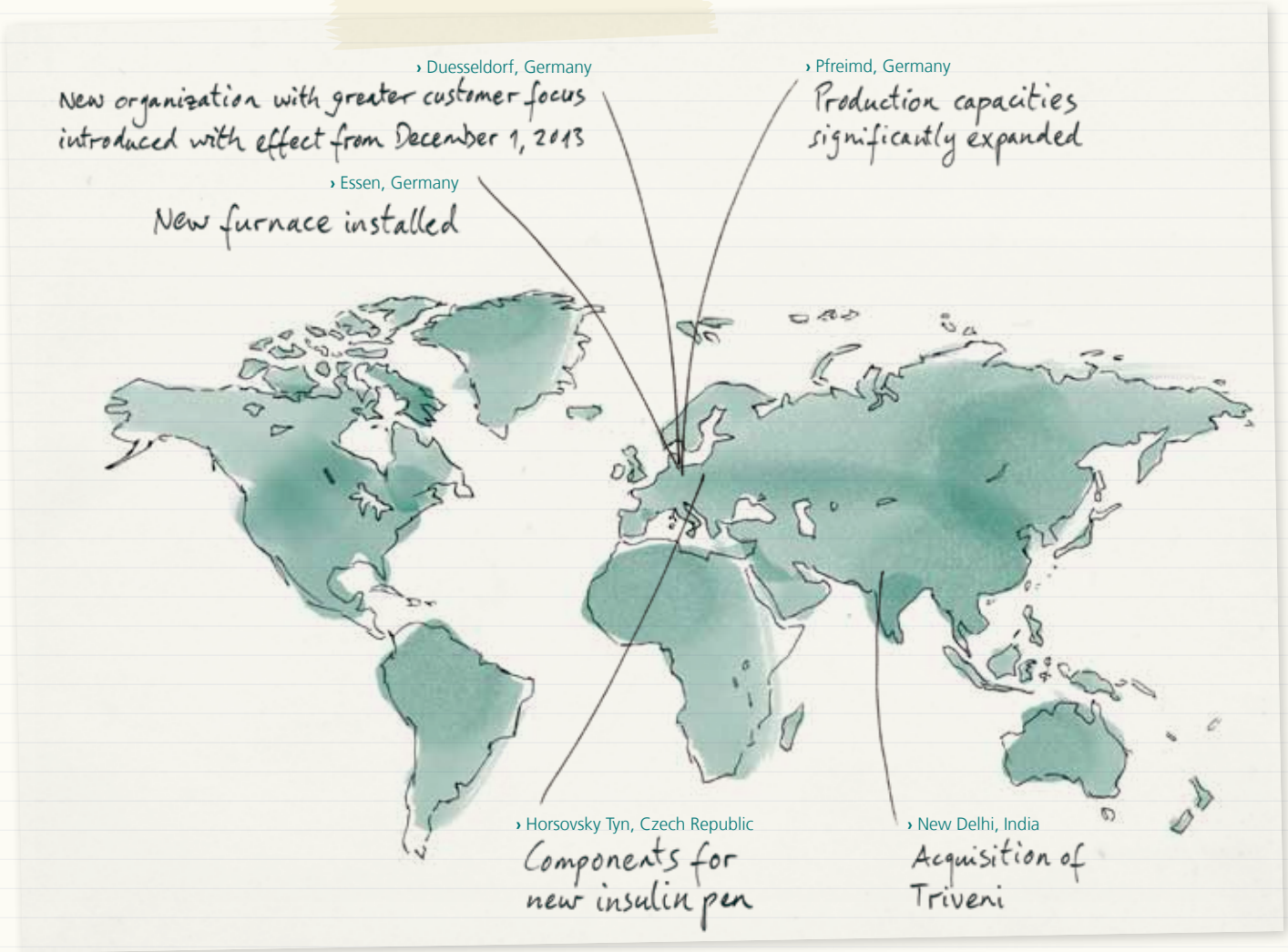
in Gerresheimer shares



OVERVIEW

Gerresheimer is a leading global partner to the pharma and healthcare industry. With our specialty glass and plastic products, we contribute to health and well-being. We have worldwide operations and our around 11,000 employees manufacture our products in local markets, close to our customers. With over 40 plants in Europe, North America, South America and Asia, we generate revenues of approximately EUR 1.3 billion. Our comprehensive product portfolio includes pharmaceutical packaging and products for the safe, simple administration of medicines: Insulin pens, inhalers, prefillable syringes, injection vials, ampoules, bottles, and containers for liquid and solid medicines with closure and safety systems as well as packaging for the cosmetics industry.

SELECTED HIGHLIGHTS OF 2013



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Comprehensive contents of the Combined Management Report as well as Consolidated Financial Statements can be found on pages 27 and 71.

PREFACE BY THE CHIEF EXECUTIVE OFFICER

DEAR SHAREHOLDERS AND BUSINESS PARTNERS, LADIES AND GENTLEMEN,

Together, we can look back on a successful financial year. I personally am very pleased about this because, even though the past financial year was not an easy one, we mastered all the challenges we faced very well. Not only did we achieve all the goals we set ourselves but also sharpened our organization's customer focus. Those were important steps in setting the course for our Company's future.

Gerresheimer's pharma industry revenues once again showed strong growth and broad cyclical resilience in financial year 2013. Our business performance was buoyed by the increasing number of older people, global population growth and the resulting rise in demand for healthcare. Similar to the pharma business, our cosmetics packaging also generated revenue growth. Only sales of laboratory glassware declined, as many of our customers had to endure restrictions on their budgets. Overall, 2013 was an encouraging financial year for us. Revenues rose by 3.8% to EUR 1,265.9m. Excluding foreign currency effects, this represents an increase of 5.8%. We are therefore squarely within our guidance range, which we had set at revenue growth of 5% to 6% based on constant exchange rates.

The Group's key performance indicator is its operating income, or adjusted EBITDA, for which we had also set a target range at the beginning of the year. We aimed to generate between EUR 245m and EUR 250m at constant exchange rates. And we succeeded. Excluding foreign currency effects and other operating income for the Triveni put option, we achieved adjusted EBITDA of EUR 246.5m in financial year 2013. Stripping out the foreign currency effects alone raises our adjusted EBITDA to EUR 254.0m.

"For 2014, we are counting on further growth in industrialized and emerging economies."

Our shares joined in the positive performance and reached a new all-time high of EUR 50.14 shortly before the end of the financial year. As of November 30, 2013, the share price was only slightly down on this figure at EUR 49.67 and therefore rose by 26.0% over financial year 2013 as a whole.

In light of the Company's strong business performance, the Management Board and Supervisory Board are proposing a dividend for financial year 2013 of EUR 0.70 per share for approval at the Annual General Meeting. This represents a dividend payout ratio of almost 23% of adjusted net income after non-controlling interests and an increase of 7.7% on last year's dividend.

A somewhat more detailed look at financial year 2013 reveals some regional differences. We achieved healthy revenue growth primarily in Europe, despite the further decline in economic output. We also lifted revenues in Germany and emerging markets. Thanks to the presence of global pharmaceutical companies and the country's demographic potential, the USA remains a core region for our business activities.

There was continued strong demand for high-quality glass packaging for cosmetics which, as in our pharma business, came largely from emerging markets. We sell our laboratory glassware mainly in the USA, but demand there dropped in financial year 2013. This was primarily due to restrictions on our customers' budgets in connection with the US debt-ceiling debate.

From 2007 to 2013, our Company was organized into four divisions – according to the different technologies and materials we use to manufacture our products. As of the beginning of financial year 2014, we restructured our divisions and sharpened their customer focus. From now on, our product groups will determine how the divisions are structured. This will enable us to move closer to our markets and operate more efficiently.

Just as we are fine-tuning our products and services and improving our efficiency with an eye to achieving our growth and earnings targets, we also need to ensure our business practices are sustainable. For this, we are employing a number of initiatives at our plants worldwide. We publish the aims, strategies and outcomes of our environmental protection measures through the Carbon Disclosure Project, the world's biggest initiative to reduce CO_2 emissions. In financial year 2013, we garnered awards for our efforts in this area.

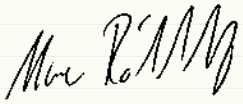
New requirements – not only with regard to technology and quality but also speed and efficiency – presented us with major challenges again last year. Through exceptional effort and untiring dedication, we were able to meet these new requirements successfully. On behalf of everyone on the Management Board, I would like to thank all our employees most sincerely for that.

Our products make a key contribution to health and well-being, as quality, reliability and innovation play an increasingly important role in drug packaging and delivery. The requirements governing the manufacture of our products have ultimately risen to the same degree. In this regard, we have a clear advantage at our Technical Competence Centers, where we join together with our customers in developing highly complex new products for drug dosage and delivery. This development work will continue.

For 2014, we are counting on further growth in industrialized and emerging economies. Time and again, our strategy of gaining prompt access to markets by acquiring leading local companies has proven to be the right one. The business success of our latest acquisition in India is a shining example. Looking ahead, we intend to go on growing both organically and through acquisitions. With our solid financial base and our long-term financing, we are well placed to extend our strong market position regionally and to add new technologies to our portfolio so as to further improve our competitive position.

On behalf of everyone on the Management Board, I would like to thank our business partners, our Supervisory Board members and our Works Council officials for their loyal cooperation. We very much look forward to continuing this working relationship in the future. I would also like to thank you, our shareholders, for the trust you have placed in us. We remain fully committed to ensuring that Gerresheimer shares remain a solid investment. I would be delighted if you continued to support us in our efforts.

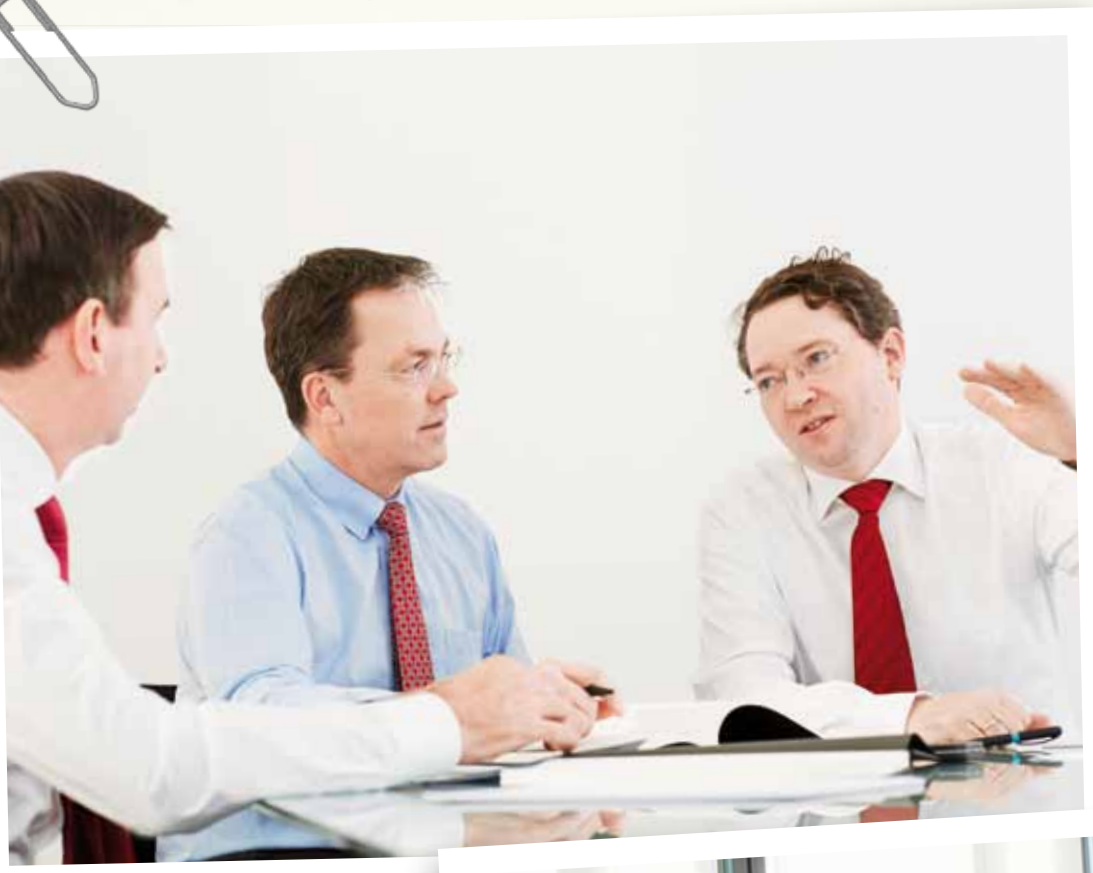
With kind regards,



Uwe Röhrhoff

OUR MANAGEMENT BOARD

Right: Rainer Beaujean > Chief Financial Officer, responsible for Life Science Research



Center: Andreas Schütte > Member of the Board, responsible for Plastics & Devices

Uwe Röhrhoff > Chief Executive Officer, responsible for Primary Packaging Glass

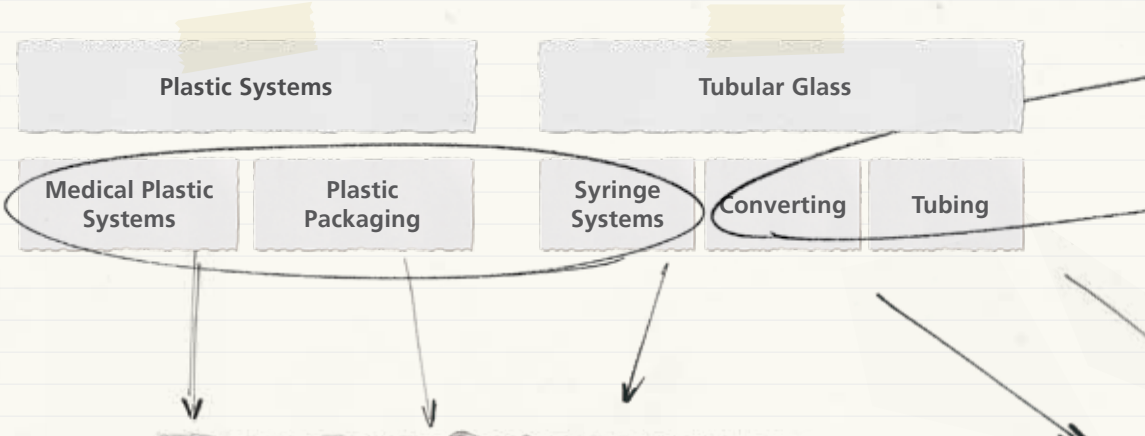
NEW ORGANIZATION

Greater customer focus : With three divisions closer to the market

Since 2007, our Company had been structured around four divisions – an organizational framework that took its cue from the diverse production technologies and materials in use at Gerresheimer. The start of financial year 2014 saw a restructuring of our divisions, resulting in a market-driven setup arranged according to specific products.

The Group is now shaped by three divisions. The first of these goes by the name of Plastics & Devices. Here we produce complex, customer-specific systems for administering medication as well as plastic pharmaceutical containers. Next in line, our Primary Packaging Glass Division comprises standardized glass packaging for medicines and cosmetics. Our third division known as Life Science Research remains unchanged and encompasses our laboratory glassware product range.

Divisions 2007–2013



New customer-centric organizational structure from December 1, 2013

PLASTICS & DEVICES
(Andreas Schütte)

Complex, customer-specific systems for administering medication as well as plastic containers

Moulded Glass

Life Science Research

PRIMARY PACKAGING GLASS
(Uwe Röhrhoff)

Primary packaging made of glass for medicines and cosmetics

LIFE SCIENCE RESEARCH
(Rainer Beaujean)

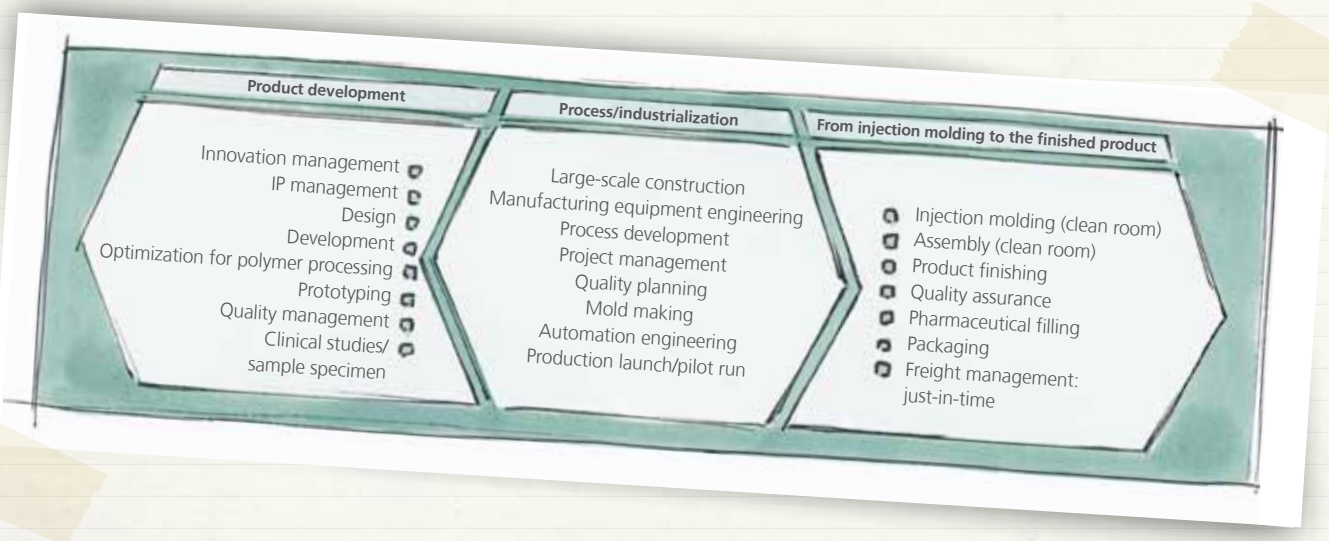
Laboratory glassware

HANDS-ON SOLUTIONS

How we develop complex self-medication systems

Joining forces with our partners from the pharmaceutical and healthcare industries, we devise solutions geared to enhancing health and well-being. Thanks to decades of experience, we are very well acquainted with the world in which our clients operate. We speak their language, we know the environment in which they work and can cater to their individual wishes and needs. In addition, we explore current medical issues in depth on an ongoing basis. Our intensive dialog with clients, institutes and universities enables us to respond to major potential areas of innovation at an early stage. We see ourselves as technology leaders and as a flexible company with fast decision-making processes.

The development, industrialization and series production of, for instance, complex medical plastic systems, such as asthma inhalers, auto-injectors, lancing devices, or insulin pens, is an elaborate process over many years, one that we pursue in close collaboration with our clients. Initial design drafts and development steps pave the way for the process of industrialization at our Technical Competence Centers in Wackersdorf, Germany, and Peachtree City, USA. From there, production-ready products, machinery and tools that have been assessed for technical feasibility are sent to our production sites all over the world. We offer our clients reliable industrial-scale production as well as manual and semi-automated batch production to the highest standards of quality. More and more of our production takes place directly under clean room conditions.



Our aim is to raise awareness among all 11,000 of our colleagues worldwide of the importance of our work for the patients and users of medications packaged in our products. To that end, we have launched a broad-based in-house campaign that goes by the name of "product world". It features videos, monthly newsletters with easy-to-grasp application examples, games, quizzes, sample cases, and much more. The campaign was truly an eye-opener for many of us with regard to how much we actually do – and the responsibility that goes with it.

For more on the "product world" campaign, go to page 46.

Insulin pens are a great help for diabetics. Treatment of diabetes is gaining in importance. The World Health Organization puts the current number of diabetes patients worldwide at

350 million,

and rising fast

Developing complex medical systems from initial analyses all the way to the series production phase can take several years. But the end result is a customer-specific product fully geared to the client's needs, one that can be instrumental to the success of a pharmaceutical company when marketing its medication. For simple, reliable handling and convenience is becoming an ever more important factor in self-medication.

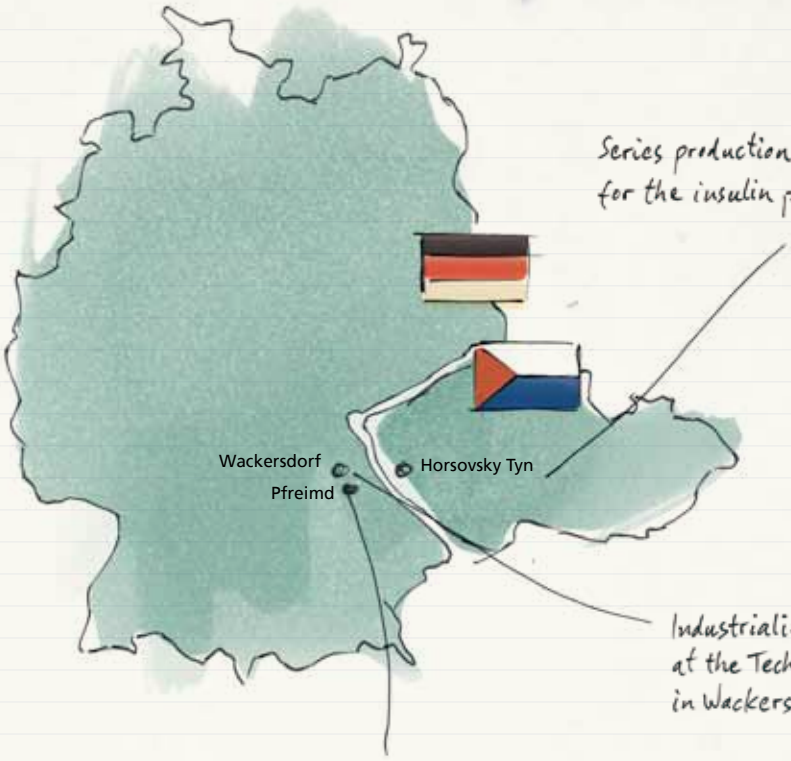
Cooperation focus: New insulin pen

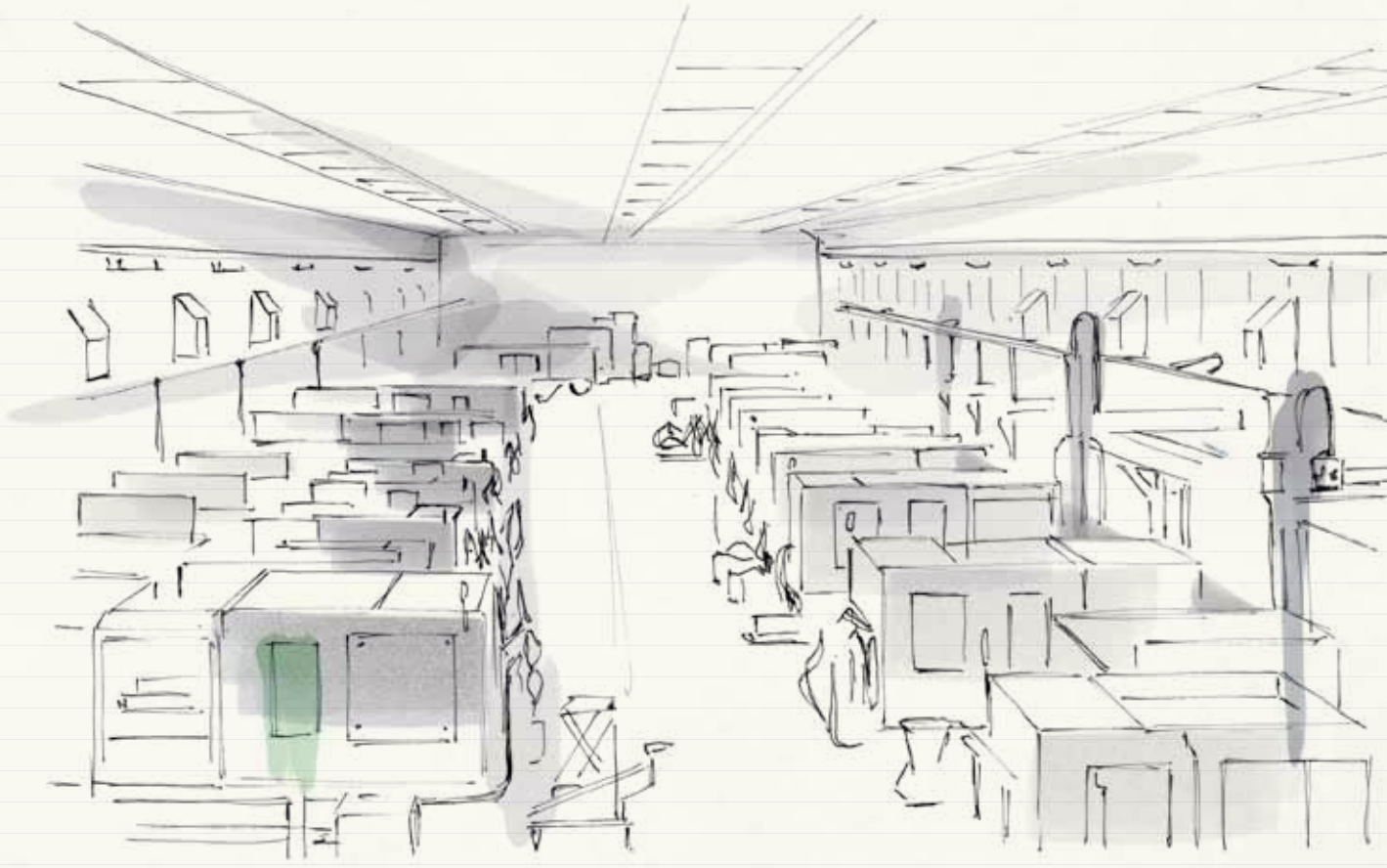
Working in close harness with our clients, we develop syringe systems, insulin pens and inhalers for the safe dosage and application of medication. In the year under review, we started production of components for a new insulin pen. We built a new production hall with a 3,500 m² clean room area including a high-bay warehouse at our facility in Horsovsky Tyn, Czech Republic, specially for this new project. Right next door at the neighboring facility in Pfreimd, Germany, we have been producing a reusable insulin pen for the same customer for quite some time.

Assembly and printing line in Horsovsky Tyn, Czech Republic

Project Head Carsten Dormeier, who is project manager at Gerresheimer's Technical Competence Center in Wackersdorf, Germany:

"We could not have successfully kept to the highly ambitious timing of this extensive project, from the initial planning in Wackersdorf to the start of production in Horsovsky Tyn, without the exceptional commitment of our people at both sites."


Series production of the components for the insulin pen in Horsovsky Tyn
Wackersdorf
Pfreimd
Horsovsky Tyn
Final assembly at the customer's plant
Industrialization of the assemblies at the Technical Competence Center in Wackersdorf
Production of a second, reusable insulin pen for the same customer



CRYSTAL-CLEAR OPPORTUNITIES

Primary packaging made of glass for medicines and cosmetics

We make glass containers using two different methods.

Dual-stage process for manufacturing ampoules, injection vials and cartridges

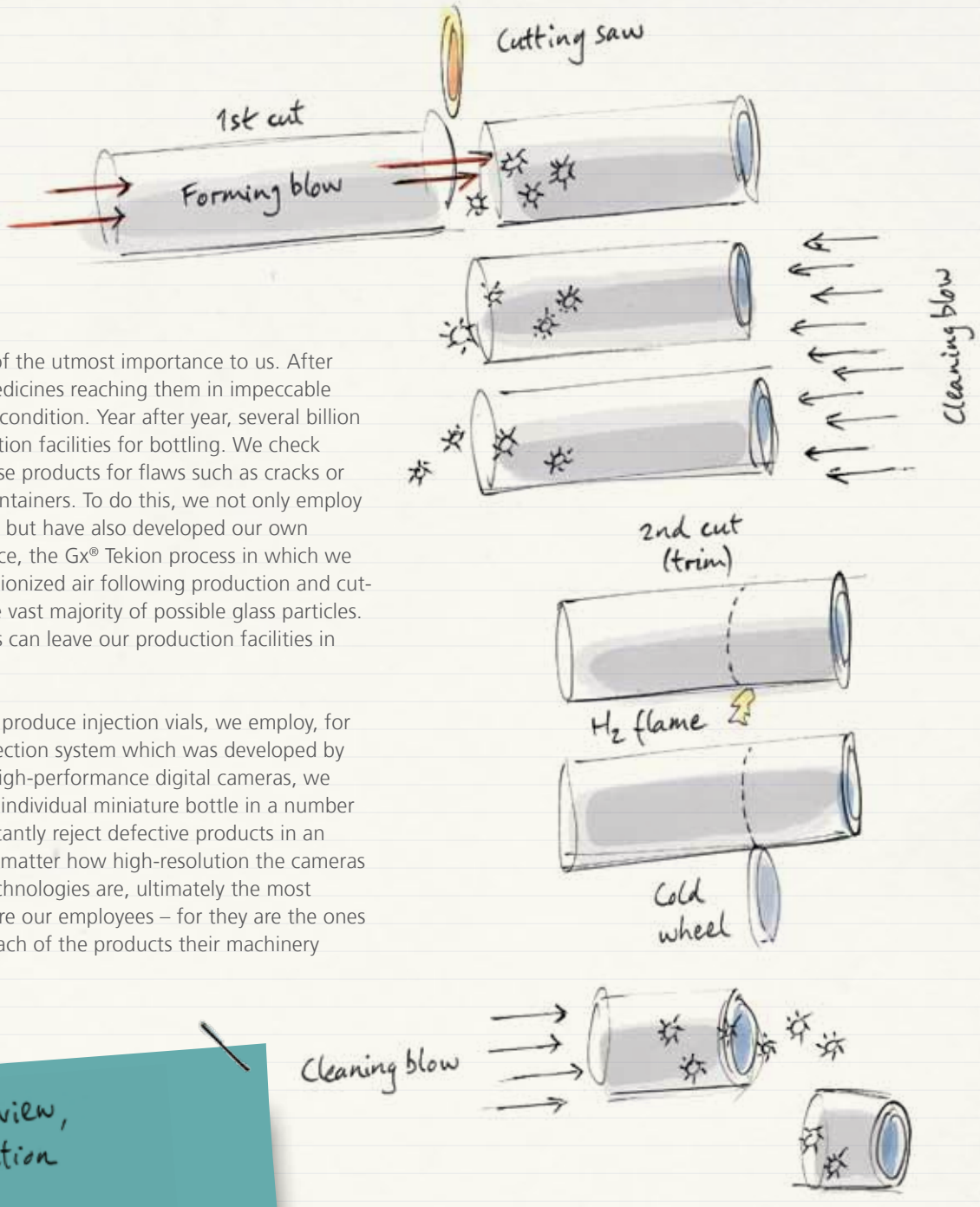
1 At our plants in Pisa, Italy, and Vineland, USA, we melt glas and turn it into glass tubes as an intermediary product.

2 At other Gerresheimer facilities in the USA, Mexico, China, Germany, France and Poland, these glass tubes are cut, converted, processed and checked for impeccable quality.

Single-stage process for manufacturing molded glass for pharma and cosmetics

We melt glass using several raw materials at our molded glass facilities in Germany, Belgium, the USA, China and India and turn it into pharma bottles, flacons and cream jars in a continuous process.

In both cases, the glass melt is a hot topic – temperatures of around 1,600 degrees Celsius are required. And no matter which method we use to produce our glass packaging, the quality and dependability of our products always takes top priority for us.



Quality and reliability are of the utmost importance to us. After all, patients depend on medicines reaching them in impeccable packaging and in flawless condition. Year after year, several billion products leave our production facilities for bottling. We check each and every one of these products for flaws such as cracks or possible particles in the containers. To do this, we not only employ ready-made quality checks but have also developed our own processes. Take, for instance, the Gx® Tekion process in which we clean the glass tubes with ionized air following production and cutting, thereby removing the vast majority of possible glass particles. This means our glass tubes can leave our production facilities in flawless condition.

When processing tubes to produce injection vials, we employ, for example, the Gx® G3 inspection system which was developed by Gerresheimer. Using five high-performance digital cameras, we measure and inspect each individual miniature bottle in a number of different places and instantly reject defective products in an automatic process. Yet no matter how high-resolution the cameras and how ingenious the technologies are, ultimately the most important seal of quality are our employees – for they are the ones who feel responsible for each of the products their machinery makes.

In the year under review, Gerresheimer production output included:

- ~ 3 billion injection vials
- ~ 2½ billion pharma bottles
- ~ 2 billion ampoules
- ~ 1 billion cartridges

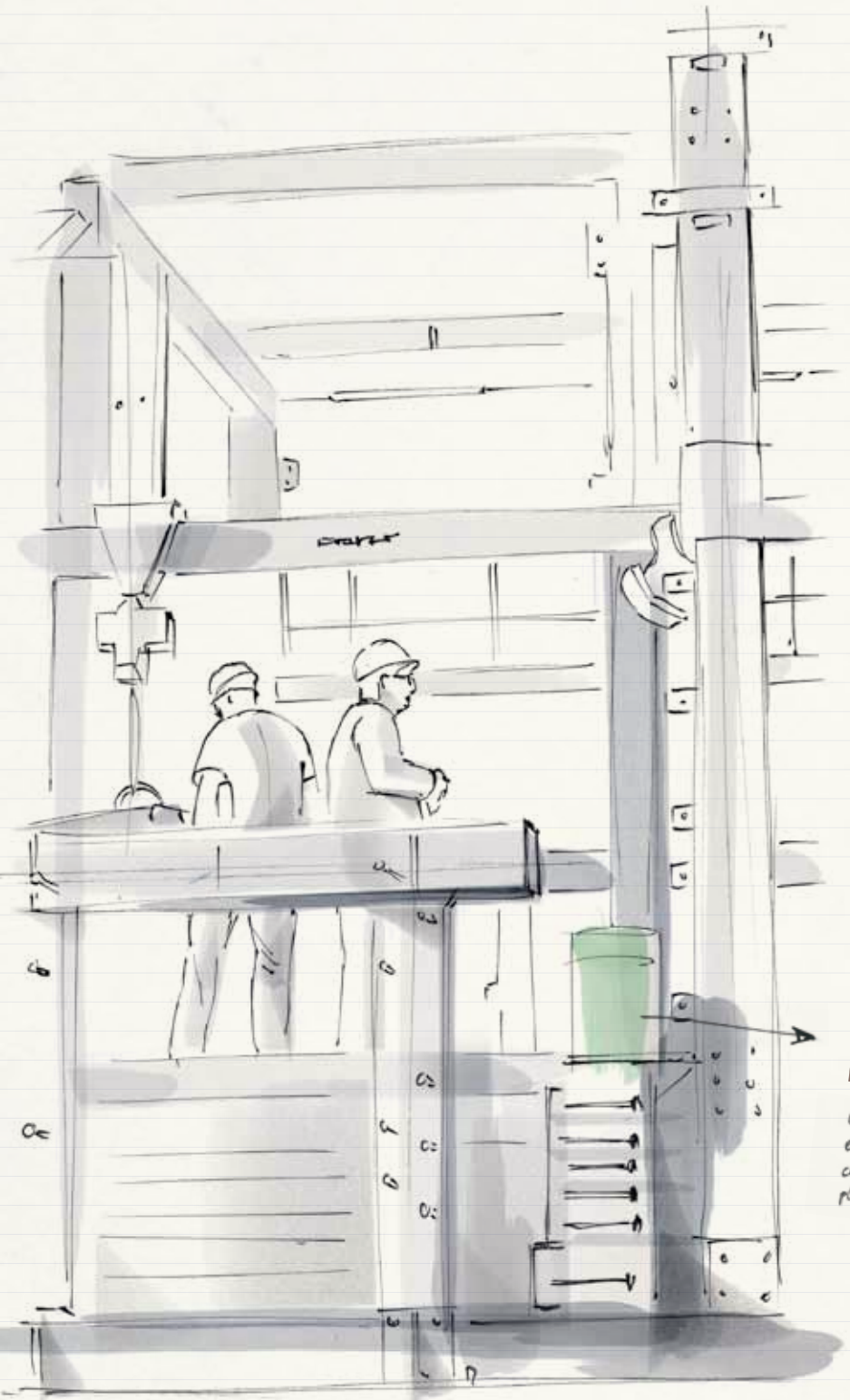
Energy efficiency in glass production

Our base materials

quartz sand +

lime +

soda



Quartz sand, lime and soda are the base materials for our glass production. These materials are heated to 1,600 degrees Celsius in furnaces until a red-hot, glowing mass forms. At our plant in Essen, the furnace for brown glass was replaced after eleven years' service – an elaborate process that took several weeks to complete, including three days just to allow the old 200-ton capacity furnace to cool. Now the plant has a higher capacity, is more energy-efficient and, of course, meets the latest requirements in terms of emission levels and air pollution control.

Laying the keystone when building a furnace - that's the traditional equivalent to laying the foundation stone or the topping-out ceremony when building a house. It is, of course, carried out by the plant manager himself.

We have also made a big step forward at our tubular glass facility in Vineland, USA, where one of the largest photovoltaic systems in the US has been in operation since August 2012. The installation has been in full swing since it was commissioned – and is meeting every expectation of it. We tap the solar power ourselves and use it locally to produce glass tubes at our plant in New Jersey.

The photovoltaic system has a 44,000 m² footprint – that's equivalent to seven soccer pitches (or ten American football fields, whichever gives you a clearer picture of the size). The solar power lets us save 1,350 metric tons of CO_2 a year. To achieve this saving in other ways, all 500 employees at our Vineland and Forest Grove facilities in the US would have to completely give up their cars.

For more on environmental initiatives at Gerresheimer, go to page 50.

3.6 million

kilowatt hours of electricity generated

REPORT OF THE SUPERVISORY BOARD

› **Gerhard Schulze**
Chairman of the
Supervisory Board

In financial year 2013, the Supervisory Board devoted considerable time and attention to the Company's position and fulfilled all its obligations under the law, the Company's Articles of Association and the Rules of the Supervisory Board. Those obligations include consultations on the basis of prompt, regular and comprehensive information provided by the Management Board, involvement of the Supervisory Board in decisions of material importance for the Company and the necessary supervision of management.

The Supervisory Board ensured that it was informed in detail about the Company's business development and financial position, including the risk situation, risk management and compliance. After thorough examination and discussion, the Supervisory Board – in meetings and once by means of a teleconference – voted on the reports and proposed resolutions submitted by the Management Board to the extent required by law, the Company's Articles of Association and the Rules of 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 regularly and promptly informed by the latter about important developments and upcoming decisions.

PERSONNEL CHANGES ON THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

Throughout financial year 2013, the Company's Supervisory Board consisted of Gerhard Schulze as Chairman, Francesco Grioli as Deputy Chairman, Sonja Apel, Lydia Armer, Dr. Karin Dorrepaal, Eugen Heinz, Seppel Kraus, Dr. Peter Noé, Hans Peter Peters, Markus Rocholz, Theodor Stuth and Udo J. Vetter. There were no changes to the membership of the Supervisory Board during that period.

In financial year 2013, the Company's Management Board consisted of Uwe Röhrhoff as CEO and Rainer Beaujean, Stefan Grote (until September 30, 2013), Andreas Schütte and Hans-Jürgen Wiecha (until January 31, 2013).

MEETINGS OF THE SUPERVISORY BOARD

The regular discussions held by the full Supervisory Board covered the sales and earnings performance of the Company as a whole and of the individual business divisions.

In the course of a teleconference on December 11, 2012, the Supervisory Board approved the acquisition of 75% of the shares in Indian company Triveni Polymers Private Limited and the acquisition of the remaining shares through put and call options.

At the Supervisory Board meeting on February 13, 2013, the Annual Financial Statements of Gerresheimer AG, the Consolidated Financial Statements and the Combined Management Report for financial year 2012, the proposal on the appropriation of accumulated net earnings and the Report of the Supervisory Board were approved. The Annual Financial Statements were thereby adopted. At this meeting, the Supervisory Board also decided to slightly increase the capital investment budget for financial year 2013 due to the acquisition of the majority interest in Triveni Polymers Private Limited.

At its meeting after the Annual General Meeting on April 18, 2013, the Supervisory Board exhaustively discussed the results of the Supervisory Board's efficiency audit and drew up proposals for the amendment of the Rules of the Management Board.

On September 4, 2013, the Supervisory Board approved the termination by mutual consent of the appointment of Stefan Grote as a member of the Management Board from midnight on September 30, 2013. The Supervisory Board decided on a corresponding change to the Management Board's Schedule of Responsibilities as of October 1, 2013 and on a further change as of December 1, 2013 to reflect the reorganization of the business into three divisions, namely Primary Packaging Glass, Plastics & Devices and Life Science Research, as of that date. Another point of focus which afforded considerable time and attention was the corporate strategy drawn up by the Management Board. The Supervisory Board also dealt with the annual Compliance Declaration in accordance with Section 161 of the German Stock Corporation Act (Aktiengesetz), compliance within the Company and the engagement of the auditor for financial year 2013. In addition, as a result of the efficiency audit conducted by the Supervisory Board, the list of Management Board transactions requiring approval was revised and amended Rules of the Management Board were adopted.

The main items dealt with at the Supervisory Board meeting on November 21, 2013 were the Group's medium-term planning and the approval of the budget for financial year 2014. Using the findings of an external study into the appropriateness of its remuneration, the Supervisory Board also drew up a new remuneration model for itself. In addition, the Supervisory Board approved a proposal submitted by the Nomination Committee regarding the appointment of a successor to Gerhard Schulze as Chairman of the Supervisory Board following his departure as of the close of the 2015 Annual General Meeting.

All members of the Supervisory Board participated in the four Supervisory Board meetings and the teleconference in financial year 2013.

MEETINGS OF THE COMMITTEES

To ensure that its duties are performed efficiently, the Supervisory Board has set up four committees: the Mediation Committee in accordance with Section 27 (3) of the German Codetermination Act (Mitbestimmungsgesetz), the Presiding Committee, the Audit Committee and the Nomination Committee. These committees prepare topics for resolution by the full Supervisory Board and, in certain cases, also have authority to take decisions autonomously. The Mediation Committee and the Presiding Committee each consists of two shareholder representatives and two employee representatives. The Audit Committee also has an equal number of shareholder and employee representatives and comprises six members. The Nomination Committee has three members and consists solely of shareholder representatives.

The Presiding Committee prepares the Supervisory Board's personnel-related decisions, notably the appointment and dismissal of Management Board members as well as decisions regarding the remuneration of Management Board members. In place of the Supervisory Board, the Presiding Committee decides on the signing, amendment and termination of the service contracts of Management Board members, except in the case of remuneration issues requiring the approval of the full Supervisory Board. The Presiding Committee met on August 28, 2013 and November 20, 2013 to deal with the termination by mutual consent of the service contract and the termination by mutual consent of the appointment of Stefan Grote. In this context, the Presiding Committee drew up proposals for the changes to the Management Board's Schedule of Responsibilities as of October 1, 2013 and December 1, 2013. The Supervisory Board also discussed the findings of an external study into the appropriateness of the Supervisory Board's remuneration.

In particular, the responsibilities of the Audit Committee include preparing Supervisory Board decisions on the adoption of the Annual Financial Statements and the approval of the Consolidated Financial Statements as well as discussing the Quarterly Financial Reports and the Half-Year Financial Report. The Audit Committee's remit also includes monitoring the accounting process, the effectiveness of the internal control system, risk reporting and the risk management system, the internal audit system and compliance. The Audit Committee met five times, on February 13, April 9, July 9, September 4 and October 1, 2013. Its discussions focused on the reports on the audit of the Annual Financial Statements and Consolidated Financial Statements for financial year 2012 as well as the Quarterly Financial Reports and Half-Year Financial Report for 2013. The Audit Committee also looked at the independence of the auditor, submitted the recommendation to the Annual General Meeting regarding the election of the auditor, issued the auditor with the audit engagement for financial year 2013, and set out and monitored the audit process as well as the focal points of the audit, including the agreement on the audit fee. In addition, the Audit Committee discussed the effectiveness of the internal audit system as well as compliance at Gerresheimer.

The Nomination Committee recommends suitable candidates to the Supervisory Board for the proposed resolutions the latter puts to the Annual General Meeting for the election of Supervisory Board members. In the past financial year, the Nomination Committee met on June 20, 2013. At this meeting, it discussed the appointment of a successor to Gerhard Schulze as Chairman of the Supervisory Board following his departure as of the close of the 2015 Annual General Meeting, and drew up a proposal for submission to the full Supervisory Board.

The Mediation Committee did not meet during the past financial year.

CORPORATE GOVERNANCE

The Supervisory Board continuously monitored the development of corporate governance standards. In consultation with the Supervisory Board, the Company's Management Board reports on corporate governance in the Gerresheimer Group on pages 19 to 21 of the Annual Report. On September 4, 2013, the Management Board and Supervisory Board discussed the changes in the new version of the German Corporate Governance Code, as amended on May 13, 2013, and submitted an updated annual Compliance Declaration in accordance with Section 161 of the German Stock Corporation Act (Aktiengesetz). The Compliance Declaration dated September 4, 2013 was made permanently available to shareholders on the Company's website.

ANNUAL FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS FOR 2013

The Annual Financial Statements and Consolidated Financial Statements drawn up by the Management Board for the financial year from December 1, 2012 to November 30, 2013 and the Combined Management Report were audited by and received an unqualified auditor's opinion from Deloitte & Touche GmbH Wirtschaftspruefungsgesellschaft, Duesseldorf.

The Annual Financial Statements of Gerresheimer AG, the Consolidated Financial Statements, the Combined Management Report, the proposal on the appropriation of accumulated net earnings and the auditor's reports for financial year 2013 were made available to the Supervisory Board for examination. The Audit Committee discussed and examined the documents in detail at its meeting on February 11, 2014 and issued recommended resolutions to the Supervisory Board. The latter examined the Annual Financial Statements of Gerresheimer AG, the Consolidated Financial Statements, the Combined Management Report, the proposal on the appropriation of accumulated net earnings and the auditor's reports on these at the Supervisory Board meeting on February 12, 2014. The auditor attended the meetings of the Audit Committee and the Supervisory Board, reported on the conduct and main findings of the audit and was available to answer questions.

On completion of the examination by the Audit Committee and on completion of its own examination, the Supervisory Board approves the auditor's findings and declares that there are no objections to be raised. The Supervisory Board has adopted the Annual Financial Statements and approved the Consolidated Financial Statements. The Supervisory Board concurs with the Management Board's proposal for the appropriation of accumulated net earnings.

The Supervisory Board thanks the Management Board and all employees of Gerresheimer AG and its affiliated companies for their contribution to the Gerresheimer Group's successful performance in financial year 2013.

Duesseldorf, February 12, 2014

Gerhard Schulze
Chairman of the Supervisory Board

CORPORATE GOVERNANCE REPORT

Gerresheimer AG identifies with the objectives of the German Corporate Governance Code and the principles of transparent and responsible management and supervision of the Company with the goal of value enhancement. The Management Board, the Supervisory Board as well as all executives and employees of Gerresheimer AG are obligated to pursue these objectives and principles. Gerresheimer AG largely implements the recommendations and suggestions of the German Corporate Governance Code as last amended on May 13, 2013.

MANAGEMENT BOARD

The Management Board of Gerresheimer AG consists of a minimum of two members. The Supervisory Board decides on the number of Management Board members subject to this proviso. The Management Board manages the Company autonomously. In so doing, it is bound to act in the Company's best interests and obligated to increase shareholder value on a sustainable basis.

The Management Board informs the Supervisory Board regularly, promptly and comprehensively of all issues relevant to the Company with regard to planning, business performance, the risk situation, risk management and compliance. Some of the key transactions and measures provided for in the Rules of the Management Board require the prior consent of the Supervisory Board.

The composition of the Management Board in financial year 2013 is presented on page 119 of the Annual Report. Rainer Beaujean was newly appointed as a member of the Management Board effective December 1, 2012. He assumed the position of CFO effective February 1, 2013. Hans-Jürgen Wiecha left the Management Board as of the end of January 31, 2013, as did Stefan Grote as of the end of September 30, 2013.

SUPERVISORY BOARD

The Supervisory Board of Gerresheimer AG consists of twelve members, half of whom represent the shareholders and half the employees. The shareholder representatives are generally elected by the Annual General Meeting and the employee representatives by the employees. The term of office of most of the current Supervisory Board members extends until the end of the Annual General Meeting in 2017. For reasons of age, the term of office of Gerhard Schulze will expire at the end of the Annual General Meeting in 2015. Hans Peter Peters has resigned his seat on the Supervisory Board effective as of the end of the Annual General Meeting on April 30, 2014. The Annual General Meeting taking place on April 30, 2014 is expected to decide on his successor.

The Supervisory Board monitors and advises the Management Board in running the business. To fulfill its duties, the Supervisory Board regularly discusses business performance as well as planning, strategy and strategy implementation with the Management Board. The Supervisory Board approves the annual budget drawn up by the Management Board and decides on adoption of the Annual Financial Statements as well as approval of the Consolidated Financial Statements of Gerresheimer AG, notably taking the auditor's reports into account. The Supervisory Board also decides on the appointment and dismissal of Management Board members and their remuneration. In the event of a tied vote in the Supervisory Board, the Chairman of the Supervisory Board will have two votes if a new ballot on the same matter is held and there is still a tie.

The composition of the Supervisory Board in financial year 2013 is presented on page 118 of the Annual Report.

The work of the Supervisory Board is supported by committees. According to the Rules of the Supervisory Board, the following Supervisory Board committees must be formed:

The Mediation Committee, set up in accordance with Section 27 (3) of the German Codetermination Act (Mitbestimmungsgesetz), presents proposals to the Supervisory Board for the appointment of Management Board members if the required majority of two-thirds of the votes of the Supervisory Board members is not obtained in the first ballot. In the past financial year, the Mediation Committee consisted of Gerhard Schulze (Chairman), Dr. Karin Dorrepaal, Francesco Grioli and Eugen Heinz.

The responsibilities of the Presiding Committee include deciding on the conclusion of, amendment to or termination of service contracts and pension agreements of Management Board members. Furthermore, it is responsible for approving transactions between the Company and members of the Management Board. The Presiding Committee also decides on the approval of contracts with Supervisory Board members in accordance with Section 114 of the German Stock Corporation Act (Aktiengesetz) and on granting loans to the group of persons specified in Sections 89 and 115 of the German Stock Corporation Act (Aktiengesetz). In the past financial year, the Presiding Committee was composed of Gerhard Schulze (Chairman), Lydia Armer, Francesco Grioli and Hans Peter Peters.

The Audit Committee prepares the Supervisory Board's decisions on adoption of the Annual Financial Statements, approval of the Consolidated Financial Statements and the agreement with the auditor, among other things. It takes appropriate measures to establish and monitor the independence of the auditor. The Audit Committee also supports the Supervisory Board in monitoring the management. In this context, it deals in particular with the Company's risk management and compliance. In the past financial year, the Audit Committee was made up of Theodor Stuth (Chairman), Francesco Grioli, Seppel Kraus, Dr. Peter Noé, Markus Rocholz and Gerhard Schulze.

The Nomination Committee presents proposals to the Supervisory Board regarding suitable candidates for its election proposals to the Annual General Meeting with regard to Supervisory Board members. In the past financial year, the Nomination Committee was made up of Gerhard Schulze (Chairman), Hans Peter Peters and Udo J. Vetter.

Pursuant to the German Corporate Governance Code and the Rules of the Management Board and the Supervisory Board, the members of the Management Board and the Supervisory Board must disclose any conflicts of interest to the Chairman of the Supervisory Board. In the event of significant conflicts of interest that are not merely temporary in nature, the Supervisory Board member in question must resign from office. In its report to the Annual General Meeting, the Supervisory Board provides information on any conflicts of interest that have arisen and how they have been handled. No conflicts of interest arose during the reporting period with regard to Management Board or Supervisory Board members.

In compliance with item 5.4.1 of the German Corporate Governance Code the Supervisory Board in its meeting on February 9, 2011 stipulated the following specific objectives with regard to the composition of the Supervisory Board, supplementary to the requirements for Supervisory Board members under the law and the German Corporate Governance Code:

Knowledge, skills and professional experience
The Supervisory Board must be composed in such a way that its members as a group possess the knowledge, skills and professional experience required to properly complete its tasks. Candidates proposed must have the integrity, commitment, independence and personality to enable them to perform the duties of a Supervisory Board member in the parent company of an internationally operating group and to uphold its good reputation among the public.

The various functional areas of the Company should be represented by individual members of the Supervisory Board of Gerresheimer AG. Each Supervisory Board member should be as specialized as possible in areas of relevance to the Company's business operations. Proposals for candidates to the Supervisory Board should be made such as to ensure a balanced composition with the desired areas of expertise represented on the Supervisory Board as broadly as possible. The objective is for

- at least two representatives of the shareholders to have experience in the fields of business management, strategy and human resources;
- at least one representative of the shareholders to have Company-specific knowledge of the industry; and
- at least one representative of the shareholders to have specific industry knowledge on the customer side.

Independence and conflicts of interest
The Supervisory Board should include independent members in a number it deems to be sufficient. A Supervisory Board member is regarded as independent if that member has no business or personal connection with the Company or its Management Board that constitutes a conflict of interest. In the judgment of the Supervisory Board, former members of the Company's Management Board are not deemed to be independent until five years after leaving office. The existence of an employment relationship between a Supervisory Board member and Gerresheimer AG or a Group company or the existence of pension commitments with one of these companies for the benefit of a Supervisory Board member does not in itself constitute such a conflict of interest. In this connection, the Supervisory Board stipulates the following objectives for its composition:

- Supervisory Board members should not perform any functions in a controlling body or any advisory functions for significant competitors of the Company or a Group company;
- Supervisory Board members should not take on any active role with customers or suppliers of the Company or a Group company; and
- at least four out of six representatives of the shareholders on the Supervisory Board should be independent.

Age limit
The term of office of a Supervisory Board member ceases at the end of the first Annual General Meeting following the member's seventieth birthday. The Supervisory Board supports election proposals for candidates who will turn seventy during the statutory election period; however, their terms of office also cease at the end of the first Annual General Meeting following their seventieth birthday.

Internationalism
At least one representative of the shareholders should have several years' professional international business experience or be of foreign nationality.

Diversity
The Supervisory Board aims to achieve an appropriate degree of female representation. At present, having three women on the Supervisory Board is regarded as appropriate.

The Supervisory Board has fulfilled all of the above objectives since the most recent elections by the Annual General Meeting of April 26, 2012 and the election of employee representatives to the Supervisory Board carried out on March 29, 2012 in accordance with the provisions of the Codetermination Act.

ANNUAL GENERAL MEETING

The Annual General Meeting is the representative body of the shareholders and makes fundamental decisions for Gerresheimer AG. These include profit appropriation, formal approval of the acts of the Management Board and Supervisory Board, election of the shareholder representatives to the Supervisory Board and election of the auditor. In addition, the Annual General Meeting decides on amendments to the Articles of Association and key corporate measures, particularly inter-company agreements and conversions, the issue of new shares, convertible bonds and bonds with warrants as well as the authorization to purchase own shares.

The shareholders have the opportunity to exercise their voting rights at the Annual General Meeting themselves or to arrange for these to be exercised through a proxy of their choice or a voting representative of the Company who is bound by instructions. The Annual General Meeting is chaired by the Chairman of the Supervisory Board.

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 prepared in accordance with the German Commercial Code (Handelsgesetzbuch/HGB).

The auditor is elected by the Annual General Meeting in accordance with statutory provisions. Deloitte & Touche GmbH Wirtschaftspruefungsgesellschaft, Duesseldorf, was appointed as auditor for financial year 2013. The Supervisory Board commissions the auditor elected by the Annual General Meeting and determines the key audit priorities as well as the fee. It ensures that the auditor's work is not impaired by any conflicts of interest.

Good corporate governance includes responsible management of risks. For this purpose, Gerresheimer AG has set up a systematic risk management system to ensure that risks are identified and assessed at an early stage. This helps to optimize risk positions. The risk management system of Gerresheimer AG is examined by the auditor.

The Company has entered into long-term, variable share-based payment agreements ("Phantom Stock Plan") with all members of the Management Board and a number of select employees. The Phantom Stock Plan for the Management Board members is presented and published in the remuneration report included in the Combined Management Report, and the Phantom Stock Plan for the other employees is presented and published in the Notes to the Consolidated Financial Statements. In order to avoid unnecessary duplication, this Corporate Governance Report explicitly adopts the presentations in the Combined Management Report and the Notes to the Consolidated Financial Statements and hereby refers thereto.

TRANSPARENCY

Gerresheimer AG communicates openly, actively and comprehensively. It informs shareholders, shareholder associations, analysts and interested members of the public regularly, without delay and on an equal-entitlement basis of the Company's position and of key business changes. The Company's website (www.gerresheimer.com) is one of the primary mediums used for this purpose. The website contains the annual and interim reports, press releases, ad hoc announcements and other notifications in accordance with the German Securities Trading Act, the financial calendar and other relevant information. In addition, Gerresheimer AG regularly organizes analysts' and press conferences as well as events for investors.

REMUNERATION OF THE SUPERVISORY BOARD

The remuneration paid to the Supervisory Board in financial year 2013 is presented and published in the remuneration report included in the Combined Management Report. In order to avoid unnecessary duplication, this Corporate Governance Report explicitly adopts the presentation in the Combined Management Report and hereby refers thereto.

REMUNERATION OF THE MANAGEMENT BOARD

The remuneration paid to the Management Board in financial year 2013 is likewise presented and published in the remuneration report included in the Combined Management Report. The presentation in the Management Report already complies on a voluntary basis with the recommendations of the German Corporate Governance Code that are not binding until financial years beginning after December 31, 2013. Here again, in order to avoid unnecessary duplication, this Corporate Governance Report explicitly adopts the presentation in the Combined Management Report and hereby refers thereto.

On April 29, 2010, the Annual General Meeting of the Company approved the remuneration system for the members of the Management Board. No changes have been made to the remuneration system since that date.

DECLARATION OF COMPLIANCE

Pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz), the management board and supervisory board of listed German stock corporations are required to make an annual declaration of whether the recommendations of the 'Government Commission on the German Corporate Governance Code' as published by the Federal Ministry of Justice in the official section of the Federal Law Gazette (Bundesanzeiger) have been and will continue to be complied with, or which recommendations have not been or are not being applied, and the reasons for this.

On September 4, 2013, the Management Board and the Supervisory Board of Gerresheimer AG approved the following, most recent, Declaration of Compliance:

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

Since its last Declaration of Compliance on September 5, 2012, Gerresheimer AG has complied with the recommendations of the 'Government Commission on the German Corporate Governance Code' as amended on May 15, 2012, with the exception stated in this declaration.

Gerresheimer AG will furtheron comply with the recommendations of the 'Government Commission on the German Corporate Governance Code' as amended on May 13, 2013, with the following exception:

Item 5.4.6 Paragraph 2 Sentence 2 of the Code (performance-related compensation of Supervisory Board members)

The Company believes that a combination of fixed compensation and variable compensation which is oriented towards the adjusted consolidated net earnings per share in Gerresheimer AG of the underlying financial year is best suited to reflect the Supervisory Board's control function."

The preceding Declaration of Compliance dated September 5, 2012 is also available on the Company's website at www.gerresheimer.com.

On April 30, 2014, a resolution is to be proposed to the Annual General Meeting by the Management Board and the Supervisory Board on amending the Articles of Association to reflect the recommendation of the 'Government Commission on the German Corporate Governance Code' to base the variable remuneration of the Supervisory Board on the Company's long-term performance.

GERRESHEIMER ON THE CAPITAL MARKETS

STOCK MARKETS IN GOOD SHAPE IN 2013

Financial year 2013 saw the stock markets in good shape. Generally attractive share prices combined with relatively low interest rates on fixed-income alternatives made for a broad upward price trend. The strong demand for equities during the reporting period was additionally attributed to an expected rise in inflation in the US and the euro area. In this altogether favorable climate for equity investments, the MDAX index rose in the course of financial year 2013 to register an overall gain of 40.7% on the November 30, 2013 reporting date.

MARKED INCREASE IN GERRESHEIMER SHARE PRICE

The price of Gerresheimer shares (ISIN: DE000A0LD6E6) showed a strong increase through financial year 2013. The first feature that stands out on the stock chart for the year is a steep climb in mid-February 2013. One reason for this was the publication on February 14, 2013 of the figures for financial year 2012. Around three and a half months later, on May 28, 2013, the share price then hit a new all-time high at EUR 47.62. During June 2013, the Gerresheimer share price dropped back slightly in a temporarily weaker overall market before putting in another marked rise from mid-July 2013, shortly after publication of the first-half 2013 results. The share price next consolidated for a period before regaining its strong upward trend from mid-October 2013 to set a new all-time record high at EUR 50.14 shortly before the end of financial year 2013. As of the November 30, 2013 reporting date, the share price was only slightly down on this at EUR 49.67 and thus gained 26.0% over financial year 2013 as a whole.

The Company's market capitalization at the end of the financial year on November 30, 2013 was EUR 1,559.6m. This put Gerresheimer shares at 28th place in the MDAX (compared to 26th place in the prior year) according to the German Stock Exchange index ranking. In terms of stock exchange turnover, the Company's shares held 34th place at the reporting date, compared with 32nd place at the end of the previous financial year.

Gerresheimer Shares Versus MDAX (Rebased)

Index: November 30, 2012 = 100%

BUY RECOMMENDATION FROM MOST ANALYSTS

Eighteen bank analysts reported on Gerresheimer shares as at the end of financial year 2013. As before, buy recommendations were in a clear majority. The following charts give an overview of the banks reporting at the end of the financial year along with their recommendations:

Analyst Coverage

Berenberg Bank	Hauck & Aufhäuser	LBBW
Commerzbank	HSBC	MainFirst
Credit Suisse	Independent Research	Metzler
Deutsche Bank	Jefferies	Montega
DZ Bank	J.P. Morgan Cazenove	National-Bank
equinet Bank	Kepler Cheuvreux	SRH AlsterResearch

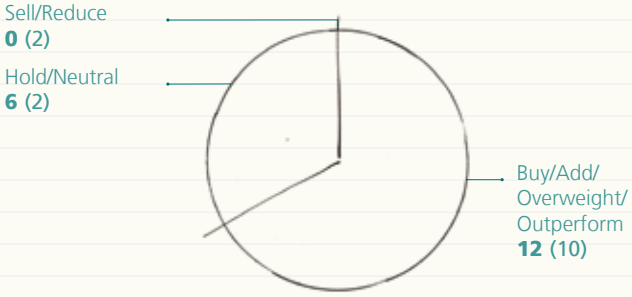
Gerresheimer Shares: Key Data

	2013	Pro forma[4] 2012
Number of shares at reporting date in million	31.4	31.4
Share price[1] at reporting date in EUR	49.67	39.41
Market capitalization at reporting date in EUR m	1,559.6	1,237.5
Share price high[1] during reporting period in EUR	50.14	41.34
Share price low[1] during reporting period in EUR	37.60	31.00
Earnings per share in EUR	1.98	1.98
Adjusted earnings per share[2] in EUR	3.08	2.62
Dividend per share in EUR	0.70[3]	0.65

[1] Xetra closing price.
[2] Adjusted net income after non-controlling interests divided by 31.4m shares.
[3] Proposed appropriation of net earnings.
[4] Retrospective restatement due to early adoption of IAS 19 (revised 2011) from December 1, 2012. A detailed explanation of the effects from the restatement can be found in the notes to the Consolidated Financial Statements.

Overview of Analyst Recommendations (as of November 30, 2013)

Number (prior year)



ONCE AGAIN VERY STRONG SHAREHOLDER ATTENDANCE AT 2013 ANNUAL GENERAL MEETING

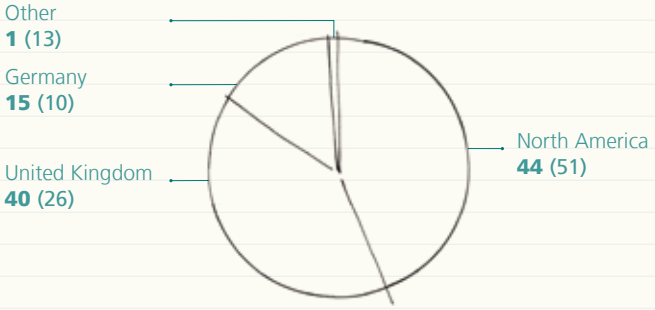
At the Annual General Meeting in Duesseldorf on April 18, 2013, 70.0% of the capital stock was represented. Attendance in 2012 was 70.7%. Moreover, the share of voting capital represented in 2013 was once again well above the average of DAX constituents' annual general meetings in recent years. A dividend of EUR 0.65 per share was agreed upon and was distributed to shareholders on April 19, 2013. All resolutions put forward were adopted by a large majority of votes. For the first time, plans are to send out invitations to the Annual General Meeting in 2015 exclusively in electronic form.

CONTINUED STRONG INTEREST FROM INTERNATIONAL INVESTORS

The ongoing strong international interest in Gerresheimer shares was again reflected in the shareholder structure during the past financial year. The majority of shares were held by foreign investors as of the November 30, 2013 reporting date. The largest proportion – some 44% – was accounted for by North American investors, followed by British investors with about 40%. A further 15% of shares were held by German investors. The free float remained unchanged at 100% as of the balance sheet date.

Shareholder structure by region

in % (previous year)



TRANSPARENT SHAREHOLDER STRUCTURE

Shareholders are required to notify the Company and the Federal German Institute for Supervision of Financial Services (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin) when specified notification thresholds are reached or crossed. According to the notifications we received up to November 30, 2013, the following persons and institutions held more than 3% or 5% of Gerresheimer shares as at the notification dates listed in the table. These investors consequently hold a combined 28.5% of Gerresheimer AG shares:

Company	Share in %	Date of Notification
Morgan Stanley & Co LLC	3.18	November 14, 2013
BlackRock Advisors Holdings Inc.	3.04	October 24, 2013
Templeton Investment Counsel LLC	3.02	April 26, 2013
Allianz Global Investors Europe GmbH	3.05	November 21, 2012
EP Overseas Fund Ltd. & EP Master Fund Ltd. (Eton Park Capital Management, L.L.C.)	4.92	July 16, 2012
Threadneedle Asset Management Limited	5.04	June 13, 2012
Edinburgh Partners Limited	3.11	May 23, 2012
Gilchrist B. Berg (Water Street Capital, Inc.)	3.10	February 16, 2010

Reference Data for the Shares

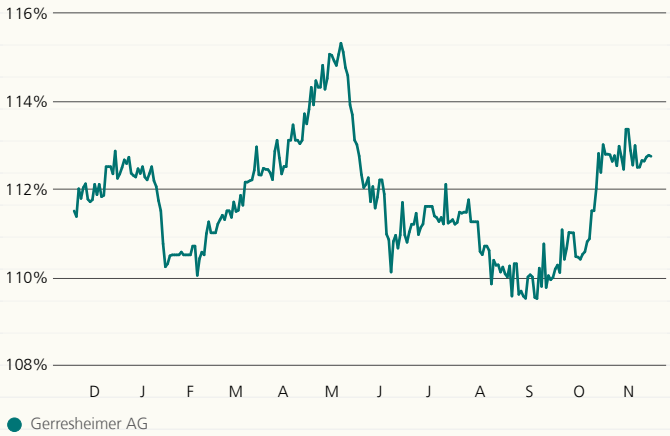
ISIN	DE000A0LD6E6
WKN	A0LD6E
Bloomberg reference	GXI
Reuters reference	GXIG.DE
Stock index membership	MDAX, CDAX, HDAX, Prime All Share, Classic All Share, EURO STOXX TMI, Russell Global Small Cap Growth Index and further sector and size indexes
Listings	Berlin, Duesseldorf, Frankfurt (Xetra and floor trading), Hamburg, Hanover, Munich, Stuttgart

GERRESHEIMER BOND PRICE REMAINS ON HIGH LEVEL

After holding its own at a high level in the first quarter of 2013, the price of the Gerresheimer bond (ISIN: XS0626028566) climbed steadily over a substantial part of the second quarter of 2013 and set a new record high at 115.3% on May 23, 2013. The bond price then put in a weaker performance going into the third quarter of 2013 before regaining a strong upward trend around the middle of the fourth quarter of 2013. The bond's price stood at 112.7% on the November 30, 2013 reporting date. This ongoing high level for the bond price is reflected among other things by a 2.0% p.a. yield to maturity on an investment in the bonds as of the reporting date on November 30, 2013. The bond can be traded in Frankfurt (on Xetra and in floor trading) as well as on regional exchanges in Germany.

Gerresheimer AG Corporate Bond: Price Performance

Market price November 30, 2012 = 111.5%



Bond Reference Data

ISIN	XS0626028566
WKN	A1H3VP
Issuer	Gerresheimer AG
Principal amount	EUR 300m
Coupon/coupon date	5% p.a./May 19
Maturity date	May 19, 2018
Bond price[1] at reporting date	112.7%
Effective annual interest rate (yield to maturity)[2] at reporting date	2.0% p.a.
Bond rating at reporting date	Standard & Poor's: BBB-, stable outlook Moody's: Ba1, positive outlook
Corporate rating at reporting date	Standard & Poor's: BBB-, stable outlook Moody's: Ba1, positive outlook
Denomination	EUR 1,000.00 par value
Listings	Berlin, Duesseldorf, Frankfurt (Xetra and floor trading), Hamburg, Hanover, Munich, Stuttgart

[1] Closing price, Stuttgart Stock Exchange.
[2] Based on the closing price on Stuttgart Stock Exchange.

CONTINUATION OF INTENSIVE DIALOG WITH INVESTORS AND ANALYSTS

We remained in dialog with investors and analysts during the past financial year through numerous road shows, conferences and telephone conference calls as well as a multitude of one-to-one conversations. In addition, we further strengthened our dialog with investors and analysts on the bond side.

As in previous years, members of the Management Board and the Investor Relations & Creditor Relations Team visited key financial centers in Europe and North America. These included Frankfurt, Munich, London, Paris, Milan, Copenhagen, Stockholm, New York, Boston and Chicago. Our goal is open, timely and sustained communication with all interested parties. On our website at www.gerresheimer.com/en/investor-relations, you will find an up-to-date financial calendar with the upcoming events at which we will be presenting the Company.

Financial calendar

February 13, 2014	Annual Report 2013
April 10, 2014	Interim Report 1st Quarter 2014
April 30, 2014	Annual General Meeting 2014
July 10, 2014	Interim Report 2nd Quarter 2014
October 8, 2014	Interim Report 3rd Quarter 2014

HIGH PRIORITY OF CAPITAL MARKET COMMUNICATION

Continuous dialog with investors and analysts is an important part of our corporate philosophy. We are available to answer your questions and listen to your suggestions regarding any aspect related to the Gerresheimer shares, the Gerresheimer bond or the Company. You can contact us as follows:

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Investor Relations & Creditor Relations
Benrather Strasse 18–20
40213 Duesseldorf
Germany
Tel +49 211 6181-257
Fax +49 211 6181-121
E-mail gerresheimer.ir@gerresheimer.com
www.gerresheimer.com/investor-relations

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Combined Management Report of the Gerresheimer Group and Gerresheimer AG

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FINANCIAL YEAR 2013 AT A GLANCE

- Healthy revenue growth
  - Revenues up by 3.8% (at constant exchange rates 5.8%) to EUR 1,265.9m
- Strong earnings growth
  - Adjusted EBITDA gains 4.1% on prior year, totaling EUR 249.8m (EUR 254.0m at constant exchange rates)
  - Adjusted earnings per share climbs 17.6% to EUR 3.08
- Sustained dividend growth
  - Proposed dividend EUR 0.70 per share (prior year: EUR 0.65 per share)
- International expansion
  - Successful acquisition and integration of Triveni, India – latest major addition to the Group in pharmaceutical plastic packaging
- Capital market guidance met in full
  - Revenue growth of 5.8% at constant exchange rates at upper end of communicated 5% to 6% growth corridor
  - Adjusted EBITDA at constant exchange rates (excluding EUR 7.5m in other operating income for Triveni put option) reaches EUR 246.5m, within EUR 245m to EUR 250m communicated corridor
  - Capital expenditure on property, plant and equipment and intangible assets totals EUR 119.1m or 9.4% of revenues, in middle of 9% to 10% expected corridor
- Groundwork complete for divisional realignment
  - Gerresheimer Group enters financial year 2014 with three divisions in place of the previous four

THE GERRESHEIMER GROUP

BUSINESS ACTIVITIES

The Gerresheimer Group is a leading international manufacturer of high-quality specialty glass and plastic products for the global pharma and healthcare industry. Based on in-house development and the latest production technologies, Gerresheimer offers pharmaceutical primary packaging, drug delivery systems, diagnostic systems and the full range of glass products for the life science research sector.

The Gerresheimer Group is based in Duesseldorf, Germany, and consists of Gerresheimer AG as well as its direct and indirect subsidiaries and associates. At the end of financial year 2013, the Group had 47 locations in Europe, North and South America and Asia, with 11,239 employees worldwide.

Gerresheimer AG is the parent company of the Gerresheimer Group and manages its direct and indirect subsidiaries and associates.

DIVISIONS

The Gerresheimer Group is managed through strategic business units organized as divisions. These are aggregated into reporting segments based on the economic characteristics of their businesses, the nature of their products and production processes and the nature of their customer relationships. The Gerresheimer Group has four reportable operating divisions in financial year 2013: Plastic Systems, Moulded Glass, Tubular Glass and Life Science Research.

In accordance with IFRS 8, segment reporting follows the management approach. External reporting is thus based on internal reporting.

PLASTIC SYSTEMS

The highly innovative Plastic Systems Division comprises the two business units Medical Plastic Systems (MPS) and Plastic Packaging. The Plastic Packaging Business Unit provides standardized system packaging for drugs, while MPS specializes in sophisticated designed systems and system components. The latter are developed and produced on a project basis, primarily for customers in the pharma industry, diagnostics and medical technology.

MPS provides individual service spanning every link in the value chain. Our medical plastic systems capabilities range from inhalers for the treatment of respiratory diseases to lancet magazines and insulin pen systems for diabetics as well as an extensive variety of disposable products for laboratory and molecular diagnostics.

Plastic Packaging provides a broad spectrum of high-quality primary packaging for liquid and solid medications. This includes application and dosage systems, such as eye droppers and miniature nasal spray vials, as well as special containers for tablets and powders. The range is complemented by key design features such as multifunction closure systems with tamper-evident, child-resistant closures and integrated desiccants as sold with products under the Duma® trademark.

MOULDED GLASS

The Moulded Glass Division supplies the pharma and cosmetics industries as well as producers of food and beverages.

Our Moulded Glass Division produces all types of glass containers suited for use as primary packaging for pharmaceuticals, including borosilicate glass containers. On the basis of these products, we offer a virtually complete range of pharmaceutical packaging in flint and amber glass. This includes a wide variety of injection bottles, dropper bottles and syrup bottles to meet diverse market requirements.

We also produce numerous forms of high-quality glass packaging for the cosmetics industry. This range includes flacons and jars for perfumes and deodorants as well as skin care, wellness and other products. We serve specialty segments of the food and beverage industry, mainly with small containers for marketing purposes. These include miniature bottles for spirits.

In addition to clear and colored glass, the Moulded Glass Division also produces opal glass. We are able to offer all shaping, coloring, printing and exclusive finishing processes.

TUBULAR GLASS

As a vertically integrated manufacturer, Gerresheimer produces high-quality borosilicate glass tubing. This has outstanding chemical and temperature resistance. Such tubing is the basic material for a large number of high-quality specialty products for the pharma and healthcare industry. We sell about 30% of our borosilicate glass tubing output to external processors as a semifinished product and use the remainder for in-house manufacture.

Our own plants reprocess semifinished tubular glass into a wide range of high-quality primary packaging for the pharmaceutical industry. Besides ampoules, vials and cartridges, this notably also includes prefillable syringe systems. Special inner surface treatments and innovative closure systems complete the range.

Drawing on highly specialized expertise and pharma-compliant technologies, we are able to offer customers an exceptionally wide choice of products. We generate the majority of revenues from syringe systems today with our top brand of ready-to-fill syringes, Gx RTF®, and supply these syringes to the pharma industry in a wide range of finishes, siliconized, pre-assembled, sterilized and as such completely ready-to-fill.

LIFE SCIENCE RESEARCH

Our Life Science Research Division is focused on the production of specific glass containers and systems primarily for research, development and analytics. The product range also includes general laboratory ware.

The extensive product portfolio ranges from standard items for wet chemistry, such as volumetric flasks, beakers, Erlenmeyer flasks and vials for laboratory analytics, to more complex products such as distillation and filtration systems, as well as components for precision lasers. We also produce a wide variety of application-specific variants to meet custom requirements.

GROUP STRATEGY AND OBJECTIVES

Global trends such as demographic change, population growth and the changing environment drive growing global demand for healthcare. The world's population will swell from seven billion today to ten billion by 2100. Already, the planet has 810 million people over the age of 60. By 2050, that figure will top two billion.[1)] Increasing numbers of people with increasing needs in terms of health and well-being create a growing market for our customers in the pharma, healthcare and cosmetics industries. As partners in the development and production of quality specialty packaging for the pharma and cosmetics sectors, all this spells big opportunities and growth potential for us. With our global development and production capabilities, we can serve our customers' growing needs to the highest quality standards – in industrialized economies and emerging markets alike.

Our vision is to become the leading global partner for enabling solutions that improve health and well-being. We will achieve this vision by:

- Understanding our customers and providing them with solutions to both their present and future needs.
- Living our commitment to excellent quality and continuous innovation.
- Leveraging our competence and technological leadership by acting as one global team.
- Becoming a preferred employer with highly motivated and passionate employees all over the world.

We aim for profitable and sustainable growth and global market leadership in the markets we serve. This places the focus on three specific goals:

- Sustained growth
  We aim to grow, with ongoing growth in revenues. To achieve this, we plan to increase revenues with existing customers, launch new products and secure new regions and customers. For additional growth, we intend to make selective acquisitions. This can either be by taking stakes in businesses that gain us access to new regions or by buying into new technologies.
- Profitability
  We aspire to leading competitive positions. By this we mean cost leadership as well as technology and process leadership. Our highly qualified workforce is a key factor here. On this basis, and with our global production network, we are able to produce at low cost and high quality. We focus efforts on profitable growth, delivering increases in adjusted EBITDA and operating cash flow.
- Attractive investment and strong partner
  Sustained profitable growth ensures that we are an attractive investment for institutional investors, shareholders and the capital market. Customers, too, see us on this basis as a reliable partner with strong finances. This is vital to the pharma and healthcare industries especially, where long-term, stable customer relationships lend a crucial competitive edge.

The main pillars of our strategy have remained unchanged for several years. In annual operating and strategic planning, we set the strategic trajectory for the years ahead and specific targets for the next financial year. At the start of each year, we publish our guidance for key performance indicators in the coming year.

CONTROL SYSTEM

Our business activities are geared toward profitable growth and global market leadership in the pharma and healthcare sector. This determines the key performance indicators used for control.

To measure growth, we look at the change in revenues, at constant exchange rates, in the Group and its divisions. We adjust this to remove the effect of any acquisitions or divestments on the growth rate. Our goal is for the resulting organic growth rate to exceed the rate of growth in our market, with separate growth targets assigned for each division and business unit.

Our main profitability metric is adjusted EBITDA. This is defined as operating earnings before interest, taxes, depreciation and amortization, less restructuring expenses and one-off income/expenses. We target cost, technology, workforce and process leadership – so we can excel in serving customer quality, service, price and innovation needs and generate above industry average returns (ratio of adjusted EBITDA to revenues).

To meet the varied expectations of our stakeholder groups, we also attach great importance to generating ample cash flow. The key performance indicator for this purpose is operating cash flow. This is defined as adjusted EBITDA plus/minus the change in net working capital (inventories, trade receivables, trade payables and prepayments received), minus capital expenditure. We set target levels by division and business unit for both adjusted EBITDA and operating cash flow. A further key success factor is rigorous control of capital expenditure. We apply strict discipline in this regard and appraise each project in each business unit against the same target parameters. Discounted cash flow analysis and payback periods are important elements of the appraisal process.

[1)] United Nations: "Population Ageing and Development 2012".

BUSINESS ENVIRONMENT

OVERALL ECONOMIC CONDITIONS[2)]

International Monetary Fund (IMF)[3)] experts project global economic growth of 2.9% in 2013, compared with 3.2% in the prior year. Slightly slower growth than in 2012 is assumed both for industrialized countries, which are expected to have grown 1.2% in 2013 (prior year: 1.5%), and in emerging economies, where growth is estimated at 4.5% in 2013 (prior year: 4.9%). According to the IMF, notably emerging markets currently face the challenge of reconciling the lower growth rates with the tough global financial situation. Attention once again focused on the US economy in 2013. Private consumption was as strong in 2013 as before, but policy debate on the nature and extent of necessary US budget consolidation held back the country's economic growth. Europe's major economies showed signs of recovery in the past year although, according to IMF experts, this is more down to broadly improved consumer and business sentiment than to fundamental policy decisions.

The IMF projects US GDP growth of 1.6% in 2013. This is down from 2.8% in the prior year compared with 2011. The projected slowdown is likely due for the most part to the necessary but growth-impeding austerity measures adopted by the US government. In the opposite direction, the recovery on the real estate market, increased household wealth and less restrictive bank lending policies were favorable to economic growth.

In the euro zone, the 0.6% contraction in economic output in the prior year is expected to have been followed by a further 0.4% contraction in 2013. Economic indicators suggest the peripheral states are close to stabilizing their economies, though growth there is still checked by restrictive lending policies for the time being. In core euro zone economies, on the other hand, the recovery is largely already underway.

The German economy, notably exports, benefited in 2013 as the country's inflation rate stayed below that of its trading partners. As a result, Germany's economy is expected to remain in trade surplus in future years. The IMF forecasts 0.5% GDP growth for 2013. While this is down on the 0.9% growth seen in the prior year, it is the highest projected growth rate for any of Europe's core economies in 2013.

Growth of 4.5% is projected for emerging economies in 2013, a slightly less dynamic rate than in 2012. Prior-year growth was 4.9%. According to the IMF, emerging markets currently face the challenge of reconciling the lower growth rates both with the tough global financial situation and, in many cases, with recently falling currencies and rising inflation. Even at this somewhat reduced rate, however, the economic growth anticipated is still substantially higher than in industrialized economies.

For the Chinese economy, growth is assumed to have been 7.6% in 2013. Although this is slightly down on the prior-year growth of 7.7% and well below Chinese economic growth rates of past years, it remains well above the average across all emerging markets. Estimates by the IMF assume Chinese policymakers will not invoke fiscal stimulus mechanisms, attempting instead to nudge the economy onto a yet more sustainable growth path.

IMF projections for India put economic growth at 3.8% in 2013. Growth is thus expected to be higher than the prior-year level of 3.2%. Despite this, the Indian economy was held back from harnessing its full potential through the year by infrastructure and regulatory logjams. India's economy also had to cope with high inflation rates. However, the Indian government has started implementing structural improvements by such means as tax reforms to create incentives for employment and investment.

On IMF estimates, the Brazilian economy should show growth of 2.5% for 2013. The projections are thus for a marked recovery in economic activity compared with the prior-year growth of 0.9%. As in India, growth in Brazil could have been significantly stronger if the economy had not had to cope with bottlenecks as regards infrastructure and the regulatory environment. The Brazilian economy was also burdened by high inflation rates. Implementation of structural reforms is planned to improve business productivity and the labor supply in future years.

[2)] International Monetary Fund: "World Economic Outlook", October 2013.

[3)] International Monetary Fund: "World Economic Outlook", October 2013.

SECTORAL DEVELOPMENT

The global pharma market stayed robust in 2013. While industrialized countries, as before, showed more moderate growth rates, emerging economies saw far more dynamic growth. The pharma sector in emerging markets was able to cash in on rising public healthcare expenditure and higher personal health spending. Policy efforts to curb healthcare inflation in industrialized countries have so far not impaired pharma industry growth in any lasting way. Makers of generic drugs will continue to gain in importance over time. Overall, the pharma industry is still seen as largely crisis-proof. It also boasts a number of long-term growth drivers. Among these are demographic change and the attendant enhanced healthcare needs of an older populace, advances in medical technology and a growing choice of out-of-patent and biotech drugs.

The market for high-quality glass cosmetics packaging is likely to have had another successful year. The marked trend toward very elaborately and exclusively designed packaging will have been a supporting factor. Emerging markets once again accounted for much of the increase in demand for cosmetics in 2013.

In contrast, the US market for life science research products shrank in 2013. This was a result of customer budget restrictions linked to the US debt-ceiling debate.

CURRENCY MARKET TRENDS

From a closing rate of 1.30 US dollars to the euro at the prior fiscal year-end on November 30, 2012, the euro rose to 1.36 US dollars at the end of January 2013 amid debate about the impending fiscal cliff in the USA. With the US debt ceiling temporarily suspended, the exchange rate subsequently dropped back, with the euro trading at 1.28 US dollars at the close of March 2013. From the beginning of April to the end of August 2013, the euro exchange rate moved in a tunnel between 1.28 US dollars and 1.34 US dollars to the euro, in volatile trading. The party political US debt debate came back into focus for the forex market at the end of financial year 2013. Before the US government finally pushed through a further temporary rise in the debt limit on October 17, 2013, the euro exchange rate climbed to 1.38 US dollars to the euro. With the increased debt ceiling, the market showed signs of easing and the euro exchange rate went down slightly as a result. The exchange rate stood at 1.36 US dollars to the euro at the close of the financial year on November 30, 2013. The average exchange rate for financial year 2013 from December 1, 2012 to November 30, 2013 was 1.32 US dollars to the euro, compared with 1.29 US dollars to the euro in the prior year.

COMMODITY MARKET TRENDS

On commodity markets, the Brent Crude benchmark oil price initially climbed from its 110 US dollars per barrel closing price at the end of financial year 2012. The oil price reached its high point for financial year 2013 at some 119 US dollars per barrel in early February 2013 which, according to an IMF analysis, was mainly an effect of the strong demand situation. As demand softened, the oil price then dropped sharply at first to mark its lowest point for the year at roughly 98 US dollars per barrel in mid-April 2013. After that, according the IMF experts, the demand situation visibly improved and the oil price started going up again, on a temporary uptrend that peaked late August/early September 2013 close to 116 US dollars per barrel. The temporary uptrend then continued at a slightly lower level to the end of financial year 2013. Brent Crude traded at approximately 110 US dollars a barrel at the end of the financial year on November 30, 2013, once again on a par with its closing price for financial year 2012.

CHANGES IN THE REGULATORY ENVIRONMENT

Financial year 2013 brought no material changes in the regulatory environment for Gerresheimer AG. Policymakers especially in European industrialized countries and the USA continue to attach great importance to proof of significant therapeutic added value before new drugs are approved. For this reason, the competent authorities usually carry out a detailed cost-benefit analysis before any new drug can be released onto the market. This lent a boost to generic drugs in industrialized countries in financial year 2013. Generics are also gaining ground in emerging economies as they usually offer a comparatively attractive cost-benefit profile precisely because emerging market healthcare systems are less far advanced than those in industrialized countries. Most of all, the rapid growth of the middle class population in many emerging economies brings with it rising expectations in terms of healthcare provision. In industrialized economies, according to experts at EvaluatePharma, drug approval authorities notably in Europe and the USA are seen to be readier to grant market access for drugs that offer significant therapeutic added value at acceptable cost.

DEVELOPMENT OF THE BUSINESS

EFFECT OF ECONOMIC CONDITIONS ON BUSINESS PERFORMANCE

The Group's main driver is business with the pharma and healthcare industries, which accounted for 83% of total revenues in financial year 2013 (prior year: 83%). As the pharma market largely kept up its robust growth in financial year 2013, we were able to increase revenues by 3.8%. The Gerresheimer Group also benefited from the positive trend in premium cosmetics. Budgetary restrictions in the USA, however, meant revenues and earnings were down in the Life Science Research Division.

The Gerresheimer Group's main focus consists in selling and distributing its high-quality specialty glass and plastic primary packaging products and drug delivery systems. Our fully integrated production capabilities set us apart from competitors. We aim to be or become first or second in the markets and product segments we serve.

ATTAINMENT OF GUIDANCE IN FINANCIAL YEAR 2013

By publishing annual guidance at the beginning of each financial year, we give our shareholders, customers and all other partners the opportunity to assess our business development. Our guidance for the financial year comprises expected figures for revenues, adjusted EBITDA and capital expenditure.

Comparison of our guidance with the reported data for financial year 2013 shows our assessment of the business development to have been accurate. The revenue growth of 5.8% (at constant exchange rates) is at the upper end of the guidance range (5% to 6%). Our adjusted EBITDA of EUR 254.0m at constant exchange rates exceeded the target corridor of EUR 245m to EUR 250m. Deducting EUR 7.5m in other operating income on remeasurement of the put option on the Triveni acquisition, adjusted EBITDA is right inside the projected range at EUR 246.5m. The capital expenditure of EUR 119.1m is likewise within the estimated corridor of between 9% and 10% of revenues. The table below shows the development of our guidance over the course of the year:

Development of published guidance during financial year 2013

	FY 2012 as reported	Original guidance FY 2013 as of Feb. 14, 2013	Updated guidance FY 2013 as of Apr. 10, 2013	Updated guidance FY 2013 as of July 10, 2013	**Confirmed guidance FY 2013 as of Oct. 2, 2013**
Revenues	EUR 1,219.1m	5% to 6% (at const. FX rates)	5% to 6% (at const. FX rates)	5% to 6% (at const. FX rates)	5% to 6% (at const. FX rates)
Adjusted EBITDA margin	19.4%	On par with prior year	Approx. 19.4%	Adj. EBITDA corridor of EUR 245m to EUR 250m (at const. FX rates)	Adj. EBITDA corridor of EUR 245m to EUR 250m (at const. FX rates)
Capital expenditure	EUR 118.9m	Around 9% to 10% of revenues	Around 9% to 10% of revenues	Around 9% to 10% of revenues	Around 9% to 10% of revenues

MANAGEMENT BOARD REVIEW OF BUSINESS PERFORMANCE

Financial year 2013 was a good year for the Gerresheimer Group. Revenues rose by 3.8% to EUR 1,265.9m (at constant exchange rates, an increase of 5.8%). Net income, at EUR 68.5m, held level with the prior year's EUR 68.3m despite restructuring measures launched in financial year 2013. Adjusted net income went up from EUR 88.3m to EUR 103.5m.

Our pharma industry revenues once again showed strong growth and broad cyclical resilience in financial year 2013. As in the prior year, the more cyclical cosmetics packaging business also delivered substantial revenue and earnings growth. The Life Science Research Division was alone in recording a decline in revenues and earnings in financial year 2013. Besides the drop in revenues due to the prior-year sale of Kimble Bomex Glass in China, this was notably a result of research budget cuts in the USA. The slight slowdown in US GDP growth also meant customers were less ready to place orders.

Operating business development was also satisfactory for Gerresheimer AG as a separate company. In the separate company financial statements of Gerresheimer AG, which are prepared in accordance with the German Commercial Code (Handelsgesetzbuch/HGB), the result from ordinary activities went down as expected from EUR 63.8m in the prior year to EUR 55.5m in the year under review due to lower income from long-term equity investments. It is important to note in this connection that we apply a rigorous management control philosophy at Gerresheimer and opt against dividend distributions, as is expedient in line with planned capital expenditure in the various regions. This can cause large variations in net investment income from year to year. Net income was EUR 39.7m, compared with EUR 54.5m in the prior year. Equity increased from EUR 627.5m to EUR 646.8m. Further information is provided under "Financial Statements of Gerresheimer AG".

REVENUE PERFORMANCE

Gerresheimer Group revenues increased by 3.8% or EUR 46.8m in financial year 2013 compared with financial year 2012. At constant exchange rates, revenue growth was 5.8%. The increase in revenues is mainly attributable to strong growth in the Plastic Systems Division and the Moulded Glass Division. While the Tubular Glass Division likewise contributed toward revenue growth, the Life Science Research Division saw revenues decrease as expected.

in EUR m	2013	2012	Change in %
Revenues			
Plastic Systems	463.6	427.2	8.5
Moulded Glass	387.7	372.8	4.0
Tubular Glass	342.8	333.8	2.7
Life Science Research	86.8	99.6	-12.9
Subtotal	**1,280.9**	**1,233.4**	**3.9**
Intragroup revenues	-15.0	-14.3	-4.9
Total revenues	**1,265.9**	**1,219.1**	**3.8**

The Plastic Systems Division lifted revenues in financial year 2013 compared with the prior-year period from EUR 427.2m to EUR 463.6m. This corresponds to growth of 8.5%. At constant exchange rates, revenue growth came to 12.2%. A key contributor to the positive revenue performance in the Plastic Systems Division was Triveni Polymers Private Ltd. (Triveni), consolidated since December 20, 2012. Adjusted for the acquisition of Triveni and for exchange rate effects, revenue growth was 7.7%. Both primary packaging and medical systems added to organic revenue growth in financial year 2013. Notable gains were made here with inhalers and insulin pens. After exceptionally large revenues in the engineering and tooling business in the first quarter of 2013, revenues in this business were back to normal on a cumulative basis over financial year 2013 as a whole.

The Moulded Glass Division generated revenues of EUR 387.7m in financial year 2013, an increase of 4.0% on the prior year. At constant exchange rates, revenue increased by 4.9%, notably driven in financial year 2013 by the integration of Neutral Glass in India. Revenues from Neutral Glass are included in revenues for financial year 2012 only from the acquisition date in April 2012. Adjusted for the pro rata revenues of Neutral Glass and for exchange rate effects, revenue growth in the Moulded Glass Division was 3.5%. The Gerresheimer Group recorded healthy growth in both the cosmetics and the pharmaceuticals business.

With revenues of EUR 342.8m, the Tubular Glass Division generated revenue growth of 2.7% compared with the prior year. At constant exchange rates, revenues were up 3.6% on the prior year. Revenues from vials grew particularly strongly in China in financial year 2013. These, and revenues in the Gx RTF® syringes business, account for the lion's share of growth in the division.

Life Science Research Division revenues in the reporting year came to EUR 86.8m, a decrease of 12.9% (10.9% at constant exchange rates). It should be noted that the prior year included pro rata revenues for Kimble Bomex Glass, which was sold in September 2012. Adjusting for this and exchange rate effects, revenues were 6.9% lower than in the prior year. This development, which we already signaled at the start of the year, was due to further destocking and ongoing reluctance by our distributors to place orders because of research budget cuts in the USA.

REVENUES BY ECONOMIC REGIONS

Gerresheimer generates the vast majority of Group revenues outside Germany. International revenues came to EUR 980.1m or 77% of the total in financial year 2013. In the prior year, revenue generated internationally amounted to EUR 942.0m, similarly equivalent to 77% of total revenues. Europe and the Americas remain Gerresheimer's most important geographical sales regions. Emerging market revenues totaled EUR 217.6m in financial year 2013, representing 17% of Group revenues. The percentages of revenues generated in the various regions remained on a par with the prior year.

in EUR m	2013	2012	Change in %
Europe (excluding Germany, Poland, Romania, Russia, Turkey and Ukraine)	446.0	409.4	8.9
Germany	285.8	277.1	3.1
Americas (excluding Argentina, Brazil, Mexico and Venezuela)	282.1	283.8	-0.6
Emerging markets	217.6	214.8	1.3
Other	34.4	34.0	1.2
Total	**1,265.9**	**1,219.1**	**3.8**

Despite a further fall in economic output in Europe as a whole, the Europe region continued to account for 35% of Gerresheimer Group revenues. Germany contributed an additional 23%.

With a 22% share of Group Revenues (prior year: 23%), the Americas remain an important market for the Gerresheimer Group. Thanks to the presence of global pharma giants and the country's demographic potential, the USA especially will remain a core region for our business activities.

Emerging market revenues accounted for EUR 217.6m or 17% of total Group revenues in 2013 (prior year: EUR 214.8m or 18%). Brazil, India, China and Poland are the main emerging market revenue drivers.

RESULTS OF OPERATIONS

Adjusted EBITDA for the Gerresheimer Group rose to EUR 249.8m in financial year 2013 (prior year: EUR 239.9m) or, at constant exchange rates, to EUR 254.0m. This corresponds to an increase of EUR 9.9m or 4.1%. The adjusted EBITDA margin was 19.7%, exactly on a level with the 19.7% prior-year figure after restating for the effect on pension provisions of early application of IAS 19 (revised 2011).

in EUR m	2013	Pro forma[1] 2012	Change in %
Adjusted EBITDA			
Plastic Systems	109.9	92.9	18.3
Moulded Glass	85.0	81.6	4.2
Tubular Glass	63.9	70.2	-9.0
Life Science Research	11.5	13.5	-15.3
Subtotal	**270.3**	**258.2**	**4.7**
Head office/consolidation	-20.5	-18.3	-12.0
Total adjusted EBITDA	**249.8**	**239.9**	**4.1**

[1] Retrospective restatement due to early adoption of IAS 19 (revised 2011) from December 1, 2012. A detailed explanation of the effects from the restatement can be found in the Notes to the Consolidated Financial Statements.

Adjusted EBITDA in the Plastic Systems Division went up by EUR 17.0m to EUR 109.9m. The adjusted EBITDA margin came to 23.7%, versus 21.8% in the prior year. This includes EUR 7.5m in other operating income from fair value evaluation of the Triveni put option at the balance sheet date. Adjusted for this, the adjusted EBITDA margin was 22.1%. Despite product ramp-up costs and discounts granted to two key accounts, the margin improved in the course of trading and was slightly up on financial year 2012.

In the Moulded Glass Division, adjusted EBITDA gained relative to the prior year by 4.2% to EUR 85.0m in financial year 2013. The adjusted EBITDA margin, at 21.9%, held its prior-year level. Given the mediocre start to financial year 2013 and related capacity adjustments in the first quarter of 2013, we consider this a good outcome.

With adjusted EBITDA of EUR 63.9m in financial year 2013, the Tubular Glass Division was down on the EUR 70.2m adjusted EBITDA recorded in the prior year. The adjusted EBITDA margin decreased from 21.0% to 18.6%. Action to stabilize ampoule production in Mexico was implemented on schedule. Although the scrap rates at our Buende plant continue to decrease, the production costs for high-quality Gx RTF® syringes are still very high. After solving the technical challenges posed by customer specifications in the first half of financial year 2013, the focus shifted in the second half of the year to productivity improvements.

The Life Science Research Division was unable to match its 2012 figure for adjusted EBITDA in the 2013 reporting year. The main reason was significantly lower revenues. As a result, adjusted EBITDA dropped from EUR 13.5m in 2012 to EUR 11.5m in the year under review. The adjusted EBITDA margin in financial year 2013 was 13.2%, compared with 13.6% in financial year 2012. Despite successful cost management in connection with the revenue decline, it was not quite possible to repeat the prior-year margin level.

The head office expenses and consolidation item come to EUR 20.5m, EUR 2.2m more than in the prior year. It should be noted that the prior year included a positive one-off item from pension remeasurement. We consequently recognized an income item for pension remeasurement in financial year 2012. This year, the resulting item is an expense.

The table below shows the reconciliation of adjusted EBITDA to results of operations:

in EUR m	2013	Pro forma[3] 2012	Change
Adjusted EBITDA	**249.8**	**239.9**	**9.9**
Restructuring expenses	4.8	–	-4.8
One-off income/ expense[1]	3.8	5.5	1.7
EBITDA	**241.2**	**234.4**	**6.8**
Amortization of fair value adjustments[2]	19.0	18.0	-1.0
Depreciation and amortization	83.7	82.0	-1.7
Impairment loss	5.6	2.6	-3.0
Results of operations	**132.9**	**131.8**	**1.1**

[1] The one-off income/expense item consists of one-off items that cannot be taken as an indicator of ongoing business. These comprise, for example, various reorganization and restructuring measures that are not included in restructuring expenses under IFRS.
[2] Amortization of fair value adjustments relates to the assets identified at fair value in connection with the acquisitions of Gerresheimer Vaerlose in December 2005; Gerresheimer Regensburg in January 2007; the pharma glass business of Comar Inc., USA, in March 2007; the establishment of the Kimble Chase joint venture in July 2007; the acquisitions of Gerresheimer Zaragoza and Gerresheimer Sao Paulo in January 2008; the acquisition of Vedat in March 2011; the acquisition of Neutral Glass in April 2012; and the acquisition of Triveni in December 2012.
[3] Retrospective restatement due to early adoption of IAS 19 (revised 2011) from December 1, 2012. A detailed explanation of the effects from the restatement can be found in the Notes to the Consolidated Financial Statements.

Adjusted EBITDA is reconciled to EBITDA by deducting restructuring expenses and one-off income/expense. The restructuring expenses of EUR 4.8m mainly consist of termination benefits in connection with the divisional realignment and streamlining. As noted in our Q3 2013 interim report, amalgamation of primarily operating and administrative management functions is likely to incur costs in the mid-single-digit millions of euros.

The EUR 3.8m net amount in the one-off income/expense item in financial year 2013 consists of EUR 3.0m in connection with the divisional reorganization explained elsewhere and EUR 0.8m in expenditure mostly relating to acquisition projects.

Amortization of fair value adjustments, at EUR 19.0m, is higher than the prior-year figure of EUR 18.0m, because of portfolio adjustment and an amortization on a brand name due to be discontinued in the year ahead. Depreciation and amortization is EUR 1.7m higher than in the prior year. This mainly reflects the high level of capital expenditure in financial year 2013.

The EUR 5.6m impairment loss in financial year 2013 was incurred in connection with the portfolio adjustment announced in the Q3 2013 interim report and is in line with the figure of approximately EUR 5m then communicated. Among other things, we decided to dispose of our minority stake in Beijing Gerresheimer Glass Co., Ltd. The EUR 2.6m impairment loss item in the prior year relates to the sale of Kimble Bomex Glass. The Gerresheimer Group's results of operations thus came to EUR 132.9m, an increase of EUR 1.1m on the prior-year results of operations.

INCOME STATEMENT: KEY ITEMS

	2013 in EUR m	in % of revenues	Pro forma[1] 2012 in EUR m	in % of revenues
Revenues	**1,265.9**		**1,219.1**	
Cost of sales	-901.7	-71	-858.3	-70
Selling expenses	-140.3	-11	-134.2	-11
General administrative expenses	-90.9	-7	-86.6	-7
Restructuring expenses	-4.8	0	–	0
Other operating expenses and income	4.7	0	-8.2	-1
Results of operations	**132.9**	**10**	**131.8**	**11**
Net finance expenses[2]	-34.2	-3	-33.3	-3
Income taxes	-30.2	-2	-30.2	-2
Net income	**68.5**	**5**	**68.3**	**6**
Attributable to non-controlling interests	6.3		6.3	
Attributable to equity holders of the parent	**62.2**		**62.0**	
Adjusted net income	103.5		88.3	
Adjusted earnings per share in EUR	3.08		2.62	

[1] Retrospective restatement due to early adoption of IAS 19 (revised 2011) from December 1, 2012. A detailed explanation of the effects from the restatement can be found in the Notes to the Consolidated Financial Statements.
[2] Net finance expense comprises interest income and expenses in relation to the net financial debt of the Gerresheimer Group. It also includes net interest expenses for pension provisions together with exchange rate effects from financing activities and from related derivative hedges.

FUNCTION COSTS

Cost of sales rose by 5% to EUR 901.7m (prior year: EUR 858.3m). The increase was mainly driven by higher personnel expenses and higher costs incurred for temporary and agency workers in connection with the revenue growth. Selling expenses remained at their prior-year level as a percentage of revenues. In absolute terms, selling expenses went up by EUR 6.1m, again mostly in connection with personnel expenses. Administrative expenses likewise stayed at their financial year 2012 level as a percentage of revenues.

Net other operating income and expenses improved by EUR 12.9m compared with the prior year. This mainly reflects the gain on the fair value evaluation of the Triveni put option. In connection with the acquisition of the 75% stake in Triveni effective December 20, 2012, Gerresheimer granted the minority shareholders a put option to tender the remaining 25% for sale from April 1, 2016. The purchase price is based on Triveni's EBITDA for the financial year ending March 31, 2016. The carrying amount of the put option was reduced by EUR 7.5m as a result of the fair value evaluation of the purchase price liability.

NET FINANCE EXPENSE

The net finance expense for financial year 2013 came to EUR 34.2m, EUR 0.9m more than the EUR 33.3m pro forma figure for the prior year. This mainly reflected higher interest expenses on the put option liabilities to minority shareholders in Neutral Glass and Triveni.

INCOME TAXES

Income taxes come to EUR 30.2m, compared with the same figure, EUR 30.2m, in the prior year. The effective tax rate at November 30, 2013 is 30.6%, corresponding to the effective tax rate in the prior year. In the first quarter of 2013, we noted that an issue had been raised in connection with a tax audit carried out for one of our companies in Brazil. Consequently, the acquisition structure at the time of purchase of Allplas Embalagens Ltda., Sao Paulo, will not be accepted for tax purposes. This means that tax benefits will not be accepted. We recognized the tax expense resulting from the tax audit in Brazil at EUR 3.7m as of November 30, 2013. A German tax audit has now been completed for financial years up to and including 2004 and for two subgroups up to and including 2008. Appropriate provision has been made for the resulting additional tax expense. Adjusting the effective tax rate for the non-recurring factors just mentioned would give an effective tax rate of 21.7%. The reduced tax rate is attributable to minority interests, a tax-free grant of our Czech subsidiary as well as tax exemptions regarding the American domestic production and the reactivation of losses carried forward from previous years as a result of the positive development of certain companies.

NET INCOME AND ADJUSTED NET INCOME

At EUR 68.5m for the year ended November 30, 2013, Gerresheimer Group net income was slightly up on the prior year (prior year: EUR 68.3m).

in EUR m	2013	Pro forma[1] 2012	Change
Net income	**68.5**	**68.3**	**0.2**
Amortization of fair value adjustments	19.0	18.0	1.0
Related tax effect	-5.6	-4.9	-0.7
Restructuring expenses	4.8	–	4.8
Related tax effect	-1.4	–	-1.4
One-off income/expense	3.8	5.5	-1.7
Related tax effect	-1.1	-1.6	0.5
Interest from abitration court proceedingss	–	0.6	-0.6
Related tax effect	–	-0.2	0.2
Impairment loss	5.6	2.6	3.0
Related tax effect	-0.8	–	-0.8
One-off tax effects	10.7	–	10.7
Adusted net income	**103.5**	**88.3**	**15.2**
Attributable to non-controlling interests	**6.3**	**6.3**	**0.0**
Amortization of fair value adjustments	0.7	–	0.7
Related tax effect	-0.2	–	-0.2
Impairment loss	–	-0.3	0.3
Related tax effect	–	–	–
Adjusted net income attributable to non-controlling interests	**6.8**	**6.0**	**0.8**
Adjusted income after non-controlling interests	**96.7**	**82.3**	**14.4**

[1] Retrospective restatement due to early adoption of IAS 19 (revised 2011) from December 1, 2012. A detailed explanation of the effects from the restatement can be found in the Notes to the Consolidated Financial Statements.

Adjusted net income (defined as net income, including net income attributable to non-controlling interests, before non-cash amortization of fair value adjustments, the non-recurring effect of restructuring expenses and the balance of one-off income/expense inclusive of related tax effects) came to EUR 103.5m in financial year 2013, compared with EUR 88.3m in the prior year. Adjusted earnings per share was thus EUR 3.08, compared with EUR 2.62 in the prior year (both figures after net income attributable to non-controlling interests).

PROPOSAL FOR APPROPRIATION OF RETAINED EARNINGS (PROPOSED DIVIDEND)

At the Annual General Meeting on April 30, 2014, the Management Board and Supervisory Board of Gerresheimer AG will propose that a dividend of EUR 0.70 per share be paid for the financial year 2013 (prior year: EUR 0.65 per share). This represents a total dividend distribution of EUR 22.0m. Furthermore, a proposal will be made to carry forward the Company's remaining retained earnings of EUR 67.7m. In this way, Gerresheimer shareholders participate in the business success of the Gerresheimer Group.

NET ASSETS

BALANCE SHEET

The Gerresheimer Group's net assets changed as follows in financial year 2013:

Assets in EUR m	Nov. 30, 2013	Pro forma[1] Nov. 30, 2012	Change in %
Intangible assets, property, plant and investment property	1,115.3	1,052.5	6.0
Investment accounted for using the equity method	0.1	3.7	-97.3
Other non-current assets	13.4	15.2	-11.8
Non-current assets	**1,128.8**	**1,071.4**	**5.4**
Inventories	194.5	189.0	2.9
Trade receivables	192.6	179.4	7.4
Other current assets	99.9	116.1	-14.0
Current assets	**487.0**	**484.5**	**0.5**
Total assets	**1,615.8**	**1,555.9**	**3.8**

Equity and Liabilities in EUR m	Nov. 30, 2013	Pro forma[1] Nov. 30, 2012	Change in %
Equity and non-controlling interests	**563.4**	**538.2**	**4.7**
Non-current provisions	165.7	195.3	-15.2
Financial liabilities	404.6	418.9	-3.4
Other non-current liabilities	48.5	39.3	23.4
Non-current liabilities	**618.8**	**653.5**	**-5.3**
Financial liabilities	103.8	44.1	135.4
Trade payables	127.0	154.3	-17.7
Other current provisions and liabilities	202.8	165.8	22.3
Current liabilities	**433.6**	**364.2**	**19.1**
Total equity and liabilities	**1,615.8**	**1,555.9**	**3.8**

[1] Retrospective restatement due to early adoption of IAS 19 (revised 2011) from December 1, 2012. A detailed explanation of the effects from the restatement can be found in the Notes to the Consolidated Financial Statements.

Total assets in the Gerresheimer Group came to EUR 1,615.8 as of November 30, 2013. This is EUR 59.9m or 3.8% higher than in the prior year. The increase mostly relates to acquisitions during the year as well as to capital expenditure on property, plant and equipment in excess of depreciation.

BALANCE SHEET STRUCTURE AND RATIOS

Non-current assets rose to EUR 1,128.8m (prior year: 1,071.4m). This corresponds to growth of EUR 57.4m or 5.4%. Non-current assets increased to 69.9% of total assets (prior year: 68.9%). Current assets went up by 0.5% to EUR 487.0m at the balance sheet date (prior year: EUR 484.5m). They thus make up 30.1% of total assets (prior year: 31.1%). The main changes on the assets side of the balance sheet in financial year 2013 relate to higher capital expenditure and acquisitions together with the related decrease in cash and cash equivalents.

NON-CURRENT ASSETS

Intangible assets, property, plant and equipment, and investment property amounted to EUR 1,115.3m as of the balance sheet date (prior year: EUR 1,052.5m). The increase is mainly a result of the initial consolidation of Triveni, which resulted in the recognition of EUR 33.3m in goodwill and EUR 41.6m in intangible assets. Depreciation and amortization reduced non-current assets by EUR 83.7m (prior year: EUR 82.0m). Impairment losses totaled EUR 5.6m (prior year: EUR 0.0m) and come under expenses in connection with divestments. The impairments relate to the portfolio adjustment announced in the third quarter of 2013. Non-current assets increased by EUR 119.1m due to capital expenditure (prior year: EUR 118.9m).

Investments accounted for using the equity method decreased from EUR 3.7m in financial year 2012 to EUR 0.1m. We decided to dispose of our minority stake in China as of the end of financial year 2013. On the basis of the draft contract of sale, we have written off the entire carrying amount of the investment.

Other non-current assets fell by 11.8% to EUR 13.4m (prior year: EUR 15.2m). These primarily comprise EUR 4.1m in refund claims for pension benefits, EUR 1.0m in other loans and EUR 7.6m in deferred tax assets.

CURRENT ASSETS

Inventories and trade receivables rose by 5% compared with the prior year. Inventories came to EUR 194.5m at the balance sheet date (prior year: EUR 189.0m). Trade receivables amounted to EUR 192.6m (prior year: EUR 179.4m). Inventories and trade receivables mainly increased in line with revenue growth. Inventories and trade receivables made up 24.0% of total assets as of the balance sheet date, compared with 23.7% in the prior year.

Other non-current assets fell to EUR 99.9m (prior year: EUR 116.1m). This corresponds to a reduction of 14.0%. Cash and cash equivalents decreased most of all, by 15.1% to EUR 73.1m. Cash was mostly used for acquisitions in the financial year, capital expenditure and the dividend payment.

EQUITY

Gerresheimer Group equity, including non-controlling interests, stood at EUR 563.4m, compared with EUR 538.2m in the prior year. The equity ratio was 34.9% as of November 30, 2013, compared with 34.6% at the end of financial year 2012. Distributions reduced equity by EUR 28.8m. This was countered by the positive impact of EUR 68.5 in net income.

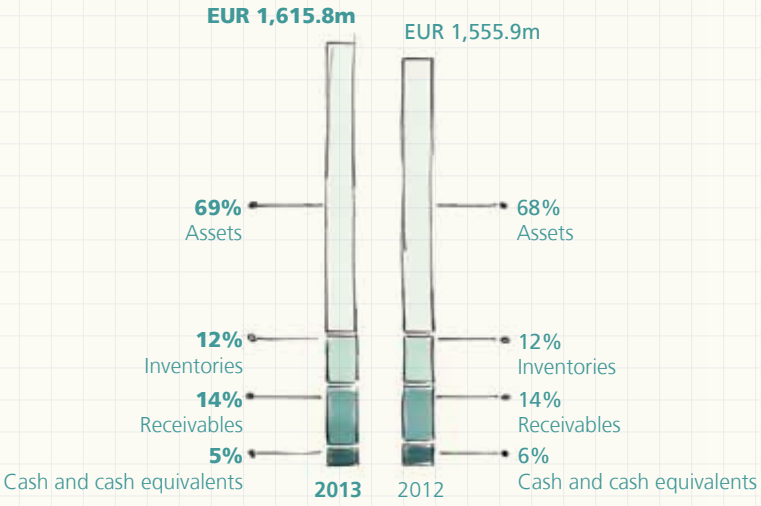
NON-CURRENT LIABILITIES

Non-current liabilities came to EUR 618.8m (prior year: EUR 653.5m). This represents a decrease of EUR 34.7m on the prior year. Non-current provisions went down by 15.2%. This mainly reflects the decrease in pension provisions due to current benefit payments. Non-current financial liabilities decreased by EUR 14.3m and came to EUR 404.6m at the balance sheet date (prior year: EUR 418.9m). This marks a dropp of 3.4%. Non-current deferred tax liabilities likewise increased.

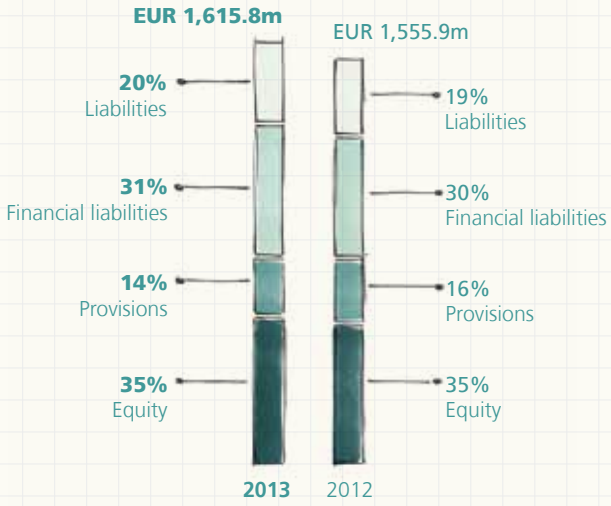
CURRENT LIABILITIES

Current liabilities amounted to EUR 433.6m at the balance sheet date, up 19.1% on the prior year. They thus make up 26.8% of total equity and liabilities (prior year: 23.4%). Trade payables decreased as of the reporting date to EUR 127.0m (prior year: EUR 154.3m). Other current provisions came to EUR 45.7m at the balance sheet date, compared with EUR 43.0m in the prior year. This mainly consists of provisions for personnel obligations, which were up on the prior year due to restructuring. Other liabilities amounted to EUR 119.5m at the balance sheet date (prior year: EUR 95.1m) and mostly related to prepayments received.

Assets



Equity and Liabilities



NET WORKING CAPITAL

The Gerresheimer Group's net working capital was EUR 201.9m at November 30, 2013, an increase of EUR 26.7m compared with November 30, 2012.

in EUR m	**Nov. 30, 2013**	Nov. 30, 2012
Inventories	**194.5**	189.0
Trade receivables	**192.6**	179.4
Trade payables	**127.0**	154.3
Prepayments received	**58.2**	38.9
Net working capital	**201.9**	**175.2**

EUR 4.9m of the increase in net working capital compared with the prior year relates to the newly acquired Indian company, Triveni, which was not included in the prior year. A further part of the rise in net working capital is notably due to the lower level of trade payables at the balance sheet date.

OFF-BALANCE SHEET ARRANGEMENTS

There were operating lease obligations totaling EUR 50.3m at the balance sheet date (prior year: EUR 47.8m). These relate to building, machinery, vehicle and IT-related operating leases and rentals. The Gerresheimer Group makes negligible use of off-balance sheet financing arrangements such as receivables factoring. There were also minor guarantees to lessors.

INFLUENCE OF ACCOUNTING POLICIES

The Gerresheimer Group elected early adoption of IAS 19 (revised 2011) from December 1, 2012. The comparative prior-year figures in the consolidated financial statements and management report have been restated accordingly. A detailed explanation of the effects from the restatement can be found in the Notes to the Consolidated Financial Statements. No further accounting policies or related accounting options were applied in the consolidated financial statements that differ from prior years and that, if applied differently, would have had a material effect on the Group's results of operations, net assets and financial position. Information on the use of estimates and on the assumptions and judgments applied is provided in the Notes to the Consolidated Financial Statements.

FINANCIAL CONDITION AND LIQUIDITY

PRINCIPLES AND OBJECTIVES OF FINANCIAL MANAGEMENT

Control and optimization of the Gerresheimer Group's finances is primarily the responsibility of Group Treasury at Gerresheimer AG. The overriding objective is to safeguard liquidity at all times by central procurement of funding and active control of currency and interest rate risk. We ensure an appropriate level of funding at all times with rolling liquidity planning and central cash management.

The Management Board has appointed an Investment Committee to institutionalize decision and control processes in connection with safeguarding liquidity, financial planning and associated risk management. The Committee normally meets on a quarterly basis and comprises the CFO as well as the heads of Controlling, Mergers & Aquisitions and Treasury. The core remit of the Investment Committee is to discuss and monitor relevant financial operating conditions for the Gerresheimer Group. Potential changes in extraneous factors in line with current market projections are appraised along with the financing situation and strategic growth options. All ideas and upcoming projects of major financial impact have to pass through here and are reassessed for feasibility as well as from a risk management standpoint. This supplements universal application of the dual control principle with an added early warning and control mechanism.

In view of our global business activities, we use a range of tools to ensure effective financial management. In this way, we minimize any negative impact of default, currency and interest rate risk on the net assets, financial position and results of operations or cash flows of the Gerresheimer Group.

The maximum credit risk from receivables faced by the Gerresheimer Group is the aggregate carrying amount of the receivables. The Group extends trade credit in the ordinary course of business and regularly assesses debtors for specific customer financial status levels (credit checks). Bad debt allowances are recognized for doubtful receivables. Specific customer credit risk is measured using past collection experience and other information. The Group counters default risk by restricting contractual partners to those with good to very good credit standing. This is based on national and international agency ratings and rigorous observance of risk limits stipulated under trade credit insurance or internally.

In view of its international focus, the Gerresheimer Group conducts many transactions in foreign currency. To counter the associated risk of adverse exchange rate movements, Gerresheimer uses forward exchange contracts to hedge cash flows from unfulfilled foreign currency orders. Orders, receivables and payables are hedged as a rule with forward exchange contracts on inception.

To counter interest rate risk, Gerresheimer takes out swaps for part of its overall financing.

Safeguarding the Gerresheimer Group's liquidity while allowing sufficient reserves for special eventualities is an integral part of ongoing liquidity management. Intragroup cash pooling and intercompany lending permit efficient use of liquidity surpluses at Group companies to meet the cash needs of others. As a result of sufficient cash pool lines and intercompany loans, there were neither financing nor liquidity shortfalls in financial year 2013.

FINANCING INSTRUMENTS

Overall financing of the Gerresheimer Group is based on two pillars. First, there is a EUR 300m bond issued on May 19, 2011 at a price of 99.40%, with a 5.00% coupon and seven-year term ending 2018. Second, a syndicated loan was signed on March 9, 2011 with a five-year term to maturity, comprising a long-term loan of initially EUR 150m (fully drawn in US dollars and repayable in four annual installments of 15% each plus a final repayment equal to 40% of the loan amount) and a EUR 250m revolving credit facility. The syndicated loan is subject to financial covenants, divided into interest cover ratios (adjusted EBITDA in relation to net finance expense), EBITDA leverage (ratio of net financial debt to adjusted EBITDA), EBITDA ratios (ratio of Group adjusted EBITDA to adjusted EBITDA of jointly liable companies and affiliated companies with a profit and loss transfer agreement) and asset ratios (ratio of adjusted Group assets to the adjusted assets of the jointly liable companies and affiliated companies with a profit and loss transfer agreement). The long-term loan carries a basic rate of interest equal to US dollar LIBOR plus a margin of between 1.10% and 2.40% depending on fulfillment of the EBITDA leverage covenant. The revolving credit facility carries a basic rate of interest equal to EURIBOR for the drawing period plus a margin of between 0.90% and 2.20% depending on fulfillment of the EBITDA leverage covenant.

Our foreign subsidiaries also have finance in the form of approved bilateral credit lines in an amount equivalent to EUR 15.2m.

FINANCIAL LIABILITIES AND CREDIT FACILITIES

The Gerresheimer Group did not affect any new borrowing in financial year 2013.

Net financial debt developed as follows:

in EUR m	Nov 30, 2013	Pro forma[2] Nov 30, 2012
Financial debt		
Syndicated facilities		
Long-term loan[1]	106.7	135.8
Revolving credit facility[1]	68.8	–
Total syndicated facilities	**175.5**	**135.8**
Senior notes – euro bond	300.0	300.0
Local borrowings[1]	9.1	10.0
Finance lease liabilities	5.1	6.8
Total financial debt	**489.7**	**452.6**
Cash and cash equivalents	73.1	86.1
Net financial debt	**416.6**	**366.5**
Adjusted EBITDA	**249.8**	**239.9**
Adjusted EBITDA leverage	**1.7**	**1.5**

[1] The exchange rates used for the translation of US dollar loans to euros were as follows: As of November 30, 2012: EUR 1.00/USD 1.2986; as of November 30, 2013: EUR 1.00/ USD 1.3611.
[2] Retrospective restatement due to early adoption of IAS 19 (revised 2011) from December 1, 2012. A detailed explanation of the effects from the restatement can be found in the Notes to the Consolidated Financial Statements.

Net financial debt increased by EUR 50.1m from EUR 366.5m in the prior year to EUR 416.6m as of November 30, 2013. This mainly relates to payment of the purchase price for the acquisition of Triveni in the amount of EUR 52.2m and the purchase of additional shares in Neutral Glass in the amount of EUR 2.4m.

Adjusted EBITDA leverage – the ratio of interest-bearing net financial debt to adjusted EBITDA – was 1.7 at the balance sheet date, compared with 1.5 in the prior year.

The syndicated loans shown in 2013 comprise the current balance (EUR 106.7m) on the long-term loan for initially EUR 150.0m (fully drawn in US dollars) and the EUR 250.0m revolving credit facility approved under the loan agreement. Drawings on the revolving credit facility were EUR 68.8m as of November 30, 2013, leaving EUR 181.2m available for capital expenditure, acquisition and other operating needs.

BUSINESS DISPOSALS AND ACQUISITIONS

December 2012 saw the acquisition of Triveni Polymers Private Ltd. (Triveni), an Indian company headquartered in New Delhi. Triveni is a producer of pharmaceutical plastic packaging. The acquisition is an ideal next step in enhancing the Gerresheimer Group's position in emerging markets. For further information, please see Note (2) of the Notes to the Consolidated Financial Statements.

ANALYSIS OF CAPITAL EXPENDITURE

Gerresheimer undertook capital expenditure on property, plant and equipment and intangible assets as follows in financial year 2013:

in EUR m	2013	2012	Change in %
Plastic Systems	43.3	43.6	-0.7
Moulded Glass	37.7	40.7	-7.4
Tubular Glass	37.2	32.6	14.1
Life Science Research	0.9	1.6	-43.8
Head office	–	0.4	-100.0
Total capital expenditure	**119.1**	**118.9**	**0.2**

Capital expenditure in the financial year focused once again on growth projects and capacity expansion, especially in the Plastic Systems Division, and scheduled general overhauls of furnaces. As planned, investment was also made to increase plant safety, for quality assurance and quality improvement as well as to ensure compliance with environmental regulations.

Capital expenditure in the Plastic Systems Division mainly targeted additions to capacity at our locations in Pfreimd, Germany, and Horsovsky Tyn, Czech Republic.

Capital expenditure in the Moulded Glass Division primarily related to the purchase of a glass production machine at a German plant. Other key investments consisted of the routine general overhaul of two furnaces, in part linked to capacity expansion, as well as expenditure on molds, tools and modernization.

Major capital expenditure in the Tubular Glass Division comprised investment in a fourth Gx RTF® prefillable syringe production line. Spending for the routine general overhaul of one furnace was also included in the capital expenditure total.

The reinvestment ratio (capital expenditure to depreciation) was at around 142% (prior year: 145%).

Capital expenditure is divided across economic regions as follows:

in EUR m	2013	2012	Change in %
Americas	15.9	18.3	-13.1
Emerging markets	24.7	17.6	40.3
Europe	30.0	20.4	47.1
Germany	48.5	62.6	-22.5
Total capital expenditure	**119.1**	**118.9**	**0.2**

From a regional perspective, 13% of capital expenditure in financial year 2013 was accounted for by the Americas (prior year: 15%), 21% by emerging economies (prior year: 15%) and 25% by Europe excluding Germany (prior year: 17%). The largest share of capital expenditure was once again incurred in Germany, at 41% (prior year: 53%). The capital expenditure in Germany mainly relates to capacity expansion in the Plastic Systems Division, additions to the Gx RTF® syringe capacity in the Tubular Glass Division and the scheduled general overhauls of a furnace in the Moulded Glass Division.

OPERATING CASH FLOW

in EUR m	2013	Pro forma[1] 2012
Adjusted EBITDA	249.8	239.9
Change in net working capital	-26.3	3.6
Capital expenditure	-119.1	-118.9
Operating cash flow	**104.4**	**124.6**
Net interest paid	-22.6	-22.5
Net taxes paid	-29.6	-19.4
Pension benefits paid	-15.3	-15.2
Other	-6.6	-10.1
Free cash flow before acquisitions	**30.3**	**57.4**
Acquisitions	-52.2	-32.4
Financing activity	11.5	-69.9
Changes in cash and cash equivalents	**-10.4**	**-44.9**

[1] Retrospective restatement due to early adoption of IAS 19 (revised 2011) from December 1, 2012. A detailed explanation of the effects from the restatement can be found in the Notes to the Consolidated Financial Statements.

Operating cash flow was down EUR 20.2m, mainly due to changes in net working capital that largely reflected the higher past level of trade payables as of the reporting date. Income taxes paid rose to EUR 10.2m, the main changes relative to the prior year consisting of backpayments following the completion of tax audits and higher advance tax payments following the exhaustion of tax loss carryforwards.

CASH FLOW STATEMENT

in EUR m	2013	2012
Cash flow from operating activities	146.7	173.6
Cash flow from investing activities	-168.6	-148.6
Cash flow from financing activities	11.5	-69.9
Changes in cash and cash equivalents	**-10.4**	**-44.9**
Effect of exchange rate changes on cash and cash equivalents	-2.6	-0.4
Cash and cash equivalents at the beginning of the period	86.1	131.4
Cash and cash equivalents at the end of the period	73.1	86.1

Cash flow from operating activities went down in financial year 2013 by 15.5% to EUR 146.7m. This was mainly due to a large increase in net working capital that largely reflected the higher past level of trade payables as of the reporting date.

The net cash outflow from investing activities was EUR 168.6m, higher than the prior-year figure of EUR 148.6m. EUR 119.1m – about the same amount as the prior year – went on capital expenditure on intangible assets and property, plant and equipment. After adjusting for acquired cash and cash equivalents, EUR 52.2m was paid out for acquisitions in financial year 2013 (prior year: EUR 32.4m). Cash received in connection with divestments and disposals of non-current assets came to EUR 2.6m (prior year: EUR 2.7m). Further information on capital expenditure in financial year 2013 is provided under "Analysis of capital expenditure".

The net cash inflow from financing activities amounted to EUR 11.5m in the reporting year (prior year: cash outflow of EUR 69.9m) and was mainly attributable to the EUR 68.8m drawings on the revolving credit facility.

The Gerresheimer Group had EUR 73.1m in cash and cash equivalents as of November 30, 2013 (prior year: EUR 86.1m). As of the end of the reporting period, Gerresheimer additionally had at its disposal a EUR 250.0m revolving credit facility, drawings on which were EUR 68.8m as of November 30, 2013. The remaining amount is available to Gerresheimer for purposes such as capital expenditure, acquisitions and other operational requirements.

MANAGEMENT BOARD'S OVERALL ASSESSMENT OF THE BUSINESS SITUATION

The global economy grew at a very modest pace in financial year 2013. Reasons include the ongoing recession in the euro area, subpar growth in North America and relatively muted growth momentum in emerging markets. For the Gerresheimer Group, too, financial year 2013 was a year of challenges, mostly affecting the Tubular Glass Division. Despite this, we once again delivered on our targets in 2013.

Capital expenditure, at EUR 119.1m, stayed at its prior-year level. Leverage – the ratio of interest-bearing net financial debt to adjusted EBITDA – stood at 1.7, up from the prior-year figure of 1.5 largely due to cash outflow for the acquisition of Triveni in India. Our net asset position remains very solid. Equity and non-current liabilities provided 105% coverage of non-current assets (prior year: 113%). The equity ratio increased from 34.6% in the prior year to 34.9% in the year under review.

ANNUAL FINANCIAL STATEMENTS OF GERRESHEIMER AG

Gerresheimer AG is the parent company of the Gerresheimer Group and is based in Duesseldorf, Germany. Responsibility for the principal management functions of the Company as a whole lies with the Management Board of Gerresheimer AG. The Management Board formulates corporate strategy, allocates resources and is in charge of financial management. Gerresheimer AG's situation in essence depends on the business success of the Group.

The following relates to the performance of Gerresheimer AG. Gerresheimer AG's annual financial statements are prepared in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch/HGB) and the German Stock Corporation Act (Aktiengesetz/AktG).

GERRESHEIMER AG RESULTS OF OPERATIONS

in EUR m	**2013**	2012
Other operating income	**11.9**	11.4
Personnel expenses	**-15.8**	-16.3
Depreciation and amortization	**-0.4**	-0.4
Other operating expenses	**-14.7**	-16.2
Net investment income	**44.5**	55.0
Net finance income	**30.0**	30.3
Result from ordinary operations	**55.5**	**63.8**
Income tax	**-15.8**	-9.3
Net income	**39.7**	**54.5**

The results of operations of Gerresheimer AG are largely determined by the results of its subsidiaries and by net finance income from Group financing.

Other operating income and other operating expenses from the performance of management and administration functions for the Gerresheimer Group resulted in a EUR 2.8m (prior year: EUR 4.8m) net other operating expense for Gerresheimer AG. Other operating expenses mainly related to IT, insurance, legal, consulting and audit fees, rental, leasing and trade fairs. Where they are commercially attributable to subsidiaries, these expenses are passed on within the Group.

Personnel expenses decreased compared with the prior year from EUR 16.3m to EUR 15.8m. As in the 2012 reporting period, personnel expenses include severance payments in connection with the early departure of a member of the Gerresheimer AG Management Board.

Net investment income in financial year 2013 included EUR 44.5m in income from profit transfer, compared with EUR 55.0m in the prior year. The decrease in net investment income mostly relates to EUR 10.6m lower investment income from the tax group. In particular, the profit transfer from subsidiary Gerresheimer Regensburg GmbH was smaller in financial year 2013. In the prior year, however, this profit transfer included advance profit distributions.

Net finance income, at EUR 30.0m, is slightly down on the prior year. It mainly relates to income of EUR 45.8m (prior year: EUR 45.8m) on loans to GERRESHEIMER GLAS GmbH and Gerresheimer Holdings GmbH. Interest expenses mostly consist of EUR 15.3m (prior year: EUR 15.3m) in interest on the bond issue.

The result from ordinary activities fell by EUR 8.3m to EUR 55.5m. In contrast, the tax expense went up sharply, from EUR 9.3m in financial year 2012 to EUR 15.8m in financial year 2013. The tax expense consists of EUR 14.8m in current tax expense (prior year: EUR 10.4m) – this includes EUR 2.1m in backpayments due to a tax audit and its knock-on effects on the Gerresheimer AG tax group – and EUR 1.0m in deferred tax expense (prior year: deferred tax income of EUR 1.1m). Deducting the income taxes, net income was EUR 39.7m in financial year 2013 (prior year: EUR 54.5m).

The Management Board and Supervisory Board jointly decided in the past financial year to propose at the Annual General Meeting that a dividend of EUR 0.70 per share be paid for financial year 2013.

DEVELOPMENT OF THE NET ASSETS AND FINANCIAL CONDITION OF GERRESHEIMER AG

Assets in EUR m	**Nov. 30, 2013**	Nov. 30, 2012
Non-current assets		
Ingangible assets	0.6	0.9
Property, plant and equipment	0.2	0.2
Financial assets	809.5	809.5
	810.3	**810.6**
Current assets		
Receivables and other assets	172.5	144.8
Cash and cash equivalents	–	–
	172.5	**144.8**
Prepaid expenses	**1.5**	**1.9**
Total assets	**984.3**	**957.3**

Equity and Liabilities in EUR m	**Nov. 30, 2013**	Nov. 30, 2012
Equity		
Subscribed capital	31.4	31.4
Capital reserve	525.7	525.7
Retained earnings	89.7	70.4
	646.8	**627.5**
Provisions		
Tax provisions	12.1	5.8
Other provisions	9.4	8.3
	21.5	**14.1**
Liabilities	**309.6**	**310.2**
Deferred tax liabilities	**6.4**	**5.5**
Total liabilities	**984.3**	**957.3**

Gerresheimer AG's net assets and financial condition reflect its holding company function. As the holding company, Gerresheimer AG finances all Group activities. This is most clearly visible in financial assets and in receivables from/liabilities to affiliated companies.

The main items in fixed assets in 2013 were shares in affiliated companies (EUR 117.1m) and loans to affiliated companies (EUR 692.4m). Loans to affiliated companies make up 70% (prior year: 72%) of total assets.

Current assets primarily consist of EUR 172.4m (prior year: EUR 144.7m) in receivables from affiliated companies from cash pooling and from interest-bearing short-term loans. The increase compared with the prior year chiefly relates to the profit transfer receivable from Gerresheimer Holdings GmbH.

Equity increased to EUR 646.8m as of the balance sheet date (prior year: EUR 627.5m). The negative impact on equity of the EUR 20.4m dividend payment for 2012 was more than offset by the EUR 39.7m in net income generated in financial year 2013. The equity ratio went up slightly from 65.5% as of the prior-year balance sheet date to 65.7% as of November 30, 2013.

Liabilities fell slightly in the reporting year from EUR 310.2m to EUR 309.6m. These mainly relate to an amount of EUR 308.0m, including accrued interest, for the bond issued in connection with the refinancing.

Gerresheimer AG and the remaining German Group companies participate in a cash pooling arrangement administered by GERRESHEIMER GLAS GmbH. Gerresheimer AG itself has no bank balances.

NON-FINANCIAL SUCCESS FACTORS OF THE GERRESHEIMER GROUP AND GERRESHEIMER AG

EMPLOYEES

HUMAN RESOURCES STRATEGY

Through the long-term focus of our human resource work, we aim to ensure that we have sufficient competent and motivated employees for all tasks in our more than 40 plants worldwide. Our HR policy therefore takes demographic developments and the changing expectations of our employees and society into account.

We see diversity as an opportunity to attract a wide range of skills and talent to the Company. Given the international nature of our business activities, it is becoming more and more important to understand other cultures. We benefit when we have people on our team who are familiar with different cultures thanks to their backgrounds or occupations. For this reason, we generally ensure that the management teams of our foreign companies are of mixed nationalities and also assign multinational teams to Group-wide projects. We offer an intercultural integration program to staff who are sent on long-term assignments abroad or who are in regular contact with people in other countries for their work. This improves their understanding of the cultural frameworks and customs of other countries – an important stepping stone to achieving commercial success wherever we operate.

Given the Gerresheimer Group's technical focus, it traditionally has fewer women in management positions than are found in other industries. Nevertheless, we aim to increase the proportion of management positions held by women. In 2013, 8.3% of our managers were women, unchanged against the prior year. Women account for 34.8% of the total workforce.

EMPLOYEE FIGURES

Gerresheimer is on course for sustained growth. This is reflected in our worldwide employee headcount, which has now risen to 11,239, an increase of 287 or 2.5% compared with the prior year figure. The average length of service remains almost unchanged against the prior year at 10.81 years and the average employee age at 39.85 years. The employee turnover rate stands at 5.8%, which includes employees leaving the Company voluntarily as well as terminations by the Company. In general, the highest employee turnover rates are found in China and India, followed by North and South America. Europe has the lowest employee turnover rate.

	2013	2012
Europe	**1,782**	1,665
Germany	**3,438**	3,383
America	**1,596**	1,588
Emerging markets	**4,423**	4,316
Total	**11,239**	**10,952**

The number of employees in the Plastic Systems Division has increased from 3,438 in the prior year to 3,734 at the end of the reporting period, due to the strong growth in this division and the acquisition of Triveni. The Moulded Glass Division employed 2,769 people at the end of the financial year compared with 2,783 at the end of the prior year and thus remains stable. At the end of the period under review, 3,846 people were employed in the Tubular Glass Division – 166 more than at the end of the prior financial year. The headcount in the Life Science Research Division declined from 947 in the prior year to 788 as of November 30, 2013, mainly due to lower demand in the USA, which made it necessary to adjust capacities.

A total of 102 employees (prior year: 104) were employed at head office as of November 30, 2013. Gerresheimer AG employed 85 people overall (prior year: 88 people) at the end of financial year 2013.

INITIAL AND FURTHER TRAINING

High-caliber initial training and selective investments in our employees' qualifications are the key to our long-term success. This means training is a central component of our HR policy. Last year, we were particularly busy developing a cross-divisional training portfolio that encourages inter-divisional as well as international networking and fosters our employees' professional and social skills. In 2013, the portfolio was extended to cover the issues of systematic problem solving, change management and project management.

There is also an ever stronger focus on recruiting specialist personnel at an early stage in their career. In 2012, we therefore initiated a comprehensive project to develop our employer brand, presenting our Company on all kinds of platforms to generate interest among graduates and young professionals under the banner "Progress through Tradition". In addition to direct entry opportunities, we offer student internships and thesis support. Our German sites have a number of measures in place, tailored to local conditions, for recruiting trainees. As there are still fewer women than men opting for technical occupations, we attach importance to specifically addressing young girls at an early stage. This is why we have been involved in the German nationwide Girls' Day event for several years now. We organize workshops and short internships to give young women an insight into both general and specific technical career opportunities. Ensuring qualifications through apprenticeships and developing these further is a matter of course for us.

This year, all German sites within the Gerresheimer Group again offered positions to virtually all of their trainees. Gerresheimer currently has around 176 young people undergoing training in Germany. This corresponds to a stable training quota of 5.12%, which is above the glass industry average of 3.9%.

The plants in Essen, Lohr, Pfreimd, Tettau, Wackersdorf and Wertheim provide apprenticeships in over 20 occupations ranging from Industrial Business Management Assistant through to dual degree courses leading to a Bachelor of Engineering in mechatronics. In addition, the Horsovsky Tyn plant, Czech Republic, has joined forces with a vocational school to initiate an educational class based on the German dual education system, comprising teaching at the plant as well as at the school. We consider it vital to take responsibility for training young professionals, especially at fast-growing sites such as Horsovsky Tyn.

HR DEVELOPMENT

A good corporate culture is a key factor when it comes to motivating employees and enhancing their performance. In 2011, we set about enshrining our vision, mission and selected corporate values in the organization.

In a wide range of events, all of the Company's employees around the world have explored how these values can be integrated into their daily work and what part each of them can play in achieving the Company's goals. Management as well as all other employees in production, sales and administration were involved in this initiative geared to further developing the corporate culture – and thus the Company. Measures include the appointment of Value Representatives, persons in a position of trust for all employees with regard to the vision, mission and values. Since 2013, these Value Representatives have received regular training on issues such as moderation, mediation, coaching and negotiation.

Based on Gerresheimer's management guidelines, we have drawn up a comprehensive development program for all management levels. A core component of this is a five-year program providing for annual management training. In 2013, the focus was on our corporate value teamwork. In addition, new modules were introduced for evolving management skills in the areas of production, administration and management. In the next year, we will launch another module to prepare employees in good time for future management roles.

EMPLOYEE SURVEY

In 2013, we worked intensively at a global level on the results of the employee survey from 2012. The very high participation rate of 75% as well as the findings suggest that employees are keenly interested in being actively involved in shaping the Company. The employee survey is part of the culture development process launched in 2011 and a major step on the road to further improving corporate culture and employee satisfaction so as to make a tangible contribution to the Company's results. The survey results were discussed in more than 700 workshops around the world and specific improvement measures were defined, which are now being implemented. The employee survey is conducted Group-wide every two years.

INTERNAL "GERRESHEIMER PRODUCT WORLD" CAMPAIGN

During the past financial year, we initiated the internal "Gerresheimer product world" campaign with the aim of making clear to all employees what contribution each individual's everyday work makes to the success of our Company. The initiative is directed at all 11,000 employees at more than 40 plants in 16 countries.

Various campaign elements showcase the Company's product portfolio and explain the products' applications. At the same time, situations are highlighted in which employees come into contact with the Company's products in daily life – at pharmacies, hospitals, doctor's surgeries and in the home. Often employees are unaware of products made at other sites. The campaign aims not only to improve employees' knowledge of products but also to sharpen their sense of responsibility for product quality and enable them to recognize their own contribution to society, health and well-being.

Each month, another product category is presented in a newsletter. Videos follow employees carrying out their day-to-day work and show the manufacture of selected products, such as cough syrup bottles, deo roll-on bottles, insulin pens and asthma inhalers. In addition, all plants have been provided with games and sample sets as a way of letting employees get to know the products as well as their uses and significance. The campaign is accompanied by its own intranet pages with additional offers, such as a discussion forum, a quiz on each issue of the newsletter and an online game. In order to reach all employees, the newsletters are translated into twelve different languages and the videos are subtitled accordingly. Due to the positive response, the campaign will be continued in the coming financial year.

RESEARCH AND DEVELOPMENT

We aim to become the leading global partner for enabling solutions that improve health and well-being. In order to achieve this goal, ongoing investments are needed to enhance quality as well as expand and further develop the product portfolio. This calls for close collaboration both with our customers and with our partners in the scientific community as well as at other public institutions.

One of our priority objectives is to enhance medication efficiency through targeted, reliable and precise dosage with a strong focus on practical convenience and application safety. We develop customer-specific systems in close, project-based collaboration with our customers and, particularly in our Medical Plastic Systems Business Unit, we develop the tools and machines specifically needed for their production. Collaborations between the different units and the pooling of individual skills have in recent years given rise to numerous new products and safety accessories for sophisticated applications.

Extremely strict requirements are imposed by the national and international licensing authorities on the manufacture and quality of products that come into direct contact with pharmaceuticals, and are particularly relevant for the pharmaceutical industry. Through our cutting-edge technology and innovative resourcefulness, we have established a top-ranking position which we intend to hold and strengthen.

QUALITY IMPROVEMENT

Product and solution development is just one area in which we are committed to achieving continuous improvement. We also attach central importance to ongoing quality optimization. We are aware that quality standards cannot be high enough when it comes to the safe administration of human medications and hence protecting human health. Optimizing technology and processes to prevent defects from occurring is our core focus. The increasing use of clean room technology is another key development in quality enhancement at many of our plants. Furthermore, the continuous and complete quality controls of our products are of great importance. We fine-tune our product inspection systems on an ongoing basis, and products are only approved for dispatch if they satisfy all quality requirements. State-of-the-art, high-resolution camera systems are used for this purpose. In addition, elaborate cleaning processes such as washing and sterilizing are carried out for some product groups. We have, for example, developed the following technologies. The Gx® Tekion system removes 99% of loose particles released when cutting glass tubes. The Gx® G3 inspection system for prefillable syringes, developed in Buende, Germany, allows all areas of the syringe barrel to be inspected with high-resolution cameras. The Gx® G3 technology makes it possible to measure injection vials during the glass forming process.

DEVELOPMENT OF SYRINGES FOR SPECIAL REQUIREMENTS

Further developing our ready-to-fill, sterile glass syringes is one of our most important activities. The Development and Production Center for these glass syringes that enable parenteral administration of chiefly dissolved drugs is situated at our production facility in Buende, Germany. This is notably where we develop and manufacture our ready-to-fill Gx RTF® glass syringe systems, which we supply to the pharma industry in a prefillable and sterilized condition. We continuously raise the bar when it comes to quality requirements on our products. Our product development activities additionally extend to practical accessories which primarily serve to improve injection safety. On the fourth Gx RTF® production line currently under preparation in Buende, a new generation of the production process is to be installed, meeting the highest quality requirements.

In cooperation with a partner, we also offer an innovative drug delivery system made from a special plastic with properties similar to glass, known as COP (cyclic olefin polymer), which is marketed under the name ClearJect™. Since traditional glass syringes are not always appropriate for sensitive pharmaceutical or biopharmaceutical drugs, developers are often on the lookout for suitable alternatives. The ClearJect™ syringes were developed specifically for these kinds of applications. ClearJect™ syringes open up entirely new possibilities for the application of ready-to-fill syringes.

Our Gx MultiShell® plastic vials for packaging highly sensitive liquid medications are another example of our innovative strength. These novel plastic vials were developed to mass production stage in various sizes as ready-to-use and ready-to-sterilize products.

CUSTOMIZED DEVELOPMENTS

The Plastic Systems Division operates two Technical Competence Centers (TCC) especially for customized medical plastic products – one in Wackersdorf, Germany, and one in Peachtree City, USA. In our TCCs, highly qualified employees work on design and development projects which focus from the outset on the practical use of systems and components for pharmaceutical, diagnostic and medical technology applications.

The Gerresheimer Group has increasingly built up its design and development expertise, especially in the Medical Plastic Systems Business Unit. This frequently gives rise to new projects and the development of new products. Take, for example, the development of plastic adaptors which will substantially improve the break-resistance and thus the functioning of the glass syringes used in autoinjectors. Autoinjectors – also called emergency pens – are used, for instance, to enable allergy sufferers to inject drugs quickly and safely in an emergency.

We also place the highest demands on our processes and products in developing and producing cosmetic glass packaging such as perfume flacons and cream jars, and our glass packaging for cosmetics is valued accordingly. These products are made mainly in our moulded glass plants in Tettau, Germany, in Momignies, Belgium and in Beijing, China. In 2013, around 130 new packaging products made of glass have been developed by us for the cosmetics industry.

We work continuously on optimizing our product portfolio and production processes. Costs incurred in this connection are largely included in the cost of sales. Closely aligned to the needs of our customers, our research and development activities are often carried out in close cooperation with them. In some cases, employees of pharmaceutical companies work with us at our Competence Centers. The research and development activities are exclusively carried out by Gerresheimer AG's subsidiaries. The costs associated with these customer-specific research and development projects are borne by our customers. In addition, EUR 2.1m (prior year: EUR 5.6m) of research and development costs were incurred in the financial year. A further EUR 1.4m of development costs were capitalized in 2013 (prior year: EUR 0.9m).

PROCUREMENT

It is hugely important for us that our suppliers comply with the high quality requirements of our business. This is why we prefer to work with suppliers who are certified in accordance with the relevant ISO standards and are also in a position to comply with the official guidelines on quality assurance in the production of drugs and active ingredients (Good Manufacturing Practices, GMP). We also ensure that our suppliers adhere to the Gerresheimer Principles for Responsible Supply Chain Management (available on our website at: www.gerresheimer.com/en/investor–relations/corporate-responsibility/customers-suppliers.html), which include key precepts on environmental protection, occupational health and ethical business conduct. We carry out regular supplier audits to ensure they continue to meet these criteria.

The Gerresheimer Group produces high-quality pharmaceutical primary packaging made of glass and plastic. The main raw materials used to make glass are quartz sand and soda lime as well as relatively small quantities of various additives. These basic products are available in sufficient quantities and we source them from a range of suppliers. For this reason, there were no disruptions to supply or shortages with any significant impact on our business development in the reporting period. Glass production also requires the use of energy, mainly electricity and gas. Some customer contracts include automatic adjustments if energy prices change, with a time delay. Since contracts in the glass business rarely carry an agreed term of more than two years, any necessary adjustments for changes in energy prices are generally made when agreements are extended. Companies minimize any residual risks as far as possible using hedges.

The production of pharmaceutical primary packaging – especially for complex drug delivery systems such as insulin pens and inhalers – mainly requires specialist plastic granules and energy. These basic products are similarly available in sufficient quantities and procured by the Gerresheimer Group from a range of suppliers. This means there were also no disruptions to supply or shortages of these raw materials with any significant impact on our business development in the reporting period. As the contracts for the production of drug delivery systems generally have terms of several years, they usually include provision for adjustments if granule and energy prices should change, with a time delay, so as to minimize the price risk in the basic products specified.

In 2013, the Gerresheimer Group's total cost of materials (including raw materials, consumables and supplies, energy costs, packaging materials and purchased services) came to EUR 469.7m (prior year: EUR 460.3m). Thus, the procurement rate – the cost of procuring materials as a percentage of revenues – stood at 37.1%, somewhat below the prior-year rate of 37.8%. Due to the differences in our four divisions' operating activities, our procurement activities were, as in the prior year, largely decentralized in financial year 2013. Where expedient, raw materials and energy are sourced on a cross-divisional basis. Goods and services which are not relevant for production, such as advisory services, data networks, hardware and software, are also procured centrally. The conduct of employees when dealing with suppliers is clearly governed by the Gerresheimer Compliance Program as well as by purchasing policies and procedural guidelines.

PRODUCTION

The same extraordinarily high quality standards that apply to the production of drugs similarly apply to the production of pharmaceutical packaging. Our in-house experts as well as our customers, external appraisers and supervisory bodies regularly verify our compliance with these standards, which are managed under the term "Good Manufacturing Practices" (GMP). The different production processes of our four divisions are described in the section "The Gerresheimer Group/Divisions". Whatever form the production processes in the various divisions take, the principles of the Gerresheimer Management System (GMS) apply in all Gerresheimer plants worldwide – see the section "Business Excellence". This is how we ensure the consistency of management systems and quality standards.

The production capacities are planned centrally at the individual divisions based on the order situation, the date of delivery as well as based on the regulatory issues and distributed to the plants in each division at a regional and global level. Efficiency and optimum capacity utilization play a key role. In the Moulded Glass Division, where various raw materials are smelted in furnaces into glass which is then processed into molded glass, high capacity utilization is especially crucial to profitability. Another key profitability factor is speed in changing the product being produced, i.e. converting tools and minimizing idle time. In recent years, we have continuously improved operations in our Moulded Glass Division, especially in terms of optimizing the capacity utilization of our furnaces, conversion processes and setup times – a key competitive factor given the wide range of products in this division. Optimizing the capacity utilization of our furnaces is also very important at the two tubular glass plants in Pisa, Italy, and Vineland, USA.

For the pharma industry, security of supply and reliability of deliveries are crucial factors. We use standardized or at least comparable technologies at all of our plants worldwide and consistently apply the Gerresheimer Management System. Accordingly, if local production bottlenecks arise, many of our products can be produced at another site and supplied to customers at all times. This allows us to meet our customers' needs better than many other competitors, especially smaller or local companies.

QUALITY INITIATIVE AND GLOBAL CERTIFICATIONS

Gerresheimer aims to ensure quality excellence across all our products and production facilities – and this is also a key criterion for our customers. Under the Group-wide quality initiative introduced in 2011, we developed and tested binding quality standards and key performance indicators (KPIs) throughout all divisions and implemented them in the plants. These KPIs measure inter alia core quality factors such as product quality, scope and completeness of deliveries, complaints indicators, costs due to quality defects, comments in relation to customer audits and planned improvements. Using these KPIs, not only the plants but also the divisions and the Management Board can continuously monitor the quality of production and take appropriate action in case of any deviations from targets. Monitoring and measurement of internal KPIs is supplemented by the global customer satisfaction survey, which takes place every two years (see the section "Business Excellence"). We aim to deliver consistently high quality to our customers, regardless of the place of production or type of product. Above and beyond the global quality standards, individual customer-specific quality agreements are additionally being developed.

Certifications serve as objective proof that our production operations and processes conform to specific criteria and standards. We strive to meet market requirements in a variety of ways and often succeed in surpassing them. The majority of our plants have ISO 9001-certified quality management systems as standard, while a number of plants are additionally ISO 15378-certified to meet the requirements stipulated for the manufacture of primary pharmaceutical packaging materials. Many plants have also succeeded in gaining ISO 13485 certification, which governs the comprehensive management system requirements for the design and manufacture of medicinal products. Several plants also have ISO 14001 certification for their environmental management systems. Our three German moulded glass plants have obtained ISO 50001 certification for their state-of-the-art energy management systems, while other plants in Europe are preparing for this certification in 2014 (see also the "Environment" section). The facility in Pfreimd, Germany, additionally has a manufacturing license in accordance with the German Medicinal Products Act for pharmaceutical secondary packaging during large-scale production and for the production of clinical sample specimens. Another example is the application of the exacting GMP regulations from the field of pharmaceutics to cosmetic packaging (ISO 22716) at our plant in Tettau, Germany.

International certifications are becoming ever more important. That is why we are very happy to report that our Chinese plant in Dongguan has been inspected and licensed by the American FDA (Food and Drug Administration) for the production of an inhaler. Our plant belonging to the newly acquired Indian company Triveni in Kundli, which produces plastic pharmaceutical containers and closures, has had similar success, acquiring several permits and passing a number of audits relevant for the North American market.

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

Our commitment to corporate social responsibility is firmly enshrined in our corporate philosophy. The principles of sustainability and corporate social responsibility are integral to our vision, our mission statement and our five values: integrity, excellence, innovation, responsibility and teamwork. At all our sites across the globe, we work and do business in accordance with these principles. Details of our vision can be found online at: www.gerresheimer.com/en/company/vision-mission-values.

We focus on the sustainability of our products and the benefits they provide. By manufacturing products for the sustainable packaging of drugs as well as their simple and safe dosage and administration, we make a valuable contribution to human health and well-being. For this reason, responsible development and production processes are very important to us. Our own, constantly rising standards in terms of quality excellence, conservation of resources, avoidance of waste as well as the ease of use and maximum safety of our products are important drivers for us.

But our corporate social responsibility and our commitment to sustainability go far beyond our products and their further development. To this end, we have committed to observing Corporate Social Responsibility Guidelines, in which we highlight aspects of our responsibility toward society, our employees, investors, customers, suppliers and the environment. These are the principles by which we wish to be judged in the public arena.

For us, corporate social responsibility and doing business in a sustainable manner are inextricably linked with ecological, social and economic factors. We not only ensure compliance with statutory requirements as a matter of course, but also set standards above and beyond them – and are committed to continual improvement. Accordingly, our sustainability principles are incorporated into the Gerresheimer Management System and provide guidance for production, procurement and improvement processes at our facilities around the world. In addition to the many commitments our plants make, including forging close regional ties as well as promoting education and training, our participation in the Carbon Disclosure Project is a significant Group-wide measure. At the same time, our plants implement a wealth of other green production projects to promote the responsible use of natural resources (see the "Environment" section). We involve our suppliers and partners in these projects and obtain undertakings from them to comply with our responsible supply chain management policy. Our customers and the capital markets expect a culture of continuous improvement in the areas of sustainability and corporate social responsibility and, in this regard, we regularly receive successful audits.

For further information about Gerresheimer's corporate social responsibility and sustainability policies as well as our principles for responsible supply chain management, go to www.gerresheimer.com/en/company/corporate-responsibility.

COMPLIANCE

It is vital to the success of the Gerresheimer Group that all companies are managed responsibly in accordance with ethical business principles and in compliance with the laws and rules of fair competition. Gerresheimer's Compliance Program aims to help our employees apply laws and company guidelines correctly and avoid any violations. Instrumental in this endeavor are the Group guidelines and instructions which set down minimum standards of conduct for all Group employees. The Compliance Program focuses on the areas of combating corruption, cartel law and capital market law and is available online at: www.gerresheimer.com/en/company/compliance.

In order to improve the understanding of compliance and to increase the readiness to act accordingly, the training of our employees is a key part of our compliance system. We offer worldwide regular training as classroom sessions. From 2014 onwards, we will provide Web-based e-learning programs to our employees which can be integrated in the daily work.

In addition to the compliance guidelines and preventive acting training it's crucial that the regulatory requirements are respected by the employees and that violations are sanctioned accordingly. As an additional tool to detect compliance violations Gerresheimer will install a Web-based whistleblower system in 2014. Here, the whistleblower himself decides whether he remains anonymous or if he wants to give his name.

ENVIRONMENT

Taking a responsible approach to the use of natural resources, protecting the environment and avoiding waste are core components of our corporate social responsibility. Our sustainable business activities focus on ecological as well as economic and social aspects. As a manufacturing company, we have a special responsibility toward the environment. Our environmental initiatives often go well beyond the statutory requirements of the countries in which we operate. Our global GMS revolves around using green production methods, reducing waste and emissions and making sustainable use of natural resources. This is also reflected in our corporate social responsibility principles and our responsible supply chain management policy.

Due to the substantial variation in some production processes in our different divisions, responsibility for ensuring the sustainable use of resources lies with local management. Through the regular exchange of information about best practices and flagship projects, production plants can learn from each other and seize the opportunity to adopt and adapt effective measures. As a result, new initiatives are developed on a regular basis, enabling continuous improvements in the areas of environmental protection and resource conservation. The vast majority of ecological improvements also bring long-term economic advantages.

Certification of our production plants is highly important as a means of documenting and verifying our ecological progress to customers and the general public. Eleven large-scale production plants have already been certified as being compliant with the ISO 14001 standard for modern environmental management, including the plant for pharmaceutical plastic packaging in Kundli, India. In addition, we attach great importance to establishing cutting-edge energy management systems, especially at our energy-intensive moulded glass plants. All German moulded glass plants are certified as being compliant with the new ISO 50001 standard for energy management systems. The other divisions are also planning relevant certification: In financial year 2013, preparations for ISO 50001 certification were made for the locations in Buende, Wackersdorf and Pfreimd, Germany, Horsovsky Tyn, Czech Republic, and Kuessnacht, Switzerland, in 2014.

ENVIRONMENTAL PROTECTION IN PRODUCTION

We regularly overhaul and replace the furnaces at our moulded glass plants. These overhauls provide us with the opportunity to install state-of-the-art glass-melting technology and modernize other production technology. In 2013, for example, a large furnace was overhauled at our plant in Essen, Germany. As a result, we have achieved a significant reduction in energy consumption and carbon emissions per unit of glass produced since the furnace was rebuilt. Achieving the right combination of firing using natural gas and heating using current electrodes in particular has increased efficiency and reduced the energy consumption per unit of glass. Significant sustainable improvements have similarly been made thanks to the building of a furnace at the moulded glass plant in Lohr, Germany, in the prior year. The use of new, state-of-the-art gas burner technology, new insulation concepts, new flue-gas circulation systems and improved electric filters boosted our productivity, reduced our energy requirements and lowered our nitrogen and sulfur oxide emissions.

Energy consumption in the glass-melting process can also be reduced through the use of sorted recycling cullet. In 2013, cosmetic packaging such as cream jars and perfume flacons was produced in a special glass category using up to 35% cullet at the cosmetic glass plant in Momignies, Belgium, for wide-ranging orders from international cosmetics customers.

We power our plants in part using renewable energies and work proactively to increase their share in the mix. In summer 2012, we commissioned one of the biggest photovoltaic systems in the USA at out plant in Vineland, which now manufactures pharmaceutical glass using eco-friendly energy. The 44,000 m^2 photovoltaic system on the roof of the US tubular glass plant covers an area around the size of ten American football fields. CO_2 emissions at the Gerresheimer plant are thus reduced by 1,350 tons per year. The photovoltaic system is not owned by Gerresheimer but by a US photovoltaic company, which also installed it and is responsible for its operation. In its first full year of operation, expectations and targets were met in full. Over the next 14 years, Gerresheimer will use 100% of the power generated by the photovoltaic system.

As part of the construction and expansion work going on at all Medical Plastic Systems sites, we continued to step up and expand the standardization of construction work, especially in the area of building technology. This will make it possible to operate the production facilities in an energy-efficient way and allow a qualitative comparison of operating consumption at the different sites. New technologies will be used, such as a dual-circuit cooling system for hydraulics and tool cooling for the injection-molding machines, or clean room ventilation using fan filter units. Successful experience at local level will then be implemented globally. Improvements in building technology aspects can only be achieved by understanding the complexity of the systems and how they interact with each other, as well as being able to react promptly to changes in operating parameters.

Energy consumption in the Medical Plastic Systems Division is to be constantly recorded, analyzed and optimized. To this end, we stepped up our collaboration with the Amberg-Weiden University of Applied Sciences and the Institute for Energy Technology and began introducing an energy management system in accordance with ISO 50001 at our sites in Pfreimd and Wackersdorf, Germany, Horsovsky Tyn, Czech Republic, and Kuessnacht, Switzerland. Under the leadership of the Energy Management Officer and in further cooperation with the Institute for Energy Technology, additional concepts are to be developed in 2014 to continuously improve energy consumption. During refurbishment work on existing technical systems, greater attention was already paid to sustainability and energy efficiency in 2013. At the plant in Pfreimd, for example, increased use was made of recovered heat from compressed air systems and free cooling systems were harnessed in place of cooling machines.

Energy efficiency aspects were taken into account right from the planning phase of new building projects, especially at the plants in Pfreimd and Horsovsky Tyn. Commissioning of the new building in Pfreimd means that we have put in place short paths for providing technical infrastructure by consolidating injection molding from the entire site in the new production building and pooling the use of space. As part of this, new central material preparation was also set up for the Pfreimd plant.

THE CARBON DISCLOSURE PROJECT

We regularly publish the goals, strategies and positive results of our initiatives and measures to protect the environment through our participation in the Carbon Disclosure Project (CDP), the world's largest-scale environmental initiative to reduce CO_2 emissions. Initiated by investors around the globe, the Carbon Disclosure Project aims to firmly anchor a strong environmental awareness in all companies, regardless of their industry or sector. The call to measure and manage factors that affect the environment, such as CO_2 emissions, has been taken up by more than 700 institutional investors, who use their influence to create economic incentives for the reduction of emissions. If a company takes part in the project and reduces its emissions, it becomes more attractive to the investors. Practiced environmental awareness thus becomes a determining factor for worldwide capital flows – a smart and now thoroughly successful way in which the CDP contributes to international conservation of resources. This was the fifth time in a row that we took part in the project. It involves measuring, analyzing and managing our CO_2 emissions at all production sites and submitting a comprehensive annual report on their composition and development and, most importantly, the measures taken to reduce them. The data was collected using an internationally standardized method in spring 2012 and published in fall 2013. The aim of our environment strategy is to reduce the ratio of emissions to revenues. This means that our revenues must grow faster in the future than the unavoidable emissions produced in revenue generation. As the table shows, we met this target once again in financial year 2012, with the ratio of emissions to revenues falling by more than 4%. A multi-year comparison corroborates that we have met our target: the emissions to revenues ratio has fallen continuously since 2009.

Our results:

	2008	2009	2010	2011	2012
Totel emissions in tons	760,076	716,702	733,576	775,372	825,235
Revenues in EUR k	1,060,130	1,000,227	1,024,804	1,094,681	1,219,068
Emissions in relation to revenues (t/EUR k)	0.717	0.717	0.716	0.708	0.677

In financial year 2013, the organizers of the Carbon Disclosure Project recognized our commitment with an award for the best year-on-year improvement. Success is measured in two categories: the degree of publication and transparency (disclosure), and the achievement of defined target criteria in projects (performance). The maximum number of points available in the disclosure category is 100. We were awarded 81 points, following 54 in the prior year. In the performance category, there are four ratings of A to D, with A being the best. Here, we moved up from a D to a C rating.

Further information and definitions are available at: www.gerresheimer.com/en/investor-relations/corporate-responsibility/carbon-disclosure-project and www.cdproject.net.

The corporate social responsibility principles and the guidelines for responsible supply chain management are published on the Internet at: www.gerresheimer.com/en/company/corporate-responsibility.

BUSINESS EXCELLENCE

Business Excellence is one of our five core values. What this means for us: "We regard quality as a personal responsibility. We implement new improvements every day. We promote continuous learning. We constantly challenge the status quo."

To breathe life into this value and meet our customers' requirements with regard to the highest quality for our products and services, we consolidated existing initiatives for continuous improvement in 2004, introducing the GMS. The aim of the GMS is to continually raise standards for our customers regarding quality, service and costs, to increase the efficiency of our operational structures and processes, and to enable constant improvement in all business areas in terms of lean management and kaizen.

To achieve these aims, the GMS has set down Group-wide standards as well as defined methods and tools for continuously improving processes at every link in the value chain long-term. The GMS allows knowledge to be transferred throughout the Gerresheimer Group by exchanging best practice methods that promote collaboration between employees, departments and plants across the organization. The methods and tools provided by the GMS are used by our employees, who are given systematic training to learn how to apply GMS principles. This lets us boost efficiency and ensure consistently high-quality products and services for our customers throughout the Group. The success of the GMS is down to its acceptance, plus the fact that is has been introduced and implemented at all organizational levels of the Gerresheimer Group. A training program on GMS basics ensures that all employees worldwide are continuously kept up to speed on the GMS by qualified local instructors. The GMS training program was augmented in 2013 to include standardized training devised and implemented to fine-tune our employees' core skills in systematic problem solving and teamwork.

Plant-specific plans for improvement are defined and drawn up as part of the operational and strategic planning process. Attainment of these aims and compliance with the standards set down in the GMS are regularly measured using Operational Excellence (OPEX) KPIs and periodically checked and assessed at all plants by means of a standardized evaluation system. For this purpose, 189 employees have already been trained as auditors to supervise effective implementation of the system. The evaluations are taken as a basis for preparing recommendations and action plans specific to each location, geared to ensuring continuous, goal-oriented improvement.

For plants newly integrated into the Gerresheimer Group, the GMS offers structured guidelines for reviewing all existing processes and bringing them into line with Group-wide standards. GMS introduction projects were carried out at our plants in Kosamba and Kundli, India, in 2013.

The annual international GMS conference, where experts from across the Gerresheimer Group meet to exchange news and views, is another key driver of continuous improvements. It is also a vital tool in refining new and existing concepts and showcasing the ideas and successes of our employees. With the aim of promoting and recognizing outstanding projects and innovations in the area of Business Excellence, the GMS awards were presented once again in 2013 in the following categories: employee systems, quality systems, material systems, tools and methods. As before, there was also an award for the plant with the most consistent and best integrated use of the GMS. Further training, expert platforms, best practice portals, guidelines on successfully implementing the GMS and regular newsletters complement and complete the system.

CUSTOMER SATISFACTION STUDY

Continuous improvement of our processes is also the focus of our global customer satisfaction study, which we conduct every two years with the help of a renowned market research institute. Using a standardized customer survey, which is offered in ten different languages, we aim to acquire a deeper understanding of our customers' needs in terms of customer satisfaction and customer loyalty. This not only gives us insights into how to improve customer service but also allows us to derive specific recommendations for optimizing processes.

The survey is conducted Group-wide, covering our operating companies and their customers from Argentina, Brazil, Mexico and the USA through to the European plants and our sites in China and India. This year, around 900 customers provided us with extensive and constructive feedback on all kinds of topics.

The survey centers in particular on our development work, the product portfolio, customer-specific system solutions, order processing and logistics, the expertise and dedication of our sales staff as well as our technical support and complaints handling. Our customers' responses highlight action areas that are particularly important to them – where they are already happy with our performance, and where we need to improve.

In this way, the survey findings offer a wide range of opportunities for action. The results are analyzed and made available to a large group of relevant employees at our plants as part of a systematic top-down process. We explain and discuss them with various configurations of experts at different levels of the Company. Expert teams in all divisions draw on these results to prepare action plans for gradual implementation.

By conducting the global, Group-wide customer satisfaction survey on a regular basis, Gerresheimer also complies with the requirements of the ISO audits and our own guidelines under the GMS. Additionally, this lets us track over time whether improvements introduced after the previous survey have been perceived by customers and achieved success. This way, we can constantly tap into new approaches for optimizing how we work with our customers and enhancing customer satisfaction.

REMUNERATION REPORT

The Remuneration Report complies with the requirements of the German Commercial Code (Handelsgesetzbuch/HGB), the recommendations of the German Corporate Governance Code (DCGK) and International Financial Reporting Standards (IFRS).

MANAGEMENT BOARD REMUNERATION

STRUCTURE OF REMUNERATION

The total remuneration of active members of the Management Board consists of several components. These are a fixed salary, a short-term performance-based bonus, a component with a long-term incentive effect, stock appreciation rights, customary fringe benefits and pension benefits.

NON-PERFORMANCE-BASED REMUNERATION

The non-performance-based components are a fixed salary and non-cash fringe benefits. The latter mainly consist of insurance premiums (including group insurance and invalidity insurance) as well as the use of a company car. There is also directors and officers liability (D&O) insurance for members of the Management Board; this provides for a deductible in accordance with section 93 (2) sentence 3 of the German Stock Corporation Act (Aktiengesetz/AktG).

PERFORMANCE-BASED REMUNERATION

Short-term variable cash remuneration

The short-term performance-based remuneration is tied to attainment of annual targets agreed in each member's contract of employment; the target figures are derived from a budget approved by the Supervisory Board. The targets relate to four key performance indicators: adjusted EBITDA, revenues, net working capital and total capital expenditure. If all targets are met, the short-term variable cash remuneration is 50% of the individual fixed salary. The short-term variable cash remuneration is capped at 60% of the individual fixed salary and is paid out in the subsequent year after approval of the consolidated financial statements by the Supervisory Board.

Long-term variable cash remuneration

The component with a long-term incentive effect consists of a rolling bonus system tied to attainment of specific targets over a three-year period. The key performance indicators relevant to target attainment are organic revenue growth and return on capital employed (ROCE). Target attainment is measured against the arithmetic mean of the annual figures in the three-year period. The bonus payable on target attainment is 30% of the individual fixed salary. It is capped (on 133% target attainment) at just under 40% of the individual fixed salary. The bonus is paid out three years after the base year.

Long-term, share-price-based variable cash remuneration (phantom stocks)

The Company has additionally agreed long-term share-price-based variable remuneration with all members of the Management Board. Under the agreements, members are granted a specific number of stock appreciation rights (phantom stocks), according to the share price, for each year of service on the Management Board. Each stock appreciation right entitles the holder to a payment based on the change in the share price, subject to a performance threshold: at the exercise date, the Company's share price must exceed the initial price for the relevant tranche by at least 12% or have increased by a larger percentage than the MDAX. For stock appreciation rights relating to 2013, the initial price is the EUR 45.28 issue price. The performance threshold is relevant to vesting but not to determination of the payment amount. Stock appreciation rights can be exercised during a 16-month exercise period following a four-year waiting period. The payment amount is equal to the absolute increase in the share price between the issue date of the stock appreciation rights and the exercise date. The payment amount is capped, however, at 25% of the initial price of all stock appreciation rights in the same tranche. All unexercised stock appreciation rights expire on departure of the holder except in the event of death or permanent incapacity or if the holder has not been a member of the Management Board for at least one year of the term of each tranche. All entitlements to future stock appreciation rights likewise expire on departure. The Company reserves the right to settle stock appreciation rights with shares; however, cash settlement is planned.

Pension benefits

Management Board pensions vested up to May 1, 2007 are administered through a pension fund. These pensions are funded out of a once-only payment made in financial year 2007. They therefore incur no further ongoing payments. Pensions vesting since May 1, 2007 are generally administered through a provident fund.

After leaving the Gerresheimer Group, Management Board members are normally eligible to pension benefits from age 65. The annual pension is between 1.5% and 2.2% of the final fixed salary, depending on age on joining the pension plan. This percentage increases with years of service as a member of the Management Board to a maximum of 40%. Surviving dependants' pensions are provided for at 60% of the deceased's pension for the spouse and 20% per child for any surviving children. Surviving dependants' pensions are limited in total to 100% of the deceased's pension.

Termination benefits

Severance pay caps are provided for, as recommended in the DCGK, the event of premature termination of a Management Board member's contract other than for cause and premature termination as a result of a change of control. Severance payments, including fringe benefits, in the event of termination of a Management Board member's contract other than for cause are therefore capped to a maximum of two years' remuneration and do not compensate more than the remaining term of the contract. The severance pay cap is determined with reference to total remuneration for the past financial year. The Supervisory Board has agreed with Mr. Röhrhoff an option for a two-year post-employment non-compete clause unilaterally exercisable by the Supervisory Board; this normally provides for compensation relative to Mr. Röhrhoff's fixed salary in the year preceding termination of his contract.

In the event of a change of control, Management Board members have a once-only special right to terminate their contracts at six months' notice effective as of the end of the month and to resign as of the end of the notice period. The special right of termination applies solely within three months of a Management Board member gaining knowledge of the change of control. The special right of termination only applies if at the date notice is given the contract has been in effect for at least one year and has a remaining term of at least nine months. If a Management Board member exercises his or her special right of termination, the Company is required to pay compensation equal to three times the annual remuneration less amounts paid during the notice period. Annual remuneration is defined for this purpose as remuneration for the full financial year prior to the notice of termination including variable remuneration components and entitlements from the stock appreciation rights program.

MANAGEMENT BOARD REMUNERATION IN THE FINANCIAL YEAR

The recommendations of the DCGK on the determination of Management Board remuneration were already complied with in financial year 2013. The prior-year figures have been restated for comparability.

Total remuneration of active Management Board members came to EUR 6,440k in financial year 2013 (prior year: EUR 4,890k). This consisted of EUR 2,335k in non-performance-based remuneration (prior year: EUR 2,151k) and EUR 1,923k in performance-based remuneration (prior year: EUR 1,333k). Service cost for pensions in financial year 2013 was EUR 530k (prior year: EUR 418k) and vested stock appreciation rights in the year under review came to EUR 1,652k (prior year: EUR 988k).

Remuneration (HGB basis) of individual Management Board members in financial year 2013 is presented in the table below:

	Uwe Röhrhoff CEO				Rainer Beaujean CFO from Dec. 1, 2012				Andreas Schütte Plastic Systems			
Benefits granted in EUR k	2013	2013 min.	2013 max.	2012	2013	2013 min.	2013 max.	2012	2013	2013 min.	2013 max.	2012
Fixed remuneration	720	720	720	679	570	570	570	–	490	490	490	465
Non-cash remuneration	25	25	25	23	19	19	19	–	18	18	18	16
Total	**745**	**745**	**745**	**702**	**589**	**589**	**589**	**–**	**508**	**508**	**508**	**481**
Short-term variable remuneration	360	–	432	340	285	–	342	–	245	–	294	232
Long-term variable remuneration	**216**	**–**	**287**	**204**	**516**	**–**	**1,526**	**–**	**147**	**–**	**195**	**139**
Plan 2012–2015	–	–	–	204	–	–	–	–	–	–	–	139
Plan 2013–2016	216	–	287	–	171	–	227	–	147	–	195	–
Phantom stocks	–	–	–	–	345	–	1,299	–	–	–	–	–
Total	**1,321**	**745**	**1,464**	**1,246**	**1,390**	**589**	**2,457**	**–**	**900**	**508**	**997**	**852**
Service cost (IAS 19)	286	286	286	159	–	–	–	–	244	244	244	149
Total remuneration	**1,607**	**1,031**	**1,750**	**1,405**	**1,390**	**589**	**2,457**	**–**	**1,144**	**752**	**1,241**	**1,001**

Members of the Management Board no longer with the Company as of the November 30, 2013 balance sheet date:

	Stefan Grote Tubular Glass und Life Science Research to Sept. 4, 2013				Hans-Jürgen Wiecha CFO to Jan. 31, 2013				Dr. Max Raster Tubular Glass und Life Science Research to Feb. 7, 2012			
Benefits granted in EUR k	2013	2013 Min.	2013 Max.	2012	2013	2013 Min.	2013 Max.	2012	2013	2013 Min.	2013 Max.	2012
Fixed remuneration	375	375	375	300	92	92	92	542	–	–	–	87
Non-cash remuneration	13	13	13	8	5	5	5	28	–	–	–	3
Total	**388**	**388**	**388**	**308**	**97**	**97**	**97**	**570**	**–**	**–**	**–**	**90**
Short-term variable remuneration	188	–	225	150	69	69	69	271	–	–	–	235
Long-term variable remuneration	**–**	**–**	**–**	**396**	**–**	**–**	**–**	**162**	**–**	**–**	**–**	**–**
Plan 2012–2015	–	–	–	90	–	–	–	162	–	–	–	–
Plan 2013–2016	–	–	–	–	–	–	–	–	–	–	–	–
Phantom stocks	–	–	–	306	–	–	–	–	–	–	–	–
Total	**576**	**388**	**613**	**854**	**166**	**166**	**166**	**1,003**	**–**	**–**	**–**	**325**
Service cost (IAS 19)	–	–	–	–	–	–	–	110	–	–	–	–
Total remuneration	**576**	**388**	**613**	**854**	**166**	**166**	**166**	**1,113**	**–**	**–**	**–**	**325**

Further remuneration was granted in financial year 2013 in connection with the appointment of Rainer Beaujean to the Management Board of Gerresheimer AG by way of issuing a total of 110,000 new stock appreciation rights (tranches 7 and 8), which have 2013 as their basis and had no impact on cash flow in financial year 2013. The fair value at the grant date was EUR 345k.

	Uwe Röhrhoff CEO		Rainer Beaujean CFO from Dec. 1, 2012		Andreas Schütte Plastic Systems		Hans-Jürgen Wiecha CFO to Jan. 31, 2013		Stefan Grote Tubular Glass und Life Science Research to Sep. 4, 2013		Dr. Max Raster Tubular Glass und Life Science Research to Feb. 7, 2012	
Allocation in EUR k	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Fixed remuneration	720	679	570	–	490	465	92	542	375	300	–	87
Non-cash remuneration	25	23	19	–	13	16	5	28	13	8	13	3
Total	**745**	**702**	**589**	**–**	**503**	**481**	**97**	**570**	**388**	**308**	**13**	**90**
Short-term variable remuneration	327	318	–	–	224	210	330	250	258[1)]	–	–	273
Long-term variable remuneration	**226**	**–**	**–**	**–**	**167**	**–**	**219**	**–**	**172**	**–**	**–**	**282**
Plan 2010–2013	226	–	–	–	167	–	219	–	–	–	–	141
Plan 2011–2014	–	–	–	–	–	–	–	–	–	–	–	141
Plan 2012–2015	–	–	–	–	–	–	–	–	79	–	–	–
Plan 2013–2016	–	–	–	–	–	–	–	–	93	–	–	–
Phantom stocks	–	–	–	–	–	–	–	–	–	–	–	–
Total	**1,298**	**1,020**	**589**	**–**	**894**	**691**	**646**	**820**	**818**	**308**	**13**	**645**
Service Cost (IAS 19)	286	159	–	–	244	149	–	110	–	–	–	–
Total remuneration	**1,584**	**1,179**	**589**	**–**	**1,138**	**840**	**646**	**930**	**818**	**308**	**13**	**645**

[1)] Includes pro rata short-term variable cash remuneration for financial year 2013 in the amount of EUR 114k.

Mr. Grote stepped down from the Gerresheimer AG Management Board effective September 4, 2013. His contract ended on September 30, 2013. The compensation paid to Mr. Grote up to his departure effective September 4, 2013 is shown in the table above. In accordance with his Management Board contract, the following severance payments were made to Mr. Grote in connection with his departure: Payments of EUR 675k were made to compensate the pro rata fixed salary and pro rata fringe benefits for the next two years. His entitlement to short-term variable remuneration and to the remuneration component with a long-term incentive effect was determined on the basis of 68% target attainment. The payment amounted to EUR 439k. Payments of EUR 436k were made in connection with phantom stock tranches 6 and 7. There were no vested pension benefits.

Long-term share price based variable cash remuneration

The table on Management Board remuneration (HGB basis) includes share-based payment at fair value at the grant date.

In accordance with IFRS, total remuneration includes the fair value of the benefit vested in the financial year. With a four-year vesting period, this means that the fair value is recognized as expense over four years from the grant date. Details of outstanding phantom stocks are provided below in accordance with IFRS 2:

Phantom stocks (IFRS)

		Uwe Röhrhoff (CEO)	Rainer Beaujean (from Dec. 1, 2012)	Andreas Schütte	Hans-Jürgen Wiecha (to Jan. 31, 2013)	Stefan Grote (to Sep. 4, 2013)	**Total**
	2013	694	126	504	328	–	**1,652**
Portion of total expense in EUR k	2012	446	–	326	150	66	**988**
	2013	2,062	462	1,719	879	–	**5,122**
Fair value in EUR k	2012	1,443	–	1,255	631	387	**3,716**
	2013	360,000	110,000	330,000	140,000	–	**940,000**
Number of phantom stocks	2012	365,000	–	335,000	140,000	115,000	**955,000**

Pension benefits

The service cost for each member of the Management Board is given in the Management Board remuneration table. The present value of the defined benefit obligation must additionally be stated in accordance with IFRS. This is shown in the table below:

in EUR k		Uwe Röhrhoff (CEO)	Andreas Schütte	Hans-Jürgen Wiecha (to Jan. 31, 2013)	**Total**
Present value	2013	3,130	1,017	1,398	**5,545**
	2012	3,113	858	1,400	**5,371**

Total compensation in accordance with IFRS is presented in the following table:

in EUR k	**2013**	2012
Fixed remuneration	**2,247**	2,073
Non-cash remuneration	**88**	78
Total short-term non-performance-based remuneration	**2,335**	**2,151**
Short-term variable remuneration	**1,139**	1,051
Total short-term variable remuneration	**3,474**	**3,202**
Long-term variable remuneration	**784**	282
Phantom stocks vested in financial year	**1,652**	988
Service cost of pension vested in financial year	**530**	418
Total long-term remuneration	**2,966**	**1,688**
Total	**6,440**	**4,890**

REMUNERATION OF THE SUPERVISORY BOARD

Supervisory Board remuneration is governed by Gerresheimer AG's Articles of Association.

Supervisory Board members receive fixed annual remuneration of EUR 30,000.00. The Chairman of the Supervisory Board is granted double and the Deputy Chairman one and a half times this amount. With the exception of the committee in accordance with section 27 (3) of the German Codetermination Act (Mitbestimmungsgesetz), committee chairpersons receive additional fixed remuneration of EUR 10,000.00 for each chair held and all other committee members EUR 5,000.00. In addition to their annual remuneration, Supervisory Board members each receive a EUR 1,500.00 attendance fee for meetings of the Supervisory Board and of Supervisory Board committees to which they belong, subject to a maximum of EUR 1,500.00 per calendar day. Reasonable expenses are reimbursed against receipts.

Supervisory Board members additionally receive variable remuneration. This comprises EUR 100.00 for each EUR 0.01 of Gerresheimer AG's adjusted consolidated earnings per share provided the latter is at least EUR 0.50. If Gerresheimer AG's adjusted consolidated earnings per share exceeds EUR 3.00, the excess is not taken into account in calculating the variable remuneration. Adjusted consolidated earnings per share is defined as net income in the consolidated financial statements before (a) non-cash amortization of fair value adjustments, (b) the non-recurring effect of restructuring expenses, (c) impairments and (d) the net sum of one-off income/expense (including significant non-cash expenses) inclusive of related tax effects, based on net income attributable to non-controlling interests, divided by shares issued at the balance sheet date. The Chairman of the Supervisory Board is granted double and the Deputy Chairman one and a half times the amount of this variable remuneration.

Total remuneration of Supervisory Board members for their activity on the Supervisory Board of Gerresheimer AG in financial year 2013 came to EUR 1,001,000.

The remuneration of individual Supervisory Board members is made up as follows (amounts in EUR):

Name	Attendance fees	Fixed remuneration	Variable remuneration	**Total**
Sonja Apel	6,000.00	30,000.00	30,000.00	**66,000.00**
Lydia Armer	9,000.00	35,000.00	30,000.00	**74,000.00**
Dr. Karin Louise Dorrepaal	6,000.00	30,000.00	30,000.00	**66,000.00**
Francesco Grioli	13,500.00	55,000.00	45,000.00	**113,500.00**
Eugen Heinz	6,000.00	30,000.00	30,000.00	**66,000.00**
Seppel Kraus	10,500.00	35,000.00	30,000.00	**75,500.00**
Dr. Peter Noé	10,500.00	35,000.00	30,000.00	**75,500.00**
Hans Peter Peters	9,000.00	40,000.00	30,000.00	**79,000.00**
Markus Rocholz	10,500.00	35,000.00	30,000.00	**75,500.00**
Gerhard Schulze	13,500.00	85,000.00	60,000.00	**158,500.00**
Theodor Stuth	10,500.00	40,000.00	30,000.00	**80,500.00**
Udo J. Vetter	6,000.00	35,000.00	30,000.00	**71,000.00**
	111,000.00	**485,000.00**	**405,000.00**	**1,001,000.00**

Supervisory Board member Lydia Armer receives appropriate remuneration for her membership in the Supervisory Board of Gerresheimer Regensburg GmbH after the end of each financial year. The remuneration amount is determined by resolution of the ordinary shareholders' meeting of Gerresheimer Regensburg GmbH. The shareholders' meeting set the amount of remuneration for financial year 2012 at EUR 5,000.00, which was paid out in financial year 2013.

Supervisory Board member Markus Rocholz receives remuneration of EUR 5,000.00 after the end of each financial year for his membership in the Supervisory Board of Gerresheimer Tettau GmbH. The remuneration for financial year 2012 was paid out in financial year 2013.

DISCLOSURES PURSUANT TO SECTION 289 (4) AND SECTION 315 (4) HGB AND EXPLANATORY REPORT

Gerresheimer AG is a German stock corporation (Aktiengesellschaft) and has issued voting stock that is listed on the regulated market of the Frankfurt Stock Exchange (Prime Standard), an organized market within the meaning of section 2 (7) of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz/WpÜG).

Structure of subscribed capital

The subscribed capital (capital stock) of Gerresheimer AG totals EUR 31.4m as of November 30, 2013. It is divided into 31.4 million ordinary no-par-value bearer shares with a nominal share in capital stock of EUR 1.00 each. The Company's capital stock is fully paid in.

Restrictions on voting rights or on the transfer of securities

As of the balance sheet date, there are no restrictions on voting rights or on the transfer of Gerresheimer AG shares by law, under the Articles of Association or otherwise, known to the Management Board. All no-par-value shares in Gerresheimer AG issued as of November 30, 2013 are fully transferable and carry full voting rights and grant the holder one vote in the Annual General Meetings.

Shareholdings exceeding 10% of voting rights

As of November 30, 2013, we are not aware of any direct or indirect shareholdings in the Company's capital stock exceeding 10% of voting rights.

Shares carrying special rights with regard to control

None of the shares issued by Gerresheimer AG carry rights that confer special control to the holder.

System of control of any employee share scheme where the control rights are not exercised directly by the employees

We have no information with regard to the system of control of any employee share scheme where the control rights are not exercised directly by the employees.

Legal provisions and provisions of the Articles of Association on the appointment and replacement of Management Board members and on amendments to the Articles of Association

The Management Board is the legal management and representative body of Gerresheimer AG. In accordance with the Company's Articles of Association, it comprises at least two members. In all other respects, the Supervisory Board determines the number of members of the Management Board. The Supervisory Board is able to appoint deputy members of the Management Board. It appoints one member of the Management Board as CEO or chairperson.

In accordance with section 84 of the German Stock Corporation Act (Aktiengesetz/AktG), members of the Management Board are appointed by the Supervisory Board for a maximum of five years. Repeat appointments or extensions of the term of office are permissible, in each case for a maximum of five years. The Supervisory Board may revoke the appointment of a Management Board member prior to the end of the term of office for cause such as gross breach of duty or if the Annual General Meeting withdraws its confidence in the member concerned.

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

In accordance with section 179 AktG, amendments to the Articles of Association normally require a resolution of the Annual General Meeting. Excepted from this rule are amendments to the Articles of Association that relate solely to their wording. The Supervisory Board is authorized to make such changes.

Except as otherwise required by law, Annual General Meeting resolutions are adopted by simple majority of votes cast. If a majority of capital is additionally required by law, resolutions are adopted by simple majority of the capital stock represented upon adoption of the resolution.

Authority of the Management Board to issue or buy back shares

Under section 4 (4) of the Articles of Association, the Management Board is authorized, subject to Supervisory Board approval, to increase the Company's capital stock by issuing new or no-par-value bearer shares for cash or non-cash consideration in one or more issues up to a total of EUR 15.7m by or before April 25, 2017. Shareholders must normally be granted a subscription right to the shares. The subscription right may also be granted in such a way that the shares are taken up by one or more banks or equivalent undertakings within the meaning of the first sentence of section 186 (5) of the AktG with an obligation to offer them to the Company's shareholders for subscription (indirect subscription right).

The Management Board is authorized, subject to Supervisory Board approval, to exclude shareholders' subscription rights in the following instances:

- To exclude fractional amounts from the subscription right;
- to the extent necessary to grant holders of conversion rights or warrants or parties under obligation to exercise conversion rights or warrants attached to bonds issued or yet to be issued by the Company or a Group company a subscription right to new shares to the same extent as they would be entitled as shareholders after exercise of the warrant or conversion right or fulfillment of the obligation to exercise the warrant or conversion right;
- in the event of capital increases for non-cash consideration in connection with business combinations or acquisitions of companies in whole or part or of shareholdings, including increases in existing shareholdings or other assets;

› in the event of capital increases for cash consideration, if the issue price of the new shares is not substantially below that of the existing, listed shares at the time of final fixing of the issue price by the Management Board within the meaning of section 203 (1) and (2) and section 186 (3) sentence 4 AktG, and the percentage of capital stock attributable to the new shares for which the subscription right is excluded does not exceed 10% of the capital stock in existence at the time the authorization comes into effect or at the time the authorization is exercised, whichever amount is smaller. Shares issued or sold during the period of this authorization under exclusion of shareholders' subscription right in direct or analogous application of section 186 (3) sentence 4 AktG are to be set against the maximum limit of 10% of the capital stock. The same set-off rule applies to shares to be issued to service bonds with a conversion right or warrant or obligation to exercise a conversion right or warrant to the extent that the bonds are issued during the period of this authorization under exclusion of the subscription right by analogous application of section 186 (3) sentence 4 AktG.

The total amount of shares issued for cash or non-cash consideration subject to exclusion of subscription rights under this authorization may not exceed a EUR 6.28m share of capital stock (20% of the current capital stock).

The Management Board is authorized, subject to Supervisory Board approval, to stipulate other details of the share increase and its execution, including the substantive details of rights attached to shares and the conditions of issue.

We further refer in this connection to our disclosures under "Restrictions on voting rights or on the transfer of securities".

The capital stock is conditionally increased by up to EUR 6,280,000 by the issue of up to 6,280,000 new no-par-value bearer shares. The conditional capital increase serves the purpose of granting no-par-value bearer shares to holders of convertible bonds or warrant bonds (or combinations of these instruments) (together "bonds") with conversion rights or warrants or obligations to exercise conversion rights or warrants, which on the basis of the authorization approved by resolution of the Annual General Meeting on April 26, 2012 are issued by or before April 25, 2017 by the Company or a Group company within the meaning of section 18 AktG. The new shares will be issued at a conversion or warrant price to be determined in each case in accordance with the authorization resolution described above. The conditional capital increase is to be carried out only to the extent that conversion rights or warrants are exercised or obligations to exercise conversion rights or warrants are fulfilled and no other form of fulfillment is employed. New shares issued because of the exercise of conversion rights or warrants or fulfillment of obligations to exercise conversion rights or warrants participate in earnings from the beginning of the financial year in which they are issued. The Management Board is entitled to stipulate further details with regard to execution of the conditional capital increase subject to Supervisory Board approval.

Material agreements conditional on a change of control following a takeover bid

The loans under the credit facilities with a total facility amount of EUR 400m, of which EUR 175.5m was drawn at the reporting date, may be terminated by the lenders, and would consequently be repayable early in full by the borrowers, if a third party or several third parties acting in concert were to acquire 50.01% or more of voting rights in Gerresheimer AG.

Gerresheimer AG is obliged to notify holders of the EUR 300m bond in the event of a change of control. Holders then have the right to call due all or individual bonds at face value plus accrued interest. A change of control applies if one or more parties acquire or otherwise control at least 50.01% of shares or voting rights in Gerresheimer AG and 90 days thereafter the bond no longer has an investment grade rating.

Some of our customer contracts include change of control agreements. These are usual change of control clauses that give the right to the customer to terminate the contract prematurely. Thus, under certain conditions a change of control following a takeover bid would impact these customer contracts.

Compensation agreements for the event of a takeover bid

In the event of a change of control, the members of the Management Board have a once-only special right to terminate the contract of employment with a term of six months' notice to the end of the month and to resign at the end of the term of notice. The special right of termination applies solely within three months of a Management Board member gaining knowledge of the change of control. The special right of termination only applies if at the date notice is given the contract has been in effect for at least one year and has a remaining term of at least nine months. If a Management Board member exercises his or her special right of termination, the Company is required to pay compensation amounting to the total of three times the annual remuneration less the payments made during the term of special notice. The annual remuneration is defined as the remuneration of the full financial year prior to the notice of termination including variable remuneration components and entitlements from the stock appreciation rights program.

DECLARATION ON CORPORATE GOVERNANCE PURSUANT TO SECTION 289A HGB

The declaration on corporate governance under section 289a of HGB is part of the Combined Management Report. Under section 317 (2) sentence 3 HGB, the disclosures under section 289a HGB are not included in the audit.

STATEMENT OF COMPLIANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE

The Management Board and the Supervisory Board of Gerresheimer AG issued their most recent statement of compliance in accordance with section 161 of the AktG on September 4, 2013, as follows:

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

Since its last declaration of September 5, 2012, Gerresheimer AG has complied with the recommendations of the 'Government Commission on the German Corporate Governance Code' as amended on May 15, 2012, with the exception stated in such declaration.

Gerresheimer AG will further comply with the recommendations of the 'Government Commission on the German Corporate Governance Code' as amended on May 13, 2013 with the following exception:

Item 5.4.6 paragraph 2 sentence 2 of the Code (performance-related compensation of Supervisory Board members)

The Company believes that a combination of fixed annual compensation and variable compensation which is based on the adjusted consolidated net earnings per share in Gerresheimer AG of the underlying financial year is best suited to reflect the Supervisory Board's control function."

INFORMATION ON CORPORATE GOVERNANCE PRACTICES

RISK MANAGEMENT SYSTEM

The Gerresheimer Group considers effective risk management a key factor in sustaining value for the long term. The management of opportunities and risks is therefore integral to the Gerresheimer Group's organizational structure and processes. Identification and mitigation of operational risks using monitoring, planning, management and control systems in Group companies and the management holding company constitutes the central element of the risk management system.

There are guidelines on risk reporting for subsidiaries and key head office functions. The Group continuously develops its early warning system and adapts it to current developments. Core elements of the risk management system are described in the "Opportunities and Risks" section of the Annual Report, which is available on the Internet at: www.gerresheimer.com/en/investor-relations/reports.

CORPORATE RESPONSIBILITY

Gerresheimer is a leading global partner to the pharma and healthcare industry. As manufacturers of products made of glass and plastic for packaging and drug delivery, we make a meaningful and significant contribution to health and well-being.

In this age of increasing globalization and growing social as well as ecological challenges, we are aware of our corporate responsibility. This goes far beyond our products. We fulfill our corporate responsibility actively, comprehensively and sustainably and live up to our own principles. Our actions are a reflection of our responsibility to society, our employees, investors, customers, suppliers and the environment.

Gerresheimer's principles are set out in a publication, "Our Corporate Responsibility", available on the Internet at: www.gerresheimer.com/en/company/corporate-responsibility.

DESCRIPTION OF MANAGEMENT BOARD AND SUPERVISORY BOARD PROCEDURES AND OF THE COMPOSITION AND PROCEDURES OF THEIR COMMITTEES

The composition of the Management Board and Supervisory Board can be found in the Annual Report under "Supervisory Board and Management Board". The working practices of the Management Board and Supervisory Board as well as the composition and working practices of Supervisory Board committees are described in the Annual Report as part of the Corporate Governance Report. The Annual Report is available on the Internet at: www.gerresheimer.com/en/investor-relations/reports.

REPORT ON OPPORTUNITIES AND RISKS

UNIFORM GROUP-WIDE MANAGEMENT OF OPPORTUNITIES AND RISKS

Any business enterprise is constantly exposed to risk. Failing to seize opportunities also poses a risk. We generally view risk management and opportunity management separately. Our risk management system documents risks and supports their monitoring. Opportunities, on the other hand, are identified and communicated as an integral part of regular communications between the subsidiaries and the control function at Gerresheimer AG in its capacity as holding company.

The risk management system centers on identifying and mitigating operational risks through the monitoring, planning, management and control systems in place within the entities and the management holding company. The aim of our risk management strategy is to promptly identify, evaluate, avoid and mitigate risks and to transfer them to third parties. Up to a defined risk tolerance level, Gerresheimer consciously enters into risks if they are unavoidable or are likely to be offset by opportunities. A risk management system provides no absolute guarantee that risks will be avoided. It helps to identify and then monitor and manage risks in a timely fashion as well as to achieve company targets.

Establishing and effectively maintaining the risk management system is the responsibility of the legal representatives of Gerresheimer AG. The process of monitoring, promptly identifying, analyzing, managing and communicating risks involves the legal representatives of the operating companies and the heads of key head office functions. To ensure that the system is maintained and implemented, the subsidiaries and key head office functions are provided with guidelines on risk reporting. The Group has continuously expanded its risk management system and adapted it in line with current developments and conditions.

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,
- the segmentation of risks by category, namely market, customer, finance, environmental protection, legal relationships, external political and legal requirements, and strategic decisions,
- the quantification of risks in terms of the potential loss and probability of occurrence,
- the recording of the effects on profit or loss by business segment and
- mitigation through loss prevention and risk transfer.

If identified risks have already been included in the operational and strategic plans, the forecast or the monthly, quarterly or annual financial statements, they are excluded from risk reporting. Otherwise, risks would be recorded twice in Gerresheimer AG's risk management system. Likewise, risks are not required to be reported if, even without any further assessment, their occurrence can almost certainly be ruled out (e.g. an earthquake in Germany with devastating effects). The Gerresheimer Group has zero risk tolerance when it comes to breaches of official regulations and laws or the Company's compliance requirements and zero tolerance of the risk of defective products or inadequate product quality.

As an element of the risk early warning system that is independent of all processes, our internal audit department regularly examines the effectiveness and proper functioning of the risk management system. In addition, the external auditors assess the risk early warning system as part of the audit of the annual financial statements and report on it to the Group's Management Board and Supervisory Board. The system meets the statutory requirements for a risk early warning system without qualification and is in accordance with the German Corporate Governance Code.

INTERNAL CONTROL SYSTEM IN RELATION TO THE FINANCIAL REPORTING PROCESS

Gerresheimer's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRSs) published by the International Accounting Standards Board (IASB) as adopted by the European Union and in accordance with section 315a (1) HGB. The annual financial statements of Gerresheimer AG are prepared in accordance with the provisions of the HGB and the AktG.

Gerresheimer AG prepares a combined management report for both the Gerresheimer Group and Gerresheimer AG.

The overriding objective of our internal control and risk management system in relation to the financial reporting process is to ensure compliance in financial reporting. Establishing and effectively maintaining adequate internal controls over financial reporting is the responsibility of the management of Gerresheimer AG, which at each financial year-end assesses the adequacy and effectiveness of the control system. As of November 30, 2013, management found the internal controls over financial reporting to be effective. However, any control system is limited to a certain extent in how effective it can be.

The consolidated financial statements are prepared in a multistage process using recognized consolidation systems. The audited, consolidated financial statements of the subgroups and the audited or reviewed financial statements of the other subsidiaries are combined to produce the consolidated financial statements of Gerresheimer AG. In this context, Gerresheimer AG has central responsibility for the uniform Group-wide chart of accounts, for carrying out central consolidation adjustments as well as for scheduling and organizing the consolidation process.

Uniform guidelines on accounting in accordance with IFRSs are in place for the companies included in the consolidated financial statements. These include a description of the general consolidation methods as well as the applicable accounting policies in accordance with IFRSs. The guidelines are continuously updated to reflect changes to the IFRSs and are available to all subsidiaries on the Gerresheimer intranet. There is also a binding schedule for the financial closing process.

In the course of the financial close process, balance sheets, income statements and statements of comprehensive income are entered into the system along with information relevant to the cash flow statement, the statement of changes in equity, the notes and the management report. The system is effectively maintained centrally by Corporate Financial Accounting. In addition to the automated checks that are in place, manual checks on the data's completeness and accuracy are carried out by the operating companies and head office. The professional aptitude of employees involved in the financial reporting process is examined during their selection process, after which they receive regular training. As a rule, the dual control principle is applied. Other control mechanisms include target-performance comparisons as well as analyses of the content of and changes in the individual items. Accounting ensures that function-related information is reported by the relevant departments and incorporated into the consolidated financial statements. The internal audit department reviews the effectiveness of the controls implemented at the subsidiaries and head office in order to ensure compliance with financial reporting guidelines. As part of the 2013 year-end audit, the auditors examined our risk early warning system in accordance with section 317 (4) HGB in conjunction with section 91 (2) AktG and confirmed its compliance.

The annual financial statements of Gerresheimer AG are prepared using SAP software. The processes comprising day-to-day accounting and the preparation of the annual financial statements are divided into functional steps. Either automated or manual controls are integrated into all processes. The organizational arrangements ensure that all business transactions and the preparation of the annual financial statements are completed in a timely and accurate manner and are processed and documented within the appropriate time frame. The relevant data from Gerresheimer AG's single-entity financial statements are transferred into the Group consolidation system and adjusted as necessary to comply with IFRSs.

The Supervisory Board is also involved in the control system through the Audit Committee. In particular, the Audit Committee monitors the financial reporting process, the effectiveness of the control, risk management and internal audit systems as well as the audit of the financial statements. It is also responsible for checking the documents related to Gerresheimer AG's single-entity financial statements and the consolidated financial statements, and discusses Gerresheimer AG's single-entity financial statements, the consolidated financial statements and the combined management report on those financial statements with the Management Board and the auditors.

OPPORTUNITIES OF FUTURE DEVELOPMENTS

The Gerresheimer Group faces a wide range of opportunities and risks due to its global and extensive business activities. We aim to continue making the best possible use of opportunities into the future.

Research and development is one area with major potential in this regard. By investing in technology centers for glass syringes and medical plastic systems, for example, we plan to capitalize on ongoing opportunities to enhance existing products in collaboration with customers and to further diversify our product portfolio as a whole. Detailed information on our research and development activities is given in the "Research and Development" section of this Management Report.

We also see attractive development opportunities for the Gerresheimer Group in the further globalization of our business. We plan to benefit from the dynamic growth of emerging markets by extending our local presence and significantly increasing revenues in such markets in the years ahead. In recent years, we have laid the foundation for further growth with selective investment in Brazil, India and China. Expanding the business activities of our Plastic Systems Division to North America promises additional growth.

Generic drugmakers will gain in importance in future years. We aim to gain a share of the expected volume growth, because generics too require proper packaging and administration. Another segment set to rise in importance comprises drug packaging that enhances safety and ease of use.

Demographic change linked with increased medical care needs among older people, advances in medical technology and biotech drugs offer the Gerresheimer Group further growth opportunities of which we plan to take advantage.

RISKS OF FUTURE DEVELOPMENTS

The Gerresheimer Group is exposed to a wide range of risks due to its global and extensive business activities. Appropriate provision has been made for all identifiable risks to the extent that the applicable accounting criteria are met. Existing risks are discussed in the following.

BUSINESS STRATEGY RISKS

Acquisitions are an integral part of our strategy. As such decisions carry risks, acquisition plans are subject to due diligence and the process as a whole is overseen by our central Mergers & Acquisitions department. Despite careful due diligence, changes in circumstances can mean that initial targets are not met in whole or part. We endeavor to identify business strategy risks of this kind as early as possible by regular, close market and competition monitoring and take appropriate action to avoid or minimize them.

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

OPERATIONAL RISKS

Besides business risk, we also include organizational, human resources and safety risk in our definition of operational risk. Such risks are mitigated by taking out adequate insurance cover and by placing stringent requirements on production, project and quality management. Liability risks are covered through third-party liability insurance. Own loss or damage is insured at replacement value under fire and other property insurance policies. In addition, a business interruption policy would cover downtime at the plants were certain events to occur, subject to appropriate deductibles.

BUSINESS ENVIRONMENT AND INDUSTRY-SPECIFIC RISKS

The performance of the global economy has a key impact on growth for the Gerresheimer Group. As in the previous year, a general recovery of the overall risk situation could not be made out in the course of financial year 2013. No one can currently tell with absolute certainty how the euro and financial crisis will affect the real economy, customers and suppliers, and how long the crisis will last.

We meet this risk by constantly monitoring global economic trends. In case of any change, we focus capacity utilization on high-productivity production plants, for example.

ENERGY AND RAW MATERIAL PRICES

Gerresheimer's energy requirements are consistently high, especially for the combustion and smelting processes in its high-temperature furnaces. A significant rise in energy prices may have a substantial impact on the Gerresheimer Group's results of operations. The Gerresheimer group benefited from the special compensation rule for energy-intensive companies according to section 41 of the German Renewable Energy Act (EEG). On December 18, 2013, the EU Commission has initiated an investigation procedure to verify the compatibility of the EEG with the EU State aid rules. We currently assume that the existing legislation on which basis we were exempted from the allocation of EUR 9.1m (Gerresheimer Lohr GmbH EUR 3.8m, Gerresheimer Essen GmbH EUR 2.7m and Gerresheimer Tettau GmbH EUR 2.6m) in 2013 will endure. We assume that a repayment of the amounts in question is not likely to occur. As a result, a provision was not made.

Another significant portion of production costs relates to raw materials for the manufacture of glass and plastic. In the manufacture of plastic products, Gerresheimer is reliant on primary products such as polyethylene, polypropylene and polystyrene. The prices of these products depend largely on the oil price trends.

The Group hedges against energy cost rises on a large scale. Some customer contracts also contain escalation clauses.

PRODUCT LIABILITY RISKS

Despite internal measures to ensure product quality and safety, the Gerresheimer Group cannot rule out the possibility of loss or damage for customers and consumers from the use of packaging products and systems it has manufactured. The supply of defective products to customers, for example, could result in damage to production facilities or even cause business interruption. This could severely damage the Gerresheimer Group's reputation. Furthermore, in combination with medications and ingredients sold by its pharma and healthcare industry customers, faulty products produced by the Gerresheimer Group could pose a health hazard to consumers. In any such event, it cannot be ruled out that the Group might lose customers. This could have a significant impact on the Gerresheimer Group's net assets, financial position and results of operations. Gerresheimer could also be exposed to related liability claims such as claims for damages from customers or product liability claims from consumers. Any product liability claims made against Gerresheimer, especially in class actions in the US, could be substantial. There is also the risk of the Group potentially having to bear substantial costs for recalls. Moreover, there is no guarantee that Gerresheimer will be able to obtain adequate insurance cover in the future at present terms and conditions. As these examples show, negative impacts on the Gerresheimer Group's net assets, financial position and results of operations cannot be ruled out.

To avoid product liability claims, the Gerresheimer Group applies stringent quality assurance. In addition, business liability and product liability insurance is intended to cover any claims incurred to a large extent.

RISKS FROM THE FUTURE DEVELOPMENT OF STATE HEALTHCARE SYSTEMS

In financial year 2013, Gerresheimer generated 83% of Group revenues in the pharma and healthcare segment. Governments and health insurance funds in Europe and the US have endeavored in recent years to curb the rate of increase in healthcare costs. 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 relates to pharmaceutical primary packaging, these developments can increase the price pressure on the Gerresheimer Group's products. If the price pressure cannot be offset by cost reductions or enhanced efficiency, this could have a significant negative impact on the net assets, financial position and results of operations of the Gerresheimer Group.

Early identification of such developments as they emerge and active portfolio management are important elements of corporate management. Its international and multi-market presence also means that the Gerresheimer Group is better placed to make up for cyclic fluctuations in individual markets and countries than other companies lacking such a global lineup.

PERSONNEL RISKS

A skilled workforce is a key success factor in implementing our growth-focused corporate strategy. If in future years we do not succeed in training or recruiting and in securing the long-term loyalty of sufficient numbers of qualified personnel for our Company, this could have a considerable impact on our business success. Demographic change and the resulting potential skills shortage pose additional personnel risks in the medium to long term.

We counter these risks by positioning ourselves to a greater extent than before as an attractive employer worldwide. Elements in this include competitive pay, occupation-specific continuing education and training, structured succession planning and the targeted promotion of young talent. We also operate diversity-oriented personnel policies and employ target group-specific personnel marketing.

IT RISKS

Increasing use is being made of computer-aided business and production processes as well as of IT systems for internal and external communications. Major disruption to or even failure of such systems can cause data loss and obstruct business and production processes.

IT systems are standardized, harmonized, reviewed and improved Group-wide to safeguard and enhance the security and efficiency of Gerresheimer's business processes. Minimum sectoral IT standards such as backups, redundant data links and distributed data centers are applied to minimize downtime risk for mission-critical systems such as SAP, websites and IT infrastructure components.

Changes in financial year 2013 included the transfer of the SAP systems, the central Lotus Notes server and the CRM system to a new external IT provider with data centers in Germany, the migration of further companies to SAP and the ongoing rollout of security-relevant infrastructure projects such as antivirus software, Internet protection, Active Directory and LAN standardization.

Gerresheimer is systematically continuing to harmonize ERP systems using SAP ECC 6.0 as well as to standardize IT network, hardware, communication and security infrastructure. The IT Compliance function documents and ensures the implementation and fulfillment of statutory, internal corporate and contractual requirements applying to Gerresheimer AG.

TAX RISKS

Due to the globalization of its business, the Gerresheimer Group must take into account a number of international and country-specific regulations laid down by tax authorities. Tax law-related risks may arise due to the failure to give tax regulations adequate consideration or due to differences in the tax assessment of items and transactions. In particular, tax audits and any resulting audit findings involving interest and additional tax payments may have a negative impact on the Group.

Tax risks are regularly and systematically examined and assessed. Any resulting risk mitigation measures are agreed between Gerresheimer AG Group Taxes and the national companies.

LEGAL RISKS

As an international enterprise, the Gerresheimer Group must comply with differing laws in different jurisdictions. This can result in a wide range of risks relating to contract, competition, environment, trademark and patent law.

We limit such risks by means of legal appraisal by our internal legal departments and by consulting external specialists on national law in the jurisdictions concerned.

The Gerresheimer Group has established a global Compliance Program to ensure the observance of laws and regulations worldwide. All board members and employees of Gerresheimer AG and all Group companies must abide by our Compliance Guidelines. Adherence to the law and conformity with the guidelines under the Gerresheimer Group Compliance Program are of foremost importance to Gerresheimer AG and its affiliates.

We have no knowledge of risks from legal disputes that could have a significant impact on the net assets, financial position and results of operations of the Gerresheimer Group.

FINANCIAL RISKS

Gerresheimer is exposed to financial risks in its operating activities. The responsible Corporate Treasury department centrally monitors the financial risks facing the Group by means of Group-wide financial risk management. The Group manages identified risk exposures by using appropriate hedging strategies on the basis of clearly defined guidelines.

CURRENCY AND INTEREST RATE RISK

As a company headquartered in Germany, the Gerresheimer's Group and reporting currency is the euro. As the Gerresheimer Group conducts a large part of its business outside of the euro area, exchange rate fluctuations can have an impact on earnings. The greater volatility of exchange rates in recent years has increased opportunities and risks accordingly. Gerresheimer limits exchange rate risks in operating activities by using forward exchange contracts. The Group uses derivative financial instruments exclusively to hedge risk in connection with commercial transactions.

The Gerresheimer Group is additionally exposed to interest rate risk in borrowing. Interest rate fluctuations can alter the interest burden on existing debt and the cost of refinancing. The Gerresheimer Group limits interest rate risk by entering into interest rate swaps.

CREDIT RISK

Credit risks resulting from the Group's trade relationships are monitored by credit and receivables management as well as operating company sales functions. Customers are subject to ongoing internal credit checks to avoid losses on receivables. Receivables from customers lacking a top credit rating are insured where insurance cover is available. To avoid credit risks from financial instruments, such instruments are only entered into with parties having top credit ratings.

LIQUIDITY RISK

The risk of not being able to fulfill existing or future payment obligations due to insufficient availability of funds is centrally managed in the Gerresheimer Group by Gerresheimer AG. The Group's liquidity situation is monitored and managed on the basis of multi-year financial planning and monthly liquidity planning. To safeguard liquidity, the Gerresheimer Group additionally has available a long-term loan, a revolving credit facility and a euro bond issue.

A detailed presentation of the financial risks and their management can be found in the Notes to the Consolidated Financial Statements under Note 6 "Financial Risk Management and Derivative Financial Instruments".

OVERALL ASSESSMENT OF THE GROUP RISK SITUATION

The basis for the Management Board's overall assessment of the risk situation is provided by our risk management system. The risk reporting process collates all risks reported by subsidiaries and head office functions. Risk reporting is made regularly to the Management Board and the Supervisory Board.

The Gerresheimer Group's risks did not change significantly in financial year 2013 compared with the prior year. Based on our overall risk assessment, there are currently no risks that raise doubt about the ability of the Gerresheimer Group or Gerresheimer AG to continue as a going concern or could have a material effect on its net assets, financial position or results of operations.

Gerresheimer's credit rating is regularly assessed by the leading rating agencies Standard & Poor's and Moody's. Gerresheimer's Standard & Poor's rating is investment grade at BBB-, stable outlook. Moody's also confirmed the creditworthiness of the Gerresheimer Group with a rating of Ba1 and now positive outlook.

The senior facilities are subject to financial covenants. These are described in detail earlier in the "Financing instruments" section. The stipulated financial covenants were complied with in financial year 2013 as in financial year 2012. Based on our multiple-year budget, we project that the financial covenants will continue to be met in the future.

EVENTS AFTER THE BALANCE SHEET DATE

No events have arisen since November 30, 2013 that are expected to have a material impact on the net assets, financial position or results of operations of the Gerresheimer Group or Gerresheimer AG.

OUTLOOK

GROUP STRATEGIC OBJECTIVES

The forward-looking statements on the business performance of the Gerresheimer Group and Gerresheimer AG presented in the following and the assumptions deemed significant regarding the economic development of the market and industry are based on our own assessments, which we currently believe realistic according to the information we have available. Such assessments entail uncertainty, however, and the unavoidable risk that projected developments may not correlate in direction or extent with actual developments.

DEVELOPMENT OF THE ECONOMIC ENVIRONMENT

GLOBAL AND REGIONAL ECONOMIC DEVELOPMENT

The International Monetary Fund[1)] forecast for the global economy in 2014 projects growth of 3.6% – slightly more than 2013, for which the growth projection was 2.9%. A better cyclical outlook in industrialized countries is likely to drive output growth in emerging markets during financial year 2014. This reflects the upturn in global trade. Experts nonetheless still warn of downside risks. The cyclical upswing thus continues to be spurred in many industrialized countries by highly expansionary monetary policy. The projections also assume another increase in the US debt ceiling early in 2014. If this does not come about, the outcome would be a severe US recession that would also hit global economic growth.

On IMF projections, the biggest growth stimulus for the global economy in 2014 is set to come from the USA. US economic growth is expected to be stronger in 2013, at about 2.6% compared with 1.6% the year before. The expected ongoing expansionary monetary policy is likely to fuel both corporate capital expenditure and real estate demand.

The euro area's industrialized economies, which saw output shrink by about 0.5% in the prior year, are expected to grow again – albeit only by a moderate 1.0%. Necessary adjustment processes in countries such as Spain and Italy are likely to rule out a stronger recovery. The same goes for the retention of restrictive lending policies with some banks still struggling with the aftermath of the euro crisis.

IMF experts forecast around 1.4% GDP growth for Germany in 2014. Following around 0.5% GDP growth in 2013, the domestic economy is expected to be the main driver of a sturdier economic recovery in the forecast period. This is abetted by fundamentals such as low interest rates.

The IMF's growth rate forecast for emerging economies in 2014 is 5.1%, about 0.5% higher than for the prior year. This is once again a far more dynamic rate of growth than in industrialized countries. At the same time, it does not match the peak rates attained in the past. The emerging markets nonetheless remain the powerhouse of the global economy in 2014. China and India in particular continue to be seen as growth drivers for global trade. The growth forecasts for China in 2014 are around 7.3%, compared with 7.6% in the prior year. Indian GDP is expected to grow by 5.1%, versus 3.8% in the prior year. Growth in Brazil is likely to be flat. The projections put economic growth at 2.5% in 2014, marking no change year on year.

[1)] International Monetary Fund: "World Economic Outlook", October 2013, p. 153ff

SECTORAL DEVELOPMENTS

Global demand for pharma and healthcare products is likely to keep on growing as the incidence of chronic disease rises with demographic and environmental change. One market relevant to Gerresheimer, the market for the therapy of asthma and chronic obstructive pulmonary disease, is expected to grow by 3% to 5% a year according to IMS Institute estimates. Similarly favorable growth rates are forecast for the diabetes treatment market. IMS estimates put growth here between 5% and 7% a year. Global demographic trends with population aging and the resulting increased demand for healthcare are also expected to continue contributing to growth in the Group's business. While growth rates in mature markets such as the USA and Europe are generally declining, emerging markets are projected to generate above-average growth as increasing affluence drives the expansion of healthcare provision. Market growth in the USA in particular is likely to decrease with falling GDP growth. As a result, the USA will in the medium term have to relinquish its status as the biggest global growth driver in the pharma sector to emerging markets.

MARKET AND BUSINESS OPPORTUNITIES FOR THE GERRESHEIMER GROUP

PROSPECTS FOR FINANCIAL YEAR 2014

On IMF projections, the global economy will grow at a moderate rate in 2014.[2)] While China and some emerging markets are not likely to repeat their high past growth rates, the crisis countries in the euro area have progressed in boosting competitiveness and are expected to reap the rewards in the form of increasing economic activity. At the same time, the nascent recovery in industrialized countries is not yet self-sustaining as many of these countries still have large public deficits and highly expansionary monetary policies to support the economy. In what consequently remains a good operating environment for Gerresheimer, we expect to further expand our core business with primary packaging and drug delivery systems for the pharma and healthcare industry.

Recent years have seen emerging economies step up the establishment and development of healthcare provision. This has brought more widespread use of generic drugs. We expect that this trend will continue unabated and that demand will go on rising in 2014.

EXPECTED RESULTS OF OPERATIONS

THE GROUP

Our Group objective is to become the leading global partner for enabling solutions that improve health and well-being. To achieve this, we aim to expand our global presence and generate profitable, sustained growth.

As the Group parent, Gerresheimer AG derives income from the main German subsidiaries under profit transfer agreements. This can include income from long-term equity investments abroad. The business performance of subsidiaries thus has a direct impact on the annual financial statements of Gerresheimer AG. Given corresponding earnings performance in the Group, we once again expect that Gerresheimer AG will generate net income in financial year 2014.

From 2007 to 2012, our Company was structured around four divisions – an organizational framework that took its cue from the diverse production technologies and materials in use at Gerresheimer. The start of financial year 2014 saw a restructuring of our divisions, resulting in a more market-driven setup arranged according to products.

The Group is now made up of three divisions, the first of which is the Plastics & Devices Division. Here we produce complex, customer-specific drug delivery systems. Next, our Primary Packaging Glass Division comprises standardized glass packaging for medicines and cosmetics. The third division is the Life Science Research Division. This remains unchanged and encompasses our laboratory glassware range of products and services.

In the following, we present the anticipated development of our results of operations based on the new Group structure.

PLASTICS & DEVICES

We see no change in the strong growth opportunities for our customer-specific glass and plastic products for safe, simple drug delivery, or for our plastic pharmaceutical packaging products. This applies above all to our prescription drug delivery devices. From today's perspective, these remain the main growth driver. This primarily relates to the insulin pens and inhalers business. As a necessary precursor to these revenues, however, we also expect to see further strong growth during financial year 2014 with business based on the development and fabrication of tooling for prototypes. Drivers for this business include growing competition between pharmaceutical producers for the best choice of dosage form as well as globally increasing numbers of asthma and diabetes patients.

[2)] International Monetary Fund: "World Economic Outlook", October 2013, p. 153ff

We expect falling production costs and hence rising profitability for our Gx RTF® syringes as production continues to settle down. Revenues from conventional glass (bulk) syringes, on the other hand, are likely to go on falling as bulk syringes are increasingly substituted with Gx RTF® syringes.

Regionally speaking, our business with prescription drug delivery devices will retain its European focus. Revenues from our plastic pharmaceutical packaging for over-the-counter drugs will probably continue to be driven by emerging markets in financial year 2014.

Lower-margin development orders, which generally precede production orders, currently remain at a high level. Our business thus remains firmly on track for growth. This means that the cost of bringing new production lines into operation will likely hold down margins in 2014.

PRIMARY PACKAGING GLASS

In our Primary Packaging Glass Division, we expect a continuation of the stable growth with our glass primary packaging for medicines and cosmetics, such as pharma jars, ampoules, injection vials, cartridges, perfume flacons and cream jars. Profitability is likely to show good ongoing growth as a result of combining sales and distribution activities under the new organizational structure. As in prior years, growth rates will probably be higher in our emerging market operations than in industrialized countries.

Revenues with glass pharmaceutical packaging ought to continue their robust growth. We anticipate a favorable operating environment for the cosmetics business. Here, too, we expect to achieve a slight increase in revenues with glass cosmetics products.

LIFE SCIENCE RESEARCH

The Life Science Research Division does not have the same forward visibility as other divisions because of the way the business model is structured: we sell our products here through distributors rather than directly, and lead times on orders are very short. As business performance is closely tied to the development of the US economy, projections are highly uncertain. We expect that our customers will tend to retain their cautious spending policies in 2014 due to budget restrictions.

EXPECTED DEVELOPMENT OF NON-FINANCIAL SUCCESS FACTORS

EMPLOYEES

In light of the expected growth, the Group workforce will continue to increase in size. With ongoing globalization, there will be a shift in the regional weighting in favor of emerging markets.

RESEARCH AND DEVELOPMENT

We will continue to place a major focus on our research and development activities in order to secure the Company's long-term growth through innovation.

PROCUREMENT

We will continue our lasting optimization of the procurement function in 2014. Prices, terms and most of all quality are key factors in further earnings growth. Based on current trends on the financial and real markets, we expect that prices will remain volatile. Potential changes with regard to Germany's green energy levy may lead to rising energy costs.

PRODUCTION

We ensure that our energy-intensive moulded glass plants have modern energy management systems installed. All German moulded glass plants are certified compliant with the latest ISO 50001 standard for energy management systems. The remaining divisions plan to follow, with preparations made during financial year 2013 to obtain ISO 50001 certification in 2014 for our locations in Buende, Wackersdorf and Pfreimd, Germany, Horsovsky Tyn, Czech Republic, and Kuessnacht, Switzerland.

ENVIRONMENT

We have an ongoing commitment to responsible use of natural resources and protection of the environment. In line with this commitment, we participated in the Carbon Disclosure Project (CDP) for the fifth consecutive year. This requires us to measure, analyze and manage carbon emissions at all production locations and submit a comprehensive annual report stating the composition of and changes in emissions and, most importantly, detailing adopted mitigation measures. Our environment strategy target is to reduce the ratio of emissions to revenues. This means that our revenues are to grow faster in the future than the unavoidable emissions produced in revenue generation. We will participate in CDP once again in 2014.

EXPECTED FINANCIAL SITUATION AND LIQUIDITY

The Gerresheimer Group had EUR 73.1m in cash and cash equivalents as of November 30, 2013 (prior year: EUR 86.1m). In addition, EUR 181.2m remained undrawn on the revolving credit facility as of the balance sheet date (prior year: EUR 250m). This places us in a sound financial situation and we will continue to have sufficient liquidity in the financial year ahead to finance capital expenditure and meet our other financial obligations.

DIVIDEND POLICY

Due to the strong performance of the Gerresheimer Group in 2013, the Management Board and Supervisory Board have jointly decided to propose at the Annual General Meeting on April 30, 2014 that a dividend of EUR 0.70 per share be paid for financial year 2013. This represents a dividend ratio of almost 23% of adjusted net income after non-controlling interests. In line with our operating performance, we plan in financial year 2014 to retain our dividend policy of distributing 20% to 30% of adjusted net income after non-controlling interests.

OVERALL OUTLOOK ASSESSMENT

Our Company is well prepared for the financial year ahead. Thanks to completed and forthcoming investment in profitable markets and past acquisitions, we are in an outstanding position for the opportunities and developments that lie ahead in the pharma sector. We have a sound financial basis, long-term financing and a clear corporate strategy. We will continue to globalize our Company, consolidate markets and add attractive technologies to our portfolio. The goal in all activities is to increase our focus on the pharma and healthcare industry. Alongside organic growth that we plan to finance out of operating cash flow, an important part will continue to be played by acquisitions subject to careful appraisal of opportunities and risks. We are well positioned relative to our competitors.

We currently anticipate revenue growth of 4% to 6% at constant exchange rates for financial year 2014. Adjusted EBITDA at constant exchange rates is expected to be between EUR 250m and EUR 265m. Primarily in light of the strong growth prospects – notably as a result of customer projects in the drug delivery devices business lasting several years – capital expenditure in financial year 2014 will be on a par with the past financial year, meaning around 9% to 10% of revenues.

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CONSOLIDATED INCOME STATEMENT

Financial year 2013 (December 1, 2012 to November 30, 2013)

in EUR k	Note	2013	Pro forma[1] 2012
Revenues	(8)	1,265,931	1,219,068
Cost of sales	(9)	-901,707	-858,269
Gross profit		**364,224**	**360,799**
Selling and administrative expenses	(10)	-231,158	-220,774
Other operating income	(11)	22,690	11,753
Restructuring expenses	(13)	-4,836	–
Other operating expenses	(14)	-17,536	-19,387
Share of profit or loss of associated companies	(22)	-436	-571
Results of operations		**132,948**	**131,820**
Finance income	(15)	2,821	3,457
Finance expense	(15)	-37,015	-36,738
Net finance expense		**-34,194**	**-33,281**
Net income before income taxes		98,754	98,539
Income taxes	(16)	-30,267	-30,198
Net income		**68,487**	**68,341**
Attributable to equity holders of the parent		62,155	62,021
Attributable to non-controlling interests	(29)	6,332	6,320
Earnings per share (in EUR)[2]	(17)	**1.98**	**1.98**

[1] Retrospective restatement due to early adoption of IAS 19 (revised 2011) from December 1, 2012.
[2] The basic earnings per share figure stated here also corresponds to diluted earnings per share as no further shares have been issued.

Notes (1) to (43) are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Financial year 2013 (December 1, 2012 to November 30, 2013)

in EUR k	Note	2013	Pro forma[1] 2012
Net income		**68,487**	**68,341**
Items that will not be reclassified subsequently to profit or loss			
Changes in actuarial gains (+)/losses (-) on defined benefit plans		18,448	-40,283
Income taxes		-6,134	12,193
Total income and expense recognized directly in equity that will not be reclassified subsequently to profit or loss		**12,314**	**-28,090**
Items that will be reclassified subsequently to profit or loss when specific conditions are met			
Changes in the fair value of interest rate swaps		2,418	1,329
Fair value of interest rate swaps recognized in profit or loss	(15)	-1,660	-1,813
Income taxes		95	588
Changes in the cash flow hedge reserve		**853**	**104**
Currency translation		-28,259	-9,195
Changes in the currency translation reserve		**-28,259**	**-9,195**
Total income and expense recognized directly in equity that will be reclassified to profit or loss when specific conditions are met		**-27,406**	**-9,091**
Other comprehensive income		**-15,092**	**-37,181**
Total comprehensive income		**53,395**	**31,160**
Attributable to equity holders of the parent		50,436	23,395
Attributable to non-controlling interests		2,959	7,765

[1] Retrospective restatement due to early adoption of IAS 19 (revised 2011) from December 1, 2012.

Notes (1) to (43) are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

As of November 30, 2013

ASSETS

in EUR k	Note	Nov. 30, 2013	Pro forma[1] Nov. 30, 2012	Pro forma[1] Dec. 1, 2011
Non-current assets				
Intangible assets	(20)	572,500	529,695	527,023
Property, plant and equipment	(21)	538,310	518,336	478,830
Investment property	(21)	4,471	4,471	4,471
Financial assets	(22)	–	–	3,280
Investments accounted for using the equity method	(22)	91	3,730	3,434
Other financial assets	(23)	5,796	7,740	8,599
Deferred tax assets	(25)	7,586	7,389	10,752
		1,128,754	**1,071,361**	**1,036,389**
Current assets				
Inventories	(26)	194,460	188,957	159,900
Trade receivables	(27)	192,562	179,439	162,836
Income tax receivables		3,015	1,021	3,983
Other financial assets	(23)	2,960	5,325	2,254
Other receivables	(24)	20,626	23,713	18,059
Cash and cash equivalents	(28)	73,092	86,087	131,432
Assets held for sale	(2)	300	–	–
		487,015	**484,542**	**478,464**
Total assets		**1,615,769**	**1,555,903**	**1,514,853**

EQUITY AND LIABILITIES

in EUR k	Note	Nov. 30, 2013	Pro forma[1] Nov. 30, 2012	Pro forma[1] Dec. 1, 2011
Equity				
Subscribed capital	(29)	31,400	31,400	31,400
Capital reserve	(29)	513,827	513,827	513,827
Cash flow hedge reserve	(6)	-1,016	-1,933	-1,972
Currency translation reserve		-31,814	-7,523	3,140
Retained earnings	(29)	-6,512	-42,473	-50,415
Equity attributable to equity holders of the parent		**505,885**	**493,298**	**495,980**
Non-controlling interests	(29)	57,520	44,909	40,564
		563,405	**538,207**	**536,544**
Non-current liabilities				
Deferred tax liabilities	(30)	46,652	37,571	40,837
Provisions for pensions and similar obligations	(31)	161,336	183,739	155,570
Other provisions	(33)	4,443	11,588	6,491
Other financial liabilities	(34)	404,645	418,925	442,414
Other liabilities	(35)	1,733	1,709	–
		618,809	**653,532**	**645,312**
Current liabilities				
Provisions for pensions and similar obligations	(31)	14,773	14,926	12,740
Other provisions	(33)	45,716	43,023	40,355
Trade payables	(34)	127,042	154,301	119,215
Other financial liabilities	(34)	103,760	44,112	62,648
Income tax liabilities		22,786	12,674	13,990
Other liabilities	(35)	119,478	95,128	84,049
		433,555	**364,164**	**332,997**
		1,052,364	**1,017,696**	**978,309**
Total equity and liabilities		**1,615,769**	**1,555,903**	**1,514,853**

[1] Retrospective restatement due to early adoption of IAS 19 (revised 2011) from December 1, 2012.

Notes (1) to (43) are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Financial year 2013 (December 1, 2012 to November 30, 2013)

in EUR k	Subscribed capital	Capital reserve	Cash flow hedge reserve	Currency translation reserve	Retained earnings	Equity holders of the parent	Non-controlling interests	**Total equity**
As of December 1, 2011	**31,400**	**513,827**	**-1,972**	**3,140**	**-34,748**	**511,647**	**40,583**	**552,230**
Early adoption of IAS 19 revised	–	–	–	–	-15,667	-15,667	-19	-15,686
As of December 1, 2011 pro forma[1)]	**31,400**	**513,827**	**-1,972**	**3,140**	**-50,415**	**495,980**	**40,564**	**536,544**
Change in the consolidated group	–	–	–	–	–	–	4,073	4,073
Put option	–	–	–	–	-3,855	-3,855	–	-3,855
Acquisition of non-controlling interests	–	–	–	–	-3,382	-3,382	-3,320	-6,702
Early adoption of IAS 19 revised	–	–	–	–	-28,002	-28,002	-88	-28,090
Net income pro forma[1)]	–	–	–	–	62,021	62,021	6,320	68,341
Other comprehensive income	–	–	39	-10,663	-28,002	-38,626	1,445	-37,181
Total comprehensive income	**–**	**–**	**39**	**-10,663**	**34,019**	**23,395**	**7,765**	**31,160**
Distribution	–	–	–	–	-18,840	-18,840	-4,173	-23,013
As of November 30/ December 1, 2012	**31,400**	**513,827**	**-1,933**	**-7,523**	**-42,473**	**493,298**	**44,909**	**538,207**
Change in the consolidated group	–	–	–	–	–	–	19,456	19,456
Put option	–	–	–	–	-16,419	-16,419	–	-16,419
Acquisition of non-controlling interests	–	–	–	–	-1,020	-1,020	-1,381	-2,401
Net income	–	–	–	–	62,155	62,155	6,332	68,487
Other comprehensive income	–	–	917	-24,291	11,655	-11,719	-3,373	-15,092
Total comprehensive income	**–**	**–**	**917**	**-24,291**	**73,810**	**50,436**	**2,959**	**53,395**
Distribution	–	–	–	–	-20,410	-20,410	-8,423	-28,833
As of November 30, 2013	**31,400**	**513,827**	**-1,016**	**-31,814**	**-6,512**	**505,885**	**57,520**	**563,405**

[1)] Retrospective restatement due to early adoption of IAS 19 (revised 2011) from December 1, 2012.

Notes (1) to (43) are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

Financial year 2013 (December 1, 2012 to November 30, 2013)

in EUR k	Note	2013	Pro forma[1] 2012
Net income		68,487	68,341
Income taxes	(16)	30,267	30,198
Depreciation of property, plant and equipment	(21)	82,018	81,903
Amortization of intangible assets	(20)	20,582	18,138
Impairment loss		5,648	2,584
Share of profit or loss of associated companies	(22)	436	571
Change in other provisions		-2,097	5,658
Change in provisions for pensions and similar obligations		-11,909	-16,824
Gain on the disposal of non-current assets		-185	-665
Net finance expense	(15)	34,194	33,281
Interest paid		-23,959	-24,204
Interest received		1,359	1,676
Income taxes paid		-29,788	-20,398
Income taxes received		191	969
Change in inventories		-7,378	-25,490
Change in trade receivables and other assets		-8,408	-25,064
Change in trade payables and other liabilities		-10,765	44,184
Other non-cash expenses/income		-2,017	-1,292
Cash flow from operating activities		**146,676**	**173,566**
Cash received from disposals of non-current assets		967	1,486
Cash paid for capital expenditure			
in property, plant and equipment		-115,998	-113,470
in intangible assets		-3,050	-5,397
Cash received in connection with divestments	(7)	1,643	1,231
Cash paid out for the acquisition of subsidiaries and associated companies, net of cash received	(7)	-52,153	-32,442
Cash flow from investing activities		**-168,591**	**-148,592**
Acquisition of non-controlling interests	(7)	-2,401	–
Distributions to third parties		-28,906	-22,601
Distributions from third parties		21	–
Raising of loans		183,574	90,731
Repayment of loans		-139,198	-135,315
Repayment of finance lease liabilities		-1,571	-2,722
Cash flow from financing activities		**11,519**	**-69,907**
Changes in cash and cash equivalents		**-10,396**	**-44,933**
Effect of exchange rate changes on cash and cash equivalents		-2,599	-412
Cash and cash equivalents at the beginning of the period	(28)	86,087	131,432
Cash and cash equivalents at the end of the period	(28)	**73,092**	**86,087**

[1] Retrospective restatement due to early adoption of IAS 19 (revised 2011) from December 1, 2012.

Notes (1) to (43) are an integral part of these consolidated financial statements.

SEGMENT DATA BY DIVISION

Financial year 2013 (December 1, 2012 to November 30, 2013)

By division in EUR k	Plastic Systems		Moulded Glass		Tubular Glass		Life Science Research		Head office/ consolidation		Group	
	2013	Pro forma[1] 2012	**2013**	Pro forma[1] 2012	**2013**	Pro forma[1] 2012	**2013**	Pro forma[1] 2012	**2013**	Pro forma[1] 2012	**2013**	Pro forma[1] 2012
Segment revenues	**463,638**	427,182	**387,689**	372,812	**342,806**	333,801	**86,755**	99,557	**–**	–	**1,280,888**	1,233,352
Intragroup revenues	**-156**	-262	**-399**	-344	**-14,402**	-13,678	**–**	–	**–**	–	**-14,957**	-14,284
Revenues with third parties	**463,482**	**426,920**	**387,290**	**372,468**	**328,404**	**320,123**	**86,755**	**99,557**	**–**	**–**	**1,265,931**	**1,219,068**
Adjusted EBITDA	**109,936**	92,936	**85,016**	81,612	**63,855**	70,196	**11,464**	13,534	**-20,439**	-18,366	**249,832**	239,912
Depreciation and amortization	**-25,767**	-22,768	**-30,663**	-30,996	**-24,990**	-24,918	**-1,717**	-2,887	**-512**	-503	**-83,649**	-82,072
Adjusted EBITA	**84,169**	70,168	**54,353**	50,616	**38,865**	45,278	**9,747**	10,647	**-20,951**	-18,869	**166,183**	157,840
Net working capital	**51,023**	42,191	**61,326**	54,600	**67,001**	54,241	**24,874**	26,465	**-2,319**	-2,337	**201,905**	175,160
Operating cash flow	**61,194**	43,497	**39,032**	50,253	**12,933**	37,875	**10,937**	11,370	**-19,612**	-18,429	**104,484**	124,566
Capital expenditure	**43,265**	43,639	**37,660**	40,679	**37,179**	32,592	**903**	1,594	**94**	363	**119,101**	118,867
Employees (average for the year)	**3,744**	3,330	**2,807**	2,635	**3,800**	3,650	**831**	1,077	**105**	103	**11,287**	10,795

[1] Retrospective restatement due to early adoption of IAS 19 (revised 2011) from December 1, 2012.

The segment data by division is an integral part of the Notes. See Note (38) for explanatory information.

SEGMENT DATA BY REGION

Financial year 2013 (December 1, 2012 to November 30, 2013)

By region in EUR k	Europe		Germany		Americas		Emerging markets		Other regions		Group	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
Revenues by target region	**445,972**	409,404	**285,829**	277,095	**282,068**	283,785	**217,633**	214,821	**34,429**	33,963	**1,265,931**	1,219,068
Revenues by region of origin	**254,273**	224,114	**505,198**	502,704	**292,409**	292,987	**214,051**	199,263	**–**	–	**1,265,931**	1,219,068
Non-current assets	**156,316**	151,777	**666,859**	625,454	**107,927**	118,758	**184,179**	156,513	**–**	–	**1,115,281**	1,052,502
Employees (average for the year)	**1,747**	1,607	**3,441**	3,357	**1,591**	1,567	**4,508**	4,264	**–**	–	**11,287**	10,795

The segment data by region is an integral part of the Notes. See Note (38) for explanatory information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

of Gerresheimer AG for the Financial Year December 1, 2012 to November 30, 2013

(1) General

The Gerresheimer Group is a leading international manufacturer of high-quality specialty glass and plastic products for the global pharma and healthcare industry. Based on in-house development and the latest production technologies, Gerresheimer offers pharmaceutical primary packaging, drug delivery systems, diagnostic systems and the full range of glass products for the life science research sector.

The consolidated financial statements as of November 30, 2013 were prepared in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as adopted by the European Union (section 315a of the German Commercial Code (Handelsgesetzbuch/HGB)).

Other than as noted below, the accounting policies are consistent with the prior year. The following new or revised standard was additionally adopted for the first time:

› IAS 1, Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income

Adoption of the above-mentioned standard, where applicable to the Group's business operations, has not had any significant effect on the consolidated financial statements in the period of adoption.

Early adoption was elected for the following standards:

› IAS 12, Income Taxes – Deferred Tax: Recovery of Underlying Assets
› IAS 19, Employee Benefits (revised 2011)

The Gerresheimer Group elected early adoption of IAS 19 (revised 2011) from December 1, 2012. First-time application was retrospective, with prior-period information adjusted accordingly.

The main impacts of the early adoption of IAS 19 (revised 2011) are as follows:

› Elimination of the corridor approach: Following elimination of the option for recognition of actuarial gains and losses, these are now immediately recognized in other comprehensive income.
› Calculation of defined benefit cost: The net interest expense for defined benefit plans is determined on the basis of a net liability, i.e. the defined benefit obligation less the fair value of plan assets.
› Past service cost: In the event of future plan amendments, past service cost is immediately recognized as expense.
› Risk sharing: The new provisions on risk sharing between employees and employers affect both the defined benefit obligation and the allocation of service cost.

From the fourth set of annual improvements published in May 2012 by IASB, the amendments for IAS 1 were early adopted.

The IASB and IFRIC have also published the following standards and interpretations not yet applicable in the financial year:

› IFRS 1, First Time Adoption of IFRS – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters; Government Loans
› IFRS 7, Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
› IFRS 9, Financial Instruments (not yet endorsed by the EU)
› IFRS 10, Consolidated Financial Statements
› IFRS 11, Joint Arrangements
› IFRS 12, Disclosures of Interests in Other Entities
› IFRS 13, Fair Value Measurement
› IAS 19, Defined Benefit Plans – Employee Contributions (not yet endorsed by the EU)
› IAS 27, Separate Financial Statements (revised 2012)
› IAS 28, Investments in Associates and Joint Ventures (revised 2011)
› IAS 32, Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
› IAS 36, Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets
› IAS 39, Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting
› IFRS Annual Improvements
In December 2013, the IASB published the fifth and sixth set of annual improvements with a total of eleven amendments modifying nine different standards. The amendments (not yet endorsed by the EU) are effective for annual periods beginning on or after July 1, 2014.
› IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine
› IFRIC 21, Levies (not yet endorsed by the EU)

The application of the above-mentioned standards will not generally have any material effect on the consolidated financial statements. The potential impact of IFRS 9 on the consolidated financial statements cannot yet be conclusively assessed.

Preparation of the consolidated financial statements in compliance with the financial reporting principles applied requires estimates, assumptions and judgments that affect the recognition and measurement of assets and liabilities as of the balance sheet date, the disclosure of contingent liabilities and receivables as of the balance sheet date and the amounts of income and expenses reported in the reporting period. Although estimates are made to the best of management's knowledge with respect to current events and transactions, actual future results may differ from the estimated amounts. The main future-related assumptions subject to estimation uncertainty relate to option pricing for phantom stocks (see Note (32)), measurement of recoverable amounts for goodwill and brand names in impairment testing (see Note (20)), measurement of deferred tax assets (including on initial recognition; see Note (25)), the determination of parameters for the measurement of pension provisions (see Note (31)), and purchase price allocation (see Note (12)).

To improve the clarity and information value of the financial statements, certain items are combined in the balance sheet and the income statement and disclosed separately in the notes. The income statement has been prepared using the function of expense method.

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

Two arbitration proceedings are pending at subsidiaries Gerresheimer Group GmbH and GERRESHEIMER GLAS GmbH. The first of these relates to the settlement (EUR 14.75 per share) and compensation (EUR 0.84 per share) under a domination and profit and loss transfer agreement. The second relates to the cash settlement (EUR 16.12 per share) following the squeeze-out of minority shareholders.

The consolidated financial statements of Gerresheimer AG are published in German in the Federal Law Gazette and on the Internet at www.gerresheimer.com.

(2) Consolidated Group

In the **financial year under review**, a sale and purchase agreement was signed for a 75% stake in the Indian company Triveni Polymers Private Ltd. (Triveni), New Delhi, India, on December 17, 2012. The transaction was completed on December 20, 2012 and the company has been included in the consolidated financial statements of Gerresheimer AG from that date. Commencing April 1, 2016, Gerresheimer can also exercise a call option to acquire the remaining 25% stake. Commencing the same date, the seller can exercise a put option to tender the remaining 25% stake for sale to Gerresheimer. The acquisition cost was paid in cash and amounted to the equivalent of EUR 52,208k. Acquisition-related costs including costs incurred in the prior year came to EUR 520k, of which EUR 256k is included as one-off expenses in other operating expenses for the financial year under review; this was partly offset by one-off income of EUR 125k included in other operating income.

Triveni is a producer of pharmaceutical plastic packaging in India. The acquisition is an ideal next step in enhancing the Gerresheimer Group's position in emerging markets. Triveni is a leading and fast-growing company with outstanding profitability and is a strong value generator for Gerresheimer. In the financial year 2011/2012 (April 1, 2011 to March 31, 2012), Triveni generated revenues of some INR 1,291,613k (approximately EUR 18,771k) and employed more than 300 people.

The acquisition was accounted for using the acquisition method in the form of the "full goodwill approach" on the basis of the fair values of the identified assets, liabilities and contingent liabilities.

The acquisition of Triveni affected the consolidated balance sheet of Gerresheimer AG at the date of initial consolidation on December 20, 2012 as follows:

in EUR k	Dec. 20, 2012
ASSETS	
Non-current assets	
Intangible assets	74,937
Property, plant and equipment	6,545
	81,482
Current assets	
Inventories	2,408
Receivables and other assets	5,766
Cash and cash equivalents	55
	8,229
Total	**89,711**
EQUITY AND LIABILITIES	
Non-controlling interests	**19,456**
Deferred tax liabilities	**15,123**
Liabilities	
Financial liabilities	2,477
Other liabilities	447
	2,924
Purchase price	52,208
Total	**89,711**

EUR 33,322k in goodwill was recognized on the acquisition; this reflects expected future synergies and is included in intangible assets in the above table. After adjustments in property, plant and equipment for the application of IFRS, fair value adjustments of EUR 41,600k were recognized in the course of purchase price allocation; this figure is likewise included in intangible assets in the above table. The intangible assets consist of brand names (EUR 6,134k), the customer base (EUR 35,405k) and orders on hand (EUR 61k). Deferred tax assets were recognized in the amount of EUR 15,027k. The nominal value of the acquired receivables corresponds to their fair value at the acquisition date. In all other respects, the acquired assets and liabilities were accounted for at their carrying amounts on acquisition.

The put option granted to non-controlling interests is accounted for at EUR 19,456k in consolidated equity and in the consolidated balance sheet under non-current financial liabilities.

In its first months in the Group, Triveni generated revenues of EUR 17,312k, EBITDA of EUR 5,693k and net income after income taxes of EUR 1,933k. If Triveni had been included in the consolidated financial statements from the beginning of financial year 2012/2013, it would have contributed EUR 18,319k to Group revenues, EUR 5,774k to EBITDA and EUR 1,997k to net income.

On November 22, 2013, an additional 8.7% shareholding with a purchase price of EUR 2,401k was acquired in Neutral Glass & Allied Industries Private Ltd. (Neutral Glass), Mumbai, India, as a result of the founding families partially exercising their put option. The Gerresheimer Group consequently held a 97.66% stake in Neutral Glass as of November 30, 2013. The put option for the remaining 2.34% has been accounted for in the Group balance sheet under consolidated equity and under the current financial liabilities including interests with a value of EUR 770k.

The decision was made on September 24, 2013 to liquidate Gerresheimer UK Ltd., Reading, UK.

Gerresheimer Wilden AB, Ronneby, Sweden, was also liquidated and deconsolidated with effect from October 10, 2013. The deconsolidation had no significant impact on the net assets, financial position and results of operations or cash flows of the Gerresheimer Group.

The Gerresheimer Group plans to part with its 45.70% shareholding in Beijing Gerresheimer Glass Co., Ltd., Huangcun, Beijing, China. This company has so far been accounted for as an associate using the equity method in accordance with IAS 28. In light of the intention to sell the shareholding and the commencement of negotiations with a view to a sale, we have remeasured the shareholding and a loan in accordance with IFRS 5 and recognized an impairment loss totaling EUR 3,598k in the income statement under the Moulded Glass segment (from December 1, 2013: Primary Packaging Glass). The remeasured investment has been reclassified to assets held for sale.

In the **prior year**, a sale and purchase agreement for a 70% stake in the Indian company Neutral Glass was signed on April 2, 2012. The transaction was completed on April 18, 2012, and the company has been included in the consolidated financial statements of Gerresheimer AG since that date. A further 18.96% stake had been acquired up to the prior year balance sheet date as a result of the founding families partially exercising their put option. The Gerresheimer Group consequently held 88.96% of Neutral Glass as of November 30, 2012.

Four German companies were consolidated for the first time with effect from December 1, 2011. They had not been previously consolidated because they were not material to the net assets, financial position and results of operations or cash flows of the Gerresheimer Group.

With effect from February 1, 2012, the Gerresheimer Group acquired Gerresheimer item GmbH, Muenster, Germany, in its entirety (formerly item GmbH, medical device design, Muenster, Germany).

With effect from September 13, 2012, Kimble Bomex (Beijing) Glass Co. Ltd., Beijing, China, was taken over in its entirety by our local business partner. The loss of EUR 2,584k on deconsolidation is included in the income statement as an impairment loss under other operating expenses in the Life Science Research segment.

The Brazilian company Vedat Tampas Hermeticas Ltda., Embu, Brazil, acquired March 21, 2011, was merged with Gerresheimer Plasticos Sao Paulo Ltda., Embu, Brazil with effect from December 31, 2011.

The full list of shareholdings of Gerresheimer AG as of November 30, 2013 is set out below:

in %	Investment (direct and indirect)
Entities included in the consolidated financial statements	
Asia	
Gerresheimer Medical Plastic Systems Dongguan Co. Ltd., Wang Niu Dun Town, Dongguan City (China)	100.00
Gerresheimer Pharmaceutical Packaging Mumbai Private Ltd., Mumbai (India)	100.00
Gerresheimer Shuangfeng Pharmaceutical Glass (Danyang) Co. Ltd., Danyang, Jiangsu (China)	60.00
Gerresheimer Shuangfeng Pharmaceutical Packaging (Zhenjiang) Co. Ltd., Zhenjiang, Jiangsu (China)	60.00
Kimble Bomex (Beijing) Labware Co. Ltd., Beijing (China)	70.00[1]
Neutral Glass & Allied Industries Private Ltd., Mumbai (India)	97.66
Triveni Polymers Private Ltd., New Delhi (India)	75.00
Europe	
DSTR S.L.U., Epila (Spain)	100.00
Gerresheimer Boleslawiec S.A., Boleslawiec (Poland)	100.00
Gerresheimer Buende GmbH, Buende/Westfalia (Germany)[2]	100.00
Gerresheimer Chalon S.A., Chalon-sur-Saone (France)	100.00
Gerresheimer Denmark A/S, Vaerloese (Denmark)	100.00
Gerresheimer Essen GmbH, Essen-Steele (Germany)[2]	100.00
GERRESHEIMER GLAS GmbH, Duesseldorf (Germany)[2]	100.00
Gerresheimer Group GmbH, Duesseldorf (Germany)[2]	100.00
Gerresheimer Hallenverwaltungs GmbH, Duesseldorf (Germany)[2]	100.00
Gerresheimer Hallenverwaltungs GmbH & Co. Objekt Duesseldorf KG, Duesseldorf (Germany)	100.00
Gerresheimer Hallenverwaltungs GmbH & Co. Objekt Lohr/Main KG, Duesseldorf (Germany)	100.00
Gerresheimer Holdings GmbH, Duesseldorf (Germany)[2]	100.00
Gerresheimer Horsovsky Tyn spol. s r.o., Horsovsky Tyn (Czech Republic)	100.00
Gerresheimer item GmbH, Muenster (Germany)[2]	100.00
Gerresheimer Kuessnacht AG, Kuessnacht (Switzerland)	100.00
Gerresheimer Lohr GmbH, Lohr/Main (Germany)[2]	100.00
Gerresheimer Medical Plastic Systems GmbH, Regensburg (Germany)[2]	100.00
Gerresheimer Momignies S.A., Momignies (Belgium)	99.00
Gerresheimer Moulded Glass GmbH, Tettau/Upper Franconia (Germany)[2]	100.00
Gerresheimer Pisa S.p.A., Pisa (Italy)	100.00
Gerresheimer Plastic Packaging AB, Malmoe (Sweden)	100.00
Gerresheimer Plastic Packaging SAS, Besancon (France)	100.00
Gerresheimer Regensburg GmbH, Regensburg (Germany)[2]	100.00
Gerresheimer Spain S.L.U., Epila (Spain)	100.00
Gerresheimer Tettau GmbH, Tettau/Upper Franconia (Germany)[2]	100.00
Gerresheimer UK Ltd. i.L., Reading (UK)	100.00
Gerresheimer Vaerloese A/S, Vaerloese (Denmark)	100.00
Gerresheimer Valencia S.L.U., Masalaves (Spain)	99.84
Gerresheimer Werkzeug- und Automatisierungstechnik GmbH, Wackersdorf (Germany)[2]	100.00
Gerresheimer Wertheim GmbH, Wertheim (Germany)[2]	100.00
Gerresheimer Zaragoza S.A., Epila (Spain)	99.84
Scherf-Praezision Europa GmbH, Meiningen-Dreissigacker (Germany)	100.00[1]
VR-Leasing SALMO GmbH & Co. Immobilien KG, Eschborn (Germany)[3]	100.00

in %	Investment (direct and indirect)
Americas	
Gerresheimer Buenos Aires S.A., Buenos Aires (Argentina)	99.84
Gerresheimer Glass Inc., Vineland, NJ (USA)	100.00
Gerresheimer Mexico Holding LLC, Wilmington, DE (USA)	100.00
Gerresheimer MH Inc., Wilmington, DE (USA)	100.00
Gerresheimer Peachtree City (USA) L.P., Peachtree City, GA (USA)	100.00
Gerresheimer Peachtree City Inc., Peachtree City, GA (USA)	100.00
Gerresheimer Plasticos Sao Paulo Ltda., Embu (Brazil)	100.00
Gerresheimer Queretaro S.A., Queretaro (Mexico)	100.00
Gerresheimer Sistemas Plasticos Medicinais Sao Paulo Ltda., Indaiatuba (Brazil)	100.00
Kimble Chase Life Science and Research Products LLC, Vineland, NJ (USA)	51.00
Kimble Kontes LLC, Vineland, NJ (USA)	100.00[1)]
Kontes Mexico S. de R.L. de C.V., Queretaro (Mexico)	100.00[1)]
Associated companies	
Beijing Gerresheimer Glass Co., Ltd., Huangcun, Beijing (China)	45.70
Gerresheimer Tooling LLC, Peachtree City, GA (USA)	30.00
PROFORM CNC Nastrojarna spol. s r.o., Horsovsky Tyn (Czech Republic)	30.15
Non-consolidated companies[4)]	
Nouvelles Verreries de Momignies Inc., Larchmont, NY (USA)	99.00

[1)] The percentage shareholding represents the direct investment held by Kimble Chase Life Science and Research Products LLC.
[2)] Entities exempted under section 264 (3) of the German Commercial Code (Handelsgesetzbuch/HGB) from preparing notes and a management report and from disclosing annual financial statements.
[3)] Entity consolidated as a special-purpose entity in accordance with SIC 12. Gerresheimer Regensburg GmbH is a limited partner. Company exempted under section 264b of the German Commercial Code (Handelsgesetzbuch/HGB) from disclosing annual financial statements.
[4)] Company not consolidated as not material to the net assets, financial position and results of operations or the cash flows of the Group.

(3) Consolidation Principles

The consolidated financial statements include Gerresheimer AG and the domestic and foreign subsidiaries it directly controls.

Consolidation of subsidiaries normally begins from the date the parent company obtains control. Subsidiaries are deconsolidated at the date control is lost. Non-controlling interests in equity, profit or loss and comprehensive income are presented separately in the balance sheet, income statement and statement of comprehensive income. In the consolidated balance sheet, non-controlling interests are presented separately from equity attributable to equity holders of the parent.

Acquisitions of subsidiaries are accounted for using the acquisition method. This stipulates that all identifiable assets, liabilities and contingent liabilities of an entity acquired in a business combination are measured at their full acquisition date fair values. Any excess after purchase price allocation is recognized as goodwill. Any gain from a bargain purchase (negative goodwill), after careful reassessment, is recognized immediately under other operating income in profit or loss.

Investments in associates are accounted for using the equity method, according to the Group's share in equity. Interim financial statements are prepared as of the Group's balance sheet date.

The financial statements of consolidated domestic and foreign entities are prepared using uniform accounting policies in accordance with IAS 27.

Intragroup transactions are eliminated. Receivables and payables between consolidated entities are set off against each other, intragroup profits and losses are eliminated and intragroup income is set off against corresponding expenses. Deferred taxes are recognized for temporary differences on consolidation in accordance with IAS 12.

(4) Currency Translation

In separate financial statements, transactions in foreign currency are measured at the transaction date exchange rate.

Non-monetary items are translated into the functional currency at the transaction date exchange rate. Monetary items are translated using the closing rate at the reporting date. Exchange gains or losses from the translation of monetary assets and liabilities denominated in foreign currency at year-end exchange rates are recognized in profit or loss unless they qualify as cash flow hedges and are recognized in other comprehensive income until realized.

The consolidated financial statements are presented in the functional currency (IAS 21). Balance sheet items of all foreign entities whose functional currency is not the euro are translated using the mid-market rates at the balance sheet date published by the European Central Bank.

Income and expense items and cash flows of foreign entities are translated into the Group currency using the average exchange rate. Any resulting exchange differences are recognized in other comprehensive income. Goodwill is treated in the same way as the assets and liabilities of the entities concerned and is translated at the reporting date exchange rate.

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

	Closing rate		Average rate	
1 EUR	**Nov. 30, 2013**	Nov. 30, 2012	**2013**	2012
ARS	**8.3324**	6.2743	**7.1057**	5.8203
BRL	**3.1587**	2.7391	**2.8439**	2.5013
CHF	**1.2298**	1.2054	**1.2257**	1.2067
CNY	**8.2956**	8.0899	**8.1567**	8.1720
CZK	**27.3910**	25.2620	**25.7922**	25.2024
DKK	**7.4589**	7.4600	**7.4579**	7.4425
GBP	**0.8328**	0.8108	**0.8458**	0.8168
INR	**84.9740**	70.6760	**76.8574**	68.8085
MXN	**17.7743**	16.7648	**17.0277**	17.1158
PLN	**4.2060**	4.1052	**4.1995**	4.2234
SEK	**8.9075**	8.6625	**8.6457**	8.7448
USD	**1.3611**	1.2986	**1.3237**	1.2949

(5) Accounting Policies

Assets and liabilities are measured at amortized cost with the exception of available-for-sale investment securities, derivative financial instruments and put options, which are measured at fair value.

Intangible assets

Intangible assets are carried at cost. Intangible assets with finite useful lives are carried at cost less amortization allocated over their useful life and less any impairments. The useful life of licenses and similar rights is one to five years. Brand names with finite useful lives are, like technologies, amortized over their estimated useful lives of five to ten years.

Other brand names, relating to the umbrella brand strategy, and goodwill are recognized intangible assets with indefinite useful lives. Goodwill represents the excess of the Group's interest in the fair values of an acquiree's net assets over cost at the acquisition date. Such 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 cost is generally expensed as incurred. Development cost is only recognized as an intangible asset if the criteria set out in IAS 38 are met – among other things, if it is likely that the project will be technically and commercially feasible and if the cost attributable to the intangible asset during its development can be measured reliably. Capitalized development costs are amortized on a straight-line basis over a period of seven or ten years.

The Group receives emission allowances free of charge in certain European countries as part of the European Emissions Trading System. These emission allowances are accounted for using the net liability method. Under IAS 20.23, non-monetary government grants, in this case the asset received (emission allowances), may be recorded at nominal amount. Obligations in respect of pollution emissions are not taken into account until actual emissions exceed the emission allowances held by the Gerresheimer Group. The obligation is then recognized at the fair value of the emission allowances. Any emission allowances acquired from third parties are recognized at cost and treated as refund claims.

Property, plant and equipment

Property, plant and equipment is measured at cost less depreciation and any impairments. The cost of property, plant and equipment comprises all costs in accordance with IAS 16. Borrowing costs of qualifying assets are capitalized in accordance with IAS 23. Property, plant and equipment is generally subject to depreciation on a straight-line basis. Depreciation is based on useful lives determined for the most part from expert appraisals as follows:

Years	
Buildings	10–50
Plant and machinery	5–15
Fittings, tools and equipment	3–10

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

Government grants

Government grants are recognized at fair value if they have been officially approved and there is reasonable assurance that the entity will comply with the conditions attached to them. Grants are released to income in equal annual installments over the expected useful life of the subsidized asset.

Investment property

Investment property (IAS 40) comprises property held on a long-term basis to earn rental income and/or for capital appreciation. It is recognized at cost less accumulated depreciation and accumulated impairment losses (cost model).

Leases
Leased property, plant and equipment is recognized in accordance with IAS 17 and depreciated if the risks and rewards incidental to ownership have been transferred to a group company. On initial recognition, finance leases are recognized as assets and liabilities in the balance sheet at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The liabilities are recognized under financial liabilities. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability so as to produce a constant periodic interest rate on the remaining balance of the liability. Non-current assets acquired through finance leases are depreciated over the shorter of their expected useful life or the lease term.

Lease payments under leases classified as operating leases in accordance with IAS 17 are recognized as an expense over the lease term.

Impairment
Property, plant and equipment, investment property, goodwill, intangible assets and other non-current assets are tested for impairment if circumstances and events indicate that their carrying amount exceeds their recoverable amount. Goodwill and other intangible assets with indefinite useful lives are additionally tested annually for impairment at the level of the cash-generating units to which they belong. An impairment loss is recognized in the amount by which the carrying amount of an asset exceeds its net realizable value or value in use.

For assets other than goodwill, impairment losses are reversed if the impairment ceases to exist. Impairment losses are recognized in other operating expenses and any subsequent impairment reversals in other operating income.

Investments in associates
Investments in associates are accounted for according to the Group's share in equity using the equity method and recognized in "Investments accounted for using the equity method". The ownership interest is determined on the basis of the number of shares outstanding. Net equity is translated at the exchange rate prevailing at the balance sheet date. The profit or loss of equity investments is recognized in operating income, the investments being held not for financial purposes but as part of the Group's operating business.

Inventories
Inventories are measured at the lower of cost and net realizable value. Cost is generally the average cost, and includes production and material overheads in addition to direct costs. Other expenses attributable to production are also included in the costs of conversion. Besides these production costs, the cost of sales shown in the income statement also includes the cost of unused capacity.

Financial assets
A financial asset is recognized when the contractual right to receive cash flows from it first comes into being. Initial recognition is at fair value plus directly attributable transaction costs, with the exception of financial assets initially measured at fair value through profit and loss. In the same way, a financial asset is derecognized when the contractual right to receive cash that flows from it expires. The settlement date , i.e. the date on which the asset is delivered to or by the Gerresheimer Group (date of transfer of ownership) is relevant for the first-time recognition and derecognition of regular purchases or sales.

Financial assets are classified on acquisition into categories as follows, with the classification reviewed at each balance sheet date.

Financial assets measured at fair value through profit and loss: Financial assets initially measured at fair value through profit and loss comprise assets held for trading. Any gain or loss on subsequent measurement is recognized in profit or loss.

At Gerresheimer, these assets exclusively comprise the derivative financial instruments included in other financial assets that are not determined to be an effective hedge in accordance with IAS 39. Gerresheimer does not make use of the fair value option. Please see Note (6) for further explanations on derivative financial instruments.

Held-to-maturity financial investments: Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity investments when the Group has the positive intention and ability to hold to maturity. After initial recognition, held-to-maturity investments are subsequently measured at amortized cost using the effective interest method less any impairment losses. Gains and losses are recognized in profit or loss when an investment is derecognized or impaired, and through the amortization process.

No financial assets are classed in this category at Gerresheimer.

Available-for-sale financial assets: Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale and are not classified as one of the other categories. Subsequent to initial measurement, available-for-sale financial assets are generally measured at fair value. Unrealized gains or losses are recognized directly in equity. If such a financial asset is derecognized or impaired, any accumulated gain or loss that had been recognized directly in equity is recognized in profit or loss.

All investments on the balance sheet at the reporting date are classified without exception as available for sale and in the absence of a quoted market price are measured at cost.

Sundry other financial assets included in other financial assets are classified in the same category.

Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, loans and receivables are measured at amortized cost using the effective interest method less any impairment. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

The category includes trade receivables, loans and refund claims included in other financial assets, and cash and cash equivalents.

If there are indications of impairment for balances in the loans and receivables category, an impairment test is carried out and any impairment loss recognized accordingly. For this purpose, the Company tests whether the carrying amount exceeds the present value of the expected future cash flows discounted at the current market rate of return for a similar asset. If it does, an impairment loss is recorded for the difference. If an impairment ceases to exist, the impairment loss is reversed, though not in excess of initial cost.

No reclassifications between the categories were made either in the financial year or in the prior year.

Construction contracts
Construction contracts are accounted for using the percentage of completion method. The work performed, including the share in the profit or loss, is recognized in revenues in accordance with the percentage of completion. The applicable percentage of completion is calculated using the cost-to-cost method. Construction contracts are recognized in trade receivables.

Other receivables
Tax receivables, prepayments and other non-financial assets are recognized at nominal values less impairments.

Cash and cash equivalents
Cash and cash equivalents are carried as financial assets at nominal value. The cash equivalents have terms of three months or less.

Assets held for sale and disposal groups
This item is presented in the balance sheet if there are individual non-current assets or groups of assets and directly attributable liabilities that are able to be sold in their current condition and their sale is sufficiently probable. The assets and liabilities held for sale must also be disposed of by the Group in a single transaction.

Non-current assets in a disposal group are no longer depreciated or amortized. Instead, they are recognized at the lower of carrying amount and fair value less costs to sell. If the carrying amount exceeds fair value, an impairment loss is recognized.

Provisions for pensions and similar obligations
The Group has a number of pension schemes geared to the regulations and practices of the countries they apply to. Commitments have also been made in the US to provide additional post-employment medical care. More than 61% of these benefits are not financed through 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 and prior 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 actuarial gains and losses cannot be incurred. Furthermore, the obligations are measured on an undiscounted basis except where they are due more than twelve months after the end of the period 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 defined benefit plans is determined separately for each plan using the projected unit credit method. Actuarial gains and losses are recognized in total in the position "Other comprehensive income". Past service cost is immediately expensed.

The defined benefit liability is the net total of the present value of the defined benefit obligation minus 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 recognized in net finance income/expense.

Stock appreciation rights (phantom stocks)
Stock appreciation rights are accounted for at fair value in accordance with IFRS 2. The fair value of phantom stocks is recognized pro rata temporis in personnel expenses and at the same time as a provision because there is an obligation to make a cash settlement. The total expense to be recognized up to the exercise date of phantom stocks is calculated from the fair value of the phantom stocks and the expected staff turnover rate among beneficiaries; these parameters are reviewed at each balance sheet date.

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 refund from a third party is sufficiently probable, the refund is recognized as an asset in the balance sheet.

Other provisions also include partial retirement obligations on a block model basis. The salary portion and the top-up amounts paid by the employer are recognized pro rata temporis during the active phase over the employee's remaining term of service. While the top-up amounts are paid out from the beginning of the active phase, the salary amounts are payable from 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 specific offer relating to termination benefits. Benefits payable more than twelve months after the balance sheet date are discounted to present value.

Current and deferred income taxes
The incorporated companies included in the Gerresheimer Group (with the exception of the foreign subsidiaries and one German company) comprise a tax group for income tax purposes. Gerresheimer AG fulfills the role of taxpayer and/or tax creditor. As a result, the German subsidiaries consolidated into the Group do not generally incur income taxes. In addition to the calculation of current income taxes, deferred tax assets or liabilities are recognized in accordance with IAS 12 for temporary differences between the amounts recognized in the Company's tax accounts and its IFRS balance sheet. These represent a future tax burden (deferred tax liabilities) or future tax relief (deferred tax assets). Deferred tax assets are also recognized for tax loss carryforwards and tax credits. They are measured on the basis of the applicable future tax rates. Deferred tax assets are only recognized when it appears probable that they will be realized.

Financial liabilities
Financial liabilities include non-derivative financial liabilities and negative fair values of derivative financial instruments.

A non-derivative financial liability is initially recognized when a contractual obligation to payment comes into being. Initial measurement is at fair value less any transaction costs. Subsequent measurement is at amortized cost using the effective interest method. Any differences between the fair value (less any transaction costs) on initial recognition and the amount repayable on maturity are recognized in profit or loss over the term of the liability.

Derivative financial instruments not determined to be an effective hedge in accordance with IAS 39 must be classified as held for trading and accounted for at fair value through profit or loss. If their fair value is negative, they are recognized in financial liabilities. Gerresheimer does not make use of the fair value option. Please see Note (6) for further explanations on accounting for derivative financial instruments. Put options are classified on initial recognition as at fair value through profit and loss (see Note (2)).

Financial liabilities are derecognized once the contractual obligations to payment arising from the liabilities have been settled, removed or canceled and have therefore expired.

Other liabilities
Prepayments received, liabilities from other taxes or social security and non-financial liabilities are accounted for at amortized cost.

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

Construction contracts are accounted for using the percentage of completion method. The work performed, including the share in the profit or loss, is recognized by using the cost-to-cost method in revenues 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 instruments on the basis of clearly defined guidelines.

Except on price risk from fluctuations on money, capital and international commodities markets, risk management also targets credit and liquidity risk.

In line with intra-Group financing guidelines, **exchange rate risks** are hedged using forward exchange contracts and currency swaps. Transaction risks generally represent the sole exposures in currency management. The currency derivatives are generally used to hedge specific hedged items and are classified as hedging instruments in accordance with the requirements of IAS 39.

Credit risks resulting from the Group's trade relationships are monitored through credit and receivables management and by the sales divisions of operating entities. With the aim of avoiding losses on receivables, customers are subject to ongoing internal credit checks. Receivables from customers that do not have a first-class credit rating are generally insured.

The Group's **liquidity situation** is monitored and managed using sophisticated 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 measured at fair value in accordance with IAS 39. Derivative financial instruments with a positive fair value are recognized in other financial assets and derivatives with negative fair values in other financial liabilities.

The fair values of derivative financial instruments are measured using the applicable exchange rates, interest rates and credit standings at the balance sheet date. The fair value of a derivative financial instrument is the amount that Group entities would either receive or have to pay for its settlement on the balance sheet date.

Changes in the fair value of derivative financial instruments are recognized immediately in profit or loss unless an effective hedge is in place that meets the criteria of IAS 39. If a derivative financial instrument is an effective hedge of expected future cash inflows or outflows (cash flow hedge), changes in its fair value are recognized directly in equity (in the cash flow hedge reserve) to the extent that they relate to the effective hedge. In such cases, changes in the value of the derivative only affect profit or loss on maturity or settlement of the hedged item.

The interest rate swaps are classified as cash flow hedges in accordance with IAS 39. The swaps meet the required criteria and are therefore classified as effective.

Due to the short-term nature of the hedges, the currency derivatives are classified as held for trading in accordance with IAS 39 and measured at fair value. Changes in fair value are recognized in profit or loss.

(7) Cash Flow Statement

The cash flow statement shows how the cash and cash equivalents of the Gerresheimer Group have changed due to cash inflows and outflows during the financial year. The cash flow effects of the initial consolidation of acquisitions, divestments and other changes in the consolidated group are eliminated. In accordance with IAS 7, cash flows are classified into 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 item "Cash received in connection with divestments" includes in the financial year the purchase price payments received in connection with the sale of the Technical Plastic Systems business in the year 2009. "Cash paid out for the acquisition of subsidiaries and associated companies, net of cash received" includes in the financial year the purchase price for the acquisition of Triveni and net of cash received on that acquisition. The item "Acquisition of non-controlling interests" includes in the financial year the purchase from minority shareholders of additional shares in Neutral Glass.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

(8) Revenues

in EUR k	2013	2012
By division		
Plastic Systems	463,482	426,920
Moulded Glass	387,290	372,468
Tubular Glass	328,404	320,123
Life Science Research	86,755	99,557
	1,265,931	**1,219,068**
By region		
Europe	445,972	409,404
Germany	285,829	277,095
Americas	282,068	283,785
Emerging markets	217,633	214,821
Other regions	34,429	33,963
	1,265,931	**1,219,068**

According to the current definition employed by IMS Health, emerging market revenues comprise revenues in Argentina, Brazil, China, Egypt, India, Indonesia, Mexico, Pakistan, Poland, Romania, Russia, South Africa, Thailand, Turkey, Ukraine, Venezuela and Vietnam. Europe revenues do not include Germany, Poland, Romania, Russia, Turkey and Ukraine, while Americas revenues do not include Argentina, Brazil, Mexico and Venezuela.

Revenues include EUR 1,332k (prior year: EUR 4,598k) in contract revenue recognized under the percentage of completion method. All other revenues are from sales of goods.

(9) Cost of Sales

Cost of sales comprises the cost of goods manufactured and sold and the purchase cost of merchandise sold. Cost of conversion includes direct costs such as direct material, labor and energy as well as indirect costs such as depreciation of production plant and repairs. In addition, cost of sales includes a total of EUR 79,836k (prior year: EUR 78,824k) in depreciation and amortization, of which amortization of fair value adjustments accounted for EUR 3,968k (prior year: EUR 4,392k).

(10) Selling and Administrative Expenses

Selling expenses comprise personnel and non-personnel expenses for the sales organizations and distribution (including freight and commissions). In addition, selling expenses include a total of EUR 16,417k (prior year: EUR 15,116k) in depreciation and amortization, of which amortization of fair value adjustments accounted for EUR 14,983k (prior year: EUR 13,577k).

Administrative expenses comprise personnel and non-personnel expenses for administrative functions as well as depreciation and amortization amounting to EUR 6,020k (prior year: EUR 5,544k).

(11) Other Operating Income

Other operating income breaks down as follows:

in EUR k	2013	2012
Income from the fair value evaluation of the put option Triveni	7,467	–
Income from the reversal of provisions	3,267	917
Income from compensation payments	2,452	–
Income from refund claims against third parties	2,305	2,497
Income from the derecognition of liabilities	1,402	842
Income from sale of scrap	750	1,105
Income from the disposal of fixed assets	569	783
One-off income	125	1,240
Exchange gains	–	233
Sundry other income	4,353	4,136
	22,690	**11,753**

In connection with the sale and purchase agreement dated December 20, 2012 for a 75% stake in Triveni, Gerresheimer has granted the right to tender the remaining 25% stake commencing April 1, 2016 to the minority shareholders. Due to the fair value evaluation of this put option as of the balance sheet date, which is based on the local EBITDA of the company Triveni for its financial year ending March 31, 2016, other operating income amounting to EUR 7,467k was recognized.

Income from compensation payments in the amount of EUR 2,452k arise from payments to a Gerresheimer subsidiary, which had received these payments for the failure of customer orders.

In the prior financial year, the one-off income mostly relates to income in connection with the disposal of a majority shareholding in the Life Science Research Division in China.

Exchange gains and losses from the translation of foreign currency operating receivables and payables and the net gain or loss from the remeasurement of derivate financial instruments used as hedges of operating foreign currency risks are recognized net in other operating income or other operating expenses. Exchange gains or losses from financing activities are recognized net in the financial result.

(12) Amortization of Fair Value Adjustments

The following table shows the amortization of fair value adjustments made following the acquisitions of Gerresheimer Group GmbH in December 2004, Gerresheimer Vaerloese (formerly Dudek Plast Group) at the end of December 2005, the Gerresheimer Regensburg Group (formerly Wilden Group) in early January 2007, the pharmaceutical glass business of Comar Inc., US, in March 2007, the joint venture Kimble Chase established in July 2007, Gerresheimer Zaragoza and Gerresheimer Plasticos Sao Paulo in January 2008, Vedat Tampas Hermeticas Ltda. (merged with Gerresheimer Plasticos Sao Paulo) in March 2011, Neutral Glass in April 2012 and Triveni in December 2012:

in EUR k	Fair value adjustments Carrying amounts as of Nov. 30, 2013	**Fair value adjustments Amortization 2013**	Fair value adjustments Amortization 2012
Customer base	60,000	**13,973**	13,410
Orders on hand	–	**57**	167
Brand names	38,577	**953**	–
Technologies	4,603	**1,623**	1,607
Process know-how	37	**12**	13
Land	4,735	**–**	–
Buildings	8,777	**499**	505
Machinery	6,351	**1,834**	2,267
	123,080	**18,951**	**17,969**

Brand names with finite useful lives are, like technologies, amortized over their estimated useful lives of five to ten years. Other brand names relating to the umbrella brand strategy and goodwill are recognized as intangible assets with indefinite useful lives and are not amortized, but are tested for impairment at least annually in accordance with IFRS 3 "Business Combinations" IAS 36 "Impairment of Assets" and IAS 38 "Intangible Assets".

(13) Restructuring Expenses

Restructuring expenses comprise expenses defined in accordance with IAS 37.70 et seq. Similar expenses which do not meet the criteria of IAS 37 are disclosed under other operating expenses. Restructuring expenses are disclosed separately in view of their significance.

Restructuring expenses of the financial year relate to the Group's divisional reorganization as announced in October 2013. The purpose of this measure is to align the organization with the customers' needs instead of lining up primarily with its production technologies. As a consequence of this reorganization, the Group's business will be managed through three instead of four divisions and therefore some operating and administrative managing functions are combined. Restructuring expenses amount to EUR 4,836k (prior year: EUR 0k) in the current financial year. These expenses chiefly comprise severance payments for the aforementioned measures.

(14) Other Operating Expenses

in EUR k	**2013**	2012
Impairment loss	**5,648**	2,584
One-off expenses	**3,925**	6,707
Research and development	**2,148**	5,632
Loss from the disposal of fixed assets	**384**	118
Exchange losses	**152**	–
Sundry other expenses	**5,279**	4,346
	17,536	**19,387**

The impairment loss in the financial year relates to the portfolio streamlining recognized in the last quarter of the financial year. These expenses mainly relate to the shareholding Beijing Gerresheimer Glass Co. Ltd. The prior year impairment loss results from the disposal of Kimble Bomex (Beijing) Glass Co. Ltd.

The one-off expenses in the financial year mostly comprise expenses which occurred in connection with the divisional reorganization. However, since these expenses do not meet the criteria of IAS 37 they are not disclosed under restructuring expenses. Furthermore, one-off expenses in the financial year include expenses in connection with acquisitions projects. Prior year one-off expenses comprise amounts relating to pending arbitration proceedings, expenses relating to acquisition projects as well as expenses in connection with the premature departure of a Management Board member.

Exchange gains and losses from the translation of foreign currency operating receivables and payables and the net gain or loss from remeasurement of derivate financial instruments used as hedges of operating foreign currency risks are recognized net in other operating income or other operating expenses. Exchange gains or losses from financing activities are recognized net in the financial result.

(15) Net Finance Expense

in EUR k	2013	Pro forma[1] 2012	Transition	2012
Finance income	2,821	3,457	-587	4,044
Finance expense	-37,015	-36,738	12	-36,750
Net finance expense	**-34,194**	**-33,281**	**-575**	**-32,706**
Thereof for interest rate swaps: Cash flow hedges, transfer from equity	*-1,660*	*-1,813*	*–*	*-1,813*
Thereof net interest on the defined benefit liability	*-6,063*	*-7,704*	*-575*	*-7,129*
Thereof exchange gains from financing activities	*458*	*227*	*–*	*227*

[1] Retrospective restatement due to early adoption of IAS 19 (revised 2011) from December 1, 2012.

Finance expense comprises interest expenses on liabilities to banks, the bond, finance lease liabilities, as well as other financial liabilities and provisions.

Interest expenses in connection with the interest rate swaps designated as a cash flow hedge (EUR 1,660k; prior year: EUR 1,813k) are classified as financial liabilities "at fair value through profit or loss – changes in cash flow hedge reserve". Interest expenses in connection with the put options (EUR 1,669k; prior year: EUR 270k) are classified as "at fair value through profit and loss". All other income from financial assets is classified as "Loans and receivables" and all other expenses from financial liabilities are classified as "Liabilities carried at amortized cost".

Exchange differences from financing activities including related hedges are recognized net in the financial result either under exchange gains or exchange losses from financing activities.

(16) Income Taxes

in EUR k	2013	Pro forma[1] 2012	Transition	2012
Current income taxes	-39,262	-21,794	–	-21,794
Deferred income taxes	8,995	-8,404	-959	-7,445
	-30,267	**-30,198**	**-959**	**-29,239**

[1] Retrospective restatement due to early adoption of IAS 19 (revised 2011) from December 1, 2012.

Deferred income taxes in connection with items which are recognized directly in equity amount to EUR 6,039k (prior year: EUR -12,781k). In connection with deferred taxes, please also see the information provided in Notes (25) and (30).

Reconciliation of expected to effective tax expense in the Group:

in EUR k	2013	Pro forma[1] 2012	Transition	2012
Net income before income taxes	98,754	98,539	2,785	95,754
Expected tax expense: 29% (prior year: 29%)	**-28,639**	**-28,576**	**-808**	**-27,769**
Differences:				
Non-recognition of deferred taxes on tax loss carryforwards	–	-1,938	–	-1,938
Tax attributable to non-controlling interests	1,305	343	–	343
Different foreign tax rates	1,099	-551	–	-551
Non-deductible expenses	-2,811	-4,472	–	-4,472
Tax-free income and tax benefits	4,532	3,756	–	3,756
Change in value allowance for deferred tax assets	961	702	–	702
Taxes from prior periods[2]	-6,792	900	–	900
Other	78	-362	-152	-210
Total differences	**-1,628**	**-1,622**	**-152**	**-1,470**
Effective tax expense	**-30,267**	**-30,198**	**-960**	**-29,239**
Tax rate	**30.6%**	**30.6%**		**30.5%**

[1] Retrospective restatement due to early adoption of IAS 19 (revised 2011) from December 1, 2012.
[1] In the current financial year, the item "Taxes from prior periods" mainly includes tax expenses amounting to EUR 3,689k resulting from the tax audit of one of our Brazilian subsidiaries and tax expenses accrued for the tax audit performed at the German tax group as well as accrued expenses for tax audit periods not yet finalized (in the prior year this position mainly contains tax income of an American subsidiary).

The corporation tax rate in Germany remained unchanged relative to the prior year at 15.0% plus a 5.5% solidarity surcharge on corporation tax and plus trade tax of approximately 13%. This results in a combined tax rate of approximately 29%.

The tax rates for subsidiaries whose registered offices are not in Germany vary between 13.3% and 39.0% (prior year: 13.6% and 40.0%). As in the prior year, one subsidiary in China benefited from tax privileges in the year under review, with a resulting tax rate of 15.0%.

Effects from profit and loss transfer agreements
The earnings of 14 German consolidated entities in the same income tax group are taxed at the level of Gerresheimer AG. Please see the information on current and deferred income taxes under Note (5) "Accounting Policies".

Deferred taxes on tax loss carryforwards
Deferred tax assets recognized at subsidiaries for tax loss carryforwards are based on a five-year budgeting period during which the tax loss carryforwards are expected to be utilized.

Deferred tax assets in the amount of EUR 25,988k (prior year: EUR 29,716k) were not recognized for tax loss carryforwards at foreign Group companies of Gerresheimer AG as the tax loss carryforwards are not expected to be utilized in the next five years. The tax loss carryforwards, of which EUR 5,752k will expire between 2021 and 2028, relate in their entirety to foreign taxes.

Deferred tax assets in the amount of EUR 4,940k (prior year: EUR 4,443k) were recognized for tax loss carryforwards at foreign Group companies despite losses in the year under review and in the prior year as the companies concerned expect to generate future taxable profits.

IAS 12 requires deferred tax liabilities to be recognized for temporary differences associated with investments in Group companies (outside basis differences). Deferred tax liabilities were not recognized on outside basis differences in the amount of EUR 23,463k (prior year: EUR 18,332k) as it is probable that the temporary differences will not reverse in the foreseeable future.

(17) Earnings per Share

Basic earnings per share are calculated by dividing net income attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

No new shares were issued in the financial years 2013 and 2012, such that the weighted average number of shares was 31,400 thousand in both financial years.

Under the current phantom stock program (see Note (32)), the Company has the option to issue Gerresheimer shares on attainment of the exercise target; however, cash settlement is planned. As no further warrants or conversion rights were issued in the years 2013 and 2012, there is no dilutive effect on earnings per share. Diluted and basic earnings per share are therefore identical.

		Pro forma[1]		
	2013	2012	Transition	2012
Net income attributable to equity holders of the parent (EUR k)	62,155	62,021	1,830	60,191
Weighted average number of ordinary shares (in thousand)	31,400	31,400	–	31,400
Earnings per share in accordance with IFRS (in EUR)	**1.98**	**1.98**	**0.06**	**1.92**

[1] Retrospective restatement due to early adoption of IAS 19 (revised 2011) from December 1, 2012.

OTHER INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

(18) Cost of Materials

in EUR k	**2013**	2012
Cost of raw materials, consumables and supplies and of purchased merchandise	462,926	455,352
Cost of purchased services	6,745	4,964
	469,671	**460,316**

Cost of materials primarily comprises expenditure for raw materials, energy, packaging, external production as well as cost of consumables and supplies.

(19) Personnel Expenses

		Pro forma[1]		
in EUR k	**2013**	2012	Transition	2012
Wages and salaries	329,610	315,079	–	315,079
Social security and other benefit costs	65,704	65,888	–	65,888
Pension costs	4,627	-1,389	-3,360	1,971
	399,941	**379,578**	**-3,360**	**382,938**

[1] Retrospective restatement due to early adoption of IAS 19 (revised 2011) from December 1, 2012.

NOTES TO THE BALANCE SHEET

(20) Intangible Assets

Intangible assets break down as follows:

in EUR k	Goodwill	Customer base, brand names, technologies and similar assets	Development costs	Other	**Intangible assets**
As of November 30, 2013					
Prior year carrying amount	427,526	87,791	4,800	9,578	529,695
Change in the consolidated group	33,322	41,600	–	15	74,937
Currency translation	-5,262	-9,556	-1	-85	-14,904
Additions	–	–	1,352	1,698	3,050
Disposals	–	–	23	7	30
Reclassifications	–	–	2,070	-1,736	334
Amortization	–	15,704	1,071	2,893	19,668
Impairment losses	–	914	–	–	914
Carrying amount	**455,586**	**103,217**	**7,127**	**6,570**	**572,500**
Cost	458,397	247,061	10,549	13,892	729,899
Accumulated amortization and impairments	2,811	143,844	3,422	7,322	157,399
Carrying amount	**455,586**	**103,217**	**7,127**	**6,570**	**572,500**
As of November 30, 2012					
Cost	421,191	210,936	6,442	13,267	651,836
Accumulated amortization and impairments	2,675	113,989	2,066	6,083	124,813
Prior year carrying amount	**418,516**	**96,947**	**4,376**	**7,184**	**527,023**
Change in the consolidated group	13,289	7,134	–	10	20,433
Currency translation	-4,279	-1,093	1	27	-5,344
Additions	–	–	927	4,470	5,397
Disposals	–	–	202	–	202
Reclassifications	–	–	–	526	526
Amortization	–	15,197	302	2,639	18,138
Carrying amount	**427,526**	**87,791**	**4,800**	**9,578**	**529,695**
Cost	430,340	216,706	7,206	18,107	672,359
Accumulated amortization and impairments	2,814	128,915	2,406	8,529	142,664
Carrying amount	**427,526**	**87,791**	**4,800**	**9,578**	**529,695**

Amortization of the customer base, brand names, technologies and similar assets as a result of fair value adjustments in connection with acquisitions is presented separately in Note (12) as amortization of fair value adjustments. The impairment losses are due to the portfolio streamlining recognized in the last quarter of the financial year. Most amortization is contained in cost of sales. Significant intangible assets result from business combinations. While brand names – with the exception of one company – with a carrying amount of EUR 38,577k have indefinite useful lives, the remaining identifiable assets will be fully amortized by 2028.

Goodwill is assigned to the seven cash-generating units as follows:

in EUR k	**Nov. 30, 2013**	Nov. 30, 2012
Tubular Glass		
Tubular Glass – Tubing	**39,222**	39,159
Tubular Glass – Converting	**66,696**	66,590
Tubular Glass – Syringes	**32,614**	32,614
Plastic Systems		
Plastic Packaging	**97,865**	69,974
Medical Plastic Systems	**82,854**	82,854
Moulded Glass	**126,320**	126,320
Life Science Research	**10,015**	10,015
	455,586	**427,526**

Goodwill is not amortized. It is tested for impairment at least once annually.

As prior year goodwill was tested for impairment in all seven cash-generating units Tubular Glass – Tubing, Tubular Glass – Converting, Tubular Glass – Syringes, Plastic Packaging, Medical Plastic Systems, Moulded Glass and Life Science Research in accordance with the budget prepared on the basis of historical performance and current market expectations and adopted by the Management Board for the years 2014 to 2018 (prior year: 2013 to 2017). The growth rate used to extrapolate for subsequent years was 1.0%. This does not exceed the assumed average growth rate for the market or industry. The recoverable amount was determined on the basis of value in use, using cash flow projections budgeted for the years 2014 to 2018. Future cash flows were discounted using weighted average cost of capital (WACC). The cost of equity capital was measured using the beta factor for Gerresheimer AG. Borrowing costs were determined from an analysis of the credit facilities in use. A sensitivity analysis was performed to show the effects of a potential increase or decrease in borrowing costs on the recoverable amount of goodwill. The weighted average cost of capital before tax was determined iteratively from the weighted average cost of capital after tax and breaks down as follows for the seven cash-generating units:

in %	**2013**	2012
Tubular Glass		
Tubular Glass – Tubing	**7.2**	6.7
Tubular Glass – Converting	**7.1**	6.6
Tubular Glass – Syringes	**7.1**	6.7
Plastic Systems		
Plastic Packaging	**7.0**	6.8
Medical Plastic Systems	**7.1**	6.6
Moulded Glass	**7.2**	6.4
Life Science Research	**7.1**	6.3

As in the prior year, goodwill impairment testing did not indicate any impairment.

For each of the seven cash-generating units, management is of the opinion that no reasonably possible change in the key assumptions used to determine value in use would cause the carrying amount of the cash-generating unit to exceed its recoverable amount.

Brand names as of November 30, 2013 were allocated among the divisions as follows:

Tubular Glass EUR 17,589k (prior year: EUR 18,197k), Plastic Systems EUR 16,860k (prior year: EUR 12,123k), Moulded Glass EUR 2,692k (prior year: EUR 4,273k), and Life Science Research EUR 1,436k (prior year: EUR 1,505k).

Brand names – with the exception of one company – have an indefinite useful life and are not amortized. They are tested for impairment at least once annually. As in the prior year, there was no indication of impairment in the financial year.

EUR 2,148k (prior year: EUR 5,632k) was spent on research and development in the financial year. Development costs that satisfy the criteria in IAS 38 were recognized as intangible assets in the amount of EUR 1,352k in 2013 (prior year: EUR 927k).

Other intangible assets mainly relate to standard software applications and prepayments on intangible assets.

(21) 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 for operating purposes)	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, 2013						
Prior year carrying amount	141,364	4,471	291,011	24,057	61,904	522,807
Change in the consolidated group	2,220	–	3,685	472	168	6,545
Currency translation	-4,190	–	-9,958	-790	-2,313	-17,251
Additions	2,104	–	49,079	5,722	59,146	116,051
Disposals	40	–	690	22	–	752
Reclassifications	7,314	–	29,143	1,755	-38,763	-551
Depreciation	7,131	–	67,365	7,522	–	82,018
Impairment losses	–	–	2,050	–	–	2,050
Carrying amount	**141,641**	**4,471**	**292,855**	**23,672**	**80,142**	**542,781**
Cost	190,431	4,730	637,939	61,728	80,142	974,970
Accumulated depreciation and impairments	48,790	259	345,084	38,056	–	432,189
Carrying amount	**141,641**	**4,471**	**292,855**	**23,672**	**80,142**	**542,781**
As of November 30, 2012						
Cost	163,492	4,730	567,088	50,246	42,724	828,280
Accumulated depreciation and impairments	37,917	259	281,615	25,188	–	344,979
Prior year carrying amount	**125,575**	**4,471**	**285,473**	**25,058**	**42,724**	**483,301**
Change in the consolidated group	8,886	–	2,394	168	123	11,571
Currency translation	679	–	1,385	-178	822	2,708
Additions	4,859	–	47,960	5,601	55,050	113,470
Disposals	140	–	3,031	59	–	3,230
Reclassifications	8,778	–	26,321	1,190	-36,815	-526
Depreciation	7,273	–	69,491	7,723	–	84,487
Carrying amount	**141,364**	**4,471**	**291,011**	**24,057**	**61,904**	**522,807**
Cost	184,486	4,730	605,237	56,697	61,904	913,054
Accumulated depreciation and impairments	43,122	259	314,226	32,640	–	390,247
Carrying amount	**141,364**	**4,471**	**291,011**	**24,057**	**61,904**	**522,807**

Property, plant and equipment includes leased assets in the amount of EUR 8,275k (prior year: EUR 11,277k). As of the end of the reporting period, these comprised finance leases for production, warehouse and office land and buildings in the amount of EUR 7,213k (prior year: EUR 7,554k), finance leases for plant and machinery in the amount of EUR 1,062k (prior year: EUR 3,689k) and finance leases for other property, plant and equipment in the amount of EUR 0k (prior year: EUR 34k).

Land and buildings with a carrying amount of EUR 5,317k (prior year: EUR 5,704k) are pledged as senior collateral for two (prior year: two) loans. As in the prior year, this does not affect any investment property.

The land not used for operating purposes and classified as investment property in accordance with IAS 40 is leasehold land with a carrying amount of EUR 187k (fair value: EUR 1,700k) and non-operating land. The fair value of leasehold land is determined from various data sources such as from past sales, officially published indicative land values and independent appraisals. The fair values of other non-operating land are the same as the carrying amounts.

Rental income from properties amounted to EUR 16k in financial year 2013 (prior year: EUR 15k). Expenses of EUR 32k were incurred (prior year: EUR 69k). These almost entirely related to land that does not generate rental income.

The impairment losses are due to the portfolio streamlining recognized in the last quarter of the financial year.

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

Financial assets include investments in entities that changed as follows:

in EUR k	Investments in entities
As of November 30, 2013	
Prior year carrying amount	–
Additions	–
Disposals	–
Carrying amount	**0**
As of November 30, 2012	
Prior year carrying amount	3,280
Disposals	3,280
Carrying amount	**0**

No impairment losses were recognized.

The following tables summarize the balance sheet items and the data from the income statements of equity-accounted investments in the consolidated financial statements: The companies included here are: Gerresheimer Tooling LLC, Peachtree City, USA, PROFORM CNC Nastrojarna spol. s r.o., Horsovsky Tyn, Czech Republic and Beijing Gerresheimer Glass Co. Ltd., Huangcun, Beijing, China, that was reclassified according to IFRS 5.

in EUR k	**Nov. 30, 2013**	Nov. 30, 2012
Assets	13,534	15,276
Equity	7,039	8,120
Liabilities	6,494	7,156
Revenues	14,963	15,544
Profit or loss	-812	-1,254

Changes in equity-accounted investments are shown in the table below:

in EUR k	Investments accounted for using the equity method
As of November 30, 2013	
Prior year carrying amount	3,730
Dividend distribution	-21
Currency translation	-3
Impairment losses	3,179
Share of profit or loss of associated companies	-436
Carrying amount	**91**
As of November 30, 2012	
Prior year carrying amount	3,434
Capital increase	681
Currency translation	186
Share of profit or loss of associated companies	-571
Carrying amount	**3,730**

(23) Financial Assets

Financial assets break down as follows:

in EUR k	Nov. 30, 2013 Total	Nov. 30, 2013 *Thereof current*	Pro forma[1] Nov. 30, 2012 Total	Pro forma[1] Nov. 30, 2012 *Thereof current*	Transition Total	Transition *Thereof current*	Nov. 30, 2012 Total	Nov. 30, 2012 *Thereof current*
Fair value of derivative financial instruments	119	*119*	147	*147*	–	–	147	*147*
Investments	203	–	203	–	–	–	203	–
Refund claims for pension benefits	4,153	*216*	4,376	*219*	-1,966	–	6,342	*219*
Refund claims from third parties	2,625	*2,625*	3,159	*3,159*	–	–	3,159	*3,159*
Loans to investments accounted for using the equity method	–	–	1,400	–	–	–	1,400	–
Other loans	982	–	2,595	*1,800*	–	–	2,595	*1,800*
Sundry other financial assets	674	–	1,185	–	–	–	1,185	–
Other financial assets	**8,756**	***2,960***	**13,065**	***5,325***	**-1,966**	**–**	**15,031**	***5,325***
Trade receivables	192,562	*192,562*	179,439	*179,439*	–	–	179,439	*179,439*
Cash and cash equivalents	73,092	*73,092*	86,087	*86,087*	–	–	86,087	*86,087*
Financial assets	**274,410**	***268,614***	**278,591**	***270,851***	**-1,966**	**–**	**280,557**	***270,851***

[1] Retrospective restatement due to early adoption of IAS 19 (revised 2011) from December 1, 2012.

Sundry other financial assets include solely securities used to secure accrued phased retirement credit balances.

No unimpaired other financial assets were past due as of the balance sheet date.

In the financial year no impairments were recognized on investments (prior year: EUR 81k). Impairment losses were recognized in the amount of EUR 419k (prior year: EUR 0k) on loans to equity-accounted investments in the financial year. As in financial year 2012, other loans are impaired in the amount of EUR 15k.

The carrying amount of financial assets in the consolidated financial statements generally represents the maximum exposure to credit risk for the Group as a whole. Approximately 30% of trade receivables were covered by credit insurance in financial year 2013 (prior year: approximately 23%).

The above-mentioned trade receivables include receivables relating to application of the percentage of completion method (EUR 19,149k; prior year: EUR 17,817k). These do not come under the scope of IAS 39 and are therefore not financial assets.

For further details on the fair values of derivative financial instruments, please see the information provided in Note (37).

(24) Other Receivables

in EUR k	Nov. 30, 2013 Total	Nov. 30, 2013 *Thereof current*	Nov. 30, 2012 Total	Nov. 30, 2012 *Thereof current*
Other tax receivables	11,093	*11,093*	10,122	*10,122*
Prepaid expenses	3,500	*3,500*	3,223	*3,223*
Sundry other assets	6,033	*6,033*	10,368	*10,368*
Other receivables	**20,626**	***20,626***	**23,713**	***23,713***

The prepaid expenses mainly consist of accrued payments made prior to the reporting date for maintenance, tax, personnel and insurance expenses in the next financial year.

The reported carrying amounts of monetary assets in this item correspond to their fair values.

(25) Deferred Tax Assets

Deferred tax assets break down as follows:

	Nov. 30, 2013		Pro forma[1] Nov. 30, 2012		Transition		Nov. 30, 2012	
in EUR k	**Realization expected within 12 months**	**Realization expected after 12 months**	Realization expected within 12 months	Realization expected after 12 months	Realization expected within 12 months	Realization expected after 12 months	Realization expected within 12 months	Realization expected after 12 months
Tax benefits								
Tax loss carryforwards	1,025	6,446	498	7,338	–	–	498	7,338
Tax credits	–	3,472	95	5,909	–	–	95	5,909
	1,025	**9,918**	**593**	**13,247**	**–**	**–**	**593**	**13,247**
Temporary differences								
Fixed assets	2,504	1,839	1,663	1,258	–	–	1,663	1,258
Receivables and other assets	393	367	369	362	–	–	369	362
Provisions for pensions	2,540	24,095	469	33,521	–	18,601	469	14,920
Other provisions	6,304	736	5,501	767	–	–	5,501	767
Payables and other liabilities	3,590	1,297	4,286	189	–	–	4,286	189
Cash flow hedge	–	618	–	1,197	–	–	–	1,197
	15,331	**28,952**	**12,288**	**37,294**	**–**	**18,601**	**12,288**	**18,693**
	16,356	**38,870**	**12,881**	**50,541**	**–**	**18,601**	**12,881**	**31,940**
Offset	-47,640		-56,033		-309		-37,552	
Recognized in accordance with IAS 12 as non-current in the balance sheet	**7,586**		**7,389**		**18,292**		**7,269**	

[1] Retrospective restatement due to early adoption of IAS 19 (revised 2011) from December 1, 2012.

Deferred tax assets and liabilities are offset by company or tax group.

(26) Inventories

Inventories break down as follows:

in EUR k	**Nov. 30, 2013**	Nov. 30, 2012
Raw materials, consumables and supplies	48,769	45,100
Work in progress	33,054	27,832
Finished goods and merchandise	98,651	103,618
Prepayments made	13,986	12,407
Inventories	**194,460**	**188,957**

Write-downs of inventories were recognized as an expense in the amount of EUR 10,576k (prior year: EUR 7,229k) in the financial year. When the circumstances that caused a write-down no longer exist, the write-down is reversed. Reversals of write-downs amounted to EUR 6,002k (prior year: EUR 3,401k) in the financial year.

As in the prior year, no inventories were pledged as security for liabilities as of November 30, 2013.

(27) Trade Receivables

in EUR k	**Nov. 30, 2013**	Nov. 30, 2012
Trade receivables	195,224	181,652
Less bad debt allowances	2,662	2,213
Net trade receivables	**192,562**	**179,439**

Trade receivables include EUR 19,149k (prior year: EUR 17,817k) in receivables relating to application of the percentage of completion method in accordance with IAS 11. Costs were incurred in the reporting period in the amount of EUR 1,278k (prior year: EUR 3,081k). Profits were recognized in the amount of EUR 55k (prior year: EUR 1,517k).

Bad debt allowances are recognized for doubtful receivables. Factors considered in determining the appropriateness of the bad debt allowances recognized for doubtful receivables comprise the age structure of receivables, past experience with regard to the derecognition of receivables, customer credit ratings and changes in payment terms.

As of the balance sheet date, the age structure of unimpaired trade receivables breaks down as follows:

in EUR k	**Nov. 30, 2013**	Nov. 30, 2012
Carrying amount	**192,562**	179,439
General allowances	**946**	788
Specific bad debt allowances	**1,716**	1,425
Gross carrying amount of receivables for which specific bad debt allowances were recognized	**-1,718**	-1,483
Trade receivables not impaired within the meaning of IFRS 7	**193,506**	**180,169**
Thereof at the balance sheet date		
not past due	*176,046*	*164,667*
past due by up to 30 days	*11,219*	*8,628*
past due by 31 to 60 days	*2,338*	*2,822*
past due by 61 to 90 days	*958*	*1,630*
past due by 91 to 120 days	*387*	*730*
past due by more than 120 days	*2,558*	*1,692*
	193,506	**180,169**

The gross carrying amount of trade receivables individually determined to be impaired was EUR 1,718k (prior year: EUR 1,483k). The corresponding bad debt allowance was EUR 1,716k (prior year: EUR 1,425k). The net carrying amount of trade receivables individually determined to be impaired was therefore EUR 2k (prior year: EUR 58k).

Bad debt allowances developed as follows:

in EUR k	**2013**	2012
As of December 1	**2,213**	2,584
Allowances recognized in profit or loss	**2,085**	881
Utilized	**-777**	-627
Reversed	**-719**	-635
Currency translation	**-140**	10
As of November 30	**2,662**	**2,213**

(28) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits not subject to risk of changes in value.

(29) Equity and Non-controlling Interests

On June 11, 2007, Gerresheimer AG was listed on the regulated market in the Prime Standard segment of the Frankfurt Stock Exchange. Gerresheimer AG shares have the stock symbol GXI and ISIN DE000A0LD6E6. A total of 22,804 thousand shares were issued. These comprised 11,400 thousand shares from a rights issue, 10,600 thousand from the departing shareholder, BCP Murano, and a further 804 thousand shares provided by BCP Murano to syndicate banks for a greenshoe option. At the issue price of EUR 40.00 per share, the issue thus came to some EUR 912,166k (including greenshoe). Gerresheimer has been included in the MDAX since December 22, 2008.

As of November 30, 2013, subscribed capital remained unchanged at EUR 31,400k and capital the reserve came to EUR 513,827k. The capital reserve contains share premiums from the IPO in the year 2007 and cash contributions from shareholders from the years 2004 and 2007.

The number of shares outstanding at the balance sheet date was 31,400,000 each with a nominal value of EUR 1.00. The proposed dividend is based on the retained earnings of Gerresheimer AG.

In the financial year under review, a dividend of EUR 20,410k was paid out for financial year 2012. This corresponds to a dividend of EUR 0.65 per no-par-value share.

Proposal for appropriation of retained earnings

The Management Board and the Supervisory Board will propose to the Annual General Meeting at April 30, 2014 to distribute a dividend of EUR 0.70 per share for the financial year 2013 (prior year EUR 0.65 per share). This corresponds to a dividend distribution of EUR 21,980k. Furthermore, it will be proposed that the residual retained earnings of the company with EUR 67.701k should be carried forward onto new account.

in EUR	**2013**
Retained earnings before dividend distribution	89,680,680.20
Payment of a dividend of EUR 0.70 per share	21,980,000.00
Carryforward to new account	**67,700,680.20**

Non-controlling interests break down as follows:

in %	Non-controlling interests
Entity	
Kimble Chase Life Science and Research Products LLC, Vineland, NJ (USA)	49.0
Gerresheimer Shuangfeng Pharmaceutical Glass (Danyang) Co. Ltd., Danyang, Jiangsu (China)	40.0
Gerresheimer Shuangfeng Pharmaceutical Packaging (Zhenjiang) Co. Ltd., Zhenjiang, Jiangsu (China)	40.0
Kimble Bomex (Beijing) Labware Co. Ltd., Beijing (China)	30.0
Triveni Polymers Private Ltd., New Dehli (India)	25.0
Neutral Glass & Allied Industries Private Ltd., Mumbai (India)	2.3
Gerresheimer Momignies S.A., Momignies (Belgium)	1.0
Gerresheimer Zaragoza S.A., Epila (Spain)	0.2
Gerresheimer Valencia S.L.U., Masalaves (Spain)	0.2
Gerresheimer Buenos Aires S.A., Buenos Aires (Argentina)	0.2

Changes in non-controlling interests are shown in the consolidated statement of changes in equity.

(30) Deferred Tax Liabilities

Deferred tax liabilities break down as follows:

	Nov. 30, 2013		Pro forma[1] Nov. 30, 2012		Transition		Nov. 30, 2012	
in EUR k	**Realization expected within 12 months**	**Realization expected after 12 months**	Realization expected within 12 months	Realization expected after 12 months	Realization expected within 12 months	Realization expected after 12 months	Realization expected within 12 months	Realization expected after 12 months
Temporary differences								
Fixed assets	4,857	78,951	3,769	78,943	–	–	3,769	78,943
Inventories	4,514	6	4,694	27	–	–	4,694	27
Receivables and other assets	1,816	944	1,093	1,574	–	–	1,093	1,574
Other provisions and liabilities	2,083	1,121	1,760	1,744	–	–	1,760	1,744
	13,270	**81,022**	**11,316**	**82,288**	**–**	**–**	**11,316**	**82,288**
Offset	-47,640		-56,033		-18,481		-37,552	
Recognized in accordance with IAS 12 as non-current in the balance sheet	**46,652**		**37,571**		**-18,481**		**56,052**	

[1] Retrospective restatement due to early adoption of IAS 19 (revised 2011) from December 1, 2012.

Deferred tax assets and liabilities are offset by company or tax group.

(31) Provisions for Pensions and Similar Obligations

While the Gerresheimer Group has pension plans in various countries, pension plans in Germany and pension and health plans (health insurance for retired employees) in the USA account for 96% of the Gerresheimer Group's total provisions for pensions and similar obligations.

Subject to individual exceptions, no new employees are accepted into the German defined benefit plans. The German plans are in the process of being wound down, with their pension obligations decreasing over time. Pension plans are generally based on an employee's length of service, pay and position. Pension entitlements are thus acquired for each year of service according to salary. The maximum attainable pension entitlement at an annual eligible income exceeding EUR 79,428 and after 45 years service is EUR 1,179.90 per month. Pension awards for active members of the Management Board are handled through a pension fund or provident fund. The pension obligations are funded by annual contribution payments to the provident fund. If the fund assets are insufficient when the pension starts, supplementary contributions are called in. Further details on the Management Board pension plans are provided in the Remuneration Report section of the Management Report.

The US defined benefit plans have been closed and the benefits vested. These plans are funded by investments (plan assets). The plans are financed from annual contribution payments. Plan assets must cover at least 80% of pension obligations. If this coverage is not attained, supplementary contributions are called in from the Company. To limit exposure to capital market and demographic risk, all new US pension plans are defined contribution plans.

Retired employees domiciled in the USA also receive subsidized healthcare. Under these plans, retirees are refunded a certain percentage of eligible healthcare expenditure. All but one of these health plans have been closed and the benefits vested. This has limited the risk of continuously increasing refund claims for the Gerresheimer Group. Changes in the legal framework can cause changes to pension and health plans.

Provisions for pensions developed as follows:

in EUR k	2013	Pro forma[1] 2012	Transition	2012
As of December 1	198,665	168,312	22,834	145,478
Reclassifications from personnel related liabilities	3,663	–	–	–
Utilized	15,287	15,216	–	15,216
Additions	9,441	4,349	-2,785	7,134
Plan surplus recognized in other assets	–	–	-1,747	1,747
Charged against equity	-18,035	39,847	39,847	–
Currency translation	-2,338	1,373	436	937
As of November 30	**176,109**	**198,665**	**58,585**	**140,080**
Thereof current	*14,773*	*14,926*	–	*14,926*
Thereof non-current	*161,336*	*183,739*	*58,585*	*125,154*

[1] Retrospective restatement due to early adoption of IAS 19 (revised 2011) from December 1, 2012.

Group provisions of EUR 136,271k (prior year: EUR 147,177k) were recognized in connection with various pension plans and individual agreements entered into by German Group companies; an amount of EUR 39,838k (prior year: EUR 51,488k) primarily relates to US Group entities. The provision also includes the obligations of US Group companies to assume the medical expenses of retired employees.

The benefits are mainly financed through the systematic accumulation of pension provisions at the entities concerned. External funds that meet the definition of plan assets exist both domestic and international.

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

	Domestic		International	
in %	**Nov. 30, 2013**	Nov. 30, 2012	**Nov. 30, 2013**	Nov. 30, 2012
Discount rate	3.30	3.00	2.20–6.00	1.90–4.00
Increase in salaries	2.50–3.25	2.65–3.25	1.50–5.50	1.50–3.00
Increase in pensions	2.00	2.00	–	–
Increase in medical costs	–	–	5.00–7.67	5.00–7.67

Market yields on high-quality corporate bonds are slightly up on the prior year. The defined benefit obligation was consequently discounted at 3.30% as of November 30, 2013. The Prof. Dr. Heubeck RT 2005 G mortality tables were used as the reference basis with regard to mortality for the determination of domestic pension obligations. For foreign Group companies, current country-specific mortality assumptions were used. The projected income trends reflect expected rates of increase in salaries and incomes.

The present value of the defined benefit obligation breaks down as follows:

in EUR k	Nov. 30, 2013	Pro forma[1] Nov. 30, 2012	Transition	Nov. 30, 2012
Present value of the defined benefit obligation as of December 1	242,706	206,896	-515	207,411
Current service cost	2,388	1,685	37	1,648
Interest expense	7,405	9,494	-12	9,506
Employee contributions	634	579	–	579
Benefit payments	-14,988	-14,335	–	-14,335
Actuarial gains/losses	-14,578	41,264	-116	41,380
Financial assumptions	*-11,564*	*39,594*	*-124*	*39,718*
Demographic assumptions	*-3,014*	*1,670*	*8*	*1,662*
Past service cost	531	-1,160	–	-1,160
Reclassifications	3,663	–	–	–
Administration costs	9	8	8	–
Settlement	42	-4,107	134	-4,241
Currency translation and other changes	-3,734	2,382	3	2,379
Present value of the defined benefit obligation as of November 30	**224,078**	**242,706**	**-461**	**243,167**

[1] Retrospective restatement due to early adoption of IAS 19 (revised 2011) from December 1, 2012.

Changes in plan assets are as follows:

in EUR k	**Nov. 30, 2013**	Pro forma[1] Nov. 30, 2012	Transition	Nov. 30, 2012
Fair value of plan assets as of December 1	**44,044**	38,586	–	38,586
Expected return on plan assets	**934**	1,790	-587	2,377
Employee contributions	**634**	579	–	579
Employer contributions	**4,110**	4,391	–	4,391
Benefit payments	**-3,811**	-3,510	–	-3,510
Actuarial gains/ losses	**3,556**	1,204	587	617
Return on plan assets	*3,556*	*1,204*	*587*	*617*
Other changes (primarily currency translation)	**-1,497**	1,004	–	1,004
Fair value of plan assets as of November 30	**47,970**	**44,044**	**–**	**44,044**

[1] Retrospective restatement due to early adoption of IAS 19 (revised 2011) from December 1, 2012.

The weighted composition of the plan assets used to cover the defined benefit obligation breaks down as follows as of the balance sheet date:

	Domestic		International	
in EUR k	**Nov. 30, 2013**	Nov. 30, 2012	**Nov. 30, 2013**	Nov. 30, 2012
Plan assets with quoted market price	*6,364*	*5,298*	*29,257*	*33,363*
Shares (held directly)	**2,281**	1,221	**18,678**	19,052
Fixed-interest securities	**3,782**	3,743	**8,043**	10,204
Property	**42**	64	**2,504**	3,819
Liquidity	**259**	270	**32**	288
Plan assets with non-quoted market price	*170*	*228*	*12,179*	*5,155*
Insurance contracts	**93**	97	**12,179**	5,155
Other	**77**	131	**–**	–
Plan assets	6,534	5,526	41,436	38,518
Thereof: owner-occupied property	*n/a*	*n/a*	*39*	*n/a*

The main pension funds relate to the pension plans in the USA and Switzerland. Their investment policy, besides complying with regulatory requirements, is geared to the risk structure within the defined benefit obligation.

A risk-adjusted strategic target portfolio has been developed on this basis and in line with capital market trends. In the USA, 65% to 70% is invested in equities, 30% to 35% in fixed-interest securities and 0% to 5% in liquid assets. Funding is entirely by the employer. Additional contributions to the pension fund are required whenever the fair value of plan assets falls below 80% of the defined benefit obligation.

In Switzerland, a full insurance policy has been taken out to cover the insurance and investment risk. Contributions to the pension fund in this instance are made in equal percentage amounts by employees and the employer. The investment policy as stipulated is expected to generate a return on capital, ensuring that the obligations are met in the long term.

Pension expenses in relation to defined benefit obligations are recognized as follows in the income statement:

in EUR k	**2013**	Pro forma[1] 2012	Transition	2012
Current service cost	*2,388*	*1,685*	*37*	*1,648*
Past service cost	*531*	*-4,686*	*-1,237*	*-3,449*
Service cost	**2,919**	**-3,001**	**-1,200**	**-1,801**
Interest expense	*7,405*	*9,494*	*-12*	*9,506*
Return on plan assets	*-1,342*	*-1,790*	*587*	*-2,377*
Net interest expense	**6,063**	**7,704**	**575**	**7,129**
Effect of recognized actuarial gains and losses	**–**	–	-2,134	2,134
Administration costs	**417**	227	227	–
Effect of settlement	**42**	-581	-253	-328
	9,441	**4,349**	**-2,785**	**7,134**
Thereof expense for pension benefits for which there are reimbursement rights	*128*	*169*	*-932*	*1,101*

[1] Retrospective restatement due to early adoption of IAS 19 (revised 2011) from December 1, 2012.

With the exception of net interest, all expenses and income involved in accounting for defined benefit obligations are recognized on a net basis in results of operations, i.e. in personnel expenses. Net interest is shown in the financial result.

For one pension obligation in Germany, there is a contractual claim to refund of pension payments against a third party. These refund claims do not conform to the definition of plan assets in IAS 19 and therefore cannot be accounted for net of the pension obligations. The refund claims for pension benefits are included in other financial assets. Please see Note (23).

Contributions of EUR 1,403k (prior year: EUR 1,538k) were paid into defined contribution plans in the financial year, mainly at US Group companies. EUR 11,791k (prior year: EUR 11,553k) in statutory pension insurance contributions were paid in Germany. The expected contributions to plan assets in the next financial year are estimated at EUR 3,847k. The benefits are funded from contributions as a percentage of the defined benefit. Funding is provided primarily through the employer.

The Gerresheimer Group expects benefit payments in future years as follows:

in EUR k	2014	2015	2016	2017
Expected benefit payments	14,560	14,508	14,581	14,401

The weighted average duration of the defined benefit obligation is between 8.0 and 15.8 years in Germany and between 10.3 and 18.2 years internationally.

The main actuarial assumptions used in the determination of defined benefit obligations are the discount rate and the expected salary trend. The pension provision also includes the obligations of US Group companies to assume the medical expenses of retired employees. The obligation was determined assuming a cost inflation rate of 7.67% falling incrementally to 5.0% by 2021. The sensitivity analyses in the following show how the defined benefit obligation would have been affected by possible changes in the relevant assumptions. The scenarios are each calculated with the remaining assumptions held constant:

in EUR k	Effect on present value of defined benefit obligation
Increase in discount rate by 0.5 point	-12,077
Decrease in discount rate by 0.5 point	13,367
Increase in salaries by 0.25 point	1,706
Decrease in salaries by 0.25 point	-1,488
Increase in medical costs by 1.0 point	2,121
Decrease in medical costs by 1.0 point	-2,087

Various interdependencies exist between the above actuarial assumptions. The sensitivity analyses do not take such interdependencies into account.

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

in EUR k	**Nov. 30, 2013**	Pro forma[1] Nov. 30, 2012	Transition	Nov. 30, 2012
Present value of funded benefit obligations	**88,177**	63,687	603	64,290
Less fair value of plan assets	**47,970**	44,044	–	44,044
Fund shortfall	**40,207**	19,643	603	20,246
Present value of unfunded benefit obligations	**131,749**	174,646	-146	174,500
Present value of pension obligations for which there are reimbursement rights	**4,153**	4,376	–	4,376
Plan surplus reported in other assets	**–**	–	1,966	1,966
Adjustment for unrecognized past service cost	**–**	–	1,266	1,266
Adjustment for unrecognized actuarial gains/losses	**–**	–	-62,274	-62,274
	176,109	**198,665**	**-58,585**	**140,080**
Experience adjustments on defined benefit obligation	*-3,014*	*1,670*	*-8*	*1,662*
Experience adjustment on plan assets	*-3,556*	*-1,204*	*587*	*-617*

[1] Retrospective restatement due to early adoption of IAS 19 (revised 2011) from December 1, 2012.

The experience adjustments reflect the effects on the amount of the defined benefit obligation and plan assets of differences between what actually occurred during the financial year and the assumptions made at the beginning of the financial year. This includes changes in the rates of salary increases, pension increases, employee turnover, mortality and invalidity.

(32) Gerresheimer Stock Appreciation Rights (Phantom Stocks)

Members of the Management Board of Gerresheimer AG and some executive managers receive share-based payment as a voluntary variable remuneration component. Participants must be in an employment relationship with Gerresheimer AG or a Group company at the grant date of the phantom stocks. Phantom stocks granted are subject to a vesting period from the issue date to the end of the 30th stock exchange trading day following the Annual General Meeting after the issue date. The phantom stocks can then be converted into remuneration by October 31 of the year following the next Annual General Meeting after the issue date, provided that the exercise target has been reached. The remuneration amount depends on the performance of the Gerresheimer share price. The plan stipulates that when the exercise target is reached, the Company has the option to issue Gerresheimer shares; however, cash settlement is planned.

The exercise target is reached when the target price of the granted phantom stocks exceeds the initial price by at least 8%. The share prices are compared using the non-weighted arithmetic mean of the closing prices recorded in the Frankfurt Stock Exchange Xetra trading system during the last 30 trading days prior to the exercise date. 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 fair value of the phantom stocks is determined using a recognized (binomial) option pricing model. The volatility of the target value is assumed as 22.5% p.a. and the employee turnover rate as 3%. The yield on German government bonds of matching maturities was used as the risk-free interest rate.

Management	Tranche 6	Tranche 7
Grant date	July 2, 2012	June 18, 2013
Term of tranche	October 31, 2014	October 31, 2015
End of the vesting period	June 3, 2013	June 13, 2014
Issue price (in EUR)	34.50	45.28
Target price (in EUR)	37.26	48.90
Number of stock appreciation rights issued	235,500	186,400
Exercise threshold (in %)	8	8
Fair value (in EUR k)	142	862
Maximum pay-out amount (in EUR k)	142	2,066

In addition to the tranches described above, the members of the Management Board were granted additional tranches for the years 2014–2017. After a vesting period of four years, a Management Board member is entitled, within an ensuing period of approximately 16 months (exercise period), to demand payment in the amount of the appreciation in the stock market price of Gerresheimer stock between the issue date and the exercise (maturity) date. Payment is conditional on the percentage appreciation being at least 12% or being greater than the percentage increase in the MDAX over the maturity period and on at least one full year's membership of the Management Board. The amount of the remuneration claim is capped for each tranche at an amount equivalent to 25% of the stock market price of the stock at the issue date of the stock appreciation rights.

The fair value of the phantom stocks granted to Management Board members was determined using the option pricing model and assumptions described above.

Members of the Management Board	Tranche 4	Tranche 5	Tranche 6	Tranche 7
Grant date	February 9, 2010	February 9, 2010	February 9, 2010/ June 24, 2011	February 9, 2010/ June 24, 2011/ October 23, 2012
Term of tranche	October 31, 2015	October 31, 2016	October 31, 2017	October 31, 2018
End of the vesting period	May 31, 2014	June 7, 2015	June 3, 2016	June 13, 2017
Issue price (in EUR)	25.00	32.48	34.50	45.28
Target price (in EUR)	28.00	36.38	38.64	50.71
Number of stock appreciation rights issued	310,000	270,000	275,000	250,000
Exercise threshold (in %)	12	12	12	12
Fair value (in EUR k)	1,476	1,349	852	828
Maximum pay-out amount (in EUR k)	1,500	1,705	1,294	2,094

Based on the above assumptions, the fair value of the 2014–2016 tranches (tranches 8 to 10) is EUR 617k as of the balance sheet date.

The phantom stocks developed as follows:

Management and members of the Management Board	Tranche 4	Tranche 5	Tranche 6	Tranche 7
As of November 30, 2009	**–**	**–**	**–**	**–**
Allocated	552,000	–	–	–
Exercised	–	–	–	–
Expired during the period	**2,000**	**–**	**–**	**–**
As of November 30, 2010	**550,000**	**–**	**–**	**–**
Allocated	–	503,500	–	–
Exercised	228,000	–	–	–
Expired during the period	6,000	8,000	–	–
As of November 30, 2011	**316,000**	**495,500**	**–**	**–**
Allocated	–	–	510,500	–
Exercised	74,000	254,500	–	–
Expired during the period	2,000	4,000	70,000	–
As of November 30, 2012	**240,000**	**237,000**	**440,500**	**–**
Allocated	–	–	–	436,400
Exercised	–	25,000	266,000	50,000
Expired during the period	–	2,000	8,000	18,900
As of November 30, 2013	**240,000**	**210,000**	**166,500**	**367,500**

In the reporting year 2013 EUR 203k was paid out for tranche 5, EUR 2,025k for tranche 6 and EUR 188k for tranche 7. Tranches 2 and 3 had expired by the balance sheet date.

The provision for the phantom stock program amounted to EUR 3,814k on the balance sheet date (prior year: EUR 2,336k). The expenses amounted to EUR 2,089k for financial year 2013 (prior year: EUR 1,598k).

(33) Other Provisions

Other provisions developed as follows:

in EUR k	As of Dec. 1, 2012	Changes in the consolidated group	Reclassifications	Utilized	Reversed	Additions	Currency translation	**As of Nov. 30, 2013**	*Thereof current*	*Thereof non-current*
Tax provisions	543	–	–	260	–	823	-6	**1,100**	*1,100*	–
Personnel obligations	21,956	–	-2,368	10,749	380	8,425	-524	**16,360**	*11,920*	*4,440*
Warranties	9,032	–	–	3,167	1,685	10,255	-238	**14,197**	*14,197*	–
Sales bonuses, rebates and discounts	5,615	–	–	1,739	2	1,712	-170	**5,416**	*5,416*	–
Sundry other provision	17,465	–	259	9,191	1,200	6,016	-263	**13,086**	*13,083*	*3*
	54,611	**–**	**-2,109**	**25,106**	**3,267**	**27,231**	**-1,201**	**50,159**	***45,716***	***4,443***

in EUR k	As of Dec. 1, 2011	Changes in the consolidated group	Reclassifications	Utilized	Reversed	Additions	Currency translation	As of Nov. 30, 2012	*Thereof current*	*Thereof non-current*
Tax provisions	814	61	–	677	1	343	3	543	*543*	–
Personnel obligations	19,493	–	-49	9,086	167	11,163	602	21,956	*15,327*	*6,629*
Warranties	8,208	–	–	2,570	668	3,967	95	9,032	*9,032*	–
Sales bonuses, rebates and discounts	6,486	–	–	5,553	50	4,586	146	5,615	*5,615*	–
Sundry other provision	11,845	–	-142	6,645	31	12,219	219	17,465	*12,506*	*4,959*
	46,846	**61**	**-191**	**24,531**	**917**	**32,278**	**1,065**	**54,611**	***43,023***	***11,588***

Provisions for personnel obligations notably include expected obligations relating to Gerresheimer phantom stocks, long-service awards and phased retirement agreements, and a group health insurance program at the US Group companies.

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

The sundry other provisions include restructuring provisions, in connection with the divisional reorganization. The restructuring provisions of EUR 1,670k at the financial year-end (prior year: EUR 768k) are based on a detailed formal plan. All criteria set out in IAS 37 for recognition of a restructuring provision are met. Sundry other provisions also include, for example, expected expense for premiums and arbitration proceedings and a large number of non-material items.

Reclassifications in the financial year are due to the pension provisions in connection with the early adoption of IAS 19 (revised 2011).

Interest expenses relating to the compounding of long-term accruals amounted to EUR 955k (prior year: EUR 1,172k).

Outflows of economic benefits in relation to provisions are expected in the amount of EUR 45,716k (prior year: EUR 43,023k) within one year, EUR 4,443k (prior year: 11,588k) between two and five years and EUR 0k (prior year: EUR 0k) after five years.

(34) Financial Liabilities

	Nov. 30, 2013			Nov. 30, 2012		
in EUR k	**Total**	***Thereof current***	***Thereof non-current***	Total	*Thereof current*	*Thereof non-current*
Bond	**297,002**	*–*	*297,002*	296,331	*–*	*296,331*
Liabilities to banks	**179,027**	*91,982*	*87,045*	138,318	*26,610*	*111,708*
Fair value of derivative financial instruments	**1,683**	*1,121*	*562*	3,145	*1,333*	*1,812*
Sundry other financial liabilities	**30,693**	*10,657*	*20,036*	25,243	*16,169*	*9,074*
Other financial liabilities	***508,405***	***103,760***	***404,645***	**463,037**	***44,112***	***418,925***
Trade payables	**127,042**	*127,042*	*–*	154,301	*154,301*	*–*
Financial liabilities	***635,447***	***230,802***	***404,645***	**617,338**	***198,413***	***418,925***

As of the reporting date, liabilities to banks were secured in the amount of EUR 175,772k (prior year: EUR 134,841k) and unsecured in the amount of EUR 3,255k (prior year: EUR 3,477k).

The carrying amounts of the derivative financial instruments, sundry other financial liabilities and the trade payables correspond to their fair values.

For further details on the fair values of derivative financial instruments, please see the information provided in Note (37).

The table below shows maturities, interest rates and fair values for liabilities to banks and for the bond:

Nov. 30, 2013

(Currency in k)		Amount	Due by	Interest rate % p.a.	**Carrying amount (EUR)**	Fair value (EUR)
Bond	EUR	297,002	2018[1]	5.00	**297,002**	335,208[5]
Liabilities to banks	USD[2]	144,356	2016	1.85	**106,058**	106,058
	USD	39,129	2014	1.61	**28,748**	28,748
	USD	100	2014	6.00	**73**	73
	ARS	3,500	2016	15.25	**420**	420
	EUR	39,039	2014	1.54	**39,039**	39,039
	EUR[3]	2,247	2014–2021	1.80–1.90	**2,247**	2,247
	EUR	93	2015	–	**93**	93[4]
	PLN	9,063	2015	3.20–3.31	**2,155**	2,155
	INR	16,526	2014	12.20	**194**	194
					179,027	**179,027**
					476,029	**514,235**

Nov. 30, 2012

(Currency in k)		Amount	Due by	Interest rate % p.a.	Carrying amount (EUR)	Fair value (EUR)
Bond	EUR	296,331	2018[1]	5.00	296,331	330,819[5]
Liabilities to banks	USD[2]	173,084	2016	1.99	133,285	133,285[6]
	USD	230	2013	7.0–9.5	177	177
	EUR[7]	3,092	2013–2021	1.64–1.94	3,092	3,092
	EUR	118	2015	–	118	118[4]
	PLN	6,555	2013	4.93–5.31	1,597	1,597
	INR	3,486	2013	12.75	49	49
					138,318	**138,318**
					434,649	**469,137**

[1] Held to maturity.
[2] Hedged by interest rate swap to 2015; figure shown is last interest rate fixing for loan.
[3] Interest rate partly hedged to 2014.
[4] Non-interest bearing.
[5] Except for the loans indicated, the carrying amounts of the liabilities to banks approximate to the fair value of the liability.
[6] As there were no drawings on the revolving credit facility at the reporting date November 30, 2012, the capitalized fees for the facility are included in the portion of the syndicated loan that is drawn in US dollars.
[7] Interest rate partly hedged to 2013.

The financial liabilities with a fixed interest rate are subject to the risk that changes in the market interest rate and the issuer's credit standing may lead to changes in fair value.

The interest rates shown are the interest rates at the balance sheet date. They comprise the market interest rate and bank lending margins. Current interest expenses were higher in the financial year due to the long-term interest rate hedges in place for the major loans.

In connection with the refinancing of the previous syndicated loans, a new syndicated loan agreement was signed on March 9, 2011 with a five-year term to maturity, comprising a long-term loan of initially EUR 150,000k (fully drawn in US dollars) and a EUR 250,000k revolving credit facility.

In addition, primarily in connection with the refinancing of the previous bond and syndicated loans, a new EUR 300,000k bond was issued on May 19, 2011 with an issue price of 99.40%, a coupon of 5.00% p.a. and a term to maturity ending in 2018.

The sundry other financial liabilities also include both put options and finance lease liabilities. In connection with finance leases, please also see the information provided in Note (36).

(35) Other Liabilities

	Nov. 30, 2013			Nov. 30, 2012		
in EUR k	**Total**	***Thereof current***	***Thereof non-current***	Total	*Thereof current*	*Thereof non-current*
Prepayments received	**58,075**	*58,075*	–	38,935	*38,935*	–
Liabilities from other taxes	**7,461**	*7,461*	–	6,746	*6,746*	–
Liabilities from social security obligations	**4,143**	*4,143*	–	5,101	*5,101*	–
Sundry other liabilities	**51,532**	*49,799*	*1,733*	46,055	*44,346*	*1,709*
Other liabilities	**121,211**	***119,478***	***1,733***	**96,837**	***95,128***	***1,709***

Prepayments received include EUR 43,470k (prior year: EUR 27,826k) relating to construction contracts accounted for using the percentage of completion method in accordance with IAS 11.

Collateral was given for prepayments received in the amount of EUR 23,692k (prior year: EUR 20,321k).

Sundry other liabilities primarily relate to obligations to employees.

(36) Other Financial Obligations

Other financial obligations break down as follows:

in EUR k	**Nov. 30, 2013**	Nov. 30, 2012
Obligations under rental and lease agreements	**50,261**	47,805
Capital expenditure commitments	**34,744**	29,787
Guarantees	**197**	112
Sundry other financial obligations	**820**	975
Other financial obligations	**86,022**	**78,679**

The obligations from rental and lease agreements mainly relate to plant and to land and buildings used for operating purposes.

Finance lease and operating lease obligations fall due as follows:

in EUR k	Finance leases			Rentals and operating leases
	Minimum lease payments	Interest component	Present value	Nominal value
Due within 1 year	596	136	460	12,066
Due 1 to 5 years	1,815	440	1,375	25,775
Due after 5 years	3,364	53	3,311	12,420
Nov. 30, 2013	**5,775**	**629**	**5,146**	**50,261**

in EUR k	Finance leases			Rentals and operating leases
	Minimum lease payments	Interest component	Present value	Nominal value
Due within 1 year	1,822	249	1,573	10,068
Due 1 to 5 years	2,030	498	1,532	22,543
Due after 5 years	3,839	153	3,686	15,194
Nov. 30, 2012	**7,691**	**900**	**6,791**	**47,805**

EUR 16,242k (prior year: EUR 17,008k) was recognized as expense in the income statement in financial year 2013 in connection with rentals and operating leases.

(37) Reporting on Capital Management and Financial Instruments

The Group's capital management objectives primarily consist of maintaining and ensuring the best possible capital structure to reduce cost of capital, ensuring a sufficient level of cash and cash equivalents as well as active management of net working capital. Net financial debt as of November 30, 2013 was EUR 416,643k (prior year: EUR 366,538k); net working capital was EUR 201,905k (prior year: EUR 175,160k).

The Gerresheimer Group's risk management system for credit risk, liquidity risk and individual market risks, including interest risks, currency risks and price risks, is described, including its objectives, policies and processes, in the Opportunity and Risk Report section of the Management Report. Please see Note (6) for further explanations.

Information on financial instruments by category and class

The fair values of financial assets and financial liabilities were determined using the following hierarchy:

Level 1: Fair values are determined on the basis of quoted prices in an active market as the most reliable objective evidence of the fair value of a financial asset or financial liability.

Level 2: If no active market for a financial asset or a financial liability exists, fair value is established by using valuation techniques. Fair values are determined in the Gerresheimer Group using recent arm's length transactions with willing parties and prices from observable current market transactions for a similar instrument.

Level 3: Fair values are determined using valuation techniques whose parameters are based on unobservable inputs.

	Nov. 30, 2013				Nov. 30, 2012			
in EUR k	**Level 1**	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
Financial assets designated "available for sale"								
Securities	671	–	–	671	1,185	–	–	1,185
Financial assets designated "at fair value through profit and loss"								
Derivative financial assets	–	119	–	119	–	147	–	147
Measured at fair value	**671**	**119**	**–**	**790**	**1,185**	**147**	**–**	**1,332**
Financial liabilities designated "at fair value through profit and loss"								
Derivative financial liabilities	–	82	–	82	–	59	–	59
Put options	–	563	10,428	10,991	–	3,655	–	3,655
Financial liabilities designated "at fair value – changes in cash flow hedge reserve"								
Derivative financial liabilities	–	1,601	–	1,601	–	3,086	–	3,086
Measured at fair value	**–**	**2,246**	**10,428**	**12,674**	**–**	**6,800**	**–**	**6,800**

The following table shows the carrying amounts and fair values of the individual financial assets and liabilities for each individual category of financial instruments and reconciles them to the corresponding balance sheet items:

	Nov. 30, 2013				Nov. 30, 2012			
	At amortized cost		At fair value		At amortized cost		At fair value	Pro forma[3]
in EUR k	Carrying amount	*For information purposes: Fair value*	Carrying amount	**Balance sheet amount**	Carrying amount	*For information purposes: Fair value*	Carrying amount	**Balance sheet amount**
Trade receivables	173,413	*173,413*	–	173,413[2]	161,622	*161,622*	–	161,622[4]
Loans and receivables	173,413	*173,413*	–		161,622	*161,622*	–	
Other financial assets	7,966	*7,763*	790	8,756	11,733	*11,530*	1,332	13,065
Available-for-sale financial assets[1]	203	–	671		203	–	1,185	
At fair value through profit or loss	–	–	119		–	–	147	
Loans and receivables	7,763	*7,763*	–		11,530	*11,530*	–	
Cash and cash equivalents	73,092	*73,092*	–	73,092	86,087	*86,087*	–	86,087
Financial assets	**254,471**	***254,268***	**790**	**255,261**	**259,442**	***259,239***	**1,332**	**260,774**
Other financial liabilities	495,731	*533,937*	12,674	508,405	456,237	*490,725*	6,800	463,037
At amortized cost	495,731	*533,937*	–		456,237	*490,725*	–	
At fair value through profit or loss	–	–	11,073		–	–	3,714	
At fair value – changes in cash flow hedge reserve	–	–	1,601		–	–	3,086	
Trade payables	127,042	*127,042*	–	127,042	154,301	*154,301*	–	154,301
At amortized cost	127,042	*127,042*	–		154,301	*154,301*	–	
Financial liabilities	**622,773**	***660,979***	**12,674**	**635,447**	**610,538**	***645,026***	**6,800**	**617,338**

[1] Due to the non-availability of a quoted price, the fair value of investments with a carrying amount of EUR 203k is not stated.
[2] Receivables under construction contracts are additionally recognized in the balance sheet in the amount of EUR 19,149k.
[3] Retrospective restatement due to early adoption of IAS 19 (revised 2011) from December 1, 2012.
[4] Receivables under construction contracts are additionally recognized in the balance sheet in the amount of EUR 17,817k.

Liabilities measured at amortized cost include finance lease liabilities for which Group companies are the lessees and which are therefore measured in accordance with IAS 17. As of November 30, 2013, these liabilities amount to EUR 5,146k (prior year: EUR 6,791k).

The fair values of receivables, loans and liabilities are measured at the present value of future cash flows discounted at the current interest rate as of the balance sheet date, taking into account the maturity of the asset or the remaining term of the liability.

Due to the predominantly short terms of trade receivables, trade payables, other financial assets, other financial liabilities as well as cash and cash equivalents, their fair values as of the balance sheet date do not differ significantly from their carrying amounts.

Receivables relating to application of the percentage of completion method (EUR 19,149k; prior year: EUR 17,817k) are not within the scope of IAS 39 and are therefore not financial assets.

The fair value of available-for-sale financial assets has changed slightly compared with the prior year.

Maturity analysis

The Group continually monitors liquidity risk. The maturities of the Group's financial liabilities as of November 30, 2013 are as follows. The amounts are stated on the basis of the contractual, non-discounted payments.

Nov. 30, 2013

in EUR k	Due or due in 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	**Total**
Bond and liabilities to banks	39,116	30,155	23,488	386,392	1,507	**480,658**
Interest payments on bond and liabilities to banks	718	58	16,411	62,148	74	**79,409**
Interest from interest rate swaps	398	–	1,003	613	–	**2,014**
Trade payables	106,260	19,588	1,194	–	–	**127,042**
Finance lease liabilities	44	113	439	1,815	3,364	**5,775**
Sundry other financial liabilities	133	–	1,081	13,828	1,522	**16,564**
	146,669	**49,914**	**43,616**	**464,796**	**6,467**	**711,462**

Nov. 30, 2012

in EUR k	Due or due in 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	**Total**
Bond and liabilities to banks	1,233	256	26,008	111,865	301,507	440,869
Interest payments on bond and liabilities to banks	985	37	16,862	64,311	15,109	97,304
Interest from interest rate swaps	436	–	1,157	1,845	–	3,438
Trade payables	122,642	30,457	1,202	–	–	154,301
Finance lease liabilities	118	532	1,172	2,030	3,839	7,691
Sundry other financial liabilities	282	148	4,866	1,834	2,023	9,153
	125,696	**31,430**	**51,267**	**181,885**	**322,478**	**712,756**

The liabilities from bond and liabilities to banks existing as of November 30, 2013 include EUR 68,748k (prior year: EUR 0k) drawings under the revolving credit facility that are agreed firmly till March 2016. These contractions are reported under the item "Due or due in 1 month" for an amount of EUR 38,816k and "1 to 3 months" for an amount of EUR 29,932k.

Hedges

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 instruments on the basis of clearly defined guidelines.

The following table provides an overview of hedges as of the financial year-end.

	Nov. 30, 2013		Nov. 30, 2012	
in EUR k	**Exchange rate hedges**	**Interest rate derivatives**	Exchange rate hedges	Interest rate derivatives
Nominal value (gross)	**63,128**[1)]	**106,728**	45,377[1)]	135,836
Fair value (net)	**37**	**-1,601**	88	-3,086
Residual term	**12/2013–05/2014**	**03/2015**	12/2012–05/2013	03/2015
Carrying amount (underlying assets)	**21,635**	**–**	13,217	–
Carrying amount (underlying liabilities)	**16,836**	**106,058**	5,668	134,674

[1)] This also includes forward exchange contracts for receivables and payables between consolidated companies that have been eliminated on consolidation.

The put option of Triveni is included in the book value of the underlying liabilities in the financial year 2013.

The derivative financial instruments are measured at fair values determined by banks. As hedges, there is generally an economic relationship between the hedging instruments and hedged operating items.

Cash flow hedges

The payer interest rate swaps of the Gerresheimer Group existing as of November 30, 2013 were concluded to hedge the cash flow risk on a variable-rate loan. Changes in the cash flows from the hedged item resulting from changes in the reference interest rate (USD LIBOR) are offset by changes in the cash flows from the interest rate swap. The aim of the hedge is to transform the variable-rate bank loan into a fixed-rate liability.

As the principal terms of the interest rate swaps match those of the liability, the changes in fair value or cash flows on the hedged item and the hedging instrument are likely to fully offset each other. As a result, in accordance with IAS 39, effectiveness may be assumed without prospective effectiveness testing.

Retrospective effectiveness testing is done using the dollar offset method in the form of the hypothetical derivative method. This involves comparing with the cumulative absolute change in the fair value of a hypothetical swap. The hypothetical swap is a "deputy" for the hedged item, replicating its relevant terms, and is measured based on current market conditions. If the terms of the hedged item and hedging instrument (of the hypothetical swap and the swap used as the real hedging instrument) are identical, as is the case at Gerresheimer, the changes in fair value are generally identical in absolute terms.

The cumulative gains and losses on hedging instruments are initially recognized directly in consolidated equity in the cash flow hedge reserve and subsequently reclassified to the income statement in the period in which the cash flows affect earnings.

Fixed rate risk exposure relates solely to bank loans with fixed terms and repayment agreements. The hedging rate in relation to syndicated loans is 100% (prior year: 100%). The cash flow hedges of the future interest payments were assessed to be effective; a cumulative unrealized loss (less deferred taxes) of EUR 992k (prior year: EUR 1,902k) from these hedging instruments was therefore recognized in consolidated equity. EUR 1,660k in cumulative losses recognized in equity (prior year: EUR 1,813k) were reclassified to the financial result in financial year 2013.

Gains and losses from the ineffective portions of these hedges are recognized immediately in profit or loss. As in the prior year, there was no hedge ineffectiveness in financial year 2013.

Foreign exchange hedges

In accordance with internal financing guidelines, the Gerresheimer Group used forward exchange contracts and currency swaps in financial year 2013 to hedge currency risks on foreign currency denominated receivables and payables. The sole risk exposure in connection with currency management relates to transaction risks. The currency derivatives are used to hedge specific hedged items and are classified as effective hedging instruments in accordance with IAS 39.

EUR 1,926k in losses from derivative financial instruments were recognized in profit and loss in financial year 2013 (prior year: EUR 843k losses).

Sensitivity analyses

In accordance with IFRS 7, interest rate risk is presented using sensitivity analyses. The following section describes the sensitivity of net income before taxes and of the cash flow hedge reserve recognized in equity to a reasonably possible change in interest rates.

The interest rate sensitivity analyses are based on the following assumptions:

Changes in the market interest rate of non-derivative financial instruments with fixed interest rates only affect earnings when the instruments are measured at fair value. In the Gerresheimer Group, all non-derivative liabilities are measured at amortized cost. No financial liabilities with fixed interest rates are therefore exposed to interest rate risk within the meaning of IFRS 7.

In the case of interest rate swaps designated as hedges of interest rate risk, changes in the fair value of hedged items and hedging instruments due to changes in interest rates offset each other almost in full within the same period. As a result, these financial instruments are likewise not subject to material interest rate risk.

The market interest rate sensitivity analysis assumes a parallel shift in the interest rate curve in the US dollar area to represent a 100 basis point increase and a 20 basis point decrease in interest rates and is thus unchanged relative to the prior year.

If the market interest rate had been 100 basis points higher or 20 basis points lower as of November 30, 2013, the cash flow hedge reserve would be more positive by EUR 689k or more negative by EUR 139k (prior year: more positive by EUR 1,615k or more negative by EUR 330k).

If the market interest rate had been 100 basis points higher or 20 basis points lower as of November 30, 2013, net income before taxes would have been EUR 72k lower or EUR 14k higher (prior year: EUR 21k lower, EUR 4k higher).

The following section describes the sensitivity of net income before taxes (due to the change in the fair values of monetary assets and liabilities) to a reasonably possible change in exchange rates, Gerresheimer AG only being exposed to currency risk on unhedged monetary financial instruments. All other variables remain constant.

If exchange rates as of November 30, 2013 had increased (decreased) by 10%, net income before taxes would have increased by EUR 1,383k or decreased by EUR 398k (prior year using the same sensitivities: increase of EUR 1,595k and decrease of EUR 1,244k).

OTHER NOTES

(38) Segment Reporting

Segment reporting follows the management approach in accordance with IFRS 8 "Operating Segments". External reporting is thus based on internal reporting.

In the Gerresheimer Group, the Management Board, as the chief operating decision maker, allocates resources to the operating segments and assesses their performance. The reportable segments and regions as well as the performance data shown are consistent with the internal management and reporting system.

The Gerresheimer Group is managed through strategic business units organized as divisions. These are aggregated into reporting segments based on the economic characteristics of their businesses, the nature of their products and production processes, and the nature of their customer relationships.

In its Medical Plastic Systems business unit, the **Plastic Systems** Division produces complex customer-specific plastic systems for pharmaceuticals, diagnostics and medical technology. In its second business unit, Plastic Packaging, it produces plastic containers, mainly as primary packaging for pharma and healthcare products.

The **Moulded Glass** Division produces glass primary packaging in a continuous process. The containers are used for pharmaceuticals, cosmetic products, specialty beverages and foods.

The **Tubular Glass** Division spans two separate process steps, initially producing high-quality glass tubes and subsequently converting them into primary packaging such as ampoules, cartridges, vials or syringe systems.

The product portfolio of the **Life Science Research** Division consists of laboratory glassware for research, development and analytics.

From **financial year 2013/14**, Gerresheimer will realign its structure with three divisions. The three-division structure is not only closely aligned with the production technologies, but also better serves customer needs and groups similar technologies together.

The new **Plastics & Devices** Division encompasses all customer-specific system solutions for drug administration and diagnostics together with plastic containers with closure and safety systems.

The **Primary Packaging Glass** Division unites all glass primary packaging products made of either moulded glass or tubular glass.

The structure of the **Life Science Research** Division remains unchanged.

Services of Gerresheimer AG, consolidation measures and inter-segment reconciliations are presented in the segment reporting as "Head office/ Consolidation". The measurement principles for segment reporting are based on the IFRSs applied in the consolidated financial statements.

Segmental performance is assessed and calculated according to the following criteria:

- Intragroup revenues are measured on an arm's length basis. There were no revenues with key accounts amounting to more than 10% of Gerresheimer Group revenues neither for financial year 2013 nor for the prior year.
- Adjusted EBITDA and adjusted EBITA are not defined in IFRS but represent key performance indicators for the Gerresheimer Group. Adjusted EBITDA is net income before income taxes, financial result, amortization of fair value adjustments, depreciation and amortization, impairments, restructuring expenses and one-off income and expenses. Adjusted EBITA is adjusted EBITDA less depreciation and amortization of intangible assets and property, plant and equipment.
- Net working capital is defined as inventories, trade receivables and prepayments less prepayments received and trade payables.
- Operating cash flow is a key performance indicator comprising adjusted EBITDA plus changes in net working capital at constant exchange rates plus capital expenditures less added finance leases.
- Capital expenditures comprise all additions to intangible assets and property, plant and equipment measured at cost.
- Non-current assets do not include financial instruments, deferred tax assets, post-employment benefits or rights arising from insurance contracts.

A reconciliation for financial year 2013 from the existing to the new structure of the divisions can be found in the following table:

Existing structure in EUR k	Plastic Systems	Tubular Glass	Moulded Glass	Life Science Research	Head office/ consolidation	Group
Segment revenues	463,638	342,806	387,689	86,755	–	1,280,888
Intragroup revenues	-156	-14,402	-399	–	–	-14,957
Revenues with third parties	**463,482**	**328,404**	**387,290**	**86,755**	**–**	**1,265,931**
Adjusted EBITDA	109,936	63,855	85,016	11,464	-20,439	249,832
Depreciation and amortization	-25,767	-24,990	-30,663	-1,717	-512	-83,649
Adjusted EBITA	84,169	38,865	54,353	9,747	-20,951	166,183
Net working capital	51,023	67,001	61,326	24,874	-2,319	201,905
Operating cash flow	61,194	12,933	39,032	10,937	-19,612	104,484
Capital expenditure	43,265	37,179	37,660	903	94	119,101
Employees (average for the year)	3,744	3,800	2,807	831	105	11,287

Transition in EUR k	Plastic Systems	Syringe Systems	Tubing/ Converting	Moulded Glass	Life Science Research	Head office/ consolidation	Group
Segment revenues	463,638	98,205	244,601	387,689	86,755	–	1,280,888
Intragroup revenues	-156	-58	-14,344	-399	–	–	-14,957
Revenues with third parties	**463,482**	**98,147**	**230,257**	**387,290**	**86,755**	**–**	**1,265,931**
Adjusted EBITDA	109,936	10,890	52,965	85,016	11,464	-20,439	249,832
Depreciation and amortization	-25,767	-6,138	-18,852	-30,663	-1,717	-512	-83,649
Adjusted EBITA	84,169	4,752	34,113	54,353	9,747	-20,951	166,183
Net working capital	51,023	27,335	39,666	61,326	24,874	-2,319	201,905
Operating cash flow	61,194	-9,776	22,709	39,032	10,937	-19,612	104,484
Capital expenditure	43,265	12,530	24,649	37,660	903	94	119,101
Employees (average for the year)	3,744	689	3,111	2,807	831	105	11,287

New structure in EUR k	Plastics & Devices	Primary Packaging Glass	Life Science Research	Head office/ consolidation	Group
Segment revenues	561,629	635,386	86,755	–	1,283,770
Intragroup revenues old structure	-214	-14,743	–	–	-14,957
Transition intragroup revenues new structure	214	-3,096	–	–	-2,882
Revenues with third parties	**561,629**	**617,547**	**86,755**	**–**	**1,265,931**
Adjusted EBITDA	120,826	137,981	11,464	-20,439	249,832
Depreciation and amortization	-31,905	-49,515	-1,717	-512	-83,649
Adjusted EBITA	88,921	88,466	9,747	-20,951	166,183
Net working capital	78,358	100,992	24,874	-2,319	201,905
Operating cash flow	51,418	61,741	10,937	-19,612	104,484
Capital expenditure	55,795	62,309	903	94	119,101
Employees (average for the year)	4,433	5,918	831	105	11,287

Reconciliation from Adjusted EBITA of the divisions to net income before taxes of the Group:

in EUR k	2013	Pro forma[1] 2012
Adjusted segment EBITA	187,134	176,709
Head office/consolidation	-20,951	-18,869
Adjusted Group EBITA	**166,183**	**157,840**
Restructuring/one-off expenses and income	-8,636	-5,467
Amortization of fair value adjustments	-18,951	-17,969
Impairment loss	-5,648	-2,584
Result of operations	**132,948**	**131,820**
Net finance expense	-34,194	-33,281
Net income before income taxes	**98,754**	**98,539**

[1] Retrospective restatement due to early adoption of IAS 19 (revised 2011) from December 1, 2012.

(39) Auditor Fees

The following fees have been recognized as expense for services provided by Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft:

in EUR k	2013	2012
Financial statements auditing	464	478
Other assurance services	27	30
Tax advisory services	22	23
Other services	26	5
	539	**536**

Other services mainly relate to the random check of the "Deutsche Prüfstelle für Rechnungslegung e.V." which was successfully concluded in financial year 2013.

(40) Related Party Disclosures (IAS 24)

In the course of our operating activities, we conduct business with legal entities and individuals who are able to exert influence on Gerresheimer AG or its subsidiaries or are controlled or significantly influenced by Gerresheimer AG or its subsidiaries.

Related parties as defined in IAS 24 include companies that are related parties of members of the Supervisory Board of Gerresheimer AG, non-consolidated companies and associates, and members of the Gerresheimer AG Supervisory Board and Management Board whose remuneration is reported in Note (41) and in the Remuneration Report section of the Management Report.

The table below shows transactions with related parties as defined in IAS 24:

	2013				2012			
in EUR k	**Sale of goods and services**	**Purchase of goods and services**	**Trade receivables**	**Trade payables**	Sale of goods and services	Purchase of goods and services	Trade receivables	Trade payables
Company in relation to a member of the Gerresheimer AG Supervisory Board	3,430	–	281	–	5,250	191	202	–
Associated companies	72	1,801	16	380	59	2,196	1,446	299
	3,502	**1,801**	**297**	**380**	**5,309**	**2,387**	**1,648**	**299**

Transactions are always conducted at market prices and on arm's length terms.

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

Remuneration of the members of the Supervisory Board of Gerresheimer AG totaled EUR 1,001k in financial year 2013 (prior year: EUR 975k).

In relation to the presentation of the remuneration of the members of the Management Board, the recommendations of the "Deutsche Corporate Governance Kodex" had been implemented in financial year 2013. Prior year figures were adjusted accordingly.

Remuneration of the active Management Board members during the financial year, made up of fixed salary (including fringe benefits), performance-linked bonuses and components with a long-term incentive effect, came to EUR 4,212k in financial year 2013 (prior year: EUR 3,484k). In addition, severance payments of EUR 1,550k in accordance with the Management Board contract were made to Mr. Grote, who left the Management Board of Gerresheimer AG with effect from September 30, 2013.

Further remuneration was granted in connection with the appointment of Rainer Beaujean to the Management Board by way of issuing a total of 110,000 new stock appreciation rights in 2013 (tranches 7 and 8), which relate to a period up to 2014 and had no impact on cash flow in financial year 2013. The fair value of the stock appreciation rights at the grant date was EUR 345k.

The fair value of the 2013–2016 tranches of Management Board stock appreciation rights (tranches 7 to 10) was EUR 1,445k as of the balance sheet date (prior year: tranches 6 to 10: EUR 1,690k). EUR 1,652k (prior year: EUR 988k) was recognized as of the balance sheet date in expenses for additions to the provision for stock appreciation rights (tranches 4 to 9). For further details, please see Note (32).

With effect from May 1, 2007, the pension obligations for active members of the Management Board were transferred to a pension fund. Benefits vesting since May 1, 2007 are generally processed through a provident fund. The present value of the defined benefit obligation for active members of the Management Board, before offset against plan assets, is EUR 4,147k (prior year: EUR 5,371k).

The present value of the defined benefit obligation for former members of management and their dependents, before offset against plan assets, is EUR 25,175k (prior year: EUR 25,131k). Regular payments for pensions and other benefits came to EUR 1,391k (prior year: EUR 1,414k).

Details on the remuneration of the members of the Management Board are provided in the Remuneration Report section of the Combined Management Report.

(42) Corporate Governance

The term corporate governance relates to a company's entire management and monitoring system, including its organization, business policies and guidelines as well as internal and external control mechanisms. The aim of good corporate governance is responsible and transparent corporate management and control geared to sustained value creation. This enhances 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 of the German Stock Corporation Act (Aktiengesetz/AktG), Gerresheimer AG is required as a listed company to "comply or explain", stating to what extent it complies with the recommendations of the German Corporate Governance Code and any recommendations it has not or will not comply with.

The Management Board and Supervisory Board of Gerresheimer AG most recently adopted the following declaration of compliance in accordance with section 161 of the German Stock Cooperation Act (Aktiengesetzt/AktG) as follows on September 4, 2013: Since its last declaration of September 5, 2012, Gerresheimer AG has, with the exceptions stated in the exemption, complied with the recommendations of the "Government Commission on the German Corporate Governance Code" as amended on May 15, 2012. Gerresheimer AG will comply with the recommendations of the Government Commission on the German Corporate Governance Code as published on May 13, 2013 except for item 5.4.6 (2) sentence (2) of the Code (performance-related remuneration of the Supervisory Board). The declaration is available from the Company website (www.gerresheimer.com/en/investor-relations).

(43) Events after the Balance Sheet Date

No events have arisen since November 30, 2013 that are expected to have a material impact on the net assets, financial position or results of operations of the Gerresheimer Group or Gerresheimer AG.

The financial statements were prepared by the Management Board at its meeting on January 20, 2014, authorized for publication and will be submitted by the Audit Committee to the Supervisory Board for approval in its meeting on February 12, 2014.

Duesseldorf, Germany, January 20, 2014

The Management Board

RESPONSIBILITY STATEMENT

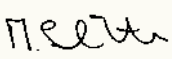
To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of assets, liabilities, financial position and profit or loss of the Group, and the Group Combined Management Report includes a fair review of the 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.

Duesseldorf, Germany, January 20, 2014

The Management Board

Uwe Röhrhoff

Rainer Beaujean



Andreas Schütte

INDEPENDENT AUDITORS' REPORT

We have audited the consolidated financial statements prepared by Gerresheimer AG, Düsseldorf/Germany, – comprising the income statement, as well as the statement of comprehensive income, the balance sheet, the statement of changes in equity, the cash flow statement and the notes to the financial statements – and the group management report for the business year from December 1, 2012 to November 30, 2013. The preparation of the consolidated financial statements and the combined group management report in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a (1) HGB are the responsibility of the Company's Board of Directors. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

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

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements of Gerresheimer AG, Düsseldorf/Germany, comply with IFRS, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 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.

Düsseldorf, Germany, January 20, 2014

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

Signed: Harnacke
Wirtschaftsprüfer
German Public Auditor

Signed: Grünewald
Wirtschaftsprüfer
German Public Auditor

SUPERVISORY BOARD AND MANAGEMENT BOARD

SUPERVISORY BOARD

Financial Year 2013 (December 1, 2012 to November 30, 2013)

Gerhard Schulze
Chairman of the Supervisory Board,
Diplom-Betriebswirt,
former Member of the Management Board of Gerresheimer Glas AG
b) Wickeder Holding GmbH (Chairman)
Linet Group SE, The Netherlands (Chairman)

Francesco Grioli
Deputy Chairman of the Supervisory Board,
Regional Director Rhineland-Palatinate/Saarland of IG Bergbau, Chemie, Energie
a) Symrise AG

Sonja Apel
Director Group Financial Accounting of Gerresheimer AG
b) Gerresheimer Mexico Holding LLC, USA
Gerresheimer MH Inc., USA
Gerresheimer UK Ltd., United Kingdom (since February 1, 2013)
Gerresheimer Spain S.L.U., Spain (since February 1, 2013)
Gerresheimer Denmark A/S, Denmark (since February 1, 2013)
Gerresheimer Plasticos Sao Paulo Ltda., Brazil (since February 6, 2013)
Gerresheimer Boleslawiec S.A., Poland (since February 19, 2013)

Lydia Armer
Chairwoman of the Company Works Council of Gerresheimer Regensburg GmbH
a) Gerresheimer Regensburg GmbH

Dr. Karin Louise Dorrepaal
Consultant,
former Member of the Management Board of Schering AG
a) Paion AG (Deputy Chairwoman)
b) Cryo Save Group N.V., The Netherlands (until November 21, 2013)
MDx Health S.A., Belgium (until May 31, 2013)
Triton Beteiligungsberatung GmbH
Grontmij N.V., The Netherlands (since May 23, 2013)
Almirall S.A., Spain (since January 1, 2013)

Eugen Heinz
Member of the Company Works Council of Gerresheimer Lohr GmbH

Seppel Kraus
Regional Director Bavaria of IG Bergbau, Chemie, Energie
a) Hexal AG
Novartis Deutschland GmbH
Wacker Chemie AG

Dr. Peter Noé
Diplom-Kaufmann,
former Member of the Management Board of Hochtief AG
b) BlackRock Private Equity Partners AG, Switzerland

Hans Peter Peters
Vice Chairman Lincoln International Group
b) Lincoln International S.A.S., France (Chairman)
Lincoln Spain S.L., Spain (Chairman)
German Mid-cap Fonds (GMF) (Chairman)
Ondas Media S.L., Spain
Bank Sarasin AG
Scope Corporation AG (since October 10, 2013)

Markus Rocholz
Chairman of the Company Works Council of Gerresheimer Essen GmbH
a) Gerresheimer Tettau GmbH

Theodor Stuth
Auditor and Certified Tax Advisor
b) Wickeder Holding GmbH
Wickeder Profile Walzwerk GmbH
Linet Group SE, The Netherlands

Udo J. Vetter
Pharmacist and General Partner of UV-Cap GmbH & Co. KG
a) ITM AG (Chairman)
b) Vetter Pharma-Fertigungs GmbH & Co. KG (Chairman)
Atoll GmbH (Chairman)
HSM GmbH & Co. KG
K & M Praezisionstechnik GmbH
SeaLionPharma Pte. Ltd., Singapore (Chairman)
Gland Pharma Pte. Ltd., India
Paschal India Pvt. Ltd., India (Chairman)

a) Membership in Supervisory Boards according to German legal regulations
b) Membership in comparable domestic and foreign control boards of economic enterprises

MANAGEMENT BOARD

Financial Year 2013 (December 1, 2012 to November 30, 2013)

Uwe Röhrhoff
Chairman
a) Gerresheimer Tettau GmbH (Chairman)
Gerresheimer Regensburg GmbH (Chairman)
b) Gerresheimer Glass Inc., USA (Chairman)
Gerresheimer Momignies S.A., Belgium (Chairman)
Gerresheimer Queretaro S.A., Mexico
(until May 13, 2013) (since October 28, 2013)
Neutral Glass and Allied Industries Pvt. Ltd., India
Gerresheimer Shuangfeng Pharmaceutical Glass (Danyang)
Co. Ltd., China (Chairman) (since February 1, 2013)
Gerresheimer Shuangfeng Pharmaceutical Packaging (Zhenjiang)
Co. Ltd., China (Chairman) (since February 1, 2013)

Rainer Beaujean
a) Gerresheimer Tettau GmbH (Deputy Chairman)
(since February 1, 2013)
Gerresheimer Regensburg GmbH (Deputy Chairman)
(since February 1, 2013)
b) Gerresheimer Glass Inc., USA (since February 1, 2013)
Kimble Chase Life Science and Research Products LLC, USA
(Chairman) (since October 11, 2013)
Kontes Mexico S. de R.L. de C.V., Mexico (since October 22, 2013)
Kimble Kontes LLC, USA (since October 1, 2013)

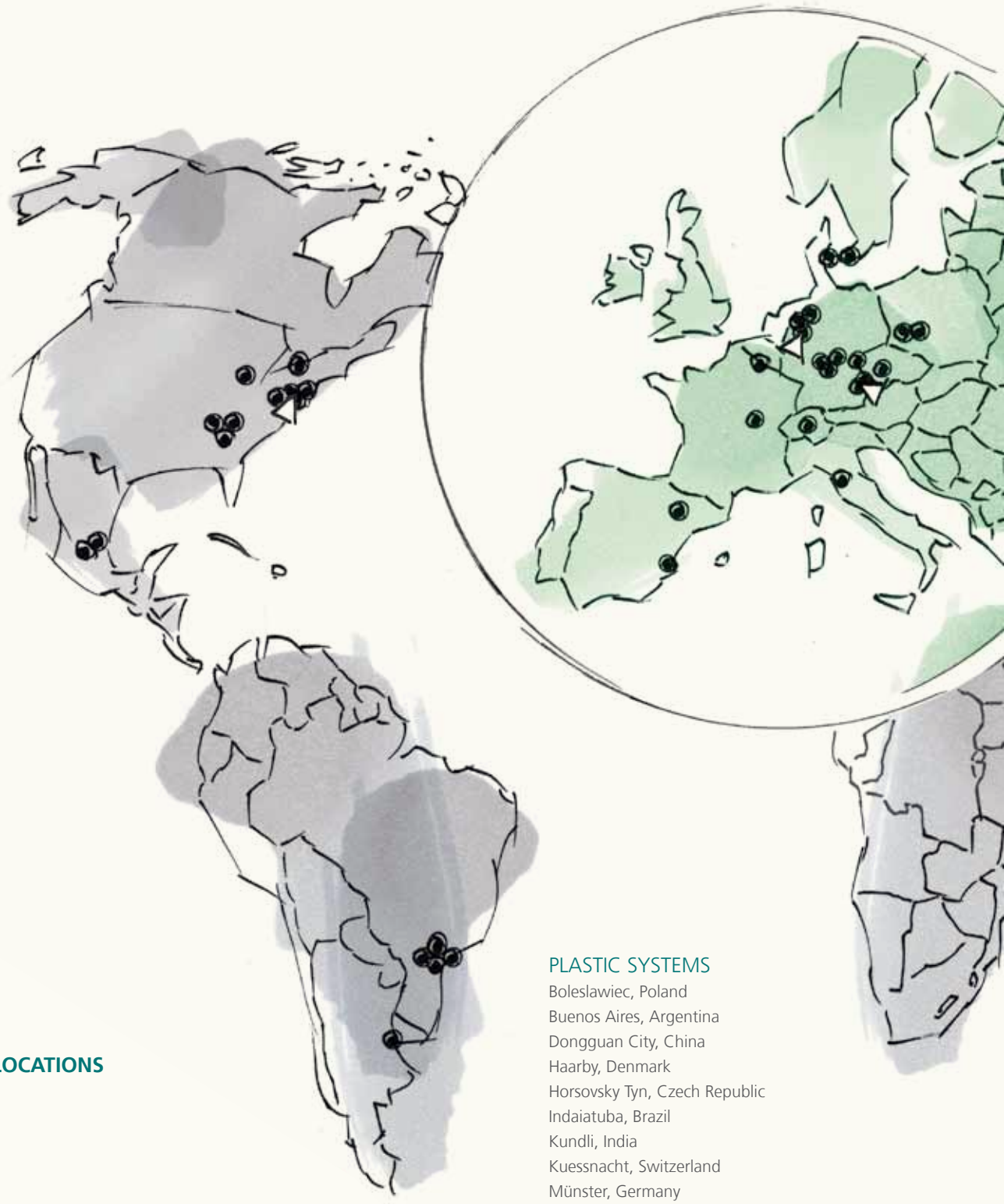
Stefan Grote (until September 30, 2013)
b) Gerresheimer Boleslawiec S.A., Poland (Deputy Chairman) (until
September 30, 2013)
Gerresheimer Pisa S.p.A., Italy (Chairman) (until September 30, 2013)
Gerresheimer Chalon S.A., France (until September 30, 2013)
Gerresheimer Glass Inc., USA (until September 30, 2013)
Gerresheimer Queretaro S.A., Mexico (Chairman)
(until September 30, 2013)
Kontes Mexico S. de R.L. de C.V., Mexico (until September 30, 2013)
Kimble Kontes LLC, USA (until September 30, 2013)
Kimble Bomex (Beijing) Labware Co. Ltd., China (Chairman)
(until May 1, 2013)
Kimble Chase Life Science and Research Products LLC, USA
(Chairman) (until September 30, 2013)
Gerresheimer Shuangfeng Pharmaceutical Glass (Danyang)
Co. Ltd., China (Chairman) (until September 30, 2013)
Gerresheimer Shuangfeng Pharmaceutical Packaging (Zhenjiang)
Co. Ltd., China (Chairman) (until September 30, 2013)

Andreas Schütte
b) Gerresheimer Denmark A/S, Denmark (Chairman)
Gerresheimer Vaerloese A/S, Denmark (Chairman)
Gerresheimer Zaragoza S.A., Spain (Deputy Chairman)
Gerresheimer Plasticos Sao Paulo Ltda., Brazil
Gerresheimer Boleslawiec S.A., Poland (Chairman)
Triveni Polymers Pvt. Ltd., India (since March 15, 2013)

Hans-Jürgen Wiecha (until January 31, 2013)
a) Gerresheimer Tettau GmbH (Deputy Chairman)
(until January 31, 2013)
Gerresheimer Regensburg GmbH (Deputy Chairman)
(until January 31, 2013)
b) Gerresheimer Boleslawiec S.A., Poland (until January 31, 2013)
Gerresheimer Pisa S.p.A., Italy (until January 31, 2013)
Gerresheimer Chalon S.A., France (until January 31, 2013)
Gerresheimer UK Ltd., United Kingdom (until January 31, 2013)
Gerresheimer Glass Inc., USA (until January 31, 2013)
Gerresheimer Momignies S.A., Belgium (until January 31, 2013)
Gerresheimer Queretaro S.A., Mexico (until January 31, 2013)
Gerresheimer Denmark A/S, Denmark (until January 31, 2013)
Gerresheimer Vaerloese A/S, Denmark (until January 31, 2013)
Gerresheimer Zaragoza S.A., Spain (until January 31, 2013)
Gerresheimer Plasticos Sao Paulo Ltda., Brazil (until January 31, 2013)
Gerresheimer Shuangfeng Pharmaceutical Glass (Danyang)
Co. Ltd., China (until January 31, 2013)
Gerresheimer Shuangfeng Pharmaceutical Packaging (Zhenjiang)
Co. Ltd., China (until January 31, 2013)

a) Membership in Supervisory Boards according to German legal regulations
b) Membership in comparable domestic and foreign control boards of economic enterprises

LOCATIONS OF GERRESHEIMER AG



PRODUCTION LOCATIONS

TUBULAR GLASS

Boleslawiec, Poland
Buende, Germany
Chalon, France
Danyang I, China
Danyang II, China
Morganton, USA
Pisa, Italy
Queretaro, Mexico
Vineland Crystal Avenue, USA
Vineland Forest Grove, USA
Wertheim, Germany
Zhenjiang, China

MOULDED GLASS

Beijing, China
Chicago Heights, USA
Essen, Germany
Kosamba, India
Lohr, Germany
Millville, USA
Momignies, Belgium
Tettau, Germany

PLASTIC SYSTEMS

Boleslawiec, Poland
Buenos Aires, Argentina
Dongguan City, China
Haarby, Denmark
Horsovsky Tyn, Czech Republic
Indaiatuba, Brazil
Kundli, India
Kuessnacht, Switzerland
Münster, Germany
Peachtree City, USA
Pfreimd, Germany
Sao Paulo Butanta, Brazil
Sao Paulo Cotia, Brazil
Sao Paulo Embu, Brazil
Vaerloese, Denmark
Valencia, Spain
Wackersdorf, Germany
Zaragoza, Spain

LIFE SCIENCE RESEARCH

Beijing, China
Meiningen, Germany
Queretaro, Mexico
Rochester, USA
Rockwood, USA
Vineland, USA

OTHER LOCATIONS

Duesseldorf, Germany (Gerresheimer AG)
Regensburg, Germany
Moscow, Russia
Mumbai, India
New Delhi, India
Vineland, USA

As of November 30, 2013

PRODUCT OVERVIEW BY DIVISION

PLASTIC SYSTEMS

The Plastic Systems Division produces complex customer-specific plastic systems for pharmaceuticals, diagnostics and medical technology such as asthma inhalers, insulin pens and lancets, and plastic containers, mainly as primary packaging for pharmaceuticals and healthcare.

DRUG DELIVERY SYSTEMS

Drug delivery systems transport drugs simply and rapidly to or into the body. They include plastic systems such as inhalers, pen systems and injection systems.

MEDICAL TECHNOLOGY PRODUCTS

Gerresheimer produces disposables for various analysis systems in laboratories and medical practices, quick tests for patients in medical practices or hospitals, skin-prick aids and lancets for diabetics, disposables and components for dialysis machines, catheters and surgical devices made of plastic.

CONTAINERS FOR SOLID DOSAGE

For non-liquid forms of delivery such as tablets and powder, Gerresheimer offers a wide spectrum of high-quality, user-friendly products which are complemented by a multifaceted range of alternatives in terms of specific closures, tamper-evident closures and other design options.

CONTAINERS FOR LIQUID DOSAGE

For liquid applications in the field of pharma and healthcare, Gerresheimer has a host of container types made of PET, PE and PP in its range. Numerous system accessories allow individual tailoring to the customer's needs.

CONTAINERS FOR OPHTHALMIC AND RHINOLOGICAL APPLICATIONS

Gerresheimer also produces special plastic-based vials for eye drops and nasal sprays. These user-friendly containers which can be complemented by different drop, spray or pump system components facilitate precise drug dosage and application.

CONTAINERS FOR PARENTERAL PACKAGING: GX MULTISHELL® PLASTIC VIALS

Due to the triple-layer structure (COP/PA/COP), these Gerresheimer vials (2–100 ml) have oxygen barrier properties which are unique for plastic vials. These vials are manufactured out of heavy-metal-free polymers, are transparent and biocompatible, and are particularly suitable for sensitive parenteral medicines.

MOULDED GLASS

The Moulded Glass Division produces glass primary packaging in a continuous process. The containers are used for pharmaceuticals, cosmetic products and specialty beverages and foods.

BOTTLES AND JARS FOR PHARMACEUTICALS

Glass containers for pharmaceutical use are available from Gerresheimer in widely varied forms: Syrup and dropper bottles, tablet jars, wide-neck jars and injection, infusion and transfusion bottles.

FLACONS AND POTS FOR COSMETICS

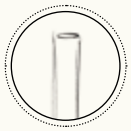
Gerresheimer produces flacons and pots in the widest possible variety of forms and finishes for fragrances, deodorants, care cosmetics and decorative cosmetics, etc.

BOTTLES AND JARS FOR BEVERAGES AND FOOD

Gerresheimer supplies customer-specific and specialty containers for spirits and food.

TUBULAR GLASS

In the Tubular Glass Division, in two separate process steps high-quality glass tubes are initially produced before being converted in a subsequent step into primary packaging such as ampoules, cartridges, vials or syringe systems.



GLASS TUBES

Glass tubes as the preliminary stage for many pharma packaging forms such as ampoules, cartridges, vials and syringe barrels are created primarily from type I borosilicate glass.

AMPOULES

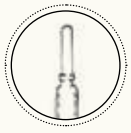
An ampoule is a self-sealed container made of tubular glass in standardized ISO types. In the case of pharmaceutical ampoules, a distinction is made between various break-open methods such as the One Point Cut, Color Break and Score Ring procedures.

VIALS

Vials are small-volume primary packaging containers made of tubular glass. The filling volume of vials for pharmaceutical applications ranges from 0.6 to 50 ml.

CARTRIDGES

The cartridge is a glass cylinder which is closed at the front end by an aluminum cap with a membrane which is penetrated by an injection needle for the actual injection. The rear end of the cartridge is closed by a rubber stopper. Cartridges are used primarily in dental medicine as a primary packaging form for local anesthetics and, in diabetes therapy, for insulin pens.

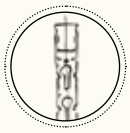


PREFILLABLE SYRINGE SYSTEMS

Prefillable syringe systems made of glass are supplied to customers in the pharmaceutical and biotech industry for filling with drugs. Gerresheimer offers a widely diversified range of sterile and non-sterile syringe systems. Gx RTF® (ready-to-fill) syringes are delivered to the customer washed, siliconized, assembled with a closure cap and sterilized, i.e. completely ready-to-fill.

LIFE SCIENCE RESEARCH

The product spectrum of the Life Science Research Division consists of laboratory glassware for research, development and analytics.



REUSABLE LABORATORY GLASSWARE

Reusable laboratory glassware is employed primarily in general research, test procedures and quality control. Examples of reusable laboratory glassware include beakers, Erlenmeyer flasks, precision burettes, pharmaceutical graduates and cylinders.

DISPOSABLE LABORATORY GLASSWARE

Disposable glass articles are used primarily in test procedures, quality laboratories and the clinical health sector. Examples of disposable laboratory glassware include serological pipettes, culture tubes, chromatography vials and scintillation vials.

SPECIAL LABORATORY GLASSWARE

Special laboratory glassware is used in a large number of applications. Examples of special laboratory glassware include NMR tubes, chromatography columns and products for tissue preparation.

GLOSSARY

Ampoule
Self-sealed container made of tubular glass in three standardized ISO types (B, C and D). Pharmaceutical ampoules feature different opening systems, including one point cut (OPC), color break and score ring.

Autoinjector
Medical device for administering a single dose (injection) of a liquid drug. Autoinjectors were mainly developed for self-administration by the patient. The devices use prefilled syringes.
› Pen system

Backstop
The backstop is an ingenious addition to the Gerresheimer syringe range. The plastic system component is clipped onto the finger flange of a glass syringe. It narrows the top opening and stops the plunger head from being pulled out of the syringe. The ergonomically shaped wings also enlarge the finger flange for improved ease of use.

Biopharmaceutics
Drugs produced in genetically modified organisms by means of biotechnology. Biopharmaceutics is one of the fastest-growing product categories in the pharma and biotech industry.

Borosilicate glass
Glass with very high hydrolytic resistance thanks to its chemical makeup. Its low alkali composition makes borosilicate glass well suited as a packaging material for injectables.
› Hydrolytic resistance

Bulk syringes
Syringe barrels supplied to the customer in an unsterilized state. Washing, siliconization and mounting of the closure cap/needle shield before filling is carried out by the pharma company.

Camera inspection systems
The quality of Gerresheimer products is monitored during and after manufacture using in-process controls. Advanced inspection systems help pick out defective items at an early stage with the aid of dedicated computer technology and digital image processing.

Cartridge
Tubular glass cylinder closed at the front end by an aluminum cap with a membrane that is penetrated by a pen needle to draw up the injection solution.

Child-resistant closure
Closure that protects children from harm by making pharmaceutical packaging hard for them to open. These special closures require actions that (without instruction) are generally beyond the dexterity of a child. They typically call for non-intuitive opening actions or a combination of movements simultaneously or in sequence (e.g. press-and-turn caps).

Clean room
Room in which special air handling processes and systems are used to control particulate and microbial air quality. An integral feature of pharmaceutical production technology, this is essential to the manufacture of numerous drug delivery and primary packaging solutions.

ClearJect™ TasPack™ (COP syringe)
A brand of sterile prefillable plastic syringes from our Japanese partner company Taisei Kako Co. Ltd. The syringes are made of cyclic olefin polymer (COP), a special plastic with glass-like transparency. COP syringes are especially well suited for demanding applications in cytostatics and biopharmaceutics. Like RTF® syringes, they are packaged sterile in nested tub format (TasPack™ Taisei Kako Sterile Packaging).

COP syringe (ClearJect™ TasPack™)
› ClearJect™ TasPack™

Cytostatics
Cytostatics are natural or synthetic substances that inhibit cell growth. They are used for the most part in cancer treatment (chemotherapy) and in some treatments for autoimmune disease.

Diabetes care
Medical specialism covering diabetes diagnosis and therapy. In this business field, Gerresheimer concentrates on development and production of highly innovative lancets, skin-prick aids and insulin pen systems.

Diagnostic systems
Systems for the analysis of organic liquids and materials outside the body (in vitro). Such systems can analyze patient samples for specific parameters – in many cases fully automatically.

Dropper bottle system
Special glass or plastic bottle system consisting of bottle, dropper and closure for administering medication in drop form.

Drug delivery system
System to transport a drug's active substance in various ways (by pulmonary or nasal inhalation, through the skin, via the mucous membranes or orally) to exactly where it is needed in the body. Examples: inhalers for the treatment of respiratory disease and prefillable syringes for injection drugs.

Drug master file (DMF)
Document recording the (pharmaceutical) manufacturing process and drug quality assurance system used for regulatory agencies (such as the FDA in the USA or Health Canada in Canada). Drug master files enable producers who are not the final distributor of a drug (such as the producer of the active agent or primary packaging) to provide drug regulators with all necessary information without passing on trade secrets to their business partners.

Furnace
Used for the melting process in glass production. The raw materials are mixed in batches and melted in the furnace at about 1,600°C. Gerresheimer's furnaces run 24 hours a day, 365 days a year.

Gx Baked-On RTF®
Gx Baked-On RTF® optimizes RTF® syringes for silicone oil-sensitive biotech drugs. This Gerresheimer process is patented in Europe and the USA. Baked-on siliconization permanently fixes the silicone oil to the glass surface and significantly reduces the number of free oil droplets.

Gx® G3 inspection system
The Gx® G3 inspection system is the latest (third) generation inspection system for tubular glass products. In syringe production, the system allows all parts of the glass body to be cosmetically inspected in extremely high resolution. The system also offers highly accurate inspection of product geometry.

Gx MultiShell® plastic vials
These primary packaging vials are made from cyclic olefin polymer (COP) and polyamide (PA). Gx MultiShell® plastic vials are glass-clear, break-resistant and biocompatible, making them especially well suited to long-term storage of sensitive parenteral medicines. A new development, Gerresheimer's MultiShell® combines two COP outer layers with a middle layer of polyamide for improved barrier properties against gas permeation compared with vials made of COP alone.

Gx RTF® syringe systems
The letters RTF in Gerresheimer's Gx RTF® syringe brand stand for "ready-to-fill". Gx RTF® syringe systems are delivered to the customer washed, siliconized, assembled with the closure cap, packed in nests and tubs, and sterilized – completely ready-to-fill, as the name suggests. This cuts out a whole chain of elaborate process steps for pharma manufacturers. Customers can therefore start filling product straightaway, saving a lot of time and money in the process.

Gx® Tekion™
Gx® Tekion™ is a system developed by Gerresheimer for cleaning glass tubes with ionized air.

Hydrolytic resistance
The resistance of glass to the leaching of alkali ions from the glass surface, and the parameter used to grade glass into hydrolytic classes.

Inhaler
Device used in the treatment of asthma, bronchitis and other chronic respiratory ailments. It transports aerosol and powder-based medications into the upper and lower respiratory tracts.

Injection vial › Vial

Inner surface treatment
Special surfacing process for the inside of a pharmaceutical container, e.g. to ensure compatibility with the medication.

Insulin pen system
An insulin pen is a special injection system for safe and near-painless delivery of insulin from a cartridge.

Integrated moisture absorber
A moisture absorber protects medication from the effects of moisture during storage and absorbs atmospheric humidity that enters the container as a result of it being repeatedly opened. Gerresheimer integrates the desiccant in a capsule affixed to the inside of the Duma® Twist-Off cap.

Joint venture
Gerresheimer uses the term joint venture for entities where it is majority owner and exercises control but where minority interests exceed 20%.

Lancet
Plastic-coated blood-sampling needle for insertion into a skin-prick aid for diabetic patients.

Lancet magazine
Magazine with integrated lancets in a drum housing.

Laser coding
In the new laser coding process for syringes, a tiny data matrix code uniquely identifying the respective packaging container's type and origin is indelibly laser-etched onto the finger flange. In this way, Gerresheimer offers an innovative track-and-trace solution for pharma containers and helps combat drug counterfeiting.

Life sciences
Life sciences are 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-driven orientation.

Molecular diagnostics
Molecular diagnostics refers to analysis methods based on examination of genetic material (DNA or RNA). These allow more precise information to be obtained than with traditional diagnostic procedures so that illnesses can be detected faster.

Moulded glass
Moulded glass packaging is produced in a single operation directly after the melting process.

Multifunctional closure system
Gerresheimer closures feature secure, air-tight opening and closure systems to meet varied requirements. All caps conform to ISO standards and can be combined with our glass and plastic packaging containers for liquids and solids. The multifunctional closures are tamper-evident, child-resistant, senior-citizen-friendly and moisture-absorbing.

Needle shield
Syringe part made of a pharmaceutical rubber compound that is placed over the taper to protect the needle and stopper the front end of the syringe.

Needle trap
Label with integrated needle shield to avoid needleprick injuries from syringes.

Ophthalmology
The medical field of ophthalmology deals with eye and sight diseases as well as malfunctions and their medical treatment.

Paste mould technology
Glass-forming (blowing) process using a rotating mould to produce a round and seamless piece of glassware.

Pen system
A pen system is used to administer medication in multiple doses. Unlike autoinjectors (which are non-reusable), pen systems are mostly used multiple times. A pen system contains a prefilled cartridge as the primary packaging.
› Insulin pen system

PharmaPlus
PharmaPlus is a range of high-caliber technical solutions in glass forming for unprecedented levels of precision. This includes the production of borosilicate glass tubes, which Gerresheimer itself manufactures as an intermediary product. The subsequent forming processes likewise produce an excellent new standard of quality in primary packaging, for syringes, cartridges, vials and ampoules alike.

Plastic systems
Complex and technically sophisticated assemblies made of multiple plastic components.

Plunger (head)/rubber stopper
Syringe part made of a pharmaceutical rubber compound that closes the syringe end after filling.

Plunger rod
Syringe part that is threaded or clipped onto the plunger head. For an injection, the user's thumb pushes down on the plunger rod to move the plunger and empty the syringe.

Prefillable syringe systems
Prefillable syringe systems in the form of Gx RTF® syringes are supplied sterile to customers in the pharma and biotech industry. Gx RTF® syringes are ready to be filled with liquid medication and sealed on accredited production lines.
› Gx RTF® syringe systems

Primary packaging
Packaging that is in direct physical contact with medication.

Siliconization
Silicone oil is used as a glide agent in the inner surface treatment of pharmaceutical containers. This makes it easier for the plunger to slide along the syringe barrel – an essential feature in a properly functioning syringe system.
› Gx Baked-On RTF®

Skin-prick aid
Device for diabetics allowing a lancet to be inserted near-painlessly into the skin. Some models allow for different penetration depths to cater for variations in skin thickness.

Tamper-evident closure
A tamper-evident closure reliably signals that a pharmaceutical container has been previously opened. This means physicians, nurses and patients know if a drug has been tampered with. Gerresheimer's Duma® Twist-Off tamper-evident screw caps for tablet bottles have a ring on the cap that is detached by the twisting action when the container is first opened. The pieces of plastic connecting the ring to the cap are torn off in the process, clearly indicating that the product has been opened before. The Tamper Evident Luerlock Closure (TELC®) for Gerresheimer syringe systems is likewise activated by twisting. The twist action causes the tabs on the twist-off closure to spread out, showing that the syringe has been previously opened.

TCC
Technical Competence Center, where products and systems are developed and made ready for series production in collaboration with the customer.

TELC® (Tamper Evident Luerlock Closure)
Tamper-evident closure system developed by Gerresheimer for prefilled syringes. The system combines a Luerlock adapter with a tamper-evident closure.

TERNS (Thermoplastic Elastomer Rigid Needle Shield)
TERNS is a shield developed by Gerresheimer for needle tips, with a soft sealing element made of thermoplastic elastomer (TPE) and a firm plastic shell.

Tip cap
Syringe part made of a pharmaceutical rubber compound that is placed over the taper to stopper the front end of the syringe.

TPE (Thermoplastic Elastomer)
Plastic with thermoplastic properties, behaving like a classical elastomer at room temperatures but allowing its shape to be modified when heated.

Tubular glass
Tubular glass relates to two separate processes: First, the production of glass tubes and, second, the manufacture from those tubes of primary packaging such as syringes, cartridges, ampoules and vials.

Type I borosilicate glass tubing
Tubing of Type I borosilicate glass, whose chemical makeup lends it high hydrolytic resistance. Its low alkali composition makes Type I borosilicate glass well suited as a packaging material for injectables.

Vial
A small-volume primary packaging container made of tubular glass. Gerresheimer makes vials for pharmaceutical applications with filling volumes ranging from 0.6 to 50 ml. Often referred to as an injection vial as the liquid is drawn out with an injection needle (disposable syringe).

The definitions in this glossary apply in context as used by Gerresheimer and are not intended as generally applicable definitions.

DIVISIONS 2013: FORMER AND NEW STRUCTURE – QUARTERLY OVERVIEW

DIVISIONS Q1 2013: FORMER AND NEW STRUCTURE

Existing structure

February 28, 2013 in EUR m	Plastic Systems	Tubular Glass	Moulded Glass	Life Science Research	Head office/ consolidation	Group
Segment revenues	110.1	77.8	90.8	21.5	–	300.2
Intragroup revenues	–	-3.4	-0.1	–	–	-3.5
Revenues with third parties	**110.1**	**74.4**	**90.7**	**21.5**	**–**	**296.7**
Adjusted EBITDA[1)]	18.5	14.2	16.3	2.5	-5.5	46.0
Depreciation and amortization	-6.3	-6.3	-7.5	-0.4	-0.1	-20.6
Adjusted EBITA	12.2	7.9	8.8	2.1	-5.6	25.4
Net Working Capital	58.2	71.2	65.7	27.8	-1.6	221.3
Operating Cash Flow	1.8	-7.2	2.7	0.8	-7.9	-9.8
Capital expenditure	7.0	4.1	5.4	0.1	–	16.6

Transition

in EUR m	Plastic Systems	Syringe Systems	Tubing/ Converting	Moulded Glas	Life Science Research	Head office/ consolidation	Group
Segment revenues	110.1	20.2	57.6	90.8	21.5	–	300.2
Intragroup revenues	–	–	-3.4	-0.1	–	–	-3.5
Revenues with third parties	**110.1**	**20.2**	**54.2**	**90.7**	**21.5**	**–**	**296.7**
Adjusted EBITDA[1)]	18.5	1.4	12.8	16.3	2.5	-5.5	46.0
Depreciation and amortization	-6.3	-1.6	-4.7	-7.5	-0.4	-0.1	-20.6
Adjusted EBITA	12.2	-0.2	8.1	8.8	2.1	-5.6	25.4
Net Working Capital	58.2	25.7	45.5	65.7	27.8	-1.6	221.3
Operating Cash Flow	1.8	-8.0	0.8	2.7	0.8	-7.9	-9.8
Capital expenditure	7.0	2.9	1.2	5.4	0.1	–	16.6

New structure

February 28, 2013 in EUR m	Plastics & Devices	Primary Packaging Glass	Life Science Research	Head office/ consolidation	Group
Segment revenues	130.3	149.0	21.5	–	300.8
Intragroup revenues old structure	–	-3.5	–	–	-3.5
Intragroup revenues new structure	–	-0.6	–	–	-0.6
Revenues with third parties	**130.3**	**144.9**	**21.5**	**–**	**296.7**
Adjusted EBITDA[1)]	19.9	29.1	2.5	-5.5	46.0
Depreciation and amortization	-7.9	-12.2	-0.4	-0.1	-20.6
Adjusted EBITA	12.0	16.9	2.1	-5.6	25.4
Net Working Capital	83.9	111.2	27.8	-1.6	221.3
Operating Cash Flow	-6.2	3.5	0.8	-7.9	-9.8
Capital expenditure	9.9	6.6	0.1	–	16.6

[1)] Adjusted EBITDA: Earnings before income taxes, net finance expense, amortization of fair value adjustments, extraordinary depreciation, depreciation and amortization, restructuring expenses and one-off income and expenses.

DIVISIONS Q1–Q2 2013: FORMER AND NEW STRUCTURE

Existing structure

May 31, 2013 in EUR m	Plastic Systems	Tubular Glass	Moulded Glass	Life Science Research	Head office/ consolidation	Group
Segment revenues	233.8	166.3	187.4	43.9	–	631.4
Intragroup revenues	-0.1	-7.3	-0.2	–	–	-7.6
Revenues with third parties	**233.7**	**159.0**	**187.2**	**43.9**	**–**	**623.8**
Adjusted EBITDA[1)]	46.6	27.3	37.3	5.5	-10.9	105.8
Depreciation and amortization	-12.8	-12.7	-14.7	-0.8	-0.2	-41.2
Adjusted EBITA	33.8	14.6	22.6	4.7	-11.1	64.6
Net Working Capital	59.3	71.9	63.9	29.3	-2.4	222.0
Operating Cash Flow	16.3	-2.7	8.7	2.5	-10.8	14.0
Capital expenditure	18.6	12.2	19.0	0.2	–	50.0

Transition

in EUR m	Plastic Systems	Syringe Systems	Tubing/ Converting	Moulded Glas	Life Science Research	Head office/ consolidation	Group
Segment revenues	233.8	47.2	119.1	187.4	43.9	–	631.4
Intragroup revenues	-0.1	–	-7.3	-0.2	–	–	-7.6
Revenues with third parties	**233.7**	**47.2**	**111.8**	**187.2**	**43.9**	**–**	**623.8**
Adjusted EBITDA[1)]	46.6	4.2	23.1	37.3	5.5	-10.9	105.8
Depreciation and amortization	-12.8	-3.2	-9.5	-14.7	-0.8	-0.2	-41.2
Adjusted EBITA	33.8	1.0	13.6	22.6	4.7	-11.1	64.6
Net Working Capital	59.3	33.2	38.7	63.9	29.3	-2.4	222.0
Operating Cash Flow	16.3	-15.1	12.4	8.7	2.5	-10.8	14.0
Capital expenditure	18.6	5.2	7.0	19.0	0.2	–	50.0

New structure

May 31, 2013 in EUR m	Plastics & Devices	Primary Packaging Glass	Life Science Research	Head office/ consolidation	Group
Segment revenues	280.8	308.0	43.9	–	632.7
Intragroup revenues old structure	-0.1	-7.5	–	–	-7.6
Intragroup revenues new structure	0.1	-1.4	–	–	-1.3
Revenues with third parties	**280.8**	**299.1**	**43.9**	**–**	**623.8**
Adjusted EBITDA[1)]	50.8	60.4	5.5	-10.9	105.8
Depreciation and amortization	-16.0	-24.2	-0.8	-0.2	-41.2
Adjusted EBITA	34.8	36.2	4.7	-11.1	64.6
Net Working Capital	92.5	102.6	29.3	-2.4	222.0
Operating Cash Flow	1.2	21.1	2.5	-10.8	14.0
Capital expenditure	23.8	26.0	0.2	–	50.0

[1)] Adjusted EBITDA: Earnings before income taxes, net finance expense, amortization of fair value adjustments, extraordinary depreciation, depreciation and amortization, restructuring expenses and one-off income and expenses.

DIVISIONS Q1–Q3 2013: FORMER AND NEW STRUCTURE

Existing structure

August 31, 2013 in EUR m	Plastic Systems	Tubular Glass	Moulded Glass	Life Science Research	Head office/ consolidation	Group
Segment revenues	343.8	254.1	287.8	66.4	–	952.1
Intragroup revenues	-0.1	-11.1	-0.2	–	–	-11.4
Revenues with third parties	**343.7**	**243.0**	**287.6**	**66.4**	**–**	**940.7**
Adjusted EBITDA[1)]	72.1	43.6	59.0	8.4	-15.7	167.4
Depreciation and amortization	-19.5	-18.9	-22.4	-1.3	-0.4	-62.5
Adjusted EBITA	52.6	24.7	36.6	7.1	-16.1	104.9
Net Working Capital	60.4	74.3	72.2	29.7	-1.3	235.3
Operating Cash Flow	33.2	5.5	11.5	4.2	-15.5	38.9
Capital expenditure	24.0	17.6	28.6	0.4	0.1	0.1

Transition

in EUR m	Plastic Systems	Syringe Systems	Tubing/ Converting	Moulded Glas	Life Science Research	Head office/ consolidation	Group
Segment revenues	343.8	73.2	180.9	287.8	66.4	–	952.1
Intragroup revenues	-0.1	-0.1	-11.0	-0.2	–	–	-11.4
Revenues with third parties	**343.7**	**73.1**	**169.9**	**287.6**	**66.4**	**–**	**940.7**
Adjusted EBITDA[1)]	72.1	7.6	36.0	59.0	8.4	-15.7	167.4
Depreciation and amortization	-19.5	-4.7	-14.2	-22.4	-1.3	-0.4	-62.5
Adjusted EBITA	52.6	2.9	21.8	36.6	7.1	-16.1	104.9
Net Working Capital	60.4	30.6	43.7	72.2	29.7	-1.3	235.3
Operating Cash Flow	33.2	-11.4	16.9	11.5	4.2	-15.5	38.9
Capital expenditure	24.0	7.5	10.1	28.6	0.4	0.1	70.7

New structure

August 31, 2013 in EUR m	Plastics & Devices	Primary Packaging Glass	Life Science Research	Head office/ consolidation	Group
Segment revenues	416.8	471.0	66.4	–	954.2
Intragroup revenues old structure	-0.2	-11.2	–	–	-11.4
Intragroup revenues new structure	0.2	-2.3	–	–	-2.1
Revenues with third parties	**416.8**	**457.5**	**66.4**	**–**	**940.7**
Adjusted EBITDA[1)]	79.7	95.0	8.4	-15.7	167.4
Depreciation and amortization	-24.2	-36.6	-1.3	-0.4	-62.5
Adjusted EBITA	55.5	58.4	7.1	-16.1	104.9
Net Working Capital	91.0	115.9	29.7	-1.3	235.3
Operating Cash Flow	21.8	28.4	4.2	-15.5	38.9
Capital expenditure	31.5	38.7	0.4	0.1	70.7

DIVISIONS 2013

› Plastic Systems

The Plastic Systems Division produces complex customer-specific plastic systems for pharmaceuticals, diagnostics and medical technology such as asthma inhalers, insulin pens and lancets, and plastic containers, mainly as primary packaging for pharmaceutics and healthcare.

in EUR m	2013	2012	Change in %
Revenues[1]	463.6	427.2	8.5
Adjusted EBITDA[2]	109.9	92.9[3]	18.3
in % of revenues	23.7	21.8	–
Capital expenditure	43.3	43.6	-0.7

› Moulded Glass

The Moulded Glass Division produces glass primary packaging in a continuous process. The containers are used for pharmaceuticals, cosmetic products and specialty beverages and foods.

in EUR m	2013	2012	Change in %
Revenues[1]	387.7	372.8	4.0
Adjusted EBITDA[2]	85.0	81.6[3]	4.2
in % of revenues	21.9	21.9	–
Capital expenditure	37.7	40.7	-7.4

› Tubular Glass

The Tubular Glass Division produces high-quality glass tubes in two separate process steps. The tubes are initially produced before being converted in a subsequent step into primary packaging such as ampoules, cartridges, vials or syringe systems.

in EUR m	2013	2012	Change in %
Revenues[1]	342.8	333.8	2.7
Adjusted EBITDA[2]	63.9	70.2[3]	-9.0
in % of revenues	18.6	21.0	–
Capital expenditure	37.2	32.6	14.1

› Life Science Research

The product spectrum of the Life Science Research Division consists of laboratory glassware for research, development and analytics.

in EUR m	2013	2012	Change in %
Revenues[1]	86.8	99.6	-12.9
Adjusted EBITDA[2]	11.5	13.5[3]	-15.3
in % of revenues	13.2	13.6	–
Capital expenditure	0.9	1.6	-43.8

[1] Revenues by segment include intercompany revenues.
[2] Adjusted EBITDA: Earnings before income taxes, net finance expense, amortization of fair value adjustments, extraordinary depreciation, depreciation and amortization, restructuring expenses and one-off income and expenses.
[3] Retrospective restatement due to the early adoption of IAS 19 (revised in 2011) from December 1, 2012. A detailed explanation of the effects from the restatement can be found in the notes to the Consolidated Financial Statements.

FINANCIAL CALENDAR

February 13, 2014	Annual Report 2013
April 10, 2014	Interim Report 1st Quarter 2014
April 30, 2014	Annual General Meeting 2014
July 10, 2014	Interim Report 2nd Quarter 2014
October 8, 2014	Interim Report 3rd Quarter 2014

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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. You can find the online version of our Annual Report on www.annualreport2013.gerresheimer.com.

Note regarding the rounding of figures
Due to the commercial rounding of figures and percentages, small deviations may occur.

Disclaimer
This Annual Report contains certain future-oriented statements. Future-oriented statements include all statements which do not relate to historical facts and events and contain future-oriented expressions such as "believe", "estimate", "assume", "expect", "forecast", "intend", "could" or "should" or expressions of a similar kind. Such future-oriented statements are subject to risks and uncertainties since they relate to future events and are based on the Company's current assumptions, which may not in the future take place or be fulfilled as expected. The Company points out that such future-oriented statements provide no guarantee for the future and that actual events including the financial position and profitability of the Gerresheimer Group and developments in the economic and regulatory fundamentals may vary substantially (particularly on the down side) from those explicitly or implicitly assumed or described in these statements. Even if the actual results for the Gerresheimer Group, including its financial position and profitability and the economic and regulatory fundamentals, are in accordance with such future-oriented statements in this Annual Report, no guarantee can be given that this will continue to be the case in the future.

MULTI-YEAR OVERVIEW

Financial Year end November 30	2013	Pro forma[8] 2012	Change in %	2011	2010	2009	2008
Results of Operations during Reporting Period in EUR m							
Revenues	1,265.9	1,219.1	3.8	1,094.7	1,024.8	1,000.2	1,060.1
Adjusted EBITDA[1]	249.8	239.9	4.1	217.3	204.5	185.9	206.4
in % of revenues	19.7	19.7	–	19.9	20.0	18.6	19.5
Adjusted EBITA[2]	166.2	157.8	5.2	136.9	123.5	109.7	135.6
in % of revenues	13.1	13.0	–	12.5	12.0	11.0	12.8
Result from operations	132.9	131.8	0.8	109.3	95.0	60.5	61.0
Net income	68.5	68.3	0.3	54.4	46.7	7.0	4.5
Adjusted net income[3]	103.5	88.3	17.2	80.6	65.8	45.2	61.4
Net Assets at Reporting Date in EUR m							
Total assets	1,615.8	1,555.9	3.8	1,515.1	1,357.8	1,340.6	1,538.3
Equity	563.4	538.2	4.7	552.2	529.4	480.2	479.1
Equity ratio in %	34.9	34.6	–	36.4	39.0	35.8	31.6
Net working capital	201.9	175.2	15.2	172.5	151.2	144.4	163.0
in % of revenues of the preceding twelve months	15.9	14.4	–	15.8	14.8	14.4	15.4
Capital expenditure	119.1	118.9	0.2	86.2	73.2	86.4	107.8
Net financial debt	416.6	366.5	13.7	364.6	311.0	373.3	421.6
Adjusted EBITDA leverage[4]	1.7	1.5	13.3	1.7	1.5	2.0	2.0
Financial and Liquidity Position during Reporting Period in EUR m							
Cash flow from operating activities	146.7	173.6	-15.5	129.8	159.8	117.4	165.3
Cash flow from investing activities	-168.6	-148.6	-13.5	-159.0	-69.5	-86.8	-133.4
thereof cash paid for capital expenditure	-119.0	-118.9	-0.1	-86.2	-73.1	-86.3	-103.3
Free cash flow before financing activities	-21.9	25.0	>-100	-29.2	90.3	30.7	31.9
Employees							
Employees as of the reporting date (total)	11,239	10,952	2.6	10,212	9,475	9,343	10,177
Stock Data							
Number of shares at reporting date in million	31.4	31.4	unch.	31.4	31.4	31.4	31.4
Share price[5] at reporting date in EUR	49.67	39.41	26.0	31.17	28.20	23.05	27.10
Market capitalization at reporting date in EUR m	1,559.6	1,237.5	26.0	978.7	885.5	723.8	850.9
Share price high[5] during reporting period in EUR	50.14	41.34	–	36.62	29.85	27.05	38.20
Share price low[5] during reporting period in EUR	37.60	31.00	–	28.30	22.09	13.24	23.99
Earnings per share in EUR	1.98	1.98	unch.	1.61	1.38	0.18	0.02
Adjusted earnings per share[6] in EUR	3.08	2.62	17.6	2.44	1.95	1.34	1.83
Dividend per share in EUR	0.70[7]	0.65	7.7	0.60	0.50	–	0.40

[1] Adjusted EBITDA: Earnings before income taxes, net finance expense, amortization of fair value adjustments, extraordinary depreciation, depreciation and amortization, restructuring expenses and one-off income and expenses.
[2] Adjusted EBITA: Earnings before income taxes, net finance expense, amortization of fair value adjustments, extraordinary depreciation, restructuring expenses and one-off income and expenses.
[3] Adjusted net income: Consolidated net income (including profit attributable to non-controlling interests) before non-cash amortization of fair value adjustments, special effects from restructuring expenses, extraordinary depreciation, 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 net financial debt to adjusted EBITDA of the preceding twelve months.
[5] Xetra closing price.
[6] Adjusted net income after non-controlling interests divided by 31.4m shares.
[7] Proposed appropriation of net earnings.
[8] Retrospective restatement due to the early adoption of IAS 19 (revised in 2011) from December 1, 2012. A detailed explanation of the effects from the restatement can be found in the notes to the Consolidated Financial Statements.

DIVISIONS 2013: FORMER AND NEW STRUCTURE

Existing structure in EUR m	Plastic Systems	Tubular Glass	Moulded Glass	Life Science Research
Segment revenues	463.6	342.8	387.7	86.8
Adjusted EBITDA	109.9	63.9	85.0	11.5
in % of revenues	23.7	18.6	21.9	13.2
Capital expenditure	43.3	37.2	37.7	0.9

Transition in EUR m	Plastic Systems	Syringe Systems	Tubing/ Converting	Moulded Glass	Life Science Research
Segment revenues	463.6	98.2	244.6	387.7	86.8
Adjusted EBITDA	109.9	10.9	53.0	85.0	11.5
in % of revenues	23.7	11.1	21.7	21.9	13.2
Capital expenditure	43.3	12.5	24.7	37.7	0.9

New structure in EUR m	Plastics & Devices	Primary Packaging Glass	Life Science Research
Segment revenues	561.6	635.4	86.8
Adjusted EBITDA	120.8	138.0	11.5
in % of revenues	21.5	21.7	13.2
Capital expenditure	55.8	62.4	0.9

[1] Revenues by segment include intercompany revenues.
[2] Adjusted EBITDA: Earnings before income taxes, net finance expense, amortization of fair value adjustments, extraordinary depreciation, depreciation and amortization, restructuring expenses and one-off income and expenses.