



**OF OUR**  
**GROWTH**  
**PERSPECTIVES**  
ANNUAL REPORT 2012

**GERRESHEIMER**



## GROUP KEY FIGURES (IFRS)

Financial Year End November 30	2012	2011	Change in %
<b>Results from Operations during the Reporting Period in EUR m</b>			
Revenues	1,219.1	1,094.7	11.4
Adjusted EBITDA <sup>1)</sup>	236.5	217.3	8.8
in % of revenues	19.4	19.9	-
Adjusted EBITA <sup>2)</sup>	154.5	136.9	12.9
in % of revenues	12.7	12.5	-
Result from operations	128.4	109.3	17.5
Net income	66.5	54.4	22.2
Adjusted net income <sup>3)</sup>	86.5	80.6	7.3
<b>Net Assets as of the Reporting Date in EUR m</b>			
Total assets	1,557.7	1,515.1	2.8
Equity	580.1	552.2	5.1
Equity ratio in %	37.2	36.4	-
Net working capital	175.2	172.5	1.6
in % of revenues of the preceding twelve months	14.4	15.8	-
Capital expenditure	118.9	86.2	37.9
Net financial debt	366.5	364.6	0.5
Adjusted EBITDA leverage <sup>4)</sup>	1.5	1.7	-11.8
<b>Financial and Liquidity Position during the Reporting Period in EUR m</b>			
Cash flow from operating activities	173.6	129.8	33.7
Cash flow from investing activities	-148.6	-159.0	6.5
thereof cash paid for capital expenditure	-118.9	-86.2	-37.9
Free cash flow before financing activities	25.0	-29.2	>100
<b>Employees</b>			
Employees as of the reporting date (total)	10,952	10,212	7.2
<b>Stock Data</b>			
Number of shares as of the reporting date in million	31.4	31.4	-
Share price <sup>5)</sup> as of the reporting date in EUR	39.41	31.17	26.4
Market capitalization as of the reporting date in EUR m	1,237.5	978.7	26.4
Share price high <sup>5)</sup> during the reporting period in EUR	41.34	36.62	-
Share price low <sup>5)</sup> during the reporting period in EUR	31.00	28.30	-
Earnings per share in EUR	1.92	1.61	19.3
Adjusted earnings per share <sup>6)</sup> in EUR	2.56	2.44	4.9
Dividend per share in EUR	0.65 <sup>7)</sup>	0.60	8.3

<sup>1)</sup> Adjusted EBITDA: Earnings before income taxes, financial result, amortization of fair value adjustments, extraordinary depreciation, depreciation and amortization, restructuring expenses and one-off income and expenses.

<sup>2)</sup> Adjusted EBITA: Earnings before income taxes, financial result, amortization of fair value adjustments, extraordinary depreciation, restructuring expenses and one-off income and expenses.

<sup>3)</sup> Adjusted net income: Consolidated profit (including profit attributable to non-controlling interests) before non-cash amortization of fair value adjustments, special effects from restructuring expenses, extraordinary depreciation, one-off costs connected with the refinancing in the financial year 2011, the balance of one-off income and expenses (including significant non-cash expenses) and the related tax effects.

<sup>4)</sup> Adjusted EBITDA leverage: The relation of net financial debt to adjusted EBITDA of the preceding twelve months.

<sup>5)</sup> In each case Xetra closing price.

<sup>6)</sup> Adjusted net income after non-controlling interests divided by 31.4m shares.

<sup>7)</sup> Proposed appropriation of net earnings.

## SEGMENT KEY FIGURES



### › 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	2012	2011	Change in %
Revenues <sup>1)</sup>	333.8	304.1	9.8
Adjusted EBITDA <sup>2)</sup>	67.8	62.4	8.7
in % of revenues	20.3	20.5	–
Capital expenditure	32.6	20.3	60.6



### › 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.

in EUR m	2012	2011	Change in %
Revenues <sup>1)</sup>	427.2	371.4	15.0
Adjusted EBITDA <sup>2)</sup>	92.8	87.1	6.6
in % of revenues	21.7	23.4	–
Capital expenditure	43.6	35.7	22.1



### › 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	2012	2011	Change in %
Revenues <sup>1)</sup>	372.8	342.4	8.9
Adjusted EBITDA <sup>2)</sup>	81.8	76.8	6.5
in % of revenues	22.0	22.4	–
Capital expenditure	40.7	29.0	40.3



### › Life Science Research

The product spectrum of the Life Science Research Division consists of laboratory glassware for research, development and analytics.

in EUR m	2012	2011	Change in %
Revenues <sup>1)</sup>	99.6	91.8	8.5
Adjusted EBITDA <sup>2)</sup>	13.5	10.6	27.4
in % of revenues	13.6	11.5	–
Capital expenditure	1.6	1.0	60.0

<sup>1)</sup> Revenues by segment include intercompany revenues.

<sup>2)</sup> Adjusted EBITDA: Earnings before income taxes, financial result, amortization of fair value adjustments, extraordinary depreciation, depreciation and amortization, restructuring expenses and one-off income and expenses.

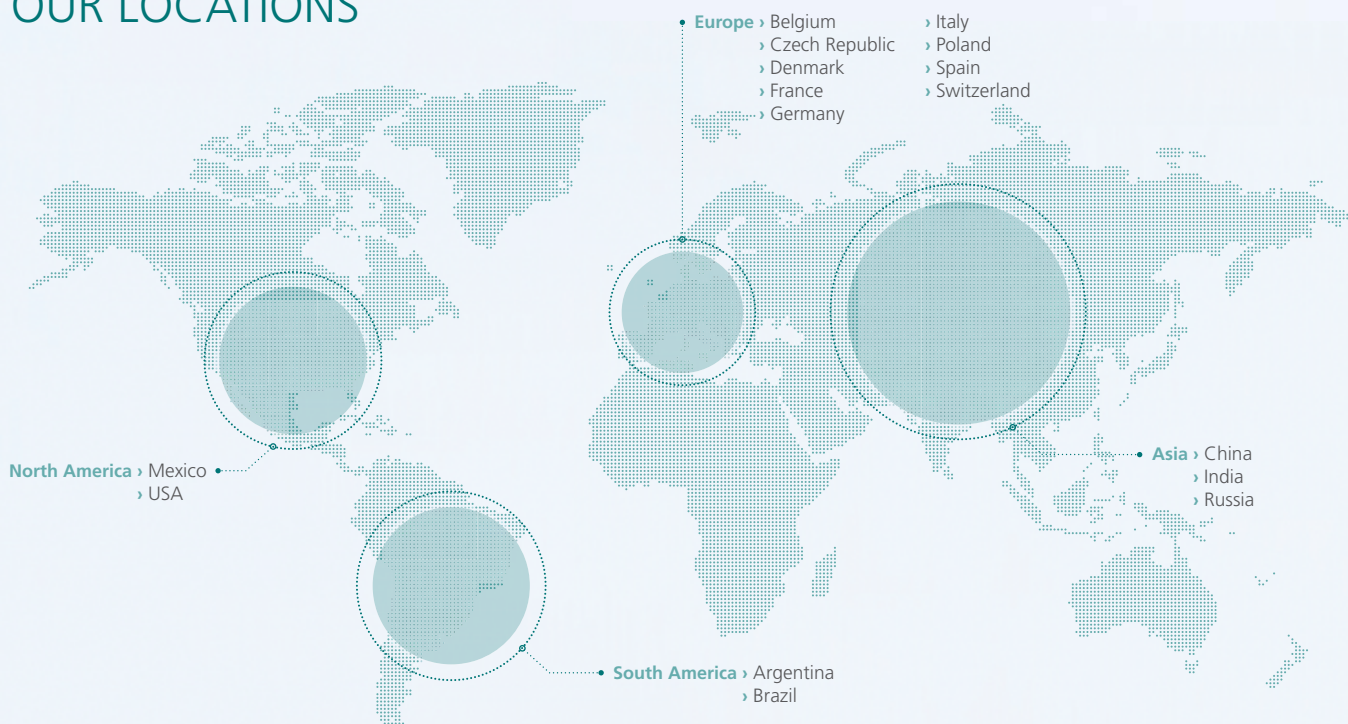


## OVERVIEW

Gerresheimer is an internationally leading manufacturer of high-quality specialty products made of glass and plastic for the global pharma and healthcare industry. Our wide product spectrum ranges from pharmaceutical vials to complex drug delivery systems, such as syringe systems, insulin pens and inhalers, for safe dosage and application. Together with our partners we develop solutions which set standards and have role-model status throughout their respective business sectors. Smaller shares of the business are attributable to products for the cosmetics industry and niche segments of the food and beverage industry.

In our 46 locations in Europe, North and South America and Asia, we employ approximately 11,000 people. Through top-class technologies, convincing innovations and targeted investments, we are systematically expanding our strong market position.

## OUR LOCATIONS



Please see further information about our locations on page 123.



## PERSPECTIVES OF OUR GROWTH

Which developments are shaping our future?

Megatrends such as population growth, demographic change and environmental changes are setting the course for global growth. They have the ability to promote or inhibit developments. They are changing the way we live.

Accordingly these trends – e.g. via the ever-growing need for health services around the world – are having a direct impact on our customers in the pharma, healthcare and cosmetics industries. As a partner for the production of high-quality special packaging, we regard these challenges as opportunities for growth. Our extensive product portfolio, our expertise and the creativity of our employees will guide us towards success along with our customers.

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## OUR VISION

Gerresheimer will become the leading global partner for enabling solutions that improve health and well-being. Our success is driven by the passion of our people.

## OUR MISSION

We will achieve our 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,  
and, in so doing, by
- › expanding our global reach and creating profitable and sustainable growth

## OUR VALUES

- › Integrity
- › Responsibility
- › Excellence
- › Teamwork
- › Innovation

**KEY FACTS**  
**FINANCIAL YEAR 2012****STRONG REVENUE GROWTH**

- › Marked increase in revenues
  - › Revenues rise by 11.4 % to EUR 1,219.1m, at constant exchange rates +9.8 %
  - › Strong growth in the pharma business, good revenue development in the cosmetics business and in Life Science Research
- › Good earnings development
  - › Adjusted operating margin (adjusted EBITDA margin) amounts to 19.4 % (prior year: 19.9 %)
  - › Net income grows by 22.2 % to EUR 66.5m
  - › Earnings per share rise by 19.3 % to EUR 1.92, adjusted earnings per share grow by 4.9 % to EUR 2.56
- › Healthy net asset position
  - › Proposed dividend of EUR 0.65 per share (prior year: EUR 0.60)

**FOCUS REMAINS ON INTERNATIONAL EXPANSION**

- › Successful acquisition and integration of the Indian company Neutral Glass in the area of pharmaceutical glass packaging
- › Growth in our Plastic Systems Division:
  - › Marked expansion of production capacity in Germany and the Czech Republic
  - › Acquisition of the company item GmbH further increases our design and development competence in the area of pharmaceutical and medical technology products







**THE MANAGEMENT BOARD OF GERRESHEIMER**

(from left to right)

Hans-Jürgen Wiecha › Chief Financial Officer (until January 31, 2013)

Andreas Schütte › Member of the Board with responsibility for Plastic Systems

Stefan Grote › Member of the Board with responsibility for Tubular Glass and Life Science Research

Rainer Beaujean › Member of the Board (since December 1, 2012) and Chief Financial Officer (since February 1, 2013)

Uwe Röhrhoff › Chief Executive Officer with responsibility for Moulded Glass

# Preface by the Chief Executive Officer

## LADIES AND GENTLEMEN,

We are delighted to report very positive results for 2012, a year in which we achieved all our goals. Compared to the prior year, our revenues increased by a substantial 11.4 % to EUR 1,219m. On a like-for-like exchange rate basis, this corresponds to revenue growth of 9.8 %. The earnings situation also improved in 2012, with adjusted EBITDA going up by almost EUR 20m to EUR 237m and an adjusted EBITDA margin of 19.4 %, which is in line with our forecast of about 19.5 %. 2012 was a good year for Gerresheimer AG.

As always, we want you as our shareholders to participate in the positive development of our business. The Management Board and Supervisory Board will therefore jointly propose a dividend of EUR 0.65 per share at the Annual General Meeting for the financial year 2012. This equates to a payout ratio of 25 % of adjusted net income and represents an increase of 8.3 % compared with last year's dividend.

In the year 2012, our business with the pharmaceutical industry achieved strong growth rates again and proved to be relatively immune to economic cycles at the same time. Sales of primary packaging glass and plastic products and drug delivery devices developed very dynamically and also the more cyclical cosmetic packaging and laboratory glassware businesses reported significant increases in revenues and profits again.

*"We achieved  
our goals."*

This development is mainly driven by the steadily increasing number of chronic diseases related to civilization-induced and environmental changes. As a result, the demand for medications for the treatment of asthma and diabetes is on the rise. Moreover, Gerresheimer benefits from megatrends such as demographic change and population growth, which will lead to an increase in demand for healthcare. This means there will be higher demand from the pharma and healthcare industry for easy-to-use and safe drug delivery devices that enable patients to self-medicate.

The forecast for the global economic development for the year 2013 is pretty much comparable to the prior year's level. The yet unresolved debt crises in the European Union and the USA are dampening growth expectations. Accordingly, low growth rates or slightly declining growth rates are forecast for several countries. This might affect our more cyclical cosmetic glass and laboratory glassware businesses. Our stable business with the pharmaceutical and healthcare industry, however, which represents more than 80 % of our revenues, makes us very optimistic that we will remain on firm course for profitable growth also in 2013.



We are also aiming to profit from the very positive developments in the fast-growing emerging markets, particularly China, Brazil and India, where the pharma and healthcare industries' growth trend looks set to remain very dynamic. Our strategy of gaining market access directly through acquisitions of locally leading companies has once again been proven right. This is strikingly illustrated by the impressive performance of our two most recent acquisitions in Brazil and India in 2011 and 2012, respectively. Also in the future, we intend to grow the Company both through organic growth and by means of acquisitions. Our solid financial base and our long-term financing provide us with a strong framework to extend our market leadership into new regions and to add new technologies to our portfolio in order to continuously improve our competitive position.

My special thanks go to my fellow Management Board member Hans-Jürgen Wiecha, who, in his role as Chief Financial Officer, has made a substantial contribution to the success of Gerresheimer AG's IPO, the refinancing process and our expansion into emerging markets. Now, after eight years in his function as Chief Financial Officer, he leaves the Company at his own request on January 31, 2013. Rainer Beaujean takes over as Chief Financial Officer on February 1, 2013. Mr. Beaujean was already appointed to the Management Board by the Supervisory Board as of December 1, 2012, and I am very much looking forward to continuing working with him.

Gerresheimer employees around the world, in Chicago, Bünde, Horsovsky Tyn, Boleslawiec, Beijing, Sao Paulo, Mumbai and at all the other sites, make an immeasurable contribution to the Company's success. Our employees take on the daily challenges and have every right to be proud of their achievements. Thanks to their outstanding commitment and restless efforts, they made a major contribution to Gerresheimer's success in the year 2012. Therefore, I would like to thank them and express my sincere appreciation to all of our employees on behalf of the entire Management Board.

Many thanks, also on behalf of all members of the Management Board, to our stakeholders, especially our business partners, our Supervisory Board members and our Works Council officials for their trust. We look forward to continuing our cooperative partnership in the future. We would also like to express our sincere gratitude to you, our shareholders, for your confidence in us. We continue to be absolutely committed to ensure that Gerresheimer shares remain a solid investment and I will be delighted if you continue to support us in our efforts to increase the value of the Company.

With kind regards,



Uwe Röhrhoff







# · DEMOGRAPHIC · · CHANGE ·

A total of 810 million people in this world are older than 60; by 2050 that figure is set to rise to more than two billion. According to the United Nations, in the USA the number will increase from the current figure of 60 to 107 million by 2050, in China it will grow from 181 to 440 million people.

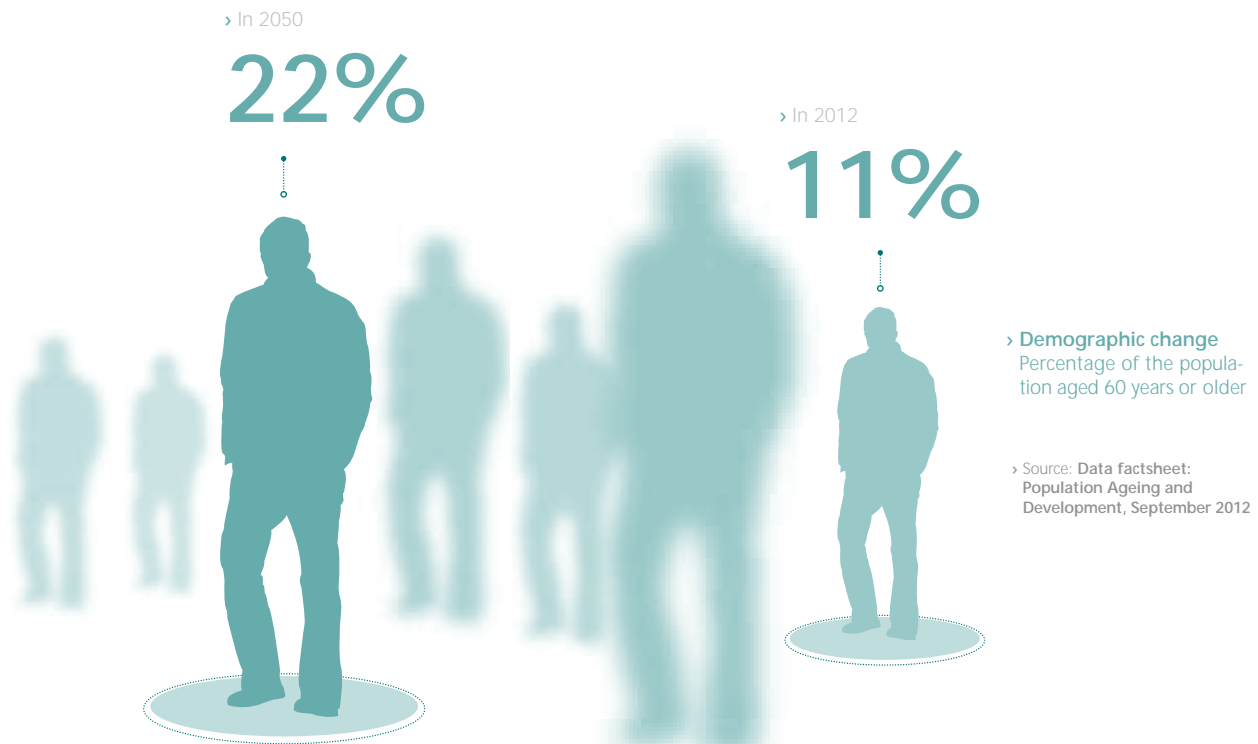
The over 60s age group in Europe is set to rise from 166 to 242 million by 2050, with the number in Germany growing from 22 to 28 million people.





# The New Generation Of Young Elderly

Demographic change is one of the biggest challenges of all facing the global economy. The birthrate has been dwindling for more than half a century. In 1950 women around the world were giving birth to an average of five children. The current birth rate figure is 2.5 and, according to estimates by the United Nations, it is set to drop to 2.2 by 2050 and will be as low as 2.0 by 2100. At the same time, life expectancy is set to rise significantly, from the current figure of 68 years to more than 76 by 2050 and 81 by the year 2100.



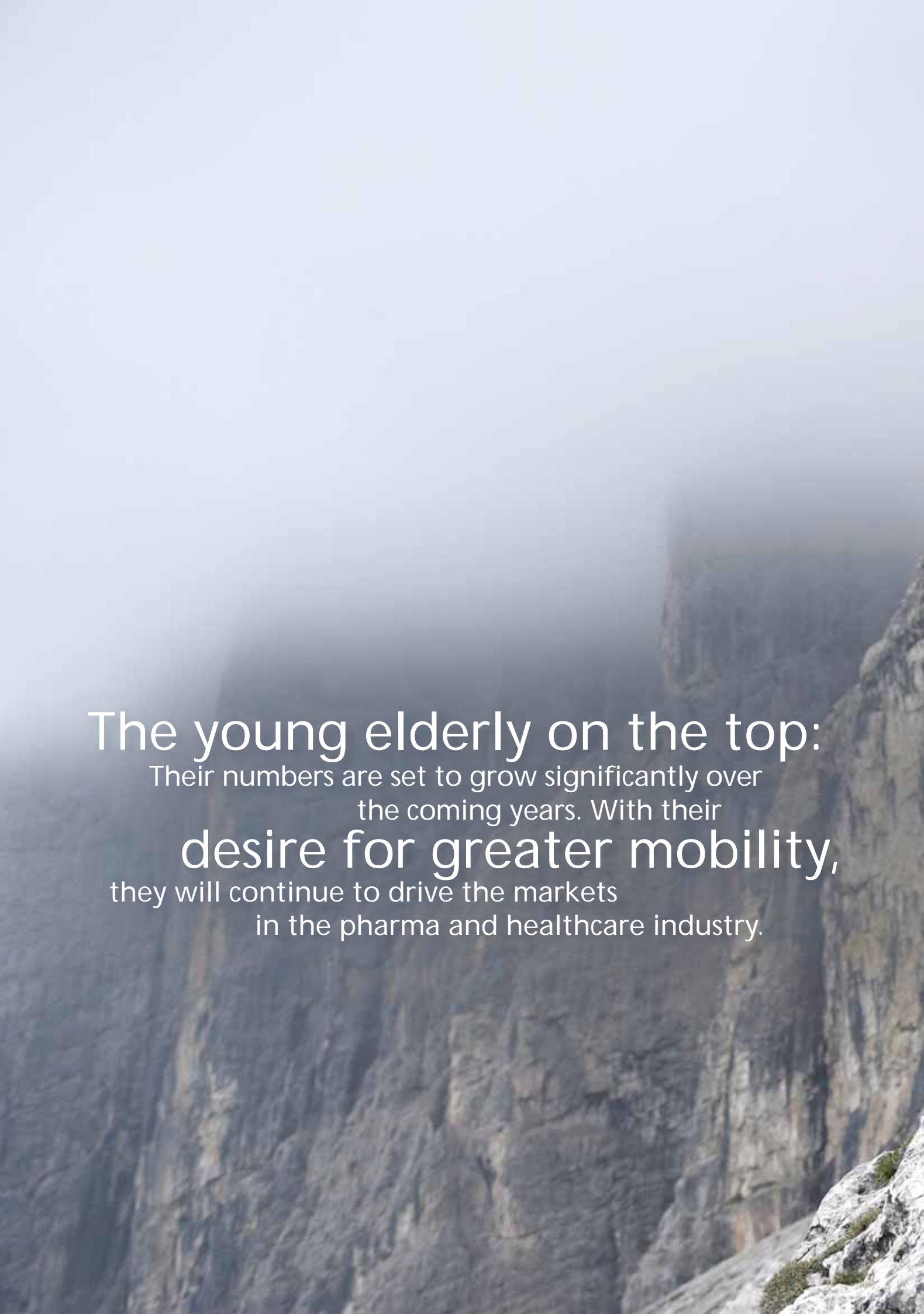
## DIFFERENT RATES

Demographic change is happening at different rates. Setting the pace is the proportion of the overall population in employment. If this proportion is high, shrewd policies can transform it into growth. According to the United Nations, the proportion of the population in employment in the developing countries will reach its highest point in around ten years' time. After this point, the opportunity to produce a demographic dividend in these countries declines. This point was already reached ten years ago in the industrialized countries.

As such, demographic growth is a chance for many developing countries to achieve economic growth with their young populations. This requires investment in health and education.

Countries such as China, Japan, the USA and many European states are already dealing with an ageing and dwindling population. In these countries, demographic change is altering the need for goods and services. In an ageing society, demand in the pharma and healthcare sector is on the increase.





The young elderly on the top:  
Their numbers are set to grow significantly over  
the coming years. With their  
**desire for greater mobility,**  
they will continue to drive the markets  
in the pharma and healthcare industry.





## MOBILE AND INDEPENDENT: THE SENIOR CITIZENS

They feel ten years younger than they actually are and want to remain as independent as possible for the rest of their lives. This is a picture painted by today's senior citizens themselves in surveys.

According to these surveys, two out of three people aged 65 or above would not describe themselves as 'old'. The amount of money spent by senior citizens on vitamin supplements has more than doubled in the last ten years. On average, people in the 65–85 age group get out and about approximately five times per week; one in three even goes out every day.

In parallel to the health-conscious and ever more mobile elderly, age-related clinical pictures have evolved. While at the beginning of the twentieth century infectious diseases such as tuberculosis, pneumonia and diarrheal diseases were dominant, these days it is more likely to be chronic and degenerative diseases such as diabetes mellitus, coronary heart disease, rheumatism, gout, osteoporosis and arthritis – particularly with patients aged 65 and above.

## TREND TOWARDS SELF-TREATMENT

With patients increasingly taking responsibility for their own treatment and the development of mobile therapy, the pharma industry has reacted to these changes. Particularly in relation to the treatment of chronic conditions, such as diabetes or asthma, it is increasingly not just about supplying an active agent, but a complete system with which a properly briefed layman is able to administer the required dosage of medication themselves: simply yet reliably, while eliminating the possibility of handling errors to the greatest extent possible. As the forecast market growth for

diabetes products alone shows – from USD 35bn at present to USD 60bn by 2018 – there is still a great deal of potential for growth here.

Alongside that, the increasingly individualized "anti-ageing" preventive healthcare is boosting the area of privately financed, non-prescription OTC (over-the-counter) products. All the available market studies show that OTC products are enjoying bigger rates of growth than legally standardized areas of therapy.

Nowadays, information on illnesses and the preparations that cure or at least relieve the complaint, which until recently could only be obtained from doctors or sometimes pharmacists, is now available to users via the Internet and growing personal networks. Whether flu-like infections, regularly occurring pain or respiratory problems, modern, mobile senior citizens are increasingly able to treat themselves initially and only resort to seeing the doctor when their own efforts bring no discernible relief.

## NEW HEALTHCARE NETWORKS

Thus the patients' declaration of independence is only just starting. It is a redefining of hospitals and doctors' surgery, which are keen to keep inpatient stays to a minimum in favor of accompanying outpatient treatment within the framework of healthcare networks.

"Individualized medicine" is a further catchword here. Instead of administering standardized medication in fixed, standard sizes, it will soon be possible to devise therapies uniquely tailored to the genomes of individual patients. Here, too, packaging will not merely function as protection during transit, but will be an essential element of the medication itself.



› The demand for over-the-counter medication will grow. These products require safe and high-quality primary packaging.

## LEADING THE WAY WITH NEW IDEAS

We occupy a world-leading market position with our divisions and are systematically consolidating this position. Innovations are the key in this regard.

In the **Tubular Glass** Division, we are technology leader on the global market for pharmaceutical primary packaging and injection systems based on tubular glass. We are continuing to consolidate our market position with innovations.

In doing so, we consider it important to provide our customers with ready-to-use products. We supply our ready-to-fill glass syringes washed, sterilized and with a fitted sealing cap. They are delivered to the customer in standard trays and only remain to be filled.

We also increase the success of our customers by making our syringe systems easier to handle than ever before. For instance, we have optimized sterile, prefillable glass syringes to such an extent that senior citizens are now able to give themselves heparin injections. Specialist medical personnel value the break-resistance and reliability of our syringe systems in everyday practice.

## SELF-MEDICATION

In the pharma and healthcare sector, the trend towards self-medication and intensive prevention is opening up new markets for us in the **Moulded Glass** Division. Examples include the ever more popular area of homeopathy, where the globules are better preserved in our light transmission and climate-resistant vials.



However, customers in the cosmetics industry are also discerning users of our flacons and bottles. Just like in the pharma sector, we are able to convince these customers with production that is as versatile as it is efficient.

For our third Division **Plastic Systems**, medical devices made of plastic such as insulin pens and inhalers are becoming ever more important. Design and ease of use are the crucial factors for market success here. That is why new products are designed in close cooperation with our customers from the very start. We offer them a comprehensive service, from designing the initial drafts and refining the prototypes to production and implementation. The resulting inhalers and injection pens are high-end products for self-medication in the field of chronic illnesses in established markets.



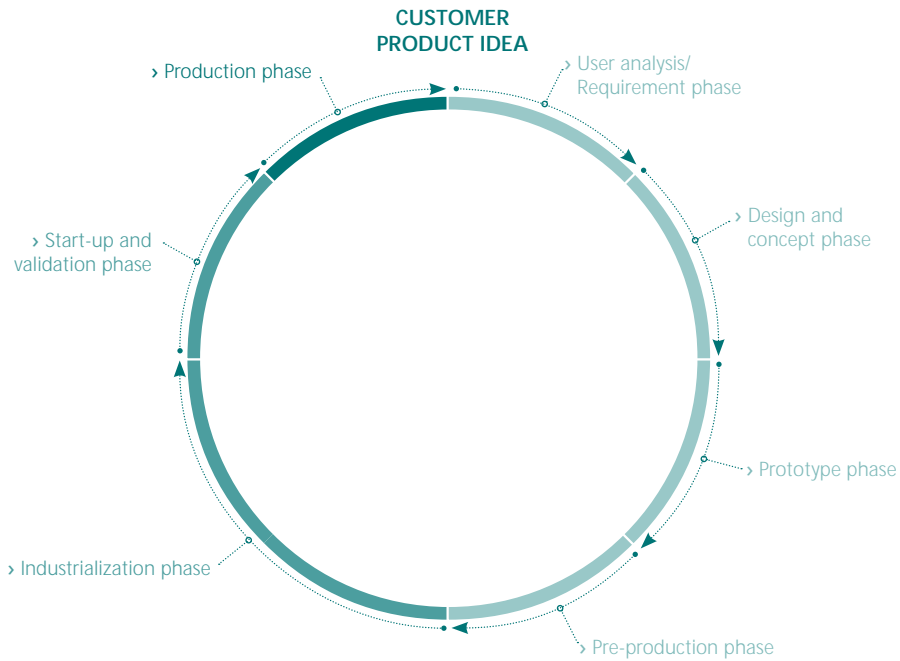
› Insulin pens are drug-delivery devices in pen format which allow diabetic patients to inject themselves with the regularly required dose of insulin in a safe and virtually pain-free manner.



› Diabetes affects old and young people alike. WHO estimates that there will be around 350 million diabetes patients worldwide by 2030.



## A tailored range of products and services for the customer



› **From the idea to the product**  
Developing new products for administering medication is a complex process. We create a new product in conjunction with the customer – from the initial idea to the series production stage.

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## COMMITTED TO THE HIGHEST QUALITY

We began by letting our customers speak as part of a customer survey in 2011, the findings of which were used to make a standard and binding commitment to the highest standards of quality throughout the entire Company. It applies worldwide across all divisions and product groups, is backed up with measurable key performance indicators and is maintained at the highest level by our quality team through training courses and feedback channels. Of course there were strict quality rules in place before that, otherwise our market success would have been inconceivable. But these were applied in different ways by the divisions at local level.

For us, the following principle applies: When it comes to safely administering medication in the human body, or when dealing with cosmetic products and food, quality standards can never be high enough. In this respect, there is no difference between standard packaging, which is produced in greater quantities, and special products. Even more than previously, the new, Company-wide, standard quality strategy ensures that information is shared between the various sectors. Our employees look beyond their own departments and learn from each other. Ultimately, it is one group of people in particular that benefits – our customers.

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# POPULATION GROWTH

No more room on this planet? Today's global population of seven billion people is set to increase to ten billion by the year 2100. At present, 1.3 billion people live below the poverty line, yet the number of people in work, the number of jobs available and the proportion of those who can read and write is growing.

# The Maximum Is in Sight

Did the first people walk the earth seven million years ago or 300,000 years ago? That is more of a philosophical question than a biological one. One thing for certain is that the global population didn't pass the billion mark until around the year 1800. By 1950 it had reached 2.5 billion. The United Nations currently puts the figure at seven billion; by the year 2100 it estimates that there will be more than ten billion people. According to present knowledge, that is the maximum.



## HEALTH, KNOWLEDGE AND A SECURE EXISTENCE

Population growth has slowed since the end of the 1960s – from around 2.1 % per year back then to today's figure of 1.2 %. The dwindling birth rate around the world is acting as a brake – with some considerable regional variations.

In today's developing countries, the population will continue to grow for quite some time. Since the chances of a comfortable standard of living in the countryside are extremely remote, around the world young people in particular are flocking to the cities to try their luck there. In these cities, a middle class is emerging with increasing economic success. These people can afford more and also have higher standards when it comes to healthcare.

The fact shouldn't be glossed over that poverty and underdevelopment are still a major problem in some regions. Yet there is some positive news: The Human Development Index (HDI) has improved significantly. This is a measurement of human development calculated annually by the United Nations which takes into consideration a long and healthy life, access to education and financial subsistence. The HDI has risen by a global average of 18 % since 1990. The biggest HDI gains have been recorded by the developing countries in Asia. Yet even the group of least developed countries were able to register an HDI gain of around a third.





PHARM



మందులు

వెంటనూ

In the emerging nations,  
**standards of healthcare systems**  
and their infrastructure are increasing. Local distribution  
points for medication only work if the medicine  
is packaged in a manner that ensures it will  
**last a long time and**  
cannot be damaged.



శ్రీ చు సేవలు  
౬౩



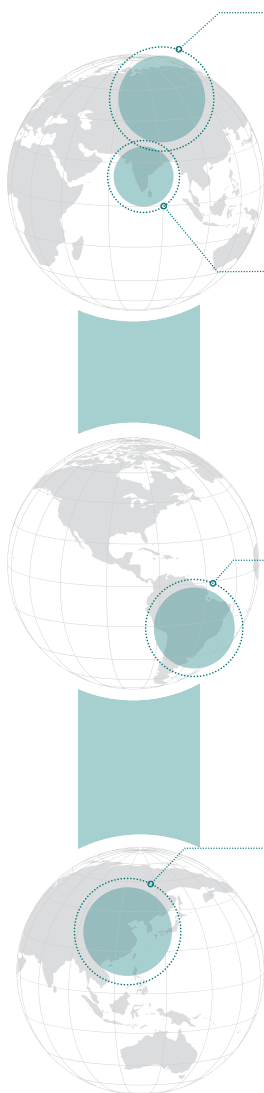


## EMERGING COUNTRIES AND GENERIC DRUGS ARE DRIVING GROWTH

The made-up words “pharmerging countries” gives a name to the pharma industry’s biggest hope. With the economic success of the emerging nations – from South America and the fringes of Europe to Russia, India, China and Korea – the need for healthcare products and services is growing. The US IMS Institute for Healthcare Informatics estimates that the pharmerging countries will be responsible for 30% of the total amount spent on healthcare in the world by 2016,

an increase of more than ten percentage points. That would translate into USD 91 being spent per person per year. Compared to the USD 609 per person in Western nations, plenty of potential for growth remains.

At the same time, a number of patents for pharma products are expiring. IMS experts predict that inexpensive generics will crowd the market. Through reasonably priced generic drugs, the emerging nations will obtain access to a wide range of pharmaceuticals much faster and to a much greater extent.



• **Russia**

› Reforming the healthcare sector is one of four major “national projects”. Converted into euros, the Russian state spends a three-figure million sum on provision and modern medical technology in the 55 regions of this huge country. Basic medical provision is free for its citizens.

Pharma market size:  
**USD 14bn**

Growth rate:  
**12% p.a.**

• **India**

› The state provides free basic healthcare and there are also private practices and hospitals. In terms of state healthcare provision, it depends on where in India you live. The state of Kerala in the south has a well-developed health system. In contrast, Arunachal Pradesh in the north has a rather more rudimentary system.

Pharma market size:  
**USD 12bn**

Growth rate:  
**16% p.a.**

• **Brazil**

› The Sistema Unico de Saude (SUS) is financed by tax revenues, although the country only invests 3.6% (Germany: 10.5%) of its gross domestic product in the health system. In a third of the municipalities there are still no SUS facilities. One in four Brazilians uses the private healthcare system, which has to be paid for privately.

Pharma market size:  
**USD 23 bn**

Growth rate:  
**13% p.a.**

• **China**

› Chinese spending on healthcare has increased twenty-fold since 1990. Its share of the gross domestic product, which has also witnessed strong growth, has increased by one percentage point. China has been establishing a health insurance system since 2009. The rural population in particular should get a minimum amount of protection as a result.

Pharma market size:  
**USD 54 bn**

Growth rate:  
**17% p.a.**



› High standards of quality are demanded of all our factories, regardless of whether they are in Europe or India and no matter whether they are producing glass or plastic.

## STRATEGIC DEVELOPMENT IN THE EMERGING COUNTRIES

The economic success of the emerging countries is extending the international basis of the pharma market. As a globally leading manufacturer of high-quality special glass and plastic products for the international pharma and healthcare industry, we have the ideal set-up with 46 sites in Europe, North and South America, and Asia.

On our world map there are plants in Brazil and Argentina, six in China and one in India. In addition, there are sites in Moscow and Mumbai. Hardly any other competitor uses such an extensive international network as we do. We give our customers the familiar Gerresheimer service wherever we are required as a partner.

The latest evidence of this is the acquisition of a majority interest in the Indian company Triveni based in New Delhi. Triveni is a leading manufacturer of plastic pharmaceutical packaging in India. In the financial year 2011/12, more than 300 employees generated turnover of around INR 1.3bn, which corresponds to about EUR 20m. We now own a majority share of 75 % in the company.

The acquisition extends our presence in India. Prior to this, in April 2012, we acquired a majority interest in the Indian company Neutral Glass, which is based in Mumbai and has a modern moulded glass factory in Kosamba (Gujarat province, India). We hold 89 % of the shares; the family owners still have an 11 % interest. Around 600 employees generate annual turnover of around EUR 15m.

In spring 2011 we were able to strengthen our plastic packaging business for the pharma industry in South America by taking over the Brazilian company Vedat, which is considered a technological leader in the production of plastic closures. This acquisition combined with the existing production facilities enables us to be a full-service partner in South America.

In doing so, we combine our knowledge of local regulations and imperatives with high standards of quality on an international level, while constantly benchmarking our production. Ultimately, it is one group of people in particular that benefits – our customers.

› Further information can be found on the Internet: [www.gerresheimer.com/en/company/locations](http://www.gerresheimer.com/en/company/locations)



## GENERIC DRUGS WITNESS HUGE GROWTH

In the coming years, a whole range of pharmaceutical patents are set to expire. As such, the use of generic drugs is forecast to grow disproportionately. The IMS Institute for Healthcare Informatics predicts that turnover generated by the sale of generic drugs around the world will double by 2016 to around USD 430bn.

Generic drugs will propagate this dynamic in both developed markets and emerging nations. In a current examination of the development of the healthcare market in Germany, Deutsche Bank indicates that 86.5% of all prescribed medication, with a share of 78% of overall sales, is already attributable to generic drugs. This is a result of endeavors to keep costs down in the healthcare sector.

With our efficient production of standard packaging in combination with the in-depth knowledge of processes that we possess, we are an ideal partner for manufacturers of generic drugs. As part of a cost-optimized production process, we can take on part of the supply chain without having to compromise on product safety or quality.

Our international strength also comes to the fore in the area of generic drugs. That's because a manufacturer that can offer consistent standards throughout the world is the one that will be successful. We demonstrate our ability to do that on a daily basis.

## PRIMARY PACKAGING FOR GENERIC DRUGS

Generic drugs especially play a major role in emerging countries that are developing quickly. Being local with high production capacity is an important competitive factor for us. In this regard, we do not profit from organic growth alone, but have become market leader for plastic pharmaceutical packaging and closures through targeted acquisitions in South America. These containers and caps for liquid and solid medication, for nasal and eye drops, are produced by us very efficiently in large numbers and to a high standard of quality in Brazil and Argentina.

We are represented in India by the modern production facilities of our local company Neutral Glass and produce glass injection vials predominantly for generic medication. With the acquisition of Triveni in India, we want to unlock the local and export market for plastic pharmaceutical packaging and steadily extend our market share.

However, it is not only possible to produce large numbers at competitive prices in emerging countries. We are also able to do this in Europe and the USA. For instance, our center of excellence for ampoules in the German town of Wertheim supplies pharma companies around the world, including manufacturers of generic drugs.

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## PROCESSES OPTIMALLY NETWORKED WITH EACH OTHER

The example of integrated processes in our Tubular Glass Division demonstrates another of Gerresheimer's strengths. Elsewhere, tubular glass production, forming and processing for pharmaceutical use is carried out in separate stages.

We have closely networked our experts in chemical and physical processes along the value chain. By doing so, it is possible to coordinate all the stages with each other, such as the tube dimensions during glass production or the forming and filling parameters in relation to the requirements of a specific packaging job.

As such, we combine an acknowledged high level of quality with production that has been optimized at every stage. This enables us to generate cost benefits for our customers.

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# ENVIRONMENTAL CHANGES

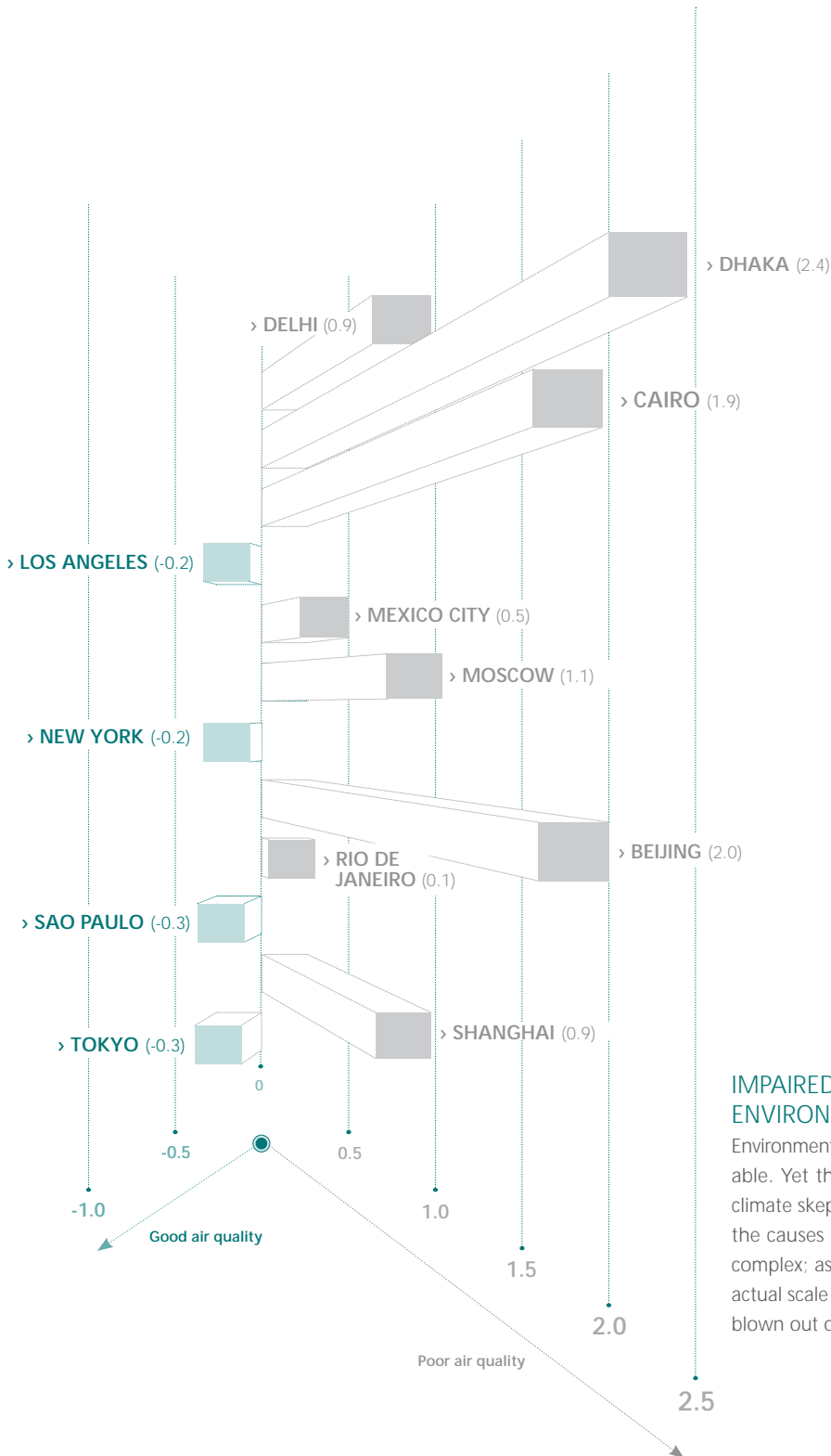
Air pollution and global warming combined with an increase in extreme weather conditions are the environmental changes that we are seeing. At the same time, the number of people with chronic illnesses such as allergies, asthma and diabetes is rising. Doctors and scientists are discussing whether there are any links between these events.





# Complex Links

Air pollution poses one of the biggest health risks to mankind. According to figures from the World Health Organisation (WHO), around 1.3 million people around the world die every year as a result of polluted urban air. Particularly in eastern China and India, a significant increase in air pollution is to be expected as the downside of the pleasing economic upturn. In some places, the concentration of pollutants is set to be three times the size of the already high current level by 2050.



> **Index of air pollution in megacities**  
 This index records the concentration of several pollutants and compares the measured concentrations with limits set by UNO. A negative index, such as those for Tokyo or Los Angeles, indicates that, on average, the figures are below these limits.

> Source: Max Planck-Forschung April 2010

## IMPAIRED HEALTH DUE TO ENVIRONMENTAL INFLUENCES?

Environmental changes are ascertainable and measurable. Yet those who warn of global warming and climate skeptics argue bitterly with each other about the causes and effects. The links appear to be too complex; as a result, the scenarios in relation to the actual scale of any future environmental changes are blown out of all proportion.





Asthma is the  
**most commonly occurring**  
chronic illness. According to WHO,  
**235 million people**  
around the world are regularly short of breath.





## GLOBAL RISE IN CHRONIC ILLNESSES

WHO quotes the following figures: Around 346m people around the world suffer from diabetes. By 2030 there will be twice as many cases. A total of 235 million people are affected by spasmodic asthma attacks. Like all other allergies, WHO also expects a significant increase here.

Besides the environmental changes caused by external factors, every single person is also contributing to the rise in chronic illnesses: More than one billion people are overweight. Over twelve million people die annually from heart attacks and strokes. Around the world, almost 60% of the 57 million deaths recorded are attributable to cardiovascular disease, diabetes, cancer, respiratory illnesses or obesity.

These scourges of civilization are no longer confined to the territory of classic industrialized countries. Chronic illnesses are now increasingly more prevalent in China, India, Russia and Brazil. They have been imported to these countries along with the unhealthy Western lifestyle and are driving up healthcare costs.

## GROWING HEALTH AWARENESS AMONG PATIENTS

On the other hand, the majority of long-term forecasts identify increasing health awareness, with a growing demand for therapies, therapeutics and other health services seen as an important structural driver

of global growth. According to estimates, the global gross domestic product (GDP) is set to grow by 40% to USD 90tr by 2020. In particular, the experts forecast the following:

- › The global health market will grow to USD 4tr by 2020 and will thus experience growth more dynamic than that of the global GDP.
- › In emerging nations and developing countries, there will be two-figure growth rates, but Europe and North America will remain dominant in the world market.
- › Cash-strapped public budgets will force far-reaching changes.
- › Patients with growing health awareness will be prepared to pay an ever larger proportion of the costs themselves for pharmaceuticals and wellness services.

+100%

Diabetes sufferers worldwide by 2030

Source: WHO

## BRONCHIAL ASTHMA

The Greek word **ἄσθμα**, or “breathing trouble”, known in English as asthma, describes a chronic, inflammatory disease of the airways accompanied by a permanent hypersensitivity. In people of an asthmatic disposition, the inflammation causes spasms of breathing trouble due to the narrowing of the airways. A wide range of stimuli causes the increased sensitivity of the airways. Around 5% of adults and 7–10% of children suffer from bronchial asthma.

## DIABETES MELLITUS

This term consists of the Greek word **διαβήτης**, from the ancient Greek word **διαβαίνειν**, which means “to pass through” or “to flow through” and the Latin word mellitus, which means “honey-sweet”. The sugar disorder is the name given to a group of metabolic diseases and describes the original main symptom: the excretion of sugar via urine. This is caused by an absolute or relative lack of insulin due to diminished efficiency of the insulin (insulin resistance) or both together.



› Environmental changes are causing more allergies and respiratory disorders. The simple and safe administration of medication is thus becoming ever more important.

### COMPREHENSIVE SERVICE – FOR OUR CUSTOMERS

Our good reputation is based on our experience and comprehensive range of high-quality special packaging. Whether tubular glass, moulded glass, plastic systems or life science research, nobody else offers their customers in the pharma and healthcare sector such a wide range of premium and proven solutions made of glass and plastic. Our strong market positions confirm our success. We are among the top three in almost every sector and region, and we are invariably market leader.

Continually sharing knowledge at an international level provides the basis for this. No matter on which continent our customers use our products and services, they benefit from consistent standards of quality and the ongoing high standards that we set ourselves. We are never content with what we have achieved, because that would mean standing still.

We regularly share the expertise of our specialists in order to develop special, product-specific packaging in conjunction with the customer. This involves precisely establishing colors, shapes and glass or plastic qualities in line with what is technically, chemically and physically possible to meet the customer's wishes.

### ALL PRODUCTS AND SERVICES FROM ONE SINGLE SOURCE

Medical technology products made of plastics and drug-delivery and diagnostic systems are among our strengths. Particularly against the backdrop of significantly increasing incidences of chronic disorders, dosing methods such as asthma inhalers or insulin pens are in high demand. We supply all our products and services from one single source: from the initial ideas, tool construction, automation technology and production to packaging and international logistics. Our customers value our full-service expertise.







› Production in clean rooms ensures high quality and makes it easier for our customers or the filler to process later on.

## THE BEST OF BOTH WORLDS

Whether as neutral as glass or as break-resistant as plastic, we offer the best of both packaging worlds. With nasal and eye drops, for instance, our pharma customers can choose between glass vials with pipette or plastic packaging with dosing cap. Patients whose hay fever or other allergies are getting worse due to increasing air pollution appreciate our consumer-friendly range of products. It keeps them mobile and gives them a real sense of security when administering the medication themselves.

Our MultiShell® vials are a further example. They are as break-resistant as plastic and the material closely resembles the outstanding properties of glass, for instance in terms of air impermeability. In 2011 we were awarded the packaging prize in Germany for this market innovation in the area of high-quality plastic packaging.

The same philosophy applies – if only at a different level – to the insulin pens, which give diabetic patients a new degree of freedom compared to the syringes commonly used in the past, or the emergency pens, which are used as an urgent, life-saving measure for allergy sufferers in the event of an anaphylactic shock, a hypersensitive reaction of the immune system.

In this regard, we are going one crucial step further with packaging for pharmaceutical agents and medication, towards an integral convenience system which helps patients to lead a new, better quality of life. Systematic thinking “outside the box” guides us to come up with innovations that help our customers achieve success and allow us to continue to consolidate our top position in all the relevant markets.

## MAXIMUM CLEANLINESS

We often produce our syringes, administration systems, vials and containers in clean rooms which conform to exacting standards. This means that our customers no longer have to occupy themselves with the hitherto necessary pretreatment stages.

Our enormous expertise all along the value chain means that we are in demand as partners to the pharma and healthcare sector. By conducting specific analyses, sharing experiences around the world and systematically transferring solutions to as many areas as possible, we achieve measurably improved results – in conjunction with and for the benefit of our customers.

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## OUR RESPONSIBILITY TOWARDS THE ENVIRONMENT

Using natural resources in a responsible manner, protecting the environment and avoiding waste are key elements of the various activities of our factories around the world. For instance, in the course of regular maintenance of the melting furnaces, we are installing the latest technology for melting glass in the moulded glass factories in order to achieve a sustainable reduction in CO<sub>2</sub> emissions per unit of glass. Last year in our American factory in Vineland, we have commissioned one of the largest roof-mounted photovoltaic systems. And in our plants for plastic systems, we place particular value on energy-efficient clean room, compressed air and cooling technology. We publish the aims, strategies and successes of these various measures every year as part of the Carbon Disclosure Project, the world's biggest initiative for reducing CO<sub>2</sub> emissions.

› Further information can be found on the Internet: [www.gerresheimer.com/en/investor-relations/corporate-responsibility/carbon-disclosure-project](http://www.gerresheimer.com/en/investor-relations/corporate-responsibility/carbon-disclosure-project)

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# Excellent Growth Opportunities

**Interview with Uwe Röhrhoff** The excellent 2012 results confirm our strategic focus on the pharma and healthcare growth markets. The dynamic emerging markets are having a positive impact on growth. In Europe and North America drug delivery devices for the easy-to-use and safe application of drugs are gaining significance. A consistent global understanding of our Company, worldwide quality standards and sustainability targets serve to further enhance our market position.

**Population growth, demographic change and environmental change are megatrends. To what extent are they influencing the Gerresheimer business model?**

These megatrends have various impacts on personal living conditions and health. They create new challenges and growth opportunities for the pharma and healthcare industry. Since we contribute to these developments with our products and innovations we are very optimistic about our future.

**Gerresheimer achieved revenue growth of 11.4 % in 2012. How should we view this result?**

2012 was a good year for us and we are proud of our results. We achieved strong growth in revenue based on our strategic focus on the stable pharma and healthcare growth markets.

**How will the pace of growth develop over the next few years?**

We will continue our international expansion efforts and make further investments. By doing so we can achieve 5–6 % organic growth per year in the long term. Our very comprehensive product portfolio and, naturally, the commendable efforts of our very strong team, which I'm very proud of and grateful to, are key growth drivers.

**And that's not including growth through acquisitions. What are your target sectors or regions for acquisitions over the next few years?**

We have acquired three very good companies in the last two years. A pharmaceutical plastic packaging market leader in Brazil and two Indian companies, one which also manufactures pharmaceutical plastic packaging products and another that makes glass vials. So I think our acquisition focus for the next few years is pretty clear. The very dynamic emerging markets of Brazil, India and China will be the biggest growth drivers in the global pharma markets. Many people in these countries are now able to access medical care for the first time.



*"2012 was a good year for us and we are proud of the results."*

We are aiming for further organic growth and growth through acquisitions in these regions.

**How will the European and North American markets develop?**

We won't see the high – in some cases two-digit – growth rates that the emerging markets are currently achieving in the European and North American markets. However, the absolute volume of the European and American pharma markets is much bigger than the emerging markets. In Europe and North America, complex packaging solutions and products for the simple application and dosage of drugs are playing an increasingly important role. These include ready-to-fill syringes for vaccines or thrombosis prevention, insulin pens for diabetics, inhalers for asthma sufferers and auto-injectors for allergy sufferers. A large portion of our global investments are being made to increase our production capacity, build development centers and extend our portfolio.

**In 2011  
and 2012**

three acquisitions in the emerging markets.



Investments and acquisitions require money. What kind of a financial footing is Gerresheimer on? Are you considering divesting cosmetic glass operations because they aren't part of your core business?

We are on a very solid financial footing. In 2011 we implemented refinancing measures at the right time with a very positive outcome. Now, we have the scope and flexibility to make investments. Our strategy for the cosmetic glass segment is very clear. Perfume bottle and cream jar production at our Moulded Glass plants is a very profitable line of business and it effectively supplements our pharmaceutical bottle production operations.

What will your biggest challenge be in the next few years?

In my many discussions with customers I have noticed a shift in focus from cost to quality. Patients, regulatory authorities, pharma companies and we ourselves are demanding increasingly higher quality in the products that we manufacture. In fact, quality has always been important to us. In future we will be putting even more emphasis on it because patient safety is our priority.

To what extent is quality something that differentiates Gerresheimer from its competitors?

Extremely motivated employees are necessary to ensure that our products meet the highest requirements of quality, safety and reliability in every respect and at all times. In our decentralized organization, responsibility for quality is with the production facilities and their staff. These are the people who make the difference. At the same time we want to offer uniform standards of product and process quality to our customers around the world, irrespective of production facility or country.

What does that mean, exactly?

We want to continuously improve, we want to learn from each other and to meet important standards at all our production facilities around the world. We achieve these things at four different levels. First of all we have a shared vision, mission and five corporate values. Secondly, we have the Gerresheimer Management System (GMS) which defines our global requirements, standards and processes for working and production. Thirdly, two years ago we launched our Quality Initiative. It defines globally uniform quality standards for our products and processes, quality monitoring and our employees are being trained accordingly. Fourthly, global key account



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*“We continuously increase quality standards of our products.”*

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management ensures that selected major international customers receive services from one single source.

What role does sustainability play in all this?

Sustainability is a primary objective that is manifested in our daily actions. For me, sustainability has economic, ecological and social dimensions. Sustainability is an intrinsic aspect of our vision, our values and our management system. We have been making excellent progress at our plants for many years now. The plants have reduced their energy consumption, they are conserving resources and avoiding waste. Education and engagement in local social projects are also on our sustainability agenda. Our employees, engineers and managers are aware of their responsibility and fully committed to developing creative concepts to achieve these goals.

**Since 2010**

Quality Initiative ensuring uniform global quality standards at Gerresheimer.

# Report of the Supervisory Board



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

In the financial year 2012 the Supervisory Board has concerned itself intensively with the Company's position and fulfilled all its obligations under the law, the Company's Articles of Association and the Rules of the Supervisory Board. These include consultations on the basis of prompt, regular and comprehensive reports from the Management Board, involvement of the Supervisory Board in decisions of key importance for the Company, and the necessary supervision of management.

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 twice by means of written circular proceedings – voted on the reports and resolution proposals of the Management Board to the extent required by the provisions of the law, the Company's Articles of Association and the Rules 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 informed by the latter regularly and promptly about important developments and impending decisions.

## PERSONNEL CHANGES IN THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

Over the whole of the financial year 2012 the Company's Supervisory Board consisted of Gerhard Schulze as Chairman, Francesco Grioli as Deputy Chairman, Lydia Armer, Hans Peter Peters, Theodor Stuth and Udo J. Vetter, who were all re-elected to the Supervisory Board by the Annual General Meeting on April 26, 2012 or by the employees.

Günter Fehn, Olaf Grädler, Dr. Axel Herberg, Reiner Ludwig, Dr. Gerhard Prante and Harald Sikorski left the Supervisory Board as at the end of the Annual General Meeting on April 26, 2012. The Supervisory Board thanks all the departing members for their long and trusty service.

With simultaneous effect Dr. Karin Dorrepal and Dr. Peter Noé were elected as shareholder representatives and Sonja Apel, Eugen Heinz, Seppel Kraus and Markus Rocholz as employee representatives.

In the financial year 2012 the Company's Management Board consisted of Uwe Röhrhoff as CEO and Dr. Max Raster (until February 7, 2012), Stefan Grote (from April 1, 2012), Andreas Schütte and Hans-Jürgen Wiecha.

## MEETINGS OF THE SUPERVISORY BOARD

The regular consultations of the full Supervisory Board dealt with the sales and earnings trend for the Company as a whole and for the individual business divisions.

In the meeting of the Supervisory Board on February 7, 2012 the Annual Financial Statements of Gerresheimer AG, the Consolidated Financial Statements and the Combined Management Report for the financial year 2011, the proposed appropriation of accumulated net earnings and the Report of the Supervisory Board were approved. The Annual Financial Statements were thereby adopted. In this meeting the Supervisory Board also agreed the immediate termination, by mutual consent, of Dr. Max Raster's membership of the Management Board and rescission of his Management Board service contract with effect as at midnight on April 30, 2012. In addition, the Supervisory Board agreed the appointment of Stefan Grote as a member of the Management Board from April 1, 2012 and corresponding changes to the Schedule of Responsibilities for Management Board members as from February 7, 2012 and April 1, 2012. The Supervisory Board furthermore approved the acquisition of 70% of the shares in Neutral Glass & Allied Industries Private Limited in Mumbai, India, and in conclusion discussed the results of the Supervisory Board's efficiency audit.



On March 5, 2012 the Supervisory Board agreed the termination of the appointment of Hans-Jürgen Wiecha as a member of the Management Board from midnight on February 28, 2013 by mutual consent.

In its constitutive meeting directly after the Annual General Meeting on April 26, 2012 the Supervisory Board re-elected Gerhard Schulze as its Chairman, Francesco Grioli as its Deputy Chairman and all the members and chairmen of the Mediation Committee, the Presiding Committee, the Audit Committee and the Nomination Committee. In addition, the Supervisory Board agreed to increase the investment budget for the financial year 2012 from EUR 104.8 million to EUR 121.4 million to exploit growth opportunities.

The Supervisory Board meeting on September 5, 2012 dealt mainly with corporate strategy, the annual Compliance Declaration in accordance with section 161 of the German Stock Corporation Act and commissioning of the auditor for the financial year 2012. Due to increased duties of the Audit Committee the number of members of the Audit Committee was increased from four to six through an amendment of the Rules of the Supervisory Board, and two new members were elected to the Audit Committee.

In its meeting on October 23, 2012 the Supervisory Board agreed the appointment of Rainer Beaujean as a member of the Management Board from December 1, 2012 and as CFO from February 1, 2013 as well as corresponding changes to the Management Board Schedule of Responsibilities. Furthermore, the Supervisory Board agreed the early termination of the appointment of Hans-Jürgen Wiecha as a member of the Management Board, now as at midnight on January 31, 2013.

The main items dealt with in the Supervisory Board meeting on November 22, 2012 were medium-term planning for the Group and approval of the budget for the financial year 2013.

Almost all members of the Supervisory Board participated in the six meetings of the Supervisory Board. Two members missed one meeting and one member missed two meetings of the Supervisory Board.

## MEETINGS OF THE COMMITTEES

To ensure efficient performance of its duties the Supervisory Board has set up four committees: the Mediation Committee in accordance with section 27 (3) of the German Codetermination Act, the Presiding Committee, the Audit Committee and the Nomination Committee. These committees prepare subjects for resolutions in 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 since September 5, 2012 has had six members (formerly four). The Nomination Committee has three members and consists solely of representatives of the shareholders.

The Presiding Committee prepares personnel decisions by the Supervisory Board, particularly the appointment and dismissal of Management Board members and decisions about the remuneration of Management Board members. In the place of the Supervisory Board the Presiding Committee decides on finalization, amendment and termination of the service contracts of Management Board members except for remuneration questions requiring approval by the full Supervisory Board. The Presiding Committee met on December 6, 2011, February 6, February 24 and October 2, 2012. These meetings dealt mainly with the rescission of the employment contracts and termination of the appointments of Dr. Max Raster and Hans-Jürgen Wiecha, by mutual consent in both cases, and finalization of the employment contracts and appointment of Stefan Grote and Rainer Beaujean.

The responsibilities of the Audit Committee include in particular preparations for decisions by the Supervisory Board on adoption of the Annual Financial Statements and approval of the Consolidated Financial Statements, as well as discussion of the Quarterly Financial Reports and the Half-Year Financial Report. In addition, the Audit Committee deals with monitoring of the accounting process, the internal control system, the risk management system, the internal audit system and compliance. The Audit Committee had five meetings on February 7, April 11, July 10, September 5 and October 1, 2012. It dealt mainly with the reports on the audit of the Annual Financial Statements and Consolidated Financial Statements for the financial year 2011 as well as the Quarterly Financial Reports and Half-Year Financial Report for 2012. The Audit Committee furthermore dealt with the independence of the auditor, the recommendation to the Annual General Meeting on election of the auditor, placement of the audit commission with the auditor for the financial year 2012 and specification and monitoring of the audit process and key audit areas, 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. Finally, due to increased duties of the Audit Committee, the Audit Committee tabled a recommendation to the full Supervisory Board on an increase in the number of Audit Committee members from four to six and on the election of appropriate candidates.

The Nomination Committee recommends suitable candidates to the Supervisory Board for its resolution proposals to the Annual General Meeting on Supervisory Board mandates. In the past financial year the Nomination Committee had two meetings on December 20, 2011 and March 14, 2012. These meetings agreed recommendations on resolutions by the Annual General Meeting on April 26, 2012 with regard to the election of Supervisory Board members and the resulting composition of the Supervisory Board committees. The Mediation Committee did not meet during the past financial year.

## CORPORATE GOVERNANCE

The Supervisory Board constantly monitored developments in corporate governance standards. By agreement with the Supervisory Board, the Company's Management Board reports on corporate governance of the Gerresheimer Group in pages 37 to 39 of the Annual Report. On September 5, 2012 the Management Board and Supervisory Board discussed the changes in the new version of the German Corporate Governance Code and submitted an updated annual Compliance Declaration in accordance with section 161 of the German Stock Corporation Act. In particular, this drops the exception named in the Compliance Declaration dated September 8, 2011, to the effect that Management Board remuneration is not reported on an individualized basis. The Compliance Declaration dated September 5, 2012 was made permanently available to shareholders on the Company's website.

## ANNUAL FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS FOR 2012

The Annual Financial Statements and Consolidated Financial Statements drawn up by the Management Board for the financial year from December 1, 2011 to November 30, 2012 and the Combined Management Report were audited by Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Duesseldorf, and received an unqualified auditor's opinion.

The Annual Financial Statements of Gerresheimer AG, the Consolidated Financial Statements, the Combined Management Report, the proposed appropriation of accumulated net earnings, and the auditor's reports for the financial year 2012 were made available to the Supervisory Board for examination. The Audit Committee discussed and examined the documents in detail in its meeting on February 13, 2013, and tabled resolution recommendations to the Supervisory Board. The Supervisory Board examined the Annual Financial Statements of Gerresheimer AG, the Consolidated Financial Statements, the Combined Management Report, the proposed appropriation of accumulated net earnings, and the auditor's reports on these in its ensuing meeting on February 13, 2013. 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.

In accordance with the final results of examinations by the Audit Committee and after its own examinations, the Supervisory Board approves the auditor's findings and declares that no objections are to be raised. The Supervisory Board has adopted the Annual Financial Statements and approved the Consolidated Financial Statements. The Management Board's proposed appropriation of accumulated net earnings has been approved by the Supervisory Board.

The Supervisory Board thanks the Management Board and all employees of Gerresheimer AG and its affiliated companies for the contribution which they have made in the financial year 2012 to the successful development of the Gerresheimer Group.

Duesseldorf, February 13, 2013



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, responsible and value-enhancement-oriented management and control of the Company. The Management Board, the Supervisory Board and all managers and employees of Gerresheimer AG are committed to this aim. Gerresheimer AG largely implements the recommendations and suggestions of the German Corporate Governance Code as last amended on May 15, 2012.

## MANAGEMENT BOARD

The Management Board of Gerresheimer AG consists of a minimum of two members. The Supervisory Board decides the number of members of the Management Board subject to this proviso. The Management Board manages the Company autonomously. In this it is bound by the Company's interests and the objective of achieving increased shareholder value on a sustainable basis.

The Management Board informs the Supervisory Board regularly, promptly and comprehensively about all aspects of relevance for the business, including planning, business development, the risk situation, risk management and compliance. On certain key transactions and measures, approval rights are reserved for the Supervisory Board in the Rules of the Management Board.

The persons making up the Management Board in the financial year 2012 are shown on page 122 of the Annual Report. Rainer Beaujean was newly appointed as a member of the Management Board with effect from December 1, 2012 and as CFO with effect from February 1, 2013. Hans-Jürgen Wiecha left the Management Board as at midnight on January 31, 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 period of office of the current Supervisory Board members terminates at the end of the Annual General Meeting in 2017.

The Supervisory Board monitors and advises the Management Board in running the business. In the performance of its duties, the Supervisory Board regularly discusses business developments, plans, strategy and its 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 and approval of the Consolidated Financial Statements of Gerresheimer AG, taking into particular account the reports of the auditor. 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, a new ballot on the same matter is held in which the Chairman has a casting vote if there is still a tie.

The persons making up the Supervisory Board in the financial year 2012 are shown on pages 120 and 121 of the Annual Report.

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

The Mediation Committee set up in accordance with section 27 (3) of the German Codetermination Act tables proposals to the Supervisory Board for the appointment of Management Board members if the required majority of two thirds of the votes of Supervisory Board members is not achieved in the first ballot. The members of the Mediation Committee in the past financial year were Gerhard Schulze (Chairman), Dr. Karin Dorrepaal (from April 26, 2012), Günter Fehn (until April 26, 2012), Francesco Grioli, Eugen Heinz (from April 26, 2012) and Dr. Gerhard Prante (until April 26, 2012).

The responsibilities of the Presiding Committee include decisions on finalization, amendment or termination of service contracts and pension agreements for Management Board members. Furthermore it is responsible for the approval of transactions between the Company and members of the Management Board. The Presiding Committee also takes decisions on approval of contracts with Supervisory Board members in accordance with section 114 of the German Stock Corporation Act and loans to the circle of persons named in sections 89 and 115 of the German Stock Corporation Act. The members of the Presiding Committee in the past financial year were Gerhard Schulze (Chairman), Lydia Armer (from April 26, 2012), Francesco Grioli, Reiner Ludwig (until April 26, 2012) and Hans Peter Peters.

The responsibilities of the Audit Committee include preparation of the Supervisory Board's decisions on adoption of the Annual Financial Statements, approval of the Consolidated Financial Statements and agreement with the auditor. It takes appropriate measures to establish and monitor the independence of the auditor. It also supports the Supervisory Board in monitoring the management, and in this connection deals in particular with the Company's risk management and compliance. The members of the Audit Committee in the past financial year were Theodor Stuth (Chairman), Francesco Grioli, Seppel Kraus (from September 5, 2012), Reiner Ludwig (until April 26, 2012), Dr. Peter Noé (from September 5, 2012), Markus Rocholz (from April 26, 2012) and Gerhard Schulze.

The Nomination Committee tables proposals to the Supervisory Board about suitable candidates for its election proposals to the Annual General Meeting with regard to Supervisory Board members. The members of the Nomination Committee in the past financial year were Gerhard Schulze (Chairman), Hans Peter Peters and Udo J. Vetter.

Conflicts of interest must be disclosed by members of the Management Board and Supervisory Board to the Chairman of the Supervisory Board. In the case of material and not just temporary conflicts of interests a Supervisory Board member must give up his office. In its report to the Annual General Meeting, the Supervisory Board provides information about any conflicts of interest which have arisen, and how they have been handled. No conflicts of interest for Management Board or Supervisory Board members arose during the reporting period.

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 under the law and the German Corporate Governance Code for Supervisory Board members:

#### Knowledge, skills and professional experience

The Supervisory Board must be composed in such a way that, overall, its members have the necessary knowledge, skills and professional experience to carry out its functions in an orderly manner. Candidates proposed must have the integrity, commitment, independence and personality to perform the duties of a Supervisory Board member in the parent company of an internationally active group and enhance its public reputation.

On the Supervisory Board of Gerresheimer AG various functional areas of the business should be represented by the individual members. Each Supervisory Board member should as far as possible have special expertise of relevance to the company's business operations. Supervisory Board candidate proposals should ensure a balanced composition so that the desired areas of expertise are represented on the Supervisory Board as broadly as possible. The aim is that

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

#### Independence and conflicts of interest

The Supervisory Board should comprise a number of independent members which it judges to be sufficient. A Supervisory Board member is regarded as independent if he has no business or personal connection with the Company or its Management Board which 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 for five years after leaving office. The existence of an employment relationship between Supervisory Board members and Gerresheimer AG or a Group company or the existence of pension commitments by one of these companies in favor of Supervisory Board members 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 carry out any functions in a controlling body or any advisory functions for material competitors of the Company or a Group company;
- › Supervisory Board members should not play 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 period of office of a Supervisory Board member terminates at the end of the first Annual General Meeting after his seventieth birthday. The Supervisory Board supports election proposals even for candidates who pass the age of seventy during the legal election period; in this case their period of office also terminates at the end of the first Annual General Meeting after their seventieth birthday.

#### Internationalism

At least one representative of the shareholders should have several years' international experience through business activity or foreign nationality.

#### Diversity

The objective of the Supervisory Board is to achieve appropriate participation of women. The Supervisory Board considers that three women on the Supervisory Board constitute an appropriate proportion.

Following the new election by the Annual General Meeting on April 26, 2012 and the election of employee representatives on the Supervisory Board which was carried out in accordance with the provisions of the Codetermination Act on March 29, 2012, the Supervisory Board fulfills all the above objectives.

## ANNUAL GENERAL MEETING

The Annual General Meeting is the shareholders' controlling body and takes the basic decisions for Gerresheimer AG. These include profit appropriation, discharging of the Management Board and Supervisory Board, election of the shareholder representatives on the Supervisory Board and election of the auditor. In addition, the Annual General Meeting decides on changes to the Articles of Association and key entrepreneurial measures, particularly inter-company agreements and conversions, on the issue of new shares, convertible bonds and warrant-linked bonds, and on the authorization of own share acquisitions.

The shareholders have the opportunity to exercise their voting rights in the Annual General Meeting themselves or to arrange for them to be exercised through an authorized agent 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 drawn up in accordance with the German Commercial Code (Handelsgesetzbuch/HGB).

The auditor is elected by the Annual General Meeting in accordance with the provisions of the law. Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Duesseldorf, was appointed as auditor for the financial year 2012. The Supervisory Board commissions the auditor elected by the Annual General Meeting and determines the main areas of the audit program and 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 systematic risk management procedures which ensure that risks are identified and evaluated 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 stock-price-based variable compensation agreements with all of the members of the Management Board and a number of chosen employees. This so-called Phantom Stock Program is described and made public for the Management Board members in a remuneration report as part of the Combined Management Report and, for the other employees, in the Notes to the Consolidated Financial Statements. This Corporate Governance Report explicitly adopts the description in the Combined Management Report and in the Notes to the Consolidated Financial Statements and refers to these in order to avoid unnecessary duplication.

## TRANSPARENCY

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

## REMUNERATION OF THE MANAGEMENT BOARD

The total emoluments of the Management Board in the financial year 2012 are also described in a remuneration report as part of the Combined Management Report and made public. Here again this Corporate Governance Report explicitly adopts the description in the Combined Management Report and refers to this in order to avoid unnecessary duplication.

## COMPLIANCE DECLARATION

The Management Board and Supervisory Board of listed German stock corporations are obliged under section 161 of the German Stock Corporation Act to declare annually whether the recommendations of the "Government Commission on the German Corporate Governance Code" as published by the Federal Ministry of Justice in the official part of the Federal Law Gazette (Bundesanzeiger) have been and are being complied with or which recommendations have not been or are not being applied, and the reason therefor.

Most recently on September 5, 2012 the Management Board and Supervisory Board of Gerresheimer AG approved the following Compliance Declaration:

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

Since its last Compliance Declaration on September 8, 2011, Gerresheimer AG has complied with the recommendations of the 'Government Commission on the German Corporate Governance Code' as amended on May 26, 2010, with the exceptions 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 15, 2012 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 Compliance Declaration dated September 8, 2011 is also available on the Company's website at [www.gerresheimer.com](http://www.gerresheimer.com).

# Gerresheimer on the Capital Markets

## GOOD YEAR FOR THE EQUITY MARKETS IN 2012

Despite the ongoing tense economic situation in some of the member countries of the eurozone, share prices increased in the financial year 2012. The rise in share prices was driven by increased investor expectations for company earnings. In the eyes of investors, another important reason for equity investments was the expected rise in the rates of inflation, especially in the US and in the eurozone. As a result, the value of the MDAX also increased in the financial year 2012. As of the reporting date on November 30, 2012, the index recorded a gain in value of 28.8%.

## THE PRICE OF GERRESHEIMER SHARES MOVED UP MARKEDLY

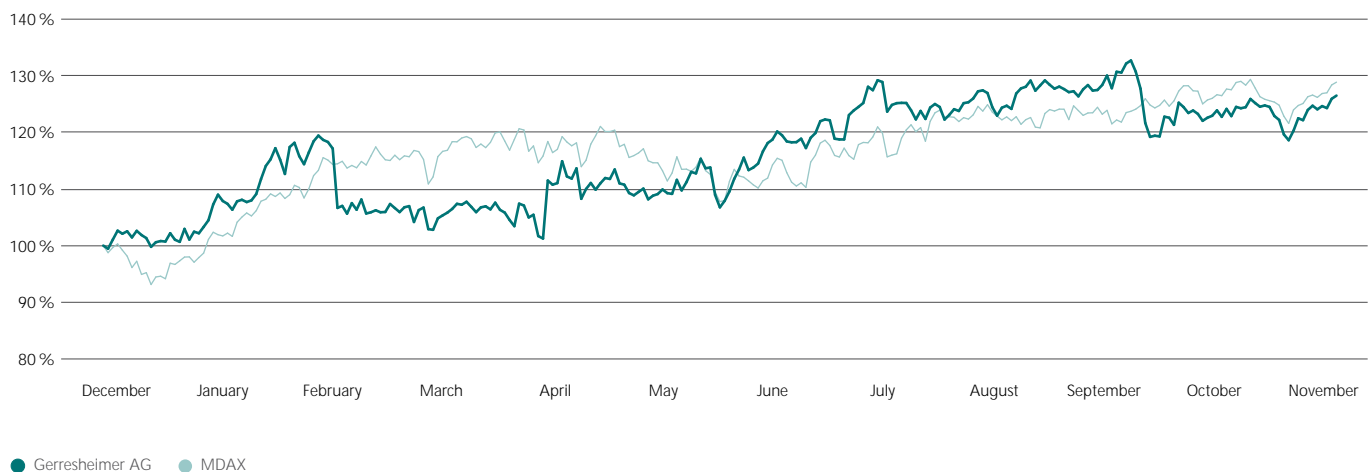
The price of Gerresheimer shares (ISIN: DE000A0LD6E6) developed very favorably in the financial year 2012. Backed by the announcement of the good figures for the second quarter 2012 and the simultaneous raise of

the revenue guidance for the financial year in mid-July 2012, the share price even managed to exceed the level of EUR 40.00 per share. After a short breathing time, the share price went on to mark a new all-time high of EUR 41.34 in early October 2012. At that point in time, the share price gain since the start of the financial year amounted to 32.6%. Overall, Gerresheimer shares finished the financial year on November 30, 2012, with a share price of EUR 39.41. This represents a gain of 26.4%.

The market capitalization of the Company at the end of the financial year on November 30, 2012, amounted to EUR 1,237.5m. According to the index ranking of the German Stock Exchange, the shares therefore advanced to 26th place in the MDAX ranking (prior year: 28th place). With regard to stock exchange turnover, Gerresheimer shares moved up to 32nd place, after having reached 47th place at the end of the prior year. Thereby the shares managed to significantly improve their ranking regarding the relevant criteria for the positioning in the MDAX.

## Comparison of Gerresheimer AG Share Price Performance with the MDAX (Rebased)

Index November 30, 2011 = 100%





### ANALYSTS SEE POTENTIAL FOR HIGHER SHARE PRICE

Fourteen bank analysts reported on Gerresheimer shares at the end of the financial year. The majority of analysts still recommended to buy the shares. The following charts give an overview of the banks reporting at the end of the financial year along with their recommendations:

Company Research		
Berenberg Bank	DZ Bank	J.P. Morgan Cazenove
Cheuvreux	equinet Bank	Kepler
Commerzbank	Hauck & Aufhäuser	LBBW
Credit Suisse	HSBC	MainFirst
Deutsche Bank	Jefferies	

### Key Data for the Shares

	2012	2011
Number of shares as of the reporting date in million	31.4	31.4
Share price <sup>1)</sup> as of the reporting date in EUR	39.41	31.17
Market capitalization as of the reporting date in EUR m	1,237.5	978.7
Share price high <sup>1)</sup> during the reporting period in EUR	41.34	36.62
Share price low <sup>1)</sup> during the reporting period in EUR	31.00	28.30
Earnings per share in EUR	1.92	1.61
Adjusted earnings per share <sup>2)</sup> in EUR	2.56	2.44
Dividend per share in EUR	0.65 <sup>3)</sup>	0.60

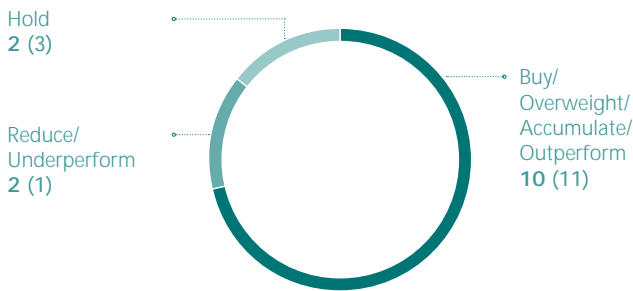
<sup>1)</sup> In each case Xetra closing price.

<sup>2)</sup> Adjusted net income after non-controlling interests divided by 31.4m shares.

<sup>3)</sup> Proposed appropriation of net earnings.

### Gerresheimer Shares: Bank Analysts Mostly Recommend to Buy (as of November 30, 2012)

Number (previous year)



### VERY HIGH SHAREHOLDER PRESENCE AT THE ANNUAL GENERAL MEETING ALSO IN 2012

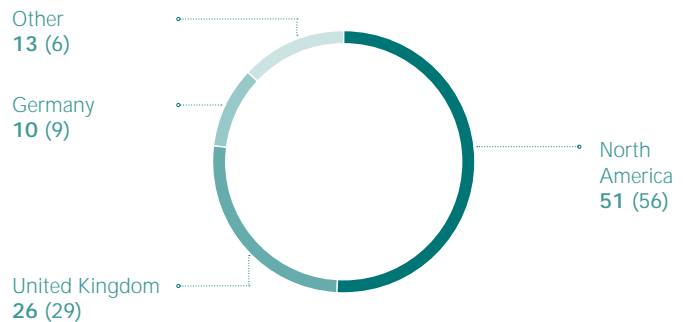
At this year's Annual General Meeting in Duesseldorf on April 26, 2012, 70.7% of the capital stock was represented. The participation rate surpassed the prior year's already high figure of 68.3%, which is a remarkable presence considering the Gerresheimer shares' free float of 100%. Moreover, the share of capital entitled to vote represented was once again markedly above the average of DAX constituents' Annual General Meetings in the year 2012, where 60.5% of capital entitled to vote was represented on average. A dividend of EUR 0.60 per share was agreed upon and distributed to shareholders on April 27, 2012. All proposed resolutions were agreed to by a large majority of votes.

### CONTINUED HIGH DEGREE OF INTEREST FROM INTERNATIONAL INVESTORS

The continued high amount of international interest in the shares was again reflected in the shareholder structure during the past financial year. At the reporting date on November 30, 2012, the predominant part of the shares was attributed to foreign ownership. The largest part, about 51% of shares, were held by investors from North America, followed by British investors who held a share of about 26%. A further 10% of shares were held by German investors. The free float remained unchanged at the reporting date and still amounted to 100%.

### Shareholder Structure by Region

in % (previous year)



## TRANSPARENT SHAREHOLDER STRUCTURE

When specified notification thresholds are reached, shareholders are obliged to inform the Company and the Federal German Institute for Supervision of Financial Services (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin). According to the notifications received by us up to November 30, 2012, the following persons and institutions held more than 3% or 5% of Gerresheimer shares as at the dates of notification mentioned in the following table. Hence, these investors hold a combined 33.4% of Gerresheimer AG shares:

Company	Share in %	Date of Notification
Morgan Stanley & Co LLC	4.42	November 27, 2012
Allianz Global Investors Europe GmbH	3.05	November 21, 2012
Credit Suisse Group AG	6.68	October 17, 2012
Hound Partners, LLC	3.07	September 20, 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 DEVELOPS VERY WELL

The price of the Gerresheimer bond (ISIN: XS0626028566) showed a very pleasing development in the financial year 2012. The strong earnings report of Gerresheimer AG and the now more specific approach of tackling the tight financial situation in some of the member countries of the eurozone may have had a positive impact on the price of the bond. Over the course of the financial year 2012, the bond price moved up continuously and with low price volatility. On November 30, 2012, it managed to end the year at a closing price of 111.5%, which is just below the annual bond price high. Thus, the effective annual interest rate (yield to maturity) based on the closing price on November 30, 2012, amounted to 2.70% p.a. The bond can be traded in Frankfurt (on Xetra and in floor trading) as well as on the regional exchanges in Germany.

### Price Development of the Gerresheimer AG Corporate Bond

Market price November 30, 2011 = 99.5%



● Gerresheimer AG



**Key Data for the Bond**

ISIN	XS0626028566
WKN	A1H3VP
Issuer	Gerresheimer AG
Volume	EUR 300m
Coupon/Date of Payment	5.00% p.a./May 19
Due date	May 19, 2018
Bond price <sup>1)</sup> as of the reporting date	111.5%
Effective annual interest rate (yield to maturity) <sup>2)</sup> as of the reporting date	2.7% p.a.
Bond rating as of the reporting date	Standard & Poor's: BBB-, stable outlook Moody's: Ba1, stable outlook
Corporate rating as of the reporting date	Standard & Poor's: BBB-, stable outlook Moody's: Ba1, stable outlook
Denomination	EUR 1,000.00 par value
Listings	Berlin, Duesseldorf, Frankfurt (Xetra and floor trading), Hamburg, Hanover, Munich, Stuttgart

<sup>1)</sup> Closing price on the Stuttgart Stock Exchange.

<sup>2)</sup> Based on the closing price on the Stuttgart Stock Exchange.

**CAPITAL MARKETS DAY 2012 WITH VERY POSITIVE INVESTOR RESPONSE**

Very positive reactions were received from investors and analysts alike after the Gerresheimer Capital Markets Day, which was held in July 2012. This year's event focused on the fast-growing Plastic Systems Division. During the tour of our most modern plant in the Plastic Systems Division, investors and analysts gained insight into the highly automated and technologically advanced manufacturing of complex drug delivery systems made of plastic. The next event of this kind, which is held in two-year intervals, will be hosted during the financial year 2014.

**CONTINUATION OF INTENSIVE DIALOG WITH INVESTORS AND ANALYSTS**

Also in the past financial year we continued the intensive dialog with investors and analysts in the course of numerous road shows, conferences and telephone conference calls, as well as a multitude of one-to-one conversations. Beyond that, we also further strengthened our dialog with investors and analysts on the bond side.

As in the 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, for example, Frankfurt, Munich, London, Paris, Vienna, Zurich, Milan, Copenhagen, Stockholm, New York, Boston and San Francisco. Sustained, open and prompt communication with all interested parties will continue to be our claim. You will find an up-to-date financial calendar with the upcoming events on which we will present the Company on our website at [www.gerresheimer.com/en/investor-relations](http://www.gerresheimer.com/en/investor-relations).

**Financial Calendar**

February 14, 2013	Annual Report 2012
April 10, 2013	Interim Report 1st Quarter 2013
April 18, 2013	Annual General Meeting in Duesseldorf
July 10, 2013	Interim Report 2nd Quarter 2013
October 2, 2013	Interim Report 3rd Quarter 2013

**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:

**Gerresheimer AG**

Investor Relations & Creditor Relations

Benrather Strasse 18-20

40213 Duesseldorf

Germany

Phone +49 211 6181-257

Fax +49 211 6181-121

E-mail [gerresheimer.ir@gerresheimer.com](mailto:gerresheimer.ir@gerresheimer.com)

[www.gerresheimer.com/en/investor-relations](http://www.gerresheimer.com/en/investor-relations)



# Combined Management Report of the Gerresheimer Group and Gerresheimer AG

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## BUSINESS DEVELOPMENT OF THE FINANCIAL YEAR 2012

Compared to the prior year revenues increased strongly by 11.4 % to EUR 1,219.1m. Besides organic growth, the acquisitions made in the financial year also contributed to the increase in revenues. At constant exchange rates revenues increased by 9.8 % compared to the prior year.

In the financial year 2012 the Gerresheimer Group increased the adjusted EBITDA (earnings before income taxes, financial result, amortization of fair value adjustments, extraordinary depreciation, depreciation and amortization, restructuring expenses and one-off income and expenses) of EUR 236.5m considerably, compared to EUR 217.3m achieved in the prior financial year. The adjusted EBITDA margin was 19.4 % in the financial year after 19.9 % last year. The adjusted result from operations (adjusted EBIT) rose from EUR 116.3m in 2011 to EUR 133.9m in the same period 2012. Thus, the adjusted EBIT margin increased from 10.6 % to 11.0 %. The consolidated net income after income taxes increased from EUR 54.4m in the prior year to EUR 66.5m in the financial year 2012. Besides the increased result from operations the improved financial result also contributed to this development. The development of tax expenses had a counteracting effect as they increased from EUR 18.1m to EUR 29.2m in the reporting period.

The net asset position remains very solid. Despite the outflow of funds in connection with the acquisition of the Indian company Neutral Glass & Allied Industries Private Ltd. (Neutral Glass), the payment of a dividend and the high level of investments in tangible and intangible assets, the EBITDA leverage of 1.5, calculated as the ratio between the net financial debt in relation to adjusted EBITDA, was below the prior year value of 1.7. Non-current assets were at 111 % covered by equity and non-current debt (prior year: 114 %). The equity ratio increased from 36.4 % to 37.2 % from one balance sheet date to the next.

At the end of January 2012 Gerresheimer Regensburg GmbH signed the sale and purchase agreement for the acquisition of item GmbH, medical device design, Muenster, Germany. This acquisition provides the Medical Plastic Systems business with additional design and development competencies for pharmaceutical and medical technological products. In the year 2011 the company generated revenue of EUR 0.8m and employs seven people.

On April 2, 2012, the sale and purchase agreement for the majority shareholding of the Indian company Neutral Glass was signed. The transaction was completed on April 18, 2012 and the company has been included in the Gerresheimer AG consolidated financial statements since this point in time. Neutral Glass is a leading manufacturer of pharmaceutical primary packaging made of moulded glass and has its registered office in Mumbai. The company produces pharmaceutical primary packaging like glass bottles for liquid medication and infusions as well as injection vials. On October 5, 2012 and October 9, 2012 Gerresheimer acquired additional shares and now holds 88.96 % of the company's shares as at the balance sheet date. In the financial year 2010/11 Neutral Glass generated revenue of about INR 1.0bn (approximately EUR 15m) and employs around 600 people.

On June 21, 2012 an agreement on the disposal of a subsidiary in China in the Life Science Research segment was made. Consequently our local business partner, who was also the minority shareholder, will take over the entire business of the company Kimble Bomex (Beijing) Glass Co. Ltd., Beijing, China (Kimble Bomex Glass). The current business relationships and supply contracts with the Gerresheimer Group will remain in force. The agreement became effective with the approval of the Chinese authorities on September 13, 2012. As a result of this disposal Gerresheimer will now be concentrating its production in the Life Science Research segment on a subsidiary company in Beijing. In the period of inclusion in the Gerresheimer Group Kimble Bomex Glass contributed revenue of EUR 4.3m and an adjusted EBITDA of EUR -0.3m. An impairment loss of EUR 2.6m results from this disposal.

As in prior years, external factors such as exchange rate fluctuations or the development of energy and commodity prices had little influence on the operating result of the Gerresheimer Group in the reporting period. Fluctuations in the US dollar/euro exchange rate do not have a material effect on the development of the Group's result and essentially only led to translation effects due to our production sites in the US with mainly North American pharma customers and financial debt in US dollars. Price fluctuations for raw materials and energy are substantially equalized by contractually agreed price escalation clauses, hedging transactions, productivity and price increases.

## THE GERRESHEIMER GROUP

### BUSINESS ACTIVITIES

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

The Gerresheimer Group is based in Duesseldorf (Germany) and comprises Gerresheimer AG as well as its direct and indirect subsidiaries and associates. At the end of the financial year 2012, the Group had 46 sites in Europe, North and South America and Asia with 10,952 employees worldwide.

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

## DIVISIONS

According to IFRS 8 "Operating Segments" the segment reporting is based on the "management approach". The external reporting is therefore based on the internal reporting.

At Gerresheimer the Management Board, as the chief operating decision maker, allocates resources to the operating segments and assesses their performance. The reportable segments and regions and the disclosed key data are in line with the internal financial reporting system.

The Gerresheimer Group is managed by strategic business entities as divisions. The activities are aggregated into the reportable segments according to economic characteristics, especially products and their production processes but also customer relationships. Thus, Gerresheimer operates in the divisions "Tubular Glass", "Plastic Systems", "Moulded Glass" and "Life Science Research".

### Tubular Glass

As a vertically integrated provider, Gerresheimer produces type I borosilicate glass tubing of the highest hydrolytic resistance. This tubing is the basic material for a large number of high-quality specialized products for the pharma and healthcare industry. In this division we sell about 35% of the production to external processors as half-finished goods. We use the remaining production output for internal processing.

In the processing plants we reprocess the glass tubing from own production into a wide range of high-quality primary packaging for the pharmaceutical industry. Besides ampoules, vials and cartridges, these especially include prefillable disposable syringe systems. Special surface treatment procedures and innovative closure systems complement this program.

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

### Plastic Systems

The Plastic Systems Division comprises the business units Medical Plastic Systems (MPS) and Plastic Packaging. Besides standard system packaging for drugs from Gerresheimer's business unit Plastic Packaging, this highly innovative division also offers complex systems and system components through MPS. We develop and produce these systems and components within the scope of individual project business, primarily for our customers of the pharma industry, diagnostics and medical technology.

MPS offers individual service at all stages of the value chain to our customers. The medical plastic systems range from all kinds of inhalers for treating respiratory diseases, lancet magazines and insulin pen systems for diabetics through to the most varied disposable products for laboratory and molecular diagnostics.

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

### Moulded Glass

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

In our Moulded Glass Division we produce all kinds of glass containers suitable for pharmaceuticals including borosilicate glass containers of the highest hydrolytic resistance. On this basis, we effectively offer a complete range of pharmaceutical packaging in flint and amber glass. This includes, for example, a wide variety of injection bottles, dropper bottles, and syrup bottles to meet the manifold requirements of the market.

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

In addition to clear and colored glass, the Moulded Glass Division also produces opal glass. We have access to all the relevant shaping and coloring processes, printing and exclusive finishing techniques.

### Life Science Research

In the Life Science Research Division we focus on specific glass containers and systems in particular for research and development and analytics. This Division also covers general laboratory ware.

The products are fabricated with tubular glass as well as on the basis of the paste mould technology. The extensive product portfolio ranges from standard items for wet chemistry, such as volumetric flasks, beakers, conical flasks and vials for laboratory analytics, to more complex products such as distillation and filtration systems, as well as components for precision lasers. In addition we provide numerous options which allow products to be precisely modified for a specific purpose.

## OVERALL ASSESSMENT OF THE ECONOMIC DEVELOPMENT AND FORECAST ATTAINMENT IN THE YEAR 2012

The Gerresheimer Group's performance in 2012 was pleasing. Revenue growth continued to accelerate; it grew by 11.4 % to EUR 1,219.1m. Net income after income taxes improved from EUR 54.4m in the prior year to EUR 66.5m.

In the financial year 2012 our revenue from the pharmaceutical industry has once again proven to be stable and largely independent of economic trends. As already in the prior year, the more cyclical area cosmetics also recorded noticeable increases in sales and results.

Business with the pharmaceutical industry however, continues to be the decisive factor for the Group, where 83 % of our total revenue was generated in the financial year 2012 (prior year: 82 %). To all extents and purposes it is considered a crisis-resistant industry. Factors such as population growth, demographic change in industrialized nations and improved medical care in emerging markets are sustaining the growth trend. We are catering to the associated increase in demand by expanding our production facilities in various regions and extending our range of glass and plastic pharmaceutical packaging products.

We give our shareholders, customers and other partners the opportunity to assess our business development by publishing annual forecasts at the beginning of the reporting period. Our forecasts for the financial year include forward-looking statements regarding the development of revenue, the adjusted EBITDA margin and capital expenditure. We published our forecast for the financial year 2012 on February 8, 2012. We projected growth in revenue of 5 % to 6 % (on a like-for-like exchange rate basis) for the financial year 2012. Our expectation with regard for the adjusted EBITDA margin was at around 19.5 % and capital expenditure of about EUR 100m.

In connection with the publication of our report for the first quarter 2012 on April 12, 2012 we increased our forecast for revenue growth to 7 % to 8 %. The increase of two percentage points (on a like-for-like exchange rate basis) reflects the better than expected positive business development in our Plastic Systems Division. It also expressed the revenue contribution of the acquired Indian company in April 2012. As a result of the sustained positive business development, especially in the Plastic Systems Division, we further increased our forecast on revenue growth by an additional two percentage points leading to expected cumulated revenue growth of 9 % to 10 % (on a like-for-like exchange rate basis) with the publication of our report for the second quarter on July 11, 2012. While we kept the forecast for the adjusted EBITDA margin constant, we increased our forecast for capital expenditure by EUR 20m to a total of around EUR 120m. The decisive factor for this decision was the outstanding level of incoming orders in the Plastic Systems Division and the investments in connection with the modernization of the Indian production plant that we had acquired.

A comparison of the forecasted business developments to the figures reported for the financial year 2012 shows that our forecasts were extremely accurate. The revenue growth of 9.8 % (on a like-for-like exchange rate basis) is at the upper end of the forecast range (9 % to 10 %). The adjusted EBITDA margin of 19.4 % also reached the aspired corridor of around 19.5 %. Capital expenditure of EUR 118.9m also achieved the estimated value of around EUR 120m. The following table shows our forecasts during the financial year 2012:



## Development of the guidance during the financial year 2012

	FY 2011 as reported	Original guidance FY 2012 as of Feb. 8, 2012	Updated guidance FY 2012 as of Apr. 12, 2012	Updated guidance FY 2012 as of July 11, 2012
		• 5 % to 6 % at const. FX	• 7 % to 8 % at const. FX	• 9 % to 10 % at const. FX
Revenues	EUR 1,094.7m	• 7 % to 8 % nominal	• 9 % to 10 % nominal	• 10.5 % to 11.5 % nominal
Adjusted EBITDA margin	19.9 %	About 19.5 %	About 19.5 %	About 19.5 %
Capex	EUR 86.2m	About EUR 100m	About EUR 100m	About EUR 120m

The operating business development of Gerresheimer AG as an individual company was also very positive. In the individual financial statements of Gerresheimer, which are drawn up in accordance with HGB ("Handelsgesetzbuch": German Commercial Code), the result from ordinary operation increased from EUR 4.2m in the prior year to EUR 63.8m in the financial year 2012. The net income was EUR 54.5m compared to EUR 4.7m in the prior year. Equity also increased from EUR 591.9m to EUR 627.5m. The first-time application of BilMoG ("Bilanzrechtsmodernisierungsgesetz": German Accounting Law Modernization Act) in 2011 depressed the prior year result due to change in valuation of the pension provisions according to the new valuation rules. This led to high one-off adjustment expense. Details can be taken from the chapter Financial Statements of Gerresheimer AG.

## BUSINESS ENVIRONMENT

### Overall economic conditions<sup>1)</sup>

In the course of the year 2012 the world economy lost its drive. World economic growth in 2012 is expected to be around 3.3%, after 3.8% in 2011. The debt crisis, the bank crisis and the macroeconomic crisis in the euro area caused significant uncertainties that have curbed global economic development. Although industrialized nations stepped up their efforts to reduce national debt, which is very high in some countries, these efforts were insufficient to prevent a loss of investor confidence. The weak demand in industrialized nations also had a negative impact on the emerging markets' (BRIC countries Brazil, Russia, India and China) foreign trade activities. As a result, economic development in the emerging markets will not be as positive in 2012 as it was in the prior year. Nevertheless, the emerging markets, the USA and Japan all contributed to the stabilization of the world economy in 2012.

The United States' economy grew at a much slower rate in the first six months of 2012. However, it picked up pace again in the second half of the year. Private consumption increased, employment levels improved and corporate investments rose. There are downside risks to the economic development in the USA, mainly as a result of uncertainty about the extent

to which consolidation measures will reduce the budget deficit. At the turn of the year 2012/2013 the legal validity of the so-called fiscal cliff measures could be averted. Nonetheless, the political agreement on this matter was initially only postponed to the beginning of the year 2013. The measures in question to reduce the budget deficit stipulate an increase in US budget revenues, which could result in a slowdown of the economy. The United States' gross domestic product is expected to expand by around 2.2% in 2012. Last year, gross domestic product growth was 1.8%. In 2012, the USA will probably contribute to global economic development to a greater extent than it did one year ago.

The economic development in the euro area was strongly influenced by uncertainty about the further course of the crisis. Although the statement issued by the European Central Bank, to the effect that it would intervene in the bond markets under certain circumstances, initially restored calm, declining demand within the single European market depressed gross domestic product over the course of the year. The devaluation of the euro, triggered by sustained uncertainty about the future of the euro area, boosted foreign trade. However, this development did not compensate for the decline in demand in the single European market. Overall, the economy within the euro area is likely to shrink in 2012. The 1.4% increase in aggregated gross domestic product in 2011 is expected to be followed by a decline of 0.7% in 2012.

Developments in the EU member states differed considerably. Only five countries, one of which was Germany, have been able to escape the negative trend up to now.

Germany's economy remained relatively robust. Growth in gross domestic product of 0.8% is expected for 2012 despite the escalating crisis in the euro area and the recessionary trends in some EU member states. In 2011, growth in gross domestic product of 3.0% was achieved. Foreign trade profited from the weak euro and had a stabilizing effect which over-compensated the decline in domestic demand.

Growth in the emerging markets is likely to be slower in 2012 than it was in 2011. Lower demand from industrial nations has also curbed developments

<sup>1)</sup> Source: German Council of Economic Experts: Annual Economic Report 2012/13

in the emerging markets. It seems that unlike in previous periods, the emerging markets are now not as immune to the effects of developments in industrial nations. At the same time, the emerging markets achieved far higher growth rates than industrialized nations. According to the German Council of Economic Experts' Annual Economic Report, these countries have joined the United States and Japan as "anchors of global economic stability".

The growth of China's economy has also slowed down, partly due to government efforts to impose greater restrictions on mortgage lending in order to prevent the economy from overheating. As a result, the forecast for growth in Chinese gross domestic product in 2012 is approximately 7.8%. In 2011 China reported economic growth of 9.2%.

India's economic development now increasingly depends on the development of its own infrastructure in addition to global economic developments. Growth in gross domestic product of 6.6% is expected in 2012 after 6.8% in the prior year.

The high oil price improved the situation in Russia, particularly that of the Russian government, because it owns or holds a majority stake in the country's oil companies. This bears the high risk that a decline in demand for oil due to a cooling global economic climate would necessitate a much tighter fiscal policy to improve national revenue. According to estimates, Russia's gross domestic product will be around 3.8% in 2012, following 4.3% in 2011.

Economic growth of 2.7% is expected for Brazil in 2012, which is on a par with the 2011 level. In the second half of 2012 the Brazilian government launched a stimulus package to modernize an aging infrastructure which was latterly seen to be choking growth.

### Development on the currency markets

The single European currency fell from the all-time high of USD 1.35 at the end of February 2012 to USD 1.20 at the end of July 2012. The growing acuteness of the debt crisis in a number of European countries as well as the purchase of government bonds by the European Central Bank had a negative effect on the development of the euro. In the second half of 2012 the euro recovered to values of around USD 1.30 at the end of the financial year at November 30, 2012. The average exchange rate in the period from December 1, 2011 to November 30, 2012 was USD 1.29.

### Development of the commodity markets

The price of the US reference variety WTI (West Texas Intermediate) on the commodity market rose to around USD 100 per barrel at the beginning of 2012. After an all-time high of USD 110 on March 1, 2012 the price for crude oil sank considerably over the following months and reached an all-time low on June 28, 2012 with a price of around USD 77 per barrel. At the end of the year 2012 the oil price increased again to between USD 85 and USD 90 per barrel.

### Market segment developments

The worldwide pharma market again proved to be robust in 2012. While industrialized countries showed rather moderate growth rates, the development in the emerging countries was considerably more dynamic. Here, the pharma sector profited from increased public spending on medical care as well as from increased private spending for prevention and health. Governments' efforts on trying to curb health care costs have so far not had a lasting impact on the pharmaceutical industry. In future, producers of generic drugs will therefore become increasingly important. Generally speaking, the pharmaceutical industry is considered to be insensitive to crises, and one that profits from sustainable growth drivers. These include the demographic change accompanied by the increased medical care required by older people, the technological advancement in the medical field and the increasing number of medicines with patent-free active agents and medicines produced on the basis of biotechnology. Even three years after the crisis in 2009, the in part considerably reduced stock levels for pharmaceutical primary packaging were again not increased, mainly in view of the prevailing cost-reducing discipline. It is therefore to be assumed that the stock levels in the pharma industry will remain considerably below the high stock levels which until a few years ago were customary.

The market for high-quality cosmetic glass packaging recorded an additional good year. A recognizable trend towards very elaborate and thereby superior-designed packaging provided for an extremely positive development. The increased demand for cosmetics is to a large part ascribable to the emerging markets.

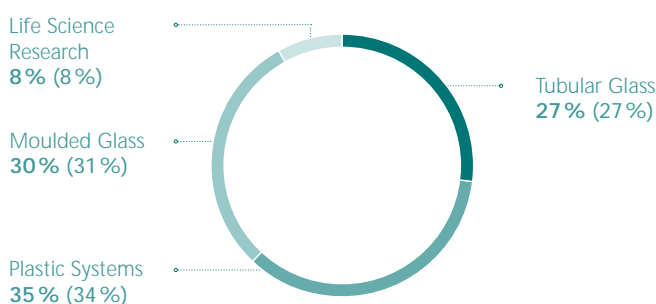
The market for Life Science Research products recorded a satisfactory year. After a good market performance in the first nine months of 2012, the market declined in the fourth quarter of 2012.

# CONSOLIDATED FINANCIAL STATEMENTS OF GERRESHEIMER AG

## REVENUE DEVELOPMENT

### Revenues by division (previous year)

Consolidated revenues 2012: approx. EUR 1,219m\* (EUR 1,095m)



\* Segment sales include intra-group revenues.

The Gerresheimer Group's revenue increased by 11.4% or EUR 124.4m to EUR 1,219.1m in the financial year 2012 compared to the financial year 2011. On a like-for-like exchange rate basis, revenue increased by 9.8%. Thereby, the positive growth trend of the prior year continued in the financial year 2012. The good demand for pharmaceutical and cosmetic packaging products continued throughout the entire year. All four divisions contributed to this positive revenue development.

in EUR m	2012	2011	Change in %
Revenues			
Tubular Glass	333.8	304.1	9.8
Plastic Systems	427.2	371.4	15.0
Moulded Glass	372.8	342.4	8.9
Life Science Research	99.6	91.8	8.5
<b>Subtotal</b>	<b>1,233.4</b>	<b>1,109.7</b>	<b>11.1</b>
Intragroup revenues	-14.3	-15.0	4.7
<b>Total revenues</b>	<b>1,219.1</b>	<b>1,094.7</b>	<b>11.4</b>

With revenue of EUR 333.8m the Tubular Glass Division achieved revenue growth of 9.8% compared to the prior year. On a like-for-like exchange rate basis revenues were 5.5% higher than in the prior year. Revenues from vials and ampoules developed very positively especially in North America in the financial year 2012. The high demand for RTF®-syringes is a further reason for the increase in revenue. In the past financial year higher quality standards in the form of significantly reduced manufacturing tolerances required changes in the production of the RTF®-syringes which led to an increase in scrap rates. As a result of production capacity shortfalls, it was therefore not possible to entirely meet the high demand in RTF®-syringes.

The Plastic Systems Division increased its revenue from EUR 371.4m in the same period last year to EUR 427.2m in 2012. This corresponds to growth of 15.0%. After adjusting for exchange rate effects, revenue growth of 16.8% was achieved. This revenue growth was particularly achieved with inhalers, pens and diabetes care products in the financial year 2012. A substantial increase in revenue was also achieved in the area of engineering and tooling in 2012. Revenue growth in the South American plastic packaging market also contributed to this very pleasing revenue development.

The Moulded Glass Division generated revenue of EUR 372.8m in the financial year 2012. This corresponds to 8.9% growth compared to the prior year. On a like-for-like exchange rate basis, revenue increased by 7.5% in 2012 which is particularly driven by growth in the cosmetics business. Neutral Glass, which has been included in the consolidation since April 2012, also contributed proportionally to this positive revenue development.

Revenue generated by the Life Science Research Division in the financial year 2012 was EUR 99.6m. This corresponds to revenue growth of 8.5%. After adjusting for exchange rate effects and the divestment of Kimble Bomex Glass the revenue growth was 2.0%. Revenue growth was primarily achieved in the area for reusable laboratory glass.

## REVENUE BY ECONOMIC AREAS

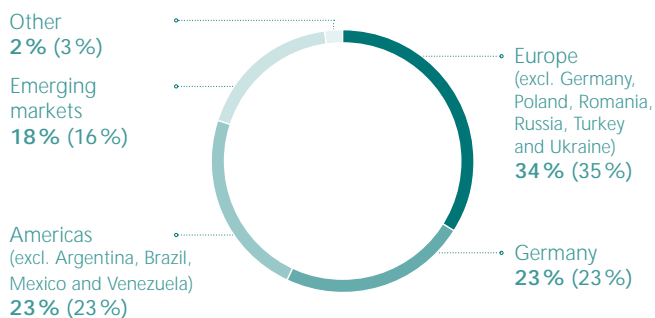
The largest part of the Gerresheimer Group's revenue is generated abroad. In 2012, revenue generated abroad amounted to EUR 942m. This corresponds to 77% of total revenue. In 2011, revenue generated abroad amounted to EUR 839m, corresponding to 76% of total revenue. The regions of Europe and America continue to be Gerresheimer's most important geographical sales regions. The Group was also able to further expand its presence in the emerging markets. For this reason, the emerging markets (according to the current definition from IMS Health<sup>1)</sup>) have been added to the presentation of the sales by region. For reasons of comparability, the prior year presentation has been adjusted accordingly. Revenue from these countries in the financial year 2012 amounted to EUR 215m or 18% of total Group revenue. Overall the percentage of revenue generated in the individual regions remained on the prior year level.

<sup>1)</sup> Brazil, Russia, India, China, Venezuela, Poland, Argentina, Turkey, Mexico, Vietnam, South Africa, Thailand, Indonesia, Romania, Egypt, Pakistan and Ukraine.



**Revenues by economic area** (previous year)

Consolidated revenues 2012: approx. EUR 1,219m (EUR 1,095m)



in EUR m	2012	2011	Change in %
<b>Revenues by economic areas</b>			
Europe (excl. Germany, Poland, Romania, Russia, Turkey and Ukraine)	409	384	6.5
Germany	277	256	8.2
Americas (excl. Argentina, Brazil, Mexico and Venezuela)	284	252	12.7
Emerging markets	215	179	20.1
Other	34	24	41.7
<b>Total</b>	<b>1,219</b>	<b>1,095</b>	<b>11.4</b>

Although economic output in Europe continued to decline, this region still contributed 34 % of Gerresheimer Group revenue. In addition Germany contributed revenue of 23 %.

With a share of now 23 % (prior year: 23 %), the Americas (here without Argentina, Brazil, Mexico and Venezuela) remain an important market for the Gerresheimer Group. Due to the presence of globally operating pharmaceutical companies and due to the demographic potential, the Americas are and will continue to be one of the key regions of our commercial activity.

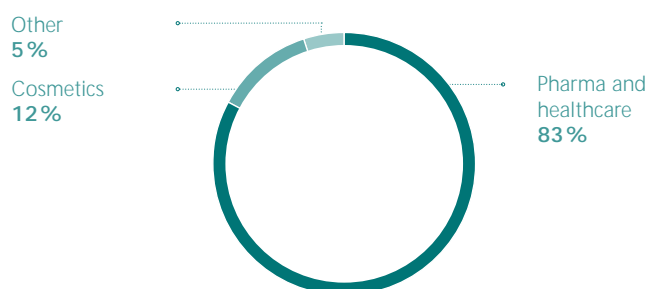
Revenues in the emerging markets accounted for EUR 215m or 18 % (prior year: EUR 179m or 16 %) of total Group revenue in 2012. Brazil, Poland and China were the main contributors. Based on the definition for emerging markets according to IMS Health from 2009, which included fewer countries, the revenues generated in the emerging markets amount to EUR 176m for 2012 (prior year: EUR 140m).

**REVENUES BY MARKETS**

The company is focused on the pharma and healthcare markets, which are served by all of the Group's four divisions with an extensive range of products and services. Around 83 % of total revenue is generated in this business area. Smaller shares of the revenues relate to cosmetics as well as to niche segments of the food and beverage industry, largely in Europe. These market segments are served by the Moulded Glass Division.

**Revenues by market segment** (previous year)

Consolidated revenues: approx. EUR 1,219m (EUR 1,095m)

**RESULT FROM OPERATIONS**

In the financial year 2012 the Gerresheimer Group generated an adjusted EBITDA (earnings before income taxes, financial result, amortization of fair value adjustments, extraordinary depreciation, depreciation and amortization, restructuring expenses and one-off income and expenses) of EUR 236.5m (EUR 217.3m in 2011). This corresponds to EBITDA growth of 8.8 %. The adjusted EBITDA margin came to 19.4 %, which is slightly below the prior year's adjusted EBITDA margin of 19.9 %. This decline is predominantly due to productivity problems in the Tubular Glass Division and start-up costs for new products in the Plastic Systems Division.

in EUR m	2012	2011	Change in %
<b>Adjusted EBITDA</b>			
Tubular Glass	67.8	62.4	8.7
Plastic Systems	92.8	87.1	6.6
Moulded Glass	81.8	76.8	6.5
Life Science Research	13.5	10.6	27.4
<b>Subtotal</b>	<b>255.9</b>	<b>236.9</b>	<b>8.0</b>
Head office/Consolidation	-19.4	-19.6	1.0
<b>Total adjusted EBITDA</b>	<b>236.5</b>	<b>217.3</b>	<b>8.8</b>

Adjusted EBITDA in the Tubular Glass Division increased by 8.7 % to EUR 67.8m. Despite productivity problems in the RTF® -syringe production, this division was able to improve its operating result. The adjusted EBITDA margin of 20.3 % was approximately on the prior year level of 20.5 %.

The adjusted EBITDA of the Plastic Systems Division increased by EUR 5.7m to EUR 92.8m. The adjusted EBITDA margin came to 21.7 % after 23.4 % in the prior year. The primary reason for this lower margin in the financial year was a higher proportion of revenue generated with the engineering and tools business on the one hand, which generally generate lower margins. High revenue in these areas is considered as positive within the industry as it is an indication of new business in the future. On the other hand, start-up costs associated with preparations for the series production of new products depressed the margin.

In the financial year 2012 adjusted EBITDA in the Moulded Glass Division improved by 6.5 % to EUR 81.8m compared to that of the prior year. This is primarily due to the revenue growth in this division. The good adjusted EBITDA margin of 22.0 % basically remained on the prior year level of 22.4 %. It should be noted that the margin was affected by scheduled general overhauls of two furnaces in the first six months of 2012 (prior year: one scheduled general overhaul).

The Life Science Research Division reported a 27.4 % growth in adjusted EBITDA to EUR 13.5m in the financial year 2012. The adjusted EBITDA margin reached 13.6 % after 11.5 % in the prior year period. Positive effects were provided by moderate growth in revenue and the divestment of the company Kimble Bomex Glass which did not meet our margin requirements in the past.

The costs of the head office and consolidation effects of EUR 19.4m have remained on the prior year level.

The following table shows the reconciliation of adjusted EBITDA to the consolidated result for the period.

in EUR m	2012	2011	Change
<b>Adjusted EBITDA</b>	<b>236.5</b>	<b>217.3</b>	<b>19.2</b>
Restructuring expenses	0.0	0.1	0.1
One-off income/expense <sup>1)</sup>	5.5	6.9	1.4
<b>EBITDA</b>	<b>231.0</b>	<b>210.3</b>	<b>20.7</b>
Amortization of fair value adjustments <sup>2)</sup>	18.0	20.6	2.6
Depreciation and amortization	82.0	80.4	-1.6
Impairment loss	2.6	0.0	-2.6
<b>Result from operations</b>	<b>128.4</b>	<b>109.3</b>	<b>19.1</b>
Financial result <sup>3)</sup>	-32.7	-36.8	4.1
Income taxes	-29.2	-18.1	-11.1
<b>Net income</b>	<b>66.5</b>	<b>54.4</b>	<b>12.1</b>
Attributable to non-controlling interests	6.3	3.9	2.4
<b>Attributable to equity holders of the parent</b>	<b>60.2</b>	<b>50.5</b>	<b>9.7</b>
Adjusted net income	86.5	80.6	5.9
Adjusted earnings per share in EUR	2.56	2.44	0.12

<sup>1)</sup> The item comprises one-off items which cannot be taken as an indicator of ongoing business operations. These include, for example, various expenses for reorganization and structure changes which are not reportable as "restructuring expenses" according to IFRS.

<sup>2)</sup> 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. in March 2007, USA, the new formation of the Kimble Chase joint venture in July 2007 as well as the acquisitions of Gerresheimer Zaragoza and Gerresheimer Sao Paulo in January 2008, the acquisition of Vedat in March 2011 and the acquisition of Neutral Glass in April 2012.

<sup>3)</sup> The financial result comprises interest income and expenses in relation to the net financial debt of the Gerresheimer Group. In addition, interest expenses for pension provisions less expected income from fund assets and currency effects from financing activities as well as valuation effects from related derivative financial instruments are included.

Starting from adjusted EBITDA the restructuring expenses and one-off income/expenses reconcile to EBITDA. The balance of one-off income and expense in the financial year 2012 mainly includes amounts incurred for the premature departure of a Management Board member, for pending arbitration court proceedings and expenditure relating to acquisition projects. The amortization of fair value adjustments of EUR 18.0m is below the prior year level of EUR 20.6m despite the inclusion of the fair value amortization in connection with the purchase price allocation of Neutral Glass. This is attributable to the fact that less amortization on the capitalized customer base is necessary as a result of the underlying useful lives. As a result of higher investments made in the financial year 2012, depreciation and amortization exceed the figure for the same period last year by EUR 1.6m. The impairment loss amounting to EUR 2.6m pertains to the sale of Kimble Bomex Glass. All in all the Gerresheimer Group generated a result from operations of EUR 128.4m which is significantly higher than the prior year's result of EUR 109.3m.

The financial result (expense) declined year-over-year by EUR 4.1m to EUR 32.7m. It should be taken into consideration that last year's figure included one-off expenses resulting from the refinancing of about EUR 7.9m. Adjusted by these one-off expenses the financial result has primarily increased due to higher than average debt compared to the prior year period. Income taxes amount to EUR 29.2m after EUR 18.1m in 2011. At November 30, 2012, the Gerresheimer Group therefore recorded an increase in net income of EUR 12.1m to EUR 66.5m compared to the prior year value of EUR 54.4m.

Adjusted net income (defined as consolidated profit before non-cash amortization of fair value adjustments, special effects from restructuring expenses, extraordinary depreciation and the balance of one-off income and expense as well as the related tax effect) amounted to EUR 86.5m in the financial year 2012 after EUR 80.6m in the prior year. The adjusted earnings per share stood at EUR 2.56 after EUR 2.44 in the prior year (after non-controlling interests respectively).

## PROCUREMENT

Due to the differences in the business and manufacturing operations of our four divisions, our procurement activities are largely organized decentrally. Energy and various raw materials are partially purchased across divisions. Goods and services which are not relevant for production, such as advisory services, data networks, hardware and software, are organized centrally via the holding company. Quality standards are extraordinarily high for the production of drugs and these same high standards apply for the production of pharmaceutical packaging. Our in-house experts, our customers, external appraisers and supervisory bodies regularly verify our compliance. These standards are managed under the term "Good Manufacturing Practices" (GMP). We expect our suppliers to implement these standards and also that they comply with national and other applicable laws and regulations governing environmental protection, occupational health and safety, and working and employment practices. These criteria are decisive to our selection of suppliers. We implement regular supplier audits to ensure that they continue to meet the criteria. Within our organization, employee relationships with suppliers are governed by the Gerresheimer Compliance Program, purchasing policies and procedural guidelines.

In 2012, the Group's total cost of materials was EUR 460.3m (prior year: EUR 391.2m). Our multi-supplier strategy ensures that we are not dependent on any individual supplier. As a result, we did not experience any supply disruptions or shortages with significant impacts on our business development in the period under review.

### Tubular Glass

The production of glass tubing is carried out at our locations in the US (Vineland) and Italy (Pisa). The conversion to final products is carried out at three locations in the US (Morganton and two plants in Vineland) as well as in Germany (Wertheim, Buende), France (Chalon), Poland (Boleslawiec), Mexico (Queretaro) and China (Danyang, Zhenjiang).

### Plastic Systems

Our plastic systems for dispensing and use of drugs are produced in Germany (Regensburg, Wackersdorf, Pfreimd), the Czech Republic (Horsovsky Týn), Switzerland (Kuessnacht), the US (Peachtree City), Brazil (Sao Paulo) and China (Dongguan). The production facilities for plastic packaging are located in Denmark (Vaerloese), Poland (Boleslawiec) and Spain (Zaragoza, Valencia) as well as in Argentina (Buenos Aires) und Brazil (Sao Paulo).

### Moulded Glass

In the Moulded Glass Division we produce close to our customer at various locations in the US (Chicago, Millville), Germany (Essen, Lohr, Tettau), Belgium (Momignies), China (Beijing) and since 2012 also in India (Kosamba).

### Life Science Research

The production sites of the Life Science Division are located in the US (Rockwood, Rochester), Mexico (Queretaro), Germany (Meiningen) and China (Beijing).

## DIVIDEND PROPOSAL TO THE ANNUAL GENERAL MEETING

At the Annual General Meeting on April 18, 2013 the Management Board and Supervisory Board of Gerresheimer AG will propose that a dividend of EUR 0.65 per share be paid for the financial year 2012. Last year the dividend was EUR 0.60 per share. Therefore, the Gerresheimer shareholders benefit from the success of the Gerresheimer Group.

This represents a total dividend distribution of EUR 20.4m. Furthermore, a proposal will be made to carry forward the Company's remaining retained earnings of EUR 50.0m to new account.

## NET ASSETS

The Gerresheimer Group's net assets developed as follows in the financial year 2012:

	Nov. 30, 2012		Nov. 30, 2011	
	in EUR m	in %	in EUR m	in %
<b>Assets</b>				
Non-current assets	1,073.2	68.9	1,036.6	68.4
Current assets	484.5	31.1	478.5	31.6
<b>Total assets</b>	<b>1,557.7</b>	<b>100.0</b>	<b>1,515.1</b>	<b>100.0</b>
<b>Equity and liabilities</b>				
Equity and non-controlling interests	580.1	37.2	552.2	36.4
Non-current liabilities	613.4	39.4	629.8	41.6
Current liabilities	364.2	23.4	333.1	22.0
<b>Total equity and liabilities</b>	<b>1,557.7</b>	<b>100.0</b>	<b>1,515.1</b>	<b>100.0</b>



At November 30, 2012 the Gerresheimer Group's balance sheet total amounted to EUR 1,557.7m, which is EUR 42.6m or 2.8% higher than in the prior year. This increase is primarily attributable to the acquisitions made during the year as well as to the fact that investments in property, plant and equipment exceeded depreciation of the year.

Non-current assets have increased by EUR 36.6m or 3.5% to EUR 1,073.2m, which is primarily attributable to the capitalized goodwill and the recognition of intangible assets in connection with the initial consolidation of Neutral Glass, which increased intangible assets by EUR 2.7m. Investments in property, plant and equipment of EUR 118.9m were substantially higher than the EUR 86.2m invested in the prior year. Non-current assets are at 111% covered by equity and non-current liabilities (prior year: 114%). Non-current assets are 68.9% of the balance sheet total, which is higher than last year's figure of 68.4%.

Compared with the prior year period current assets have increased by EUR 6.0m to EUR 484.5m. They account for 31.1% of the balance sheet total compared with 31.6% in the prior year. Inventories have increased by EUR 29.1m to EUR 189.0m, largely due to the expansion of business activities. Trade receivables increased year-over-year by EUR 16.6m to EUR 179.4m, largely as a result of the substantial increase in the volume of business operations and acquisitions. Cash and cash equivalents declined from EUR 131.4m in the prior year to EUR 86.1m in the financial year 2012.

Consolidated equity of the Gerresheimer Group including non-controlling interests amounted to EUR 580.1m after EUR 552.2m in the prior year. The equity ratio in the financial year 2012 was 37.2% after 36.4% at the end of the financial year 2011. This increase is particularly the result of the positive net income of EUR 66.5m. This was in part countered by the dividend payment to the shareholders of Gerresheimer AG of EUR 18.8m in April 2012 as well as by negative effects from currency translation of EUR 9.2m.

Non-current liabilities have declined from EUR 629.8m at the end of November 2011 to EUR 613.4m at the end of November 2012. This was primarily due to the decline in other non-current financial liabilities, mainly in connection with the reclassification of part of the senior credit facilities into current liabilities. Non-current liabilities are now 39.4% of the balance sheet total, which is lower than the November 30, 2011 level of 41.6%.

Current liabilities have increased by EUR 31.1m since November 30, 2011 to EUR 364.2m. This was primarily due to the higher level of trade payables, which had increased from EUR 119.2m to EUR 154.3m at the reporting date. Current liabilities accounted for 23.4% of the balance sheet total at the end of November 2012 as compared to 22.0% at the end of the prior financial year.

Net financial debt developed as follows:

in EUR m	Nov. 30, 2012	Nov. 30, 2011
<b>Financial debt</b>		
Senior facilities		
Term loan <sup>1)</sup>	135.8	154.7
Revolving credit facility <sup>1)</sup>	0.0	0.0
<b>Total senior facilities</b>	<b>135.8</b>	<b>154.7</b>
Senior notes – euro bond	300.0	300.0
Local borrowings <sup>1)</sup>	10.0	31.7
Finance lease liabilities	6.8	9.6
<b>Total financial debt</b>	<b>452.6</b>	<b>496.0</b>
Cash and cash equivalents	86.1	131.4
<b>Net financial debt</b>	<b>366.5</b>	<b>364.6</b>
<b>Adjusted EBITDA</b>	<b>236.5</b>	<b>217.3</b>
<b>Adjusted EBITDA leverage</b>	<b>1.5</b>	<b>1.7</b>

<sup>1)</sup>For the translation of US dollar loans to EUR the following exchange rates were used:  
As at November 30, 2011: EUR 1.00/USD 1.3418; as at November 30, 2012: EUR 1.00/  
USD 1.2986.

Net financial debt has only increased slightly and amounts to EUR 366.5m as at November 30, 2012 after EUR 364.6m in the prior year. This is all more positive considering that payment for the already described acquisition of Neutral Glass and a higher dividend payment to our shareholders were made in the financial year 2012. In addition, the financing of the increased investment activity was necessary. Due to the increased cash flow from operating activities this could be done without a significant increase in financial debt.

The adjusted EBITDA leverage calculated as the ratio between the interest bearing financial net debt in relation to adjusted EBITDA came to 1.5 as at the balance sheet date compared to 1.7 in the prior year.

The long-term senior credit facilities reported in 2012 comprised redeemable loans of originally EUR 150.0m (drawn entirely in USD) and a revolving credit facility of EUR 250.0m. The revolving credit facility had not been drawn at November 30, 2012 and is therefore available to Gerresheimer to finance investments, acquisitions and other operating requirements.

## CASH FLOW STATEMENT

in EUR m	2012	2011
Cash flow from operating activities	173.6	129.8
Cash flow from investing activities	-148.6	-159.0
Cash flow from financing activities	-69.9	101.5
Changes in cash and cash equivalents	-44.9	72.3
Effect of exchange rate changes on cash and cash equivalents	-0.4	-1.4
Cash and cash equivalents at the beginning of the period	131.4	60.5
Cash and cash equivalents at the end of the period	86.1	131.4

The cash flow from operating activities increased by 33.7% to EUR 173.6m in the financial year. This positive development resulted mainly from an improved operating result as well as from lower cash outflows from provisions.

The net cash outflow from investing activities of EUR 148.6m is below the prior year value of EUR 159.0m. EUR 118.9m were invested in intangible and tangible assets, which is EUR 32.7m more than in 2011. After adjustment for acquired cash and cash equivalents, a total of EUR 32.4m (prior year: EUR 78.2m) was paid out for acquisitions. Cash inflows from divestments and the sale of assets amounted to EUR 2.7m (prior year: EUR 5.4m). Further information on the investments made in the financial year 2012 can be taken from the chapter on Capital Expenditure.

The net cash outflow from financing activities amounted to EUR 69.9 m. This includes loan repayments of EUR 47.3m net. In April 2012 a dividend payment of EUR 18.8m (prior year: EUR 15.7m) was made to the shareholders of Gerresheimer AG. The cash inflow of EUR 101.5m shown in the financial year 2011 mainly reflects the refinancing carried out.

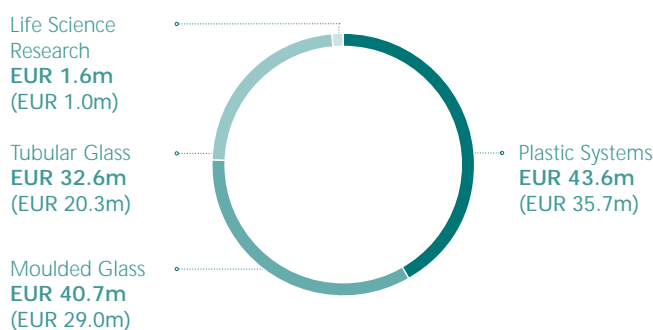
As at November 30, 2012 the Gerresheimer Group had cash and cash equivalents of EUR 86.1m (prior year: EUR 131.4m). In addition, a revolving credit facility of EUR 250m was available to Gerresheimer, which had not been drawn at November 30, 2012 and is available to finance investments, acquisitions and other operating purposes.

## CAPITAL EXPENDITURE

In the financial year 2012 the Gerresheimer Group invested EUR 118.9m (prior year: EUR 86.2m) in property, plant and equipment and intangible assets. As in prior years, the main focus of these investments was on growth projects and capacity increases, especially in the Plastic Systems Division as well as scheduled general overhauls of furnaces. Investments to increase plant safety, quality assurance, quality improvement and to ensure compliance with environmental regulations were also made as planned. The reinvestment ratio (capital expenditure in relation to ordinary depreciation) was at around 145%.

### Capital expenditure by segment (previous year)

Capital expenditure (incl. intangible assets) in the current financial year for the Group: EUR 118.9m (EUR 86.2m)



The Plastic Systems Division invested EUR 43.6m in 2012 (prior year: EUR 35.7m). The focus was the extension of production capacity in Pfreimd and Horsovsky Tyn in the financial year.

EUR 40.7m (prior year: EUR 29.0m) of total capital expenditure was invested by the Moulded Glass Division. Key investments made by this division included investments for the routine general overhaul of two furnaces, in part connected with capacity expansions, as well as expenditure in connection with molds, tools and modernization.

The Tubular Glass Division invested EUR 32.6m (prior year: EUR 20.3m) in the financial year 2012. Investments in the fourth RTF®-line were significant in the financial year. In addition, funds for the routine general overhaul of one furnace were included.

Investments made by the Life Science Research Division amounted to EUR 1.6m (prior year: EUR 1.0m).

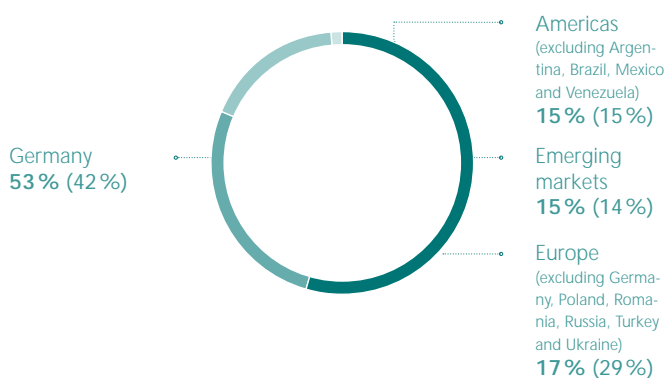
Investments made by the head office amounted to EUR 0.4m (prior year: EUR 0.2m).

Besides investments in property, plant and equipment and intangible assets, Gerresheimer purchased item GmbH for EUR 1.0m and the majority stake of the Indian company Neutral Glass for a total purchase price of EUR 31.1m in 2012. The acquisition of Neutral Glass was carried out in three transactions on April 18 as well as on October 5 and October 9, 2012.

From a regional perspective 15 % or EUR 18m of the investments made in the financial year 2012 were made in the Americas (prior year: 15 %), 15 % or EUR 18m in the emerging markets (prior year: 14 %) and 17 % or EUR 20m in Europe. Once again the highest capital expenditure of EUR 63m was incurred in Germany, accounting for 53 % (prior year: 42 %). The investments made in Germany are mainly related to capacity expansion measures in the Plastic Systems Division, the expansion of the RTF® -syringe capacity in the Tubular Glass Division and the scheduled general overhauls of two furnaces in the Moulded Glass Division.

**Capital expenditure by economic area** (previous year)

Capital expenditure (incl. intangible assets) 2012 for the Group: EUR 118.9m (EUR 86.2m)



in EUR m	2012	2011
Capital expenditure by economic area		
Americas	18	13
Emerging markets	18	12
Europe	20	25
Germany	63	36
<b>Total</b>	<b>119</b>	<b>86</b>

**MANAGEMENT BOARD REVIEW OF BUSINESS PERFORMANCE**

The financial year 2012 was a successful year for the Gerresheimer Group.

We could increase revenue by 11.4 % compared to the prior year. On a like-for-like exchange rate basis the Gerresheimer Group achieved revenue growth of 9.8 % and all divisions again contributed to this growth. Although adjusted EBITDA also rose from EUR 217.3m to EUR 236.5m in the year under review, the adjusted EBITDA margin of 19.4 % was behind the prior year value of 19.9 %.

The Gerresheimer Group's balance sheet presents some very healthy key financial ratios, one of the most impressive being the equity ratio of 37.2 %. Non-current assets are at 111 % covered by equity and non-current liabilities. The increase in total assets is predominantly due to the acquisition of Neutral Glass.

The Gerresheimer Group is characterized by a solid financial structure with year-end net financial debt amounting to EUR 366.5m and an EBITDA leverage of 1.5. The assessments made by the rating agencies for the Gerresheimer Group remain unchanged. We still have a BBB- rating with stable outlook from Standard & Poor's and a Ba1 with stable outlook from Moody's.

The acquisition of Neutral Glass has provided us with our first manufacturing plant in India. Neutral Glass is a leading Mumbai-based manufacturer of pharmaceutical primary packaging products made of moulded glass. It manufactures products such as glass vials for liquid medications or infusions and injection vials which supplement our portfolio.



## ANNUAL FINANCIAL STATEMENTS OF GERRESHEIMER AG

The following section provides information on the development of Gerresheimer AG. The annual financial statements of Gerresheimer AG are prepared in compliance with the provisions of HGB ("Handelsgesetzbuch": German Commercial Code) and AktG ("Aktiengesetz": German Stock Corporation Act).

### DEVELOPMENT OF GERRESHEIMER AG'S RESULTS FROM OPERATIONS

in EUR m	Dec. 1, 2011 – Nov. 30, 2012	Dec. 1, 2010 – Nov. 30, 2011
Other operating income	11.4	10.9
Personnel expenses	-16.3	-12.6
Amortization and depreciation on intangible assets and property, plant and equipment	-0.4	-0.3
Other operating expenses	-16.2	-16.8
Result from investments	55.0	-11.3
Financial result	30.3	34.3
<b>Result from ordinary operations</b>	<b>63.8</b>	<b>4.2</b>
Income tax	-9.3	0.5
<b>Net income</b>	<b>54.5</b>	<b>4.7</b>

Gerresheimer AG's result from operations is to a great extent influenced by the results of its subsidiaries and the financial result from group financing.

Gerresheimer AG incurred other operating expenses and other operating income of EUR -4.8m on balance (prior year: EUR -5.9m) in connection with management and administrative functions performed in the Gerresheimer Group. The majority of expenses relate to IT, insurance, legal, consulting and audit fees, rental and leasing services or for the organization of trade fairs. The expenses are passed on within the Group, insofar as these are commercially caused by the subsidiaries.

Personnel expenses have increased on a year-over-year basis from EUR 12.6m to EUR 16.3m. This is primarily due to severance payments effected in connection with the unscheduled retirement of Dr. Raster from the Management Board of Gerresheimer AG.

In the financial year 2012 the result from investments included income from profit transfer agreement of about EUR 55.0m after expenses following a loss assumption of EUR 11.3m in the prior year. The loss in the prior year was essentially due to the application of the new accounting and valuation principles in connection with BilMoG ("Bilanzrechtsmodernisierungsgesetz": German Accounting Law Modernization Act). This resulted in a one-off effect in connection with the adjustment of the pension provision valuation to BilMoG requirements, which was fully accounted for in the financial year 2011.

The financial result of EUR 30.3m is below the prior year level. It is mainly composed of interest income of EUR 45.8m (prior year: EUR 45.5m) from loans to GERRESHEIMER GLAS GmbH and Gerresheimer Holdings GmbH. Interest expenses mainly include interest of about EUR 15.3m for the issued bond (prior year: EUR 8.2m). Last year the financial result was additionally impacted by the costs associated with the bond's issue on May 19, 2011.

The result from ordinary operations improved by EUR 59.6m to EUR 63.8m. Tax expense increased substantially from tax income of EUR 0.5m in the prior year to tax expense of EUR 9.3m in the financial year. The tax expense comprises current taxes of EUR 10.4m (prior year: EUR 7.8m) and a deferred tax income of EUR 1.1m (prior year: EUR 8.3m). The high tax income in the prior year was due to the required reassessment of deferred taxes as part of the initial application of BilMoG. After deduction of income taxes, net income in the financial year 2012 amounts to EUR 54.5m (prior year: EUR 4.7m).

For the financial year just passed, the Management Board and Supervisory Board have agreed to propose a dividend of EUR 0.65 per share at the Annual General Meeting.

## DEVELOPMENT OF THE NET ASSETS AND FINANCIAL SITUATION OF GERRESHEIMER AG

Assets		
in EUR m	Nov. 30, 2012	Nov. 30, 2011
<b>Non-current assets</b>		
Intangible assets	0.9	0.8
Property, plant and equipment	0.2	0.2
Financial assets	809.5	809.5
	<b>810.6</b>	<b>810.5</b>
<b>Current assets</b>		
Trade receivables and other assets	144.8	121.3
Cash and cash equivalents	0.0	0.0
	<b>144.8</b>	<b>121.3</b>
<b>Prepaid expenses</b>	<b>1.9</b>	<b>2.5</b>
<b>Total assets</b>	<b>957.3</b>	<b>934.3</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Subscribed capital	31.4	31.4
Capital reserve	525.7	525.7
Retained earnings	70.4	34.8
	<b>627.5</b>	<b>591.9</b>
<b>Provisions</b>		
Tax provisions	5.8	7.8
Other provisions	8.3	7.0
	<b>14.1</b>	<b>14.8</b>
<b>Liabilities</b>	<b>310.2</b>	<b>321.0</b>
<b>Deferred tax liabilities</b>	<b>5.5</b>	<b>6.6</b>
<b>Total liabilities</b>	<b>957.3</b>	<b>934.3</b>

Gerresheimer AG's net assets and financial situation reflect its function as a holding company. As the Group holding company, Gerresheimer AG finances all Group activities. This function is clearly reflected in the amount of financial assets and in the receivables from and liabilities to affiliated companies.

Non-current assets primarily include shares in affiliated companies of EUR 117.1m and loans to affiliated companies of EUR 692.4m. The loans to affiliated companies account for 72 % (prior year: 74 %) of total assets.

Current assets primarily include receivables due from affiliated companies of EUR 144.7m under cash pooling agreements and from short-term interest-bearing loans (prior year: EUR 120.3m). The increase compared to last year is mainly attributable to the profit transfer receivable from Gerresheimer Holdings GmbH.

Equity has increased from EUR 591.9m to EUR 627.5m. The decline in equity due to the dividend payment of EUR 18.8m for the financial year 2011 was more than compensated by the net profit for the financial year of EUR 54.5m. The equity ratio increased from 63.3 % on November 30, 2011 to 65.5 % on November 30, 2012.

In the year under review liabilities declined from EUR 321.0m to EUR 310.2m. They mainly include the bond issued in conjunction with the refinancing including accrued interest of EUR 308.0m.

Gerresheimer AG and the other German group companies are included in a cash pool which is operated by GERRESHEIMER GLAS GmbH. Gerresheimer AG itself has no cash balances.

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

### EMPLOYEES

We are committed to building and sustaining a committed and competent workforce so that we can achieve our vision of becoming a leading global partner providing solutions that improve health and well-being. Our long-term HR policy therefore takes demographic developments and the changing expectations of our employees and society into account.

#### Corporate culture

An organization's corporate culture thrives through its employees. A sense of community can only be achieved if every individual makes a responsible contribution to it, and we can only shape the future as a corporate community if we provide our employees with sufficient scope for development.

To sustain our success we have to reinforce acceptance and commitment to our culture and values throughout our ever-expanding organization. Our entire workforce, not just our management team, plays a decisive role in this process. In 2011 we began to embed our vision, mission and values in our organization.

We organized a range of events for our employees around the world to discover how we can integrate our corporate values in the day-to-day work environment and act in accordance with our mission so that we can achieve our vision – our most important business objective. It was extremely important to us to involve all management levels and employees within production, sales and administrative areas in this initiative so that we could solicit their views and opinions, which we take very seriously, and develop our organization with their help.

Since this year many of our sites have Value Representatives. This shall give all employees the opportunity to contact a person of trust, outside their teams and independently of their line managers and the Human Resources department on any questions regarding the Gerresheimer values, in case the line managers and Human Resources departments do not seem suitable for these questions.

#### Leadership culture

In 2012 we continued our initiative to develop our leadership culture by developing the "Leadership – Powered by Values" program for our executive managers. Within the framework of this initiative, we provide leadership training to around 120 of our top managers around the world. Every year the program focuses on one of our values. This year's value was integrity.

Next year the program will focus on the value of teamwork and a supplementary program will be developed for the next lower management level. This is an important step in the process of establishing a uniform leadership culture.

#### Feedback culture

We also incorporated our values of integrity, excellence, responsibility, innovation and teamwork in our first Group-wide employee survey. A global team developed a Gerresheimer-specific set of questions for the survey, which was conducted over a standard two-week period in September. The participation rate was excellent, with 77% of our entire workforce completing the survey. The next step is the implementation of the measures that we were able to identify on the basis of employee feedback.

Our annual employee performance reviews also addressed our values this year. From now on, employees will be additionally assessed on their compliance with our corporate values. This is another important step forward in the integration of our corporate culture in our Human Resources tools.

#### Development culture

High-quality training and targeted investments in our employees' qualifications are crucial to our long-term success. This is why training is a central component of our HR policy and available to all our employees. We were particularly busy with the development of a cross-division training portfolio last year. It encourages inter-divisional and international networking and develops our employees' professional and social competence.

Due to the demographic changes there will be a stronger focus on solid professional qualifications, and companies will have to anticipate their requirements of skilled employees and recruit appropriate personnel in good time. We therefore initiated a comprehensive Employer Branding project in 2012. We presented our company on various platforms to generate interest among graduates and young professionals with the theme "Progress through Tradition". In addition to direct entry opportunities, we also offer student internships and thesis support. We implement a number of local measures to recruit apprentices for our German sites. There are still fewer women than men working in technical occupations. It is therefore important to us to address 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 technical career opportunities in general, as well as specific opportunities at Gerresheimer. To ensure qualification through apprenticeships and to develop these further, is a matter of course for us.

This year, all German plants in the Gerresheimer Group running apprenticeships again offered full-time positions to almost 100% of their apprentices. Gerresheimer in Germany currently has around 180 young apprentices.



This is an apprenticeship quota of 5%. Around 50 of them completed their apprenticeship this year and started out on their careers. Wertheim in Germany is Gerresheimer's latest training site. It manufactures ampoules from tubular glass for the pharmaceutical industry. The first apprentice has just started training to be a mechatronics engineer.

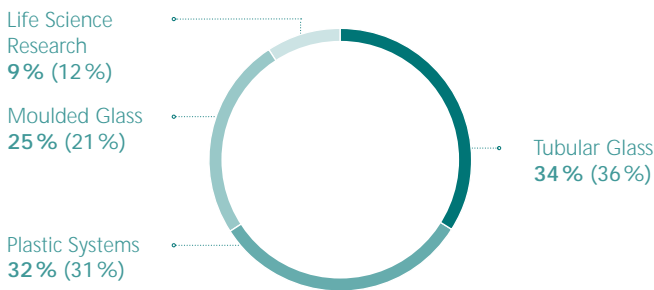
The plants in Essen, Lohr, Pfreimd, Tettau, Wackersdorf and Wertheim provide apprenticeships in over 20 occupations. The spectrum extends from Industrial Business Management Assistant to dual degree courses leading to a Bachelor of Engineering in mechatronics.

**Growth culture**

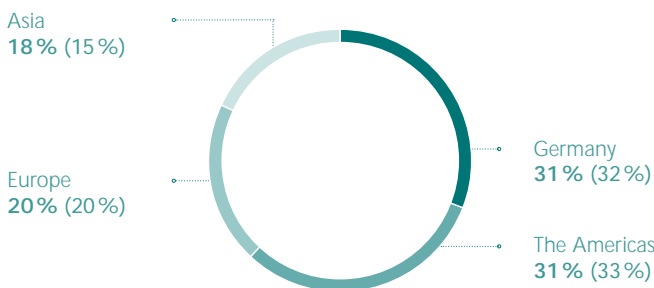
Organizational growth will help us to achieve our objective of becoming a leading global partner providing solutions that improve health and well-being. However, the quality of this growth is extremely important. Expansion at any cost is not our aim – improvement is our core objective.

Gerresheimer is on course for sustainable growth. This is reflected in our worldwide employee headcount, which is currently 10,952, an increase of 740 compared to the prior year figure.

**Employees by division** (previous year)



**Employees by region** (previous year)



	2012	2011
Employees by region		
Germany	3,383	3,254
Americas	3,383	3,340
Europe	2,190	2,033
Asia	1,996	1,585
<b>Total</b>	<b>10,952</b>	<b>10,212</b>

3,680 people were employed in the Tubular Glass Division at the end of the period under review. On last year's reporting date there were 3,682, which means that the headcount of this division has basically remained stable.

The number of employees in the Plastic Systems Division has increased from 3,083 in the prior year to 3,438 at the end of the reporting period and results from the strong growth in this division.

The Moulded Glass Division employed 2,783 people at the end of the period under review compared to 2,136 at the end of the same period last year. This increase is predominantly due to the acquisition of Neutral Glass.

The headcount in the Life Science Research Division declined from 1,215 in the prior year to 947 at November 30, 2012. This decline is mainly due to the divestment of Kimble Borex Glass.

A total of 104 employees (prior year: 96) were employed at the head office at November 30, 2012. Gerresheimer AG employed 88 people (prior year: 80 people) at the end of the financial year 2012.

**Diversity culture**

We consider diversity to be an opportunity to attract the broadest possible spectrum of skills and talent to our Company.

The globalization of our business operations is shifting the focus to an understanding of other cultures. We benefit from having people on our team who are familiar with these cultures as a result of their backgrounds or occupations. We generally ensure that our foreign companies have mixed nationality management teams.

We also assign multinational teams to projects to ensure that specific cultural aspects are taken into account and resulting requirements are met. We offer intercultural training to staff, who are sent on long-term assignments abroad or who are in regular contact with people in other countries. This improves their understanding of international cultural frameworks and customs – an important prerequisite for our commercial success in these countries.

Gerresheimer is a technically oriented organization. Consequently, it traditionally has fewer women in management positions. We aim to increase the proportion of management positions held by women. Unchanged to the prior year, 8.3% of our managers were women in 2012.

## RESEARCH AND DEVELOPMENT

### Research and development

In our efforts to become the leading global partner enabling solutions that improve health and well-being we are committed to continuous development and investments in quality improvement, product portfolio extension and optimization. This entails close collaboration with our customers and with our partners in the scientific community and at other 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 necessary tools and machines for their production.

Extremely strict requirements are imposed by the national and international licensing authorities on the production and quality of products that come into direct contact with pharmaceuticals and are particularly relevant for the pharmaceutical industry. Through our modern 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. Quality is another key focus of our continuous improvement efforts. We know that quality standards cannot be high enough when it comes to the safe administration of human medications and protecting human health. The optimization of technology and processes to prevent defects is the core focus. The increasing use of clean room technology is another key quality enhancement development at many of our plants. Continuous and complete quality controls also make a significant contribution to maintaining our high quality standards. We continuously optimize our product inspection systems, and products are only approved for dispatch if they satisfy all quality requirements. Modern, high-resolution camera systems are used for this purpose. Furthermore, elaborate cleaning processes such as washing and sterilizing are carried out for some product groups.

We aim to ensure the excellent quality of all our products from all our production facilities. This is why we initiated a Group-wide quality initiative with binding quality standards and KPIs (key performance indicators) in 2011. It offered training for the production workforce and implemented the quality standards at our plants. We aim to deliver constant high quality to our customers, regardless of the place of production or the type of product. Furthermore, additional individual customer-specific agreements are being developed.

### Certifications

Certifications serve as objective proof that our production operations and processes conform to specific criteria and standards. We always ensure that we satisfy market requirements and in many cases we actually surpass them. The majority of our production facilities have ISO 9001-certified quality management systems as standard. Many also have ISO 14001 certification for their modern environmental management systems. Three of our German moulded glass plants have obtained ISO 50001 certification for their modern energy management systems (also see the chapter on Environment). Further examples include licenses for pharmaceutical filling operations and the worldwide first-time application of the demanding GMP regulations (Good Manufacturing Practice) from the field of pharmaceuticals to cosmetic packaging (ISO 22716), which our plant in Tettau (Germany) passed successfully in 2012. Our Chinese plant in Dongguan was also inspected and licensed by the American FDA (Food and Drugs Administration) for the production of an inhaler for the first time.

### Syringe Systems Technology Center

The optimization of safe, ready-to-fill sterile glass syringes that are easy to use is one of our key ongoing activities. It is based at the Development and Production Center for Drug Delivery Systems for injectables at our production facility in Buende (Germany). This is also where we develop and manufacture our RTF® (Ready to Fill) glass syringe systems. They are supplied to our pharmaceutical customers in a ready to fill and sterilized condition. We continuously place higher quality requirements upon our products. Our product development activities additionally extend to practical accessories which serve to improve injection safety.

In collaboration with a partner, we have introduced a new and innovative drug delivery system made of COP (Cyclic Olefin Polymer) called ClearJect™. The development team had been seeking an alternative for traditional glass syringes, which are not always suitable for sensitive pharmaceutical or biopharmaceutical drugs. The ClearJect™ syringes were specifically developed for these applications. ClearJect™ syringes are made of COP and supplement the existing range of applications for ready-to-fill syringes.

### Technical Competence Center for plastic products

The Plastic Systems Division operates two Technical Competence Centers (TCC) especially for medical plastic products; one in Wackersdorf (Germany) and one in Peachtree City (USA). In the TCC highly qualified employees work on design and development projects which focus on the practical use of systems and components for pharmaceutical, diagnostic and medical technology applications. The TCC in Wackersdorf was supplemented with an engineering and sales center in 2012 so that we can deal with entire projects, from the development of new, customer-specific products and production processes to their industrialization, at one single location. We have already commenced preparations to transfer know-how and competence from our TCCs in Germany and the USA to our Chinese production facility in Dongguan to provide a similar local service in the Asian market.

### Development and design of medical plastic systems

In the past financial year the Gerresheimer Group extended its design and development competence by acquiring item GmbH, medical device design, Muenster (Germany) in February 2012. This acquisition provides the Medical Plastic Systems business unit with additional pharmaceutical and medical technology design and development expertise.

As a full-service provider, the business unit Medical Plastic Systems has a portfolio covering all stages of the development and production process.

At the beginning of 2011 Gerresheimer founded the Medical Innovation Group, a team of specialists that unites design and engineering expertise in product development. The acquisition of item GmbH medical device design provides us with a company that has more than ten years of expertise in strategic product development, plus pharmaceutical and medical technology product design competence. The Medical Innovation Group and item GmbH were merged to form the newly founded company, Gerresheimer item GmbH, which has some 20 employees working in the field of design and product development. Gerresheimer item GmbH's service portfolio extends from concept development to series production readiness. It provides advice and support in early project phases, including services such as design development and ensuring freedom to operate, plus engineering, prototyping and clinical study support services and the production of clinic samples.

### Product awards

Our MultiShell® plastic vials are an example of our innovative strength. They were developed as packaging for highly sensitive liquid medications. These novel plastic vials were developed to mass production stage in various sizes as ready-to-use and ready-to-sterilize products. Preparations for DMF (Drug Master File) registration are already underway. Gerresheimer received the German Packaging Award 2011 for its MultiShell® plastic vials.

Highest demands are also placed on our processes and production of cosmetic products such as flacons and jars for perfumes or cream pots. Accordingly, our glass packaging for cosmetics are valued. We produce these products mainly in our moulded glass plants in Tettau (Germany) and in Momignies (Belgium). We receive confirmation on this from third parties; for the Mercedes perfume flacon produced by us for example, we received the German Packaging Award 2012.

### Glass quality improvement

Glass has always been the preferred packaging material for parenteral drugs, i.e. drugs which are administered by injection or infusion. It is highly impermeable, chemically stable and can withstand high temperatures. In very rare cases it has been seen that certain medications and drug formulations can attack the surface of syringes, ampoules, cartridges or injection bottles which have been produced from glass tubings (Tubular Glass) and cause surface degradation. Injection bottles from moulded glass are not affected. This rare chemical process is called delamination. We are collaborating with the Alfred University (USA) and other partners to conduct the most comprehensive study in the world investigating this phenomenon and to more accurately define the factors influencing glass delamination. The first interim findings have been documented. With these interim results we continuously improve our production processes to ensure that we can deliver the highest possible quality in the production of glass tubing and the conversion to ampoules, vials, cartridges and syringes.

### Investments in research and development

We continuously work at the optimization of our product portfolio and production processes. Costs incurred in connection hereto are largely included in the cost of sales. Our research and development activities are closely aligned to our customers' needs and are therefore carried out in close collaboration with them. In some cases we have employees of pharmaceutical companies working at our Competence Centers. The research and development activities are exclusively carried out by the subsidiaries of Gerresheimer AG. The costs associated with these customer-specific research and development projects are borne by our customers. In addition EUR 5.6m (prior year: EUR 3.9m) research and development costs were incurred in the financial year. Further EUR 0.9m development costs were capitalized in 2012 (prior year: EUR 1.5m).



## BUSINESS EXCELLENCE

Gerresheimer is a worldwide leading partner for providing solutions that improve health and well-being. To meet our customers' requirements with regard to the highest quality for our products and services, we started consolidating existing initiatives of continuous improvement in 2004 and introduced the Gerresheimer Management System (GMS). The aim of this initiative is to continually improve the performance for our customers with regard to quality, service and costs, to improve the efficiency of our operational structures and processes and to enable continuing improvement of all business areas in terms of lean management and kaizen.

To achieve these aims, GMS has determined Group-wide standards and defined methods and tools, in order to implement continuing process improvement sustainably in all elements of the value chain. GMS enables a transfer of knowledge within the entire Gerresheimer Group, by exchanging best practice methods and an overall collaboration between employees, departments and plants. The application of the methods and tools made available by GMS is effected by our employees, who learn how to apply the principles of GMS by way of systematic trainings. This way they can ensure a Group-wide uniform high quality of our products, efficiency gains as well as a timely and complete service delivery to our customers. The success of GMS is based on its acceptance and spread within the Gerresheimer Group. To advance this even further a new GMS basic training has been developed in 2012, which ensures the continuous training of all employees worldwide by qualified trainers on-site.

Compliance of the standards as defined by GMS is regularly measured by so-called Operational Excellence (OPEX) ratios and is regularly checked and evaluated in all plants by way of a standardized evaluation system. For this purpose 159 employees have already been trained as auditors, who sustainably contribute to the implementation of this system. As a result of the audit recommendations, action plans specific to each location are developed to ensure goal-oriented and continuous improvement.

The annual international GMS conference, where experts of the entire Gerresheimer Group meet and exchange information and knowledge, is a further important element to continually promote improvements and to make our employees' ideas and successes visible. With the view to promote excellent projects and innovations in the area of Business Excellence, GMS awards were also given in 2012. The following categories were set up: employee systems, quality systems, material systems, methods and tools as well as an award for the plant with the most sustainable and outstanding GMS improvement. Training, expert platforms, best practice portals, a guideline on the successful implementation of GMS and regular newsletters complement and complete the system.

## SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

Our commitment to corporate social responsibility is firmly incorporated in our corporate philosophy. The principles of sustainability and corporate social responsibility are integral to our vision, our mission statement and our five values. Details can be found at [www.gerresheimer.com/en/company/vision-mission-values](http://www.gerresheimer.com/en/company/vision-mission-values). At all our sites around the world we work and manage in accordance with these principles.

First and foremost, we focus on the sustainability of our products and the benefits that they provide. By manufacturing products for the sustainable packaging of medications and their simple and safe administration, we make a valuable contribution to human health and well-being. Responsible development and production processes are therefore very important to us. Our priorities include the continuous improvement of our quality standards, the conservation of natural resources, the avoidance of waste and the manufacture of products which are easy to use and deliver maximum safety.

Other aspects of corporate social responsibility and our commitment to sustainability, which are not related to our products and their development, go much further. We have drafted Corporate Social Responsibility Guidelines in this respect. We explain the responsibility that we feel towards society, our employees, investors, customers, suppliers and the environment. These are the principles by which the public measures us.

For us, corporate social responsibility and sustainable production are associated with ecological, social and economic factors. We not only ensure compliance with statutory requirements but set standards that go beyond these requirements, and we are committed to continuous improvement. Our sustainability principles are integrated in the Gerresheimer Management System (GMS) and provide binding guidance for production, purchasing and improvement processes at our production facilities around the world. In addition to the many initiatives at our plants, including corporate citizenship projects and the promotion of education and training, our participation in the Carbon Disclosure Project is a significant Group-wide measure. Our plants also implement many other green production projects and initiatives to promote the responsible use of natural resources (also see the chapter on Environment). We involve our suppliers and partners in these projects and initiatives and obtain undertakings from them to comply with our responsible purchasing management policy.

Our customers and the capital markets demand and publicly recognize our continuous improvement culture and our progress in the areas of sustainability and corporate responsibility. Two major international pharmaceutical customers implemented a corporate social responsibility (CSR) audit at Gerresheimer in 2012. They also confirmed that the Gerresheimer Group is "committed" to CSR in the auditor's report, prepared by Ecovadis, of March 2012. Several of our plants underwent further customer-initiated sustainability and CSR audits with positive outcomes. A positive example of the capital market's interest in Gerresheimer's sustainability policy is the sustainability quality seal awarded to Gerresheimer AG last year by the German DZ Bank Research.

You can find further information about Gerresheimer's corporate social responsibility and sustainability policies and our responsible supply chain management principles on the Internet at [www.gerresheimer.com/en/company/corporate-responsibility](http://www.gerresheimer.com/en/company/corporate-responsibility).

Information about our Carbon Disclosure Project results is published at [www.gerresheimer.com/en/company/en/corporate-responsibility/carbon-disclosure-project](http://www.gerresheimer.com/en/company/en/corporate-responsibility/carbon-disclosure-project).

## ENVIRONMENT

We believe it is our duty as a corporate enterprise to take a responsible approach to the use of natural resources, the protection of the environment and the avoidance of waste. Our sustainable production policy takes economic, social and, in particular, ecological aspects into account. As a manufacturing company Gerresheimer has to take a responsible approach to sustainability. Our environmental initiatives often surpass the statutory requirements in the countries where we operate. Green production, waste and emissions reduction and the sustainable use of resources are implemented in our global Gerresheimer Management System (GMS) and reflected in our corporate social responsibility principles and our responsible purchasing management policy.

Due to the fact that the production processes in our divisions differ considerably, the local managers have decentralized responsibility for the sustainable use of resources. The plants regularly exchange information about best practices and flagship projects so that they can learn from each other and have the opportunity to adopt and adapt effective measures. New initiatives, developed on a regular basis, enable continuous improvements in the areas of environmental protection and resource conservation. In many cases, ecological improvements are also associated with long-term economic advantages.

Our production plants' certification is an important means of documenting and verifying our ecological progress to customers and the general public. Ten large production plants have already been certified as being compliant with the ISO 14001 modern environmental management standard. We also ensure that our energy-intensive moulded glass plants have modern energy management systems installed. All German moulded glass plants are currently certified as being compliant with the new ISO 50001 standard for energy management systems.

We overhaul and replace the furnaces at our moulded glass facilities at regular intervals. These overhauls provide us with the opportunity to install state-of-the-art glass-melting technology and to modernize other production technology. In 2011 a large furnace was overhauled at our German plant in Tettau. As a result, we have achieved a significant reduction in energy consumption and in CO<sub>2</sub> emissions per unit of glass in 2012.

Further significant improvements were also achieved by installing a new furnace at the plant in Lohr (Germany) in 2012. The use of new, modern gas-burner technology, new insulation concepts, new flue-gas circulation systems and improved electric filters have improved our productivity, reduced our energy requirements and lowered our nitrogen and sulfur oxide emissions.

Energy consumption in the glass-melting process has also been reduced through the use of sorted recycling cullet. In 2011 we created a new category of cosmetic glass using up to 40% cullet which set a new benchmark in the cosmetics packaging industry. In 2012 we produced cream jars, perfume flacons and nail-polish bottles with this type of glass for several of our international cosmetics customers.

We are also proactive in the use of renewable energy to power our plants. In the summer of 2012 our US plant in Vineland, NJ, put one of the biggest photovoltaic systems in the USA into operation and now manufactures pharmaceutical glass with eco-friendly energy. The 44,000 m<sup>2</sup> photovoltaic system only took nine months to install on the roof of our US tubular glass plant in Vineland. It covers an area of around the size of seven football fields. Solar power has reduced the Gerresheimer plant's CO<sub>2</sub> emissions by 1,350 tons per year. The photovoltaic system is not owned by Gerresheimer but by an American photovoltaics company, which also installed it and is responsible for its operation. Over the next 15 years, Gerresheimer can use 100% of the power generated by the photovoltaic system.

A project that we implemented in collaboration with the Amberg-Weiden University in Germany during 2012 focused on improving energy efficiency at our Medical Plastics Systems production facilities. We took comprehensive initial energy measurements covering various parameters, including measurements on our injection-molding machines in Pfreimd (Germany). The study will help us to identify our energy flows and potential for improvements, for example through the use of recovered heat from compressed air systems. The utilization of our combined heat and power plant are still being evaluated and an analysis of efficiency improvement options is in progress. When the project concludes we will be implementing the indicated improvements. Next year, the project will evaluate options for the use of innovative groundwater cooling concepts.

When we constructed a new two-story production building at our German plant in Pfreimd in 2012, we installed a novel kind of fan filter technology that saves energy. This new technology was implemented at another of our plants in Horšovský Týn (Czech Republic) for the first time in 2011. The new building in Pfreimd also has a dual-circuit machine and tool cooling system which makes it possible to keep the process water that is needed to cool the units at two different temperatures. This reduces the use of cooling machines, the waste heat can be used for heating purposes and less energy is required for the operation of fans. Natural ventilation, which means the use of cold outside air in winter, reduces the system load and results in considerable maintenance cost savings.

At our Danish Plastic Packaging plant we modernized the tool cooling systems for our injection-molding machines in 2012. As a result of this, we were able to dispense with special cooling gases which are harmful to the ozone layer two years ahead of the introduction of a law prohibiting their use.

At our Medical Plastic Systems plant in Horšovský Týn (Czech Republic), we planned and implemented substantial building technology improvements in conjunction with the construction of the new production building. The building technology concept was introduced in both the existing and the new buildings and networks them all. The establishment of a central energy control center for pressurized air and process water for all production bays reduces costs and saves energy. Electricity costs have been reduced by lowering the workload of the hydraulics cooling machines. The waste heat from the machines is also used to heat the building.

In the Medical Plastic Systems business we have made significant progress and considerably improved our waste disposal processes. Consistent waste separation, the use of low-cost waste disposal channels and the income we generate from the sale of single-type waste, particularly plastics, has exceeded our waste disposal costs for several years now.

In a similar project at our Tubular Glass plant in Chalon (France), we completely revised our waste disposal concept in the course of the ISO 14001 (environmental management) certification, which has resulted in a substantial reduction in waste and a 60 % decline in waste disposal costs over the last two years. Similar progress has been achieved at our Plastic Packaging plant in Vaerloese (Denmark).

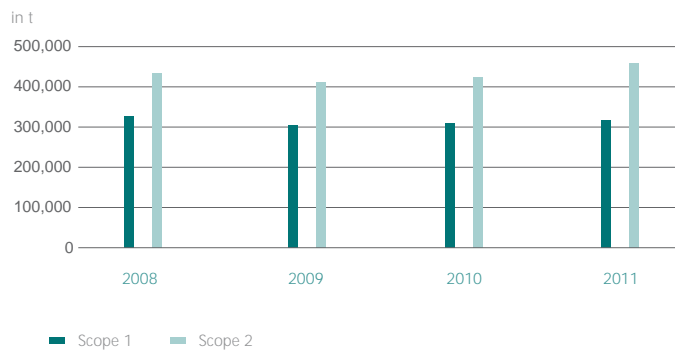
We regularly publish the goals, strategies and positive results of our initiatives and measures to protect the environment, and data in connection with our participation in the Carbon Disclosure Project (CDP), the world's largest-scale environmental initiative to reduce CO<sub>2</sub> emissions. Initiated by investors around the globe, the Carbon Disclosure Project aims to firmly incorporate a strong environmental awareness in all companies, regardless of their industry or sector. The initiative is upheld by 655 institutional investors that use their engagement and influence to set an economic incentive to measure and manage factors which affect the environment, such as CO<sub>2</sub> emissions. If a company takes part in the project and reduces its emissions, it becomes more attractive to investors. Practiced environmental awareness therefore

influences worldwide capital flows. CDP is a smart and very effective way of contributing to global resource conservation. We have participated in this project for the fourth time in succession. It involves our measurement, analysis and management of all CO<sub>2</sub> emissions at all plants, a report once a year on their composition and development, plus a detailed report on the various measures undertaken to reduce emissions. The aim of our environmental strategy is to reduce the ratio of emissions to revenues to a level below that of the base year 2008. This means that in future our revenues must grow faster than the output of emissions which are unavoidable in generating revenue. As shown in the table below, we have met this target by reducing the emissions to revenue ratio continuously since 2009.

Our results:

	2008	2009	2010	2011
Total emissions in tons	760,076	716,702	733,576	775,372
Revenues in EUR m	1,060	1,000	1,025	1,095
Emissions in relation to revenues	0.717	0.717	0.716	0.708

### Emissions



The total emissions in tons are the result of the sum of scope 1 and scope 2.

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



## REMUNERATION REPORT

### REMUNERATION OF THE MANAGEMENT BOARD

The total emoluments of the Management Board consist of a number of elements. These comprise a fixed salary, a success-dependent bonus, a component with a long-term incentive effect, stock appreciation rights, customary benefits and pension commitments.

The non-success-dependent elements comprise a fixed sum plus benefits in kind. The latter mainly comprise insurance premiums (among other things group and disability insurance) as well as company car use. The total costs for this amounted to EUR 2.2m in the past financial year. For members of the Management Board, a Directors & Officers liability insurance (D&O insurance) exists which provide for a deductible in accordance with sec. 93 (2) sentence 3 AktG.

The success-dependent bonus is linked to the degree of achievement of key figures defined in the employment contract, the values of which are derived from the budget as agreed to by the Supervisory Board. These relate to the key figures adjusted EBITDA, revenue, net working capital and

total capital expenditure. If all target values are achieved, the annual bonus amounts to 50% of the individual fixed salary. The annual bonus is limited to 60% of the individual fixed salary. The cost for the success-dependent bonus totaled EUR 1.0m in the past financial year. EUR 41k relates to the financial year 2011.

The component with a long-term incentive effect consists of a rolling bonus system which is linked to the achievement of specific targets over the period of three years. The relevant key figures for target achievement are organic revenue growth and overall capital profitability (ROCE). The target achievement is computed on the basis of the arithmetic average of the individual values for the three years. Pay-outs – with reference to the base year – are made after three years. On achievement of the target volume, the bonus payable amounts to 30% of the individual fixed salary. The bonus can at most amount to approximately 40% of the individual fixed salary (on achievement of 133% of the target volume). No payment was made in financial year 2012; the cost totaled EUR 0.9m in the past financial year.

Total compensation to members of the Management Board during 2012 is detailed in the table below:

in EUR k	Fixed	Benefits in kind	Success-dependent bonus	Long-term incentive	Phantom stocks	Total
Uwe Röhrhoff (Chairman)	679	23	341	226	0	1,269
Hans-Jürgen Wiecha	542	28	270	220	0	1,060
Stefan Grote (since April 1, 2012)	300	8	145	0	0	453
Dr. Max Raster (until February 7, 2012)	87	3	54	309	25 <sup>1)</sup>	478
Andreas Schütte	465	16	234	167	0	882
<b>Total</b>	<b>2,073</b>	<b>78</b>	<b>1,044</b>	<b>922</b>	<b>25</b>	<b>4,142</b>

<sup>1)</sup> The retirement of Dr. Raster from the Management Board and the premature payment of phantom stocks in connection hereto resulted in changes to the phantom stock plan. The change in value of the phantom stocks resulting from this change to the phantom stock plan is shown in the above table.

In the financial year 2012 Stefan Grote received 115,000 new phantom stocks (tranche 6 and 7) in connection with his appointment to the Management Board of Gerresheimer AG, which will expire in 2013 and were not exercisable in the financial year 2012. Their fair value on the date they were granted was EUR 0.3m.

Dr. Raster retired from the Gerresheimer AG Management Board on February 7, 2012. The employment relationship ended on April 30, 2012. The compensation paid to Dr. Raster up to the date of his retirement from the Management Board on February 7, 2012 is shown in the aforementioned table. In accordance with his employment contract, the following severance payments were made to Dr. Max Raster when he left the company: compensation in respect of the fixed basic salary and benefits in kind for the next two years of EUR 985k. His entitlement to short-term variable pay and salary components with long-term incentive effect was calculated on the basis of 100% target attainment and amounted to EUR 838k. A payment

of EUR 948k was made in connection with the phantom stock tranches 4 to 7. The future pension benefit entitlements were topped up to 8.4% of the last fixed salary and are vested.

In addition, the Company has entered into long-term stock-price-based variable compensation agreements with all members of the Management Board. These agreements provide that the members of the Management Board receive a certain number of stock appreciation rights (so-called phantom stocks) for each year they are on the Management Board depending on the development of the share price. Each stock appreciation right entitles the Management Board member to receive a payment relating to the change in the stock price provided that, at the time the right is exercised, the price of the Company's stock exceeds the initial price of the respective tranche by at least 12% (performance hurdle) or a higher percentage value appreciation than the MDAX over the maturity period. For stock appreciation rights issued in 2012, the issue price of EUR 34.50 constitutes the initial

price. The performance hurdle is relevant with respect only to payment entitlement and not to the calculation of the amount of the payment. After a waiting period of four years, the Management Board member is entitled to demand payment within an ensuing period of approximately sixteen months (exercise period) amounting to the appreciation in the value of Gerresheimer stock between the issue date and the exercise date (maturity date) assessed on the basis of the stock exchange price. The entitlement in each case is equal to the absolute amount by which the stock price rose during the period between the issue of the respective stock appreciation rights and their exercise. The amount of the entitlement for each tranche is, however, limited to 25 % of the initial price of all stock appreciation rights of that tranche. All unexercised stock appreciation rights expire when the respective Management Board member leaves the Company, unless such departure is the result of death or permanent occupational disability or the membership of the Management Board exists for at least one full year during the maturity period. All entitlements to future stock appreciation rights are also forfeited on departure from the Company. The Company has reserved the right to settle any awards under these stock appreciation rights with shares, however payment is expected in cash.

Details of the phantom stock granted in 2012 are provided below in accordance with IFRS 2.

	Part of total cost in EUR k	Fair value in EUR k	Provision in EUR k	Number of phantom stocks
Uwe Röhrhoff (Chairman)	446	1,443	757	365,000
Hans-Jürgen Wiecha	150	631	378	140,000
Stefan Grote (since April 1, 2012)	66	387	67	115,000
Andreas Schütte	326	1,255	492	335,000
<b>Total</b>	<b>988</b>	<b>3,716</b>	<b>1,694</b>	<b>955,000</b>

The pension commitments made to Management Board members are processed through a pension fund to the extent that vested benefits were earned up to May 1, 2007. They were financed by a payment made in the financial year 2007. No further current amounts need therefore be paid in this regard. Vested benefits arising since May 1, 2007 are processed through a provident fund. Additions to the support fund totaled EUR 0.7m in the past financial year.

Former Management Board members are eligible to receive pension benefits from the Gerresheimer Group as of their 65th birthday. The annual pension entitlement is between 1.5 % and 2.2 % of the last fixed salary, depending on the person's age upon joining the pension plan. This percentage increases in line with years of service as a member of the Management Board to a maximum of 40 %. The widows' pension is 60 % and orphans' pension is 20 % per child of the deceased's pension entitlement. The widows' and orphans' pension in total is limited to 100 % of the pension entitlement of the deceased.

Details on pensions and for active Management Board members and their surviving dependents are listed individually in the following table:

in EUR k	Personnel cost	Present value
Uwe Röhrhoff (Chairman)	159	3,113
Hans-Jürgen Wiecha	110	1,400
Andreas Schütte	149	858
<b>Total</b>	<b>418</b>	<b>5,371</b>

The following table shows the various components of executive compensation pursuant to IFRS:

in EUR k	2012
Total remuneration	4,142
Personnel cost for phantom stocks of the financial year	988
Personnel cost for pension obligation of the financial year	418
<b>Total</b>	<b>5,548</b>

In the event of a Management Board member's premature retirement without good cause or as a result of a change of control, the severance pay caps recommended in the German Corporate Governance Codex are applied. Under this regulation, in the event of a Management Board member's premature retirement without good cause severance payments are capped to a maximum of two years' compensation and do not extend to the residual term of the Management Board member's contract of employment. The amount of capped severance pay is calculated on the basis of total compensation paid in the prior year. The Supervisory Board has agreed with Mr. Röhrhoff an option for a two-year post-employment non-competition agreement that is unilaterally exercisable by the Supervisory Board and provides for a compensation amounting to the fixed salary paid to him in the year prior to the termination of the employment relationship.

In the event of a change in control, the members of the Management Board have a unique 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 to terminate the contract exists only if the contract, at the time of the dismissal, has already existed for one year and has a term of at least nine months or more. If a Management Board member exercises his special right to terminate his employment contract, the Company is obliged to pay a compensation amounting to the total of three annual emoluments less the payments made during the term of special notice. The annual emolument 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.

## REMUNERATION OF THE SUPERVISORY BOARD

The emoluments of the Supervisory Board are governed by the Articles of Association of Gerresheimer AG.

The members of the Supervisory Board receive fixed annual remuneration of EUR 30,000.00 in each case. The Chairman of the Supervisory Board is entitled to double this amount and the Deputy Chairman to one and a half times this amount. With the exception of the committee in accordance with section 27 (3) of the German Codetermination Act, the Chairmen of committees receive additional fixed remuneration of EUR 10,000.00 for each chairmanship and each other member of a committee EUR 5,000.00. In addition to their annual remuneration the members of the Supervisory Board each receive a fee of EUR 1,500.00 for each Supervisory Board meeting which they attend and committee of the Supervisory Board to which they belong, but with a maximum of EUR 1,500.00 per calendar day. Reasonable expenses are reimbursed on submission of documentation.

The members of the Supervisory Board furthermore receive variable remuneration. This amounts to EUR 100.00 per EUR 0.01 of adjusted

consolidated net earnings per share of Gerresheimer AG if this value reaches the amount of EUR 0.50. If the adjusted consolidated net earnings per share of Gerresheimer AG exceed the amount of EUR 3.00, the excess amount is not taken into consideration in calculating the variable remuneration. The adjusted consolidated net earnings per share is the consolidated net income reported in the consolidated financial statements 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, after non-controlling interests, divided by the shares already issued at the balance sheet date. The Chairman of the Supervisory Board receives double the amount of this variable remuneration and the Deputy Chairman receives one and a half times the amount.

In the financial year 2012, the total emoluments of Supervisory Board members for their activity on the Supervisory Board of Gerresheimer AG amounted to EUR 965,449.73.

The individual members of the Supervisory Board receive the following remuneration:

Name	Attendance fees	Fixed remuneration	Variable remuneration	Total
Sonja Apel	6,000.00	17,868.85	15,248.09	39,116.94
Lydia Armer	9,000.00	32,978.14	25,600.00	67,578.14
Dr. Karin Louise Dorrepaal	6,000.00	17,868.85	15,248.09	39,116.94
Günter Fehn	3,000.00	12,131.15	10,351.91	25,483.06
Olaf Grädler	3,000.00	12,131.15	10,351.91	25,483.06
Francesco Grioli	18,000.00	55,000.00	38,400.00	111,400.00
Eugen Heinz	6,000.00	17,868.85	15,248.09	39,116.94
Dr. Axel Herberg	3,000.00	12,131.15	10,351.91	25,483.06
Seppel Kraus	4,500.00	19,043.72	15,248.09	38,791.81
Reiner Ludwig	7,500.00	16,174.86	10,351.91	34,026.77
Dr. Peter Noé	7,500.00	19,043.72	15,248.09	41,791.81
Hans Peter Peters	10,500.00	40,000.00	25,600.00	76,100.00
Dr. Gerhard Prante	3,000.00	12,131.15	10,351.91	25,483.06
Markus Rocholz	9,000.00	20,846.99	15,248.09	45,095.08
Gerhard Schulze	19,500.00	85,000.00	51,200.00	155,700.00
Harald Sikorski	3,000.00	12,131.15	10,351.91	25,483.06
Theodor Stuth	13,500.00	40,000.00	25,600.00	79,100.00
Udo J. Vetter	10,500.00	35,000.00	25,600.00	71,100.00
	<b>142,500.00</b>	<b>477,349.73</b>	<b>345,600.00</b>	<b>965,449.73</b>

Lydia Armer receives appropriate remuneration for her membership in the Supervisory Board of Gerresheimer Regensburg GmbH after the end of each financial year. The amount of remuneration is determined by resolution of the ordinary shareholders' meeting of Gerresheimer Regensburg GmbH. The shareholders' meeting set the amount of remuneration at EUR 5,000.00 for the financial year 2011 and was paid in the financial year 2012.

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 the financial year 2011 was paid in 2012.



## DISCLOSURES PURSUANT TO SEC. 289 (4) AND SEC. 315 (4) HGB AND EXPLANATORY REPORT

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

### Composition of subscribed capital

The subscribed capital (capital stock) of Gerresheimer AG totals EUR 31.4m as at November 30, 2012. It is divided into 31.4 million ordinary non-par-value bearer shares with a nominal share in capital stock of EUR 1.00 each. The capital stock of the Company has been fully paid in.

### Restrictions relating to voting rights or the transfer of shares

As of the balance sheet date, there are no restrictions on the voting rights or the transfer of Gerresheimer AG stock specified by law or in the Articles of Association or bylaws. All non-par-value shares in Gerresheimer AG issued as at November 30, 2012 are fully transferable and carry full voting rights and grant the holder one vote at the Annual General Meeting.

### Shareholdings which exceed 10% of the voting rights

As at November 30, 2012 we are not aware of any direct or indirect shareholdings in the Company's capital stock exceeding 10% of the voting rights.

### Share with special rights conferring control

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

### Type of control of voting rights when employees are shareholders and do not directly exercise their control rights

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

### Legal provisions and provisions of the articles on the appointment and removal of the Management Board and amendments to the articles

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

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

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

In accordance with sec. 179 AktG, every amendment to the Articles of Association and bylaws must be approved by resolution of the General Meeting. Exceptions to this rule are amendments to the Articles which only pertain to their wording. The Supervisory Board is authorized to make such changes.

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

### Authority of the Management Board to issue or buy back shares

In accordance with sec. 4 (4) of the Articles of Association, the Management Board is authorized, after approval by the Supervisory Board, to increase the Company's capital stock once or in partial amounts by issuing new or non-par-value bearer shares up to a total of EUR 15.7m against cash contribution and/or contribution in kind in the period until April 25, 2017. A subscription right will generally be granted to shareholders. The subscription right may also be granted in such a way that the shares are taken over by one or more bank(s) or equivalent enterprises within the meaning of section 186 (5) sentence 1 AktG ("Aktiengesetz": German Stock Corporation Act) with an obligation to offer them to the Company's shareholders for subscription (indirect subscription right).

The Management Board is authorized, after approval by the Supervisory Board, to exclude the subscription right of the shareholders in the following cases:

- › in order to exclude fractional amounts from the subscription right;
- › to the extent necessary in order to grant holders of conversion or option rights or parties with a conversion or option obligation under bonds issued or yet to be issued by the Company or none of its Group companies a subscription right to new shares to the same extent as they would be entitled as shareholders after exercise of the option or conversion right or fulfillment of the option of conversion obligation;
- › in the case of capital increases against contributions in kind in the course of company mergers or the acquisition of companies, company parts or interests in companies including increases in existing shareholdings or other assets;

› in case of capital increases against cash contribution if the issue price of the new shares is not substantially below that of the already existing, listed shares at the time of final fixing of the issue price by the Management Board within the meaning of sec. 203 (1) and (2) and sec. 186 (3) sentence 4 AktG, and the proportional portion 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 of the relevant exercise of this authorization in each case. Shares issued or sold during the period of this authorization under exclusion of the subscription right of shareholders in direct or analogous application of sec. 186 (3) sentence 4 AktG are to be set against the maximum limit of 10% of the capital stock. This also applies to shares to be issued to service bonds with a conversion or option right or conversion or option obligation to the extent that the bonds are issued during the period of this authorization under the exclusion of the subscription right by analogous application of sec. 186 (3) sentence 4 AktG.

The total amount of the share issued in accordance with this authorization under exclusion of the subscription right against cash contribution or contribution in kind may not exceed a capital stock portion of EUR 6.28m (20% of the current capital stock).

The Management Board is authorized, after approval by the Supervisory Board, to decide other details of the share increase and its execution issue, including the content of share rights and the conditions of the share issue.

In this context we also refer to our previous statements made under "Restrictions relating to voting rights or the transfer of shares".

The capital stock is conditionally increased by up to EUR 6,280,000 through 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 the holders of convertible bonds or warrant bonds (or combinations of these instruments) (together "Bonds") in each case with conversion or option rights or conversion or option obligations, which on the basis of the authorization approved by a resolution of the Annual General Meeting on April 26, 2012 are issued by the Company or a Group company of the Company within the meaning of sec. 18 AktG up to April 25, 2017. The new shares will be issued at the conversion or option 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 or option rights are used or conversion or option obligations are fulfilled and no other fulfillment forms are employed. The new shares issued because of the exercise of conversion or option rights or fulfillment of conversion or option obligations will participate in earnings from the start of the financial year in which they originate. The Management Board is entitled to determine the further details with regard to execution of the conditional capital increase with the approval of the Supervisory Board.

### **Material arrangements dependent on a change in control in the wake of a takeover bid**

The loans under the credit facilities with a total original volume of EUR 400m of which EUR 135.8m had been drawn at the balance sheet date, may be terminated by the lenders, and would consequently be payable 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 the voting rights of Gerresheimer.

In the event of a change in control, Gerresheimer AG is obliged to communicate this fact to the creditors of the EUR 300m. They then have the right to call due all or individual bonds at the nominal value plus accrued interest. A change in control applies if one or more persons acquire at least 50.01% of shares or voting rights of Gerresheimer AG or control these otherwise. As a general rule, the right to call for redemption only becomes effective if the Company's rating deteriorates as a result of the change in control.

### **Compensation agreements in the event of a takeover bid**

In the event of a change in control, the members of the Management Board have a unique 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 to terminate the contract exists only if the contract, at the time of the dismissal, has already existed for one year and has a term of at least nine months or more. If a Management Board member exercises his special right to terminate his employment contract, the Company is obliged to pay a compensation amounting to the total of three annual emoluments less the payments made during the term of special notice. The annual emolument 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.

## OPPORTUNITIES AND RISKS

### UNIFORM GROUP RISK MANAGEMENT SYSTEM

The central pillar of risk management is the identification and mitigation of operational risks using monitoring, planning, management and control systems which are integrated into the structures and procedures of the entities and the management holding company. Our risk management strategy pursues the early recognition, evaluation, avoidance and mitigation of risks as well as the transmission of these to third parties. Within its defined tolerance rate, Gerresheimer is willing to take risks which are unavoidable or are made worthwhile by the opportunities they present. A risk management system does not give an absolute guarantee on the avoidance of risks. It supports the handling of avoiding risks and reaching company targets.

The establishment and effective maintenance of the risk management system is the responsibility of the legal representatives of Gerresheimer AG. The risk monitoring, early recognition, analysis, control and communication involve the legal representatives and the directors of the key functional areas of the head office. For maintenance and implementation of the system, guidelines exist for the subsidiaries and the key functional areas of the head office to report on the risks. The Group continuously develops its early warning system and adapts it to current developments.

Key elements of the system are as follows:

- › uniform, periodic risk reporting by the subsidiaries to the head office,
- › regular risk assessment in key central departments,
- › the segmentation of risks by market, customer, finance, environmental protection, legal relationships, external political and legal requirements as well as strategic decisions,
- › the quantification of risks in terms of potential loss amount and probability of occurrence,
- › recording the effects on profit and loss according to business segments, and
- › mitigation through loss prevention and risk transfer.

The effectiveness of our risk management system is regularly monitored by the Gerresheimer Group's internal audit department as a process-independent element of our early warning system. Furthermore, the auditors assess the risk management system as part of the audit of the annual financial statements and report on this to the Group's Management Board and Supervisory Board.

### INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT SYSTEM IN RELATION TO THE ACCOUNTING PROCESS (DISCLOSURES PURSUANT TO SEC. 289 (5) HGB)

The Gerresheimer consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) as adopted by the European Union (sec. 315a HGB ("Handelsgesetzbuch": German Commercial Code)) and as these corresponds to sec. 315a (1) HGB. The annual financial statements of Gerresheimer AG are prepared in accordance with the provisions of the Commercial Code and the Companies Act.

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

The consolidated financial statements are prepared in a multistage process using approved consolidation systems. The consolidated financial statement of the subgroups and the other individual financial statements of the other subsidiaries audited or reviewed by the respective auditors have been combined to the consolidated financial statements of Gerresheimer AG. Gerresheimer AG has taken on the responsibility for the Group-wide common chart of accounts, the implementation of centralized consolidation measures, and for scheduling and organizing the consolidation process.

For the companies included in the consolidated financial statements, a guideline for the recognition and valuation of the accounting policies under IFRS applies. This includes a description of the general consolidation measures as well as applicable accounting principles in accordance with IFRS. The existing guideline, which is continuously modified with consideration of the development of IFRS, is available to all subsidiaries via the Gerresheimer intranet. In addition, there is a binding time schedule for the year-end process.

As part of the year-end closing process, the balance sheets and profit and loss statements including information regarding cash flow, equity, notes and management reports are provided on the system by the subsidiaries. The effective maintenance of the system is carried out centrally by Corporate Financial Accounting. In addition to the existing system-side checks, manual checks on the completeness and accuracy of the data are carried out by the subsidiaries and from corporate headquarters. The accounting department ensures that department-related information is reported by the respective departments and is incorporated in the consolidated financial statements. To ensure adherence to the group-relevant accounting procedures by subsidiaries, the internal audit department implements checks and audits to assess their effectiveness. As part of the year-end audit of 2012 the auditors examined our risk management system in accordance with sec. 317 (4) HGB in connection with sec. 91 (2) AktG ("Aktiengesetz": German Stock Corporation Act) and confirmed its compliance.

The financial statements of Gerresheimer AG are generated by using SAP software. The accounting and the preparation of financial statements is divided into functional process steps. Both automated and manual controls are integrated into all processes. The organizational rules ensure that all business transactions and preparation of annual financial statements are completed in a timely, accurate and correct manner and are processed and documented within the correct time frame. In order to comply with the necessary IFRS requirements the relevant data from the individual accounts of Gerresheimer AG is transferred to the Group's reporting tool.

### OPPORTUNITIES

Due to its global and extensive business activities, the Gerresheimer Group is confronted with manifold risks and opportunities. In the future we want to continue to seize our opportunities and make the best possible use of these.

We see opportunities in the area of research and development. With investments, for example in our two technology centers for glass syringes and medical plastic systems, we want to use the opportunity to also develop



existing products further with our customers and to diversify our product portfolio in the future. Details to our activities in research and development are stated in the chapter Research and Development of this Management Report.

We see attractive development opportunities for the Gerresheimer Group in the further globalization of our business. We want to participate in the dynamics of the emerging countries by creating global presence and significantly increasing our revenue there in the coming years. In the past years we have placed the foundation for further growth by making targeted investments in Brazil, India and China. The expansion of our business activities in North America with our Plastic Systems Division also promises growth.

The producers of generic drugs will become increasingly important in the future. We want to participate in the expected quantity growth, as these medications also have to be packed and administered professionally. Furthermore, packaging for medication which increases application safety and which eases the handling of the medication, will gain importance.

Also, the demographic change accompanied by the increased need for medical care by older people, the technological advancements in the medical field and the increase in medication produced on the basis of biotechnology, offer Gerresheimer opportunities for growth, which we want to take advantage of.

## RISKS ARISING FROM FUTURE DEVELOPMENT

The Gerresheimer Group is exposed to various risks due to its global and extensive business activities. All recognizable risks have been provided for, as far as the accounting requirements were fulfilled. Existing risks are detailed below:

### CONSEQUENCES OF THE EURO AND GLOBAL FINANCIAL CRISIS

A general recovery of the overall risk situation could not be observed in the course of the financial year 2012. Currently no one can tell with absolute certainty how the euro and financial crisis will impact the economy as a whole, the customers and suppliers and how long the crisis will last. Even greater uncertainty is therefore attached to forecasts.

### OPERATIONAL RISKS

#### Energy and raw material prices

Gerresheimer's energy requirements are permanently high, especially for the combustion and smelting processes in its high-temperature furnaces. In order to offset energy cost rises, the Group has, to a large extent, secured itself against increases in energy prices. Some customer contracts contain escalation clauses. Nevertheless, further increases in energy prices could have a substantial negative impact on the results of operations of the Gerresheimer Group, particularly because it is not always possible to pass on such increases by adjusting product prices, and this can only be done with a time lag.

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

#### Product liability risks

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

#### Product launches

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

#### Risks arising from the future development of state healthcare systems

In the financial year 2012 Gerresheimer generated 83% of its consolidated revenues in the pharma and healthcare market segments. Over the last few years, governments and health insurance companies in Europe and the US have striven to reduce the costs of healthcare. This has increased price pressure in the pharma industry. Limited patent protection and constantly rising product development costs intensify the need for cost control in the pharma industry. Although generally only a small percentage of the total costs a consumer pays for medication relate to the primary pharmaceutical packaging, this trend can increase the price pressure on the Gerresheimer Group's products. If this pressure cannot be offset by cost reductions or increased efficiency, this could have a significant negative impact on the net assets, financial position and results of operations of the Gerresheimer Group.

## FINANCIAL RISKS

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

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

In order to limit exchange rate and interest rate risks in operating activities, Gerresheimer utilizes forward exchange contracts and interest rate swaps. The Group uses derivative financial instruments exclusively to manage risk in connection with hedged items.

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

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

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 RISK ASSESSMENT

Gerresheimer's creditworthiness is regularly evaluated by the leading rating agencies Standard & Poor's and Moody's. With a BBB- rating and a stable outlook, Standard & Poor's assigned an investment-grade rating to Gerresheimer. Moody's also confirmed the solid prospects and creditworthiness of the Gerresheimer Group by a rating of Ba1 with stable outlook.

The senior facilities are subject to so-called financial covenants. These are interest cover ratios (adjusted EBITDA in relation to financial result), EBITDA leverage (ratio of interest-bearing net debt to adjusted EBITDA), EBITDA ratios (Group-adjusted EBITDA in relation to adjusted EBITDA of the companies guaranteeing warranty and those affiliated companies with a profit and loss transfer agreement) and asset ratios (adjusted Group assets in relation to the adjusted assets of the companies guaranteeing warranty and those affiliated companies with a profit and loss transfer agreement). In the financial year 2012 as well as in the financial year 2011, the regular covenant tests showed that the ratios were complied with. Based on the multiple-year budgets we assume that the financial covenants can also be met in the future.

The risks of the Gerresheimer Group have not changed significantly in financial year 2012. Our assessment of the overall risk is that there are currently no significant risks to the ability of the Gerresheimer Group or Gerresheimer AG to continue as a going concern or which could have a material effect on its net assets, financial position or results from operations.

## DECLARATION OF CORPORATE GOVERNANCE PURSUANT TO SEC. 289A HGB

According to sec. 289a HGB, the declaration of corporate governance is part of the Combined Management Report. According to sec. 317 (2) sentence 3 HGB ("Handelsgesetzbuch": German Commercial Code) the information given in connection with sec. 289a HGB is not part of the audited management report.

## COMPLIANCE DECLARATION TO THE GERMAN CORPORATE GOVERNANCE CODE

On September 5, 2012 the Management Board and Supervisory Board of Gerresheimer AG approved the following Compliance Declaration in accordance with section 161 German Stock Corporation Act:

"Declaration of the Management Board and Supervisory Board of Gerresheimer AG on the recommendations of the 'Government Commission on the German Corporate Governance Code' in accordance with section 161 AktG ('Aktengesetz': German Stock Corporation Act).

Since its last declaration on September 8, 2011, Gerresheimer AG has complied with the recommendation of the 'Government Commission on the German Corporate Governance Code' as amended on May 26, 2010 with the exception stated in such declaration.

Gerresheimer AG will furtheron comply with the recommendations of the 'Government Commission on the German Corporate Code' as amended on May 15, 2012 with the following exceptions:

Item 5.4.6 para 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 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 sees effective risk management as a significant factor in securing business value in the long term. For this reason, the management of opportunities and risks is an integral part of the Gerresheimer Group's structures and procedures. The central pillar of risk management is the identification and mitigation of operational risks using monitoring, planning, management and control systems which are integrated into the structures and procedures of the entities and the management holding company.

There are guidelines on risk reporting for the subsidiaries and the key functional areas of the head office. The Group has continuously developed its early warning system and adjusted it to current developments. Main elements of this risk management system have been described in the section "Opportunities and Risks" which is available on the Internet at [www.gerresheimer.com/en/investor-relations/reports](http://www.gerresheimer.com/en/investor-relations/reports).

### Compliance program

It is important for the success of the Gerresheimer Group that the Company is managed according to ethical business principles, responsibly and in harmony with the laws and rules of fair competition. Gerresheimer's Compliance Program should support our employees to apply laws and company guidelines correctly and to protect them against offenses. A significant instrument for this are the Group guidelines and instructions, which specify the minimum behavior standards for all employees of the Group.

The focus of the Compliance Program is on areas of corruption prevention, cartel law and capital market law. The mission statement of the Management Board of Gerresheimer AG to the Compliance Program is available on the Internet at [www.gerresheimer.com/en/company/compliance](http://www.gerresheimer.com/en/company/compliance).

### Corporate responsibility

Gerresheimer is a leading global partner for the pharma and healthcare industry. As a manufacturer 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 progressive global networking and in light of the increasingly demanding social and ecological challenges we face, we are highly aware of our responsibilities as a corporate organization. Our corporate responsibility also extends far outside the product world. We want to take a proactive approach to meet these challenges comprehensively and sustainably, and to be measured in terms of our principles. Our actions are a reflection of the responsibility that we feel towards society, our employees, investors, customers, suppliers and the environment.

The principles of Gerresheimer's corporate responsibility have been published under "Our Corporate Responsibility" which is available on the Internet at [www.gerresheimer.com/en/company/our-corporate-responsibility](http://www.gerresheimer.com/en/company/our-corporate-responsibility).

### Description of the cooperation between the Management and Supervisory Boards as well as the composition of its committees

The composition of the Management Board and the Supervisory Board can be found in the Annual Report under the section "Supervisory Board and Management Board". The procedures of the Management Board as well as the composition and procedures of the Supervisory Board Committees have been 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](http://www.gerresheimer.com/en/investor-relations/reports).

## EVENTS AFTER THE BALANCE SHEET DATE

On December 17, 2012 GERRESHEIMER GLAS GmbH signed the sale and purchase agreement for a 75 % stake in the Indian company Triveni Polymers Private Ltd., New Delhi. The purchase price for this majority shareholding amounted to INR 3.8bn (around EUR 52.2m). The transaction was completed on December 20, 2012 and since this point in time the company has been included in the consolidated financial statements of Gerresheimer AG. In addition, from April 1, 2016, Gerresheimer has the possibility to purchase the remaining 25 % stake by exercising its option to buy (call option). From this date onwards the seller can tender the remaining 25 % stake to Gerresheimer by exercising his option to sell (put option).

Triveni is a producer of pharmaceutical plastic packaging in India. This acquisition is a further ideal step towards enhancing the position of the Gerresheimer Group in the emerging markets. Triveni is a leading and fast growing company with excellent profitability that provides high value for Gerresheimer. In the financial year 2011/2012 the company generated revenues of around INR 1.3bn (around EUR 20m) and employed more than 300 people.

There were no further subsequent events after November 30, 2012 which had a significant effect on the net assets, financial position or results of operations of the Gerresheimer Group.

## OUTLOOK

The following statements on the Gerresheimer Group's future business performance and the assumptions made in regard to the economic development of the market and industry deemed to be significant in this respect are based on our assessments which we believe are realistic in accordance with the information currently available to us. However, these assessments entail uncertainty and present the unavoidable risk that the developments may not actually occur either in line with the tendency or the degree to which they were forecast.

## DEVELOPMENT OF THE ECONOMIC ENVIRONMENT

### Global and regional economic developments

The forecast for global economic development in 2013 projects growth of 3.4 %, which is on the same level as growth of the year 2012, which was 3.3 %. According to the German Council of Economic Experts, however, the drivers of economic growth in 2013 will differ from the drivers in the prior year. Growth in gross domestic product in the USA and Japan will slow down compared with 2012. In the USA, the measures necessary to reduce the budgetary deficit will probably curb economic growth. In Japan, the economy will slow down when the growth effects of reconstruction after the tsunami disaster fade.



The decisive issue in the euro area is the extent to which confidence in the euro will recover. Assuming that the euro's integrity is not further damaged, economic experts assume that the euro area will stabilize in 2013, which means that there will be fewer impediments to growth than one year ago. Slightly higher growth rates are anticipated in the emerging markets because these countries will take advantage of monetary and fiscal policy leeway to boost the economy. Overall, we can assume that the above-mentioned effects will level out leading to an economic growth rate in 2013 on a par with that of 2012.

There are downward risks for the economic development in the USA in the year 2013, as a result of uncertainty about the extent to which consolidation measures will reduce the budget deficit. Therefore, the fiscal policy measures in the USA will be one of the most decisive factors for the development of the US economy in 2013. The sustained high level of household debt, the low probability of improved employment prospects with an unemployment level of still around 8% as well as declining public spending should further impact the economic development. After an expected increase in gross domestic product of 2.2% in the year 2012, the growth prospects for 2013 of 1.5% are therefore below the prior year level.

Public and private sector saving and consolidation measures will continue in the euro area in 2013. Based on the assumption that confidence in the euro area is not further eroded and that confidence grows in its future viability, it can be assumed that the economy will only shrink negligibly by 0.1%.

The German Council of Economic Experts expects a consolidation of economic growth in Germany in 2013. As in 2012, it is assumed that gross domestic product will increase by around 0.8% in 2013. The continuation of the tense situation in the euro area will continue to have a major impact on economic developments in 2013. The extent to which trade with countries outside the euro area will stimulate the German economy depends on the extent to which the shrinkage of demand from industrial nations can be compensated by demand from emerging markets.

The majority of the projected growth rates for the emerging markets in 2013 support the fact that the emerging markets will, in all probability, continue to be global economic growth drivers in 2013. China and India, in particular, are expected to drive growth in global trade. Gross domestic product growth of 7.7% is forecast for China and 6.5% for India in 2013. In Brazil the growth rate is expected to pick up again from the forecasted 2.7% in 2012 to 4.7% in 2013. In Russia, too, experts anticipate higher gross domestic product growth of 4.4% in 2013 following 3.8% in 2012.

### Market segment developments

Global demand for pharmaceutical and healthcare products is likely to continue to increase as a result of the rise in chronic diseases due to demographic and environmental changes. According to the IMS institute the market relevant to us for the therapy of asthma and chronically obstructive lung diseases is likely to grow by 3% to 5% per year. Similarly, good growth rates are anticipated for the market for the treatment of diabetes. Here, the IMS institute forecasts annual growth rates of 5% to 7%. The worldwide demographic trend of aging populations and the associated increase in medical care requirements are also likely to contribute a positive development in the Group's performance. Although growth rates in mature markets such as the USA and Europe are declining, above-average growth is expected in the emerging markets because increasing affluence is driving up demand for healthcare services. Particularly in the USA, growth is likely to decline as a result of the lower rate of gross domestic product growth. As a result of this, the USA will have to relinquish its status as the biggest global growth driver in the pharmaceutical sector to the emerging markets.

## MARKET AND BUSINESS OPPORTUNITIES FOR THE GERRESHEIMER GROUP

### Prospects for the 2013 financial year

The outlook for global economic development is characterized by considerable uncertainties. We assume that the as yet unresolved sovereign debt problems in the euro area and the sustained recessionary trends in the United States and Europe will have a negative impact on global economic development. This will also have an impact on the emerging market economies, which, however, still have good growth prospects and are likely to develop more positively than the mature markets. We also assume that economic growth in the emerging markets will in part surpass that of the USA and the euro area.

In recent years, the development of healthcare infrastructures in the BRIC countries was intensified. This has resulted in the more widespread use and administration of generic drugs. We assume that this trend will prevail and that demand will continue to rise in 2013. This is the reasoning behind our strategy. We intend to step up our international expansion efforts, particularly in the emerging markets, and diversify our product portfolio. This will entail a closer collaboration with generic drug manufacturers. Due to the generally crisis-safe revenues from prescription drugs, we believe that there is further potential for growth in the next financial year despite all the economic imponderables.

### Tubular Glass

Given a good order situation in the RTF®-syringe business of our Tubular Glass Division we expect an improvement in the adjusted EBITDA margin. In the past financial year higher quality standards in the form of significantly reduced manufacturing tolerances required a change in the production of RTF® -syringes which led to an increase in scrap rates. By further stabilizing the production process in 2013 we expect a reduction in reject rates and therefore an increase in profitability. Revenues with ampoules and vials, which are considered the most efficient pharmaceutical packaging made of glass, should benefit from the growing demand in the industrialized and emerging markets in 2013.

### Plastic Systems

With regard to our pharmaceutical plastic packaging we continue to see good growth opportunities in the area of prescription drugs. This applies especially for compounds which are filled into our drug delivery devices. The drug delivery devices also serve as distinguishing features for pharmaceutical companies in the competition for the best possible application of the active agent. The market for over-the-counter medication may develop slightly less robustly, where we offer standardized pharmaceutical plastic packaging. From today's perspective the order volume for the development and production of tools, which generate lower margin revenues and precede production orders, continues to be high. Expenditure in connection with putting new production lines into operation as well as price concessions in individual cases will hold down the margin development in 2013.

### Moulded Glass

As in the Plastic Systems Division, the market for over-the-counter medication may develop slightly less robustly than it did in the year 2012. The market development for the cosmetics business in the outlined business environment is characterized by uncertainty. We nevertheless expect that we can expand our revenue with cosmetic products made of glass. In view of the macroeconomic environment and the high comparative values of the years 2011 and 2012, however, the speed and rigor of the business development will decline from today's perspective.

### Life Science Research

It is more difficult to forecast the prospects for the Life Science Research Division because of its business model; the products are not sold directly but via distributors, and lead times for orders are very short. Since business development depends to a great extent on the development of the US economy, forecasts are associated with a high level of uncertainty. From the present perspective it is therefore unclear whether our customers will choose a restrictive expenditure policy in 2013 due to austerity measures. For 2013, we are therefore unable to state for certain whether we will continue to achieve the growth rates of the prior years. Our aim continues to be to increase the adjusted EBITDA margin of the Life Science Research Division to 15%. However, we will presumably not achieve this goal yet in 2013.

### Total Group

The Gerresheimer Group pursues a clear and successful strategy which is geared towards sustainable and profitable growth. We currently anticipate revenue growth of 5% to 6% at constant exchange rates for the financial year 2013. We expect an adjusted EBITDA margin on the prior year level. Primarily due to the good growth perspectives in the Medical Devices business, also for customer projects lasting several years, the investment volume of the financial year 2013 will be on the same level as the financial year just passed. For 2014 we continue to anticipate solid revenue growth and an increasing adjusted EBITDA margin.

As the Group holding company, Gerresheimer AG receives income from the main German subsidiaries under profit transfer agreements. This income can also include dividends from abroad. Therefore, the business development of the subsidiaries directly affects the financial result of Gerresheimer AG. Providing that an appropriate profit trend will exist in the Group, we assume a positive annual result for Gerresheimer AG in years to come.

Due to the strong performance of the Gerresheimer Group in 2012, the Management and Supervisory Boards have agreed to propose a dividend of EUR 0.65 per share for the financial year 2012 at the Annual General Meeting on April 18, 2013. This represents a dividend ratio of 25% of adjusted net income. Depending on the operational success of the Company, we intend to continue paying attractive dividends.

### OUTLOOK

Our Company is well prepared for the two coming financial years. As a result of the investments made and planned in profitable market segments as well as through the acquisitions made in the past, we are exceedingly well-prepared for the opportunities and developments of the pharma sector. We have a good financial basis, long-term financing and a clear corporate strategy. We will continue to globalize our Company, consolidate markets and take interesting technologies into our portfolio. The goal of all activities is to further focus on the pharma and healthcare industry. Besides organic growth, which we will finance from our operating cash flow, acquisitions, after careful consideration of opportunities and risks, will continue to play an important role in the future.





# Consolidated Financial Statements

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## CONSOLIDATED INCOME STATEMENT (IFRS)

for the Financial Year from December 1, 2011 to November 30, 2012

in EUR k	Note	2012	2011
Revenues	(8)	1,219,068	1,094,681
Cost of sales	(9)	-861,629	-773,533
<b>Gross profit</b>		<b>357,439</b>	<b>321,148</b>
Selling and administrative expenses	(10)	-220,774	-212,623
Other operating income	(11)	11,753	15,484
Other operating expenses	(13)	-19,387	-14,163
Share of profit or loss of associated companies	(23)	-571	-579
<b>Result from operations</b>		<b>128,460</b>	<b>109,267</b>
Financial income	(14)	4,044	2,314
Financial expenses	(14)	-36,750	-39,066
<b>Financial result</b>		<b>-32,706</b>	<b>-36,752</b>
Net income before income taxes		95,754	72,515
Income taxes	(15)	-29,239	-18,087
<b>Net income</b>		<b>66,515</b>	<b>54,428</b>
Attributable to non-controlling interests	(30)	6,324	3,910
Attributable to equity holders of the parent		60,191	50,518
<b>Earnings per share (in EUR)<sup>1)</sup></b>	(16)	<b>1.92</b>	<b>1.61</b>

<sup>1)</sup> The earnings per share figure stated here also corresponds to the diluted EPS 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 (IFRS)

for the Financial Year from December 1, 2011 to November 30, 2012

in EUR k	Note	2012	2011
<b>Net income</b>		<b>66,515</b>	<b>54,428</b>
Changes in the fair value of interest rate swaps		1,329	179
Fair value of interest rate swaps recognized in profit or loss	(14)	-1,813	-2,655
Currency translation		-9,195	-10,883
Deferred tax expense		588	1,604
<b>Total profit or loss recognized directly in equity</b>		<b>-9,091</b>	<b>-11,755</b>
<b>Total comprehensive income</b>		<b>57,424</b>	<b>42,673</b>
Attributable to non-controlling interests		7,857	3,954
Attributable to equity holders of the parent		49,567	38,719

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

## CONSOLIDATED BALANCE SHEET (IFRS)

as at November 30, 2012

<b>ASSETS</b>			
in EUR k	Note	Nov. 30, 2012	Nov. 30, 2011
<b>Non-current assets</b>			
Intangible assets	(21)	529,695	527,023
Property, plant and equipment	(22)	518,336	478,830
Investment property	(22)	4,471	4,471
Financial assets	(23)	–	3,280
Investments accounted for using the equity method	(23)	3,730	3,434
Other financial assets	(24)	9,706	8,818
Deferred tax assets	(26)	7,269	10,752
		<b>1,073,207</b>	<b>1,036,608</b>
<b>Current assets</b>			
Inventories	(27)	188,957	159,900
Trade receivables	(28)	179,439	162,836
Income tax receivables		1,021	3,983
Other financial assets	(24)	5,325	2,254
Other receivables	(25)	23,713	18,059
Cash and cash equivalents	(29)	86,087	131,432
		<b>484,542</b>	<b>478,464</b>
<b>Total assets</b>		<b>1,557,749</b>	<b>1,515,072</b>
<b>EQUITY AND LIABILITIES</b>			
in EUR k	Note	Nov. 30, 2012	Nov. 30, 2011
<b>Equity</b>			
Subscribed capital	(30)	31,400	31,400
Capital reserve	(30)	513,827	513,827
Cash flow hedge reserve	(6)	-1,933	-1,972
Currency translation reserve		-7,523	3,140
Retained earnings	(30)	-634	-34,748
<b>Equity attributable to equity holders of the parent</b>		<b>535,137</b>	<b>511,647</b>
Non-controlling interests	(30)	45,020	40,583
		<b>580,157</b>	<b>552,230</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	(31)	56,052	48,202
Provisions for pensions and similar obligations	(32)	125,154	132,738
Other provisions	(33)	11,588	6,491
Financial liabilities	(34)	418,925	442,414
Other liabilities	(35)	1,709	–
		<b>613,428</b>	<b>629,845</b>
<b>Current liabilities</b>			
Provisions for pensions and similar obligations	(32)	14,926	12,740
Other provisions	(33)	43,023	40,355
Trade payables	(34)	154,301	119,215
Financial liabilities	(34)	44,112	62,648
Income tax liabilities		12,674	13,990
Other liabilities	(35)	95,128	84,049
		<b>364,164</b>	<b>332,997</b>
		<b>977,592</b>	<b>962,842</b>
<b>Total equity and liabilities</b>		<b>1,557,749</b>	<b>1,515,072</b>

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS)

for the Financial Year from December 1, 2011 to November 30, 2012

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
<b>As at December 1, 2010</b>	<b>31,400</b>	<b>513,827</b>	<b>-1,099</b>	<b>14,066</b>	<b>-69,566</b>	<b>488,628</b>	<b>40,769</b>	<b>529,397</b>
Changes in the fair value of interest rate swaps	-	-	721	-	-	721	-	721
Fair value of interest rate swaps recognized in profit or loss	-	-	-1,593	-	-	-1,593	-	-1,593
Currency translation	-	-	-1	-10,926	-	-10,927	44	-10,883
<b>Total profit or loss recognized directly in equity</b>	<b>-</b>	<b>-</b>	<b>-873</b>	<b>-10,926</b>	<b>-</b>	<b>-11,799</b>	<b>44</b>	<b>-11,755</b>
Net income	-	-	-	-	50,518	50,518	3,910	54,428
<b>Total result</b>	<b>-</b>	<b>-</b>	<b>-873</b>	<b>-10,926</b>	<b>50,518</b>	<b>38,719</b>	<b>3,954</b>	<b>42,673</b>
Distribution	-	-	-	-	-15,700	-15,700	-4,183	-19,883
Capital contributions by non-controlling interests	-	-	-	-	-	-	43	43
<b>As at November 30/December 1, 2011</b>	<b>31,400</b>	<b>513,827</b>	<b>-1,972</b>	<b>3,140</b>	<b>-34,748</b>	<b>511,647</b>	<b>40,583</b>	<b>552,230</b>
Changes in the fair value of interest rate swaps	-	-	1,210	-	-	1,210	-	1,210
Fair value of interest rate swaps recognized in profit or loss	-	-	-1,106	-	-	-1,106	-	-1,106
Currency translation	-	-	-65	-10,663	-	-10,728	1,533	-9,195
<b>Total profit or loss recognized directly in equity</b>	<b>-</b>	<b>-</b>	<b>39</b>	<b>-10,663</b>	<b>-</b>	<b>-10,624</b>	<b>1,533</b>	<b>-9,091</b>
Net income	-	-	-	-	60,191	60,191	6,324	66,515
<b>Total result</b>	<b>-</b>	<b>-</b>	<b>39</b>	<b>-10,663</b>	<b>60,191</b>	<b>49,567</b>	<b>7,857</b>	<b>57,424</b>
Distribution	-	-	-	-	-18,840	-18,840	-4,173	-23,013
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
<b>As at November 30, 2012</b>	<b>31,400</b>	<b>513,827</b>	<b>-1,933</b>	<b>-7,523</b>	<b>-634</b>	<b>535,137</b>	<b>45,020</b>	<b>580,157</b>

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



## CONSOLIDATED CASH FLOW STATEMENT (IFRS)

for the Financial Year from December 1, 2011 to November 30, 2012

in EUR k	Note	2012	2011
Net income		66,515	54,428
Income taxes	(15)	29,239	18,087
Depreciation of property, plant and equipment	(22)	81,903	79,688
Amortization of intangible assets	(21)	18,138	21,344
Impairment loss		2,584	-
Change in value of equity-accounted investments	(23)	571	579
Change in other provisions		5,658	-10,904
Change in provisions for pensions and similar obligations		-13,464	-13,366
Gain on the disposal of non-current assets		-665	-1,279
Financial result	(14)	32,706	36,752
Interest paid		-24,204	-21,229
Interest received		1,676	2,043
Income taxes paid		-20,398	-19,740
Income taxes received		969	2,425
Change in inventories		-25,490	-19,309
Change in trade receivables and other assets		-25,064	-14,461
Change in trade payables and other liabilities		44,184	18,058
Other non-cash expenses/income		-1,292	-3,369
<b>Cash flow from operating activities</b>		<b>173,566</b>	<b>129,747</b>
Cash received from disposals of non-current assets		1,486	2,924
Cash paid for investments			
in property, plant and equipment		-113,470	-82,895
in intangible assets		-5,397	-3,231
Cash paid out/in in connection with divestments	(7)	1,231	2,441
Cash paid out for the acquisition of subsidiaries and associated companies, net of cash received	(7)	-32,442	-78,216
<b>Cash flow from investing activities</b>		<b>-148,592</b>	<b>-158,977</b>
Capital contributions by non-controlling interests		-	43
Distributions to third parties		-22,601	-19,883
Raising of loans		90,731	846,175
Interest paid		-	-7,615
Repayment of loans		-135,315	-713,174
Repayment of finance lease liabilities		-2,722	-4,064
<b>Cash flow from financing activities</b>		<b>-69,907</b>	<b>101,482</b>
<b>Changes in cash and cash equivalents</b>		<b>-44,933</b>	<b>72,252</b>
Effect of exchange rate changes on cash and cash equivalents		-412	-1,366
Cash and cash equivalents at the beginning of the period	(29)	131,432	60,546
<b>Cash and cash equivalents at the end of the period</b>	(29)	<b>86,087</b>	<b>131,432</b>

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

of Gerresheimer AG for the Financial Year from December 1, 2011 to November 30, 2012

### (1) General

The Gerresheimer Group based in Duesseldorf, Germany, comprises Gerresheimer AG and its direct and indirect subsidiaries. The Gerresheimer Group is a leading international supplier of high-quality packaging solutions made of glass and plastic, primarily for the pharmaceutical and healthcare industries.

The consolidated financial statements as at November 30, 2012 were prepared in accordance with the International Financial Reporting Standards (IFRSs) published by the International Accounting Standards Board (IASB) as adopted by the European Union (sec. 315a HGB) ("Handelsgesetzbuch": German Commercial Code).

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

- › IFRS 7, Financial Instruments: Disclosures – Transfers of Financial Assets
- › IAS 24, Related Party Disclosures – Public Sector Companies and Definition of Related Parties
- › Amendments to IFRSs  
In May 2010, the IASB published the third set of amendments with 11 modifications for six various standards and one interpretation. Most of the amendments became effective for the first time for financial years beginning on or after January 1, 2011.
- › IFRIC 14, Adoption of amendments to IFRIC 14 – Prepayments of a Minimum Funding Requirement

With the exception of additional disclosure requirements, the adoption of the above-mentioned standards, where applicable to the Group's business operations, has not had any significant effect on the consolidated financial statements in the period of adoption.

Furthermore, the IASB and IFRIC have issued the following standards and interpretations which have already been issued but have not yet come into force in the financial year:

- › IFRS 1, First Time Adoption of IFRS – Severe Hyperinflation and Removal of Fixed Dates
- › IFRS 7, Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
- › IFRS 9, Financial Instruments (not yet EU-endorsed)
- › IFRS 10, Consolidated Financial Statements
- › IFRS 11, Joint Arrangements

- › IFRS 12, Disclosures of Interests in Other Entities
- › IFRS 13, Fair Value Measurement
- › IAS 1, Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income
- › IAS 12, Income Taxes – Deferred Tax: Recovery of Underlying Assets
- › IAS 19, Employee Benefits (amended in 2011)
- › IAS 27, Separate Financial Statements (amended in 2011)
- › IAS 28, Investments in Associates and Joint Ventures (amended in 2011)
- › IAS 32, Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
- › Amendments to IFRSs  
In May 2012, the IASB published the fourth set of amendments with six modifications for five various standards. Most of the amendments will become effective for the first time for the financial years beginning on or after January 1, 2013 (not yet EU-endorsed).
- › IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine

The application of the above-mentioned Standards will in principle not have any material effect on the consolidated financial statements. The potential effects on the consolidated financial statements resulting from the application of IFRS 9 and IAS 19 in the future cannot be assessed finally. The changes to IAS 19 mainly relate to the elimination of the so-called corridor approach for the recognition of actuarial gains and losses, changes to the presentation of pension costs as well as to extended disclosure requirements.

In preparing the consolidated financial statements in accordance with prevailing accounting principles, estimates, assumptions and discretionary decisions are made which have an effect on the recognition and valuation of assets and liabilities, the disclosure of contingent liabilities and assets as at the balance sheet date as well as on the amount of income and expenses in the reporting period. Although the estimates are made to the best of management's knowledge of current events and transactions, actual future results may differ from the estimates. The most important assumptions bearing an element of estimation uncertainty relate to the determination of the option value of phantom stocks (see Note (19)), the calculation of recoverable amounts for goodwill and brand names in the context of impairment tests (see Note (21)), the calculation of deferred tax assets (including timing of initial recognition; see Note (26)), the determination of parameters for the calculation of pension provisions (see Note (32)), as well as to future-related assumptions relating to purchase price allocations (see Note (12)).

In order to improve the clarity and informative value of the financial statements, individual items of the balance sheet and income statement are summarized and disclosed separately in the notes. The income statement has been prepared using the function of expense method.

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

Two arbitration proceedings are pending at the subsidiary companies Gerresheimer Group GmbH and GERRESHEIMER GLAS GmbH. One relates to the settlement (EUR 14.75 per share) and the compensation payment (EUR 0.84 per share) based on the profit and loss transfer agreement. The second relates to the cash settlement (EUR 16.12 per share) from the squeeze-out of minority shareholders.

The consolidated financial statements of Gerresheimer AG are published in German in the Electronic Federal Law Gazette (Elektronischer Bundesanzeiger) and on the Internet at [www.gerresheimer.com](http://www.gerresheimer.com).

## (2) Consolidated Group

In the **current financial year**, four German companies were consolidated for the first time with effect from December 1, 2011. These companies were not consolidated in the past due to the fact that their net assets, financial positions and cash flows were of minor importance.

With effect from February 1, 2012 the Gerresheimer Group acquired item GmbH, medical device design, Muenster, Germany. The acquisition cost amounted to EUR 976k, of which EUR 931k had been paid in cash and EUR 45k included in liabilities at the balance sheet date. Acquisition-related costs amounted to EUR 55k and are included under the one-off expenses in the position other operating expenses. The positive difference of EUR 951k arising on acquisition has been shown as goodwill.

item GmbH is a specialist service provider for developing concepts for the manufacture of mechanical and electronic products until these go into serial production as well as for their design. Through the acquisition the Medical Plastic Systems business will gain additional competences in the areas of design and development of pharmaceutical and medical products. In the year 2011 the company generated revenue of EUR 0.8m and employed seven people.

In the period of inclusion in the Gerresheimer Group item GmbH generated revenue of EUR 1,254k and a net income after taxes of EUR 120k. In the meantime the company's name has been changed to Gerresheimer item GmbH.

On April 2, 2012, the sale and purchase agreement for the 70% stake in the Indian company Neutral Glass & Allied Industries Private Ltd. (Neutral Glass), Mumbai, India, was signed. The owner families retained a 30% stake in the company, however they have the option of selling their shares at determined terms and conditions. This option can be exercised within three years after signing of the sale and purchase agreement. The transaction was completed on April 18, 2012, and since this point in time the company has been included in the consolidated financial statements of Gerresheimer AG. The acquisition cost was paid in cash and amounted to the equivalent of EUR 24.4m. Acquisition-related costs including those incurred in the prior financial year amount to EUR 0.6m, of which EUR 0.5m are included under the one-off expenses in the item other operating expenses in the current financial year.

At the balance sheet date a further 18.96% stake had been acquired as a result of the non-controlling interests partially exercising their option. The Gerresheimer Group therefore has an 88.96% stake in Neutral Glass as at November 30, 2012. The acquisition cost was paid in cash and amounted to the equivalent of EUR 6.7m. The option of selling their shares granted to the non-controlling interests for the remaining 11.04% has been accounted for as a put option in Group equity and is included under current financial liabilities in the consolidated balance sheet with a value of EUR 3.9m (including interest).

Neutral Glass is a leading manufacturer of pharmaceutical primary packaging made of moulded glass, based in Mumbai with a plant in Kosamba. The company produces pharmaceutical primary packaging such as glass bottles for liquid medication and infusions as well as injection vials. As a result of the acquisition of Neutral Glass, Gerresheimer is now also represented by a production site in India and is thereby further developing its position in the emerging markets. In the financial year 2010/2011 Neutral Glass generated revenue of approximately EUR 15m and employs around 600 people.

The acquisition was accounted for using the purchase method of accounting and on the basis of the fair values of the identified assets, liabilities and contingent liabilities.

The effects of the acquisition of Neutral Glass on the consolidated balance sheet of Gerresheimer AG at the time of initial consolidation on April 18, 2012 were as follows:

in EUR m	
<b>ASSETS</b>	
<b>Non-current assets</b>	
Intangible assets	19.4
Property, plant and equipment	9.1
	<b>28.5</b>
<b>Current assets</b>	
Inventories	4.8
Receivables and other assets	2.9
Cash and cash equivalents	0.2
	<b>7.9</b>
<b>Total</b>	<b>36.4</b>
<b>EQUITY AND LIABILITIES</b>	
<b>Non-controlling interests</b>	
	<b>5.2</b>
<b>Deferred tax liabilities</b>	
	<b>4.1</b>
<b>Liabilities</b>	
Financial liabilities	1.4
Other liabilities	1.3
	<b>2.7</b>
Purchase price	24.4
<b>Total</b>	<b>36.4</b>

Goodwill of EUR 12.3m was recognized on acquisition, which is included under intangible assets in the table above. After making adjustments in connection with aligning the financial statements to International Financial Reporting Standards for property, plant and equipment, and inventories, fair value adjustments of EUR 7.1m were made in connection with the purchase price allocation, which are also included under intangible assets in the above table. These intangible assets relate to brand names (EUR 4.5m), the customer base (EUR 2.5m) and orders on hand (EUR 0.1m). Furthermore, deferred taxes of EUR 4.1m were set up. The nominal value of acquired receivables corresponds to the fair value at the time of acquisition. The assets acquired and liabilities assumed were accounted for at their carrying amounts upon acquisition.

In the period of inclusion in the Gerresheimer Group, the company achieved revenues of EUR 9.4m and net income after income taxes of EUR 1.1m. It is not possible to state pro forma revenues and results as Neutral Glass's financial year ends in March and it is not feasible to provide separate financial statements for the months before acquisition including a transition to IFRS.

On June 21, 2012 an agreement on the disposal of a subsidiary in China in the Life Science Research segment was made. Consequently our local business partner will take over the entire business of the company Kimble Bomex (Beijing) Glass Co. Ltd., Beijing, China. The current business relationships and supply contracts with the Gerresheimer Group will remain in force. The agreement became effective with the approval of the Chinese authorities on September 13, 2012. As a result of this disposal Gerresheimer will now be concentrating its production in the Life Science Research segment on a subsidiary company in Beijing. The impairment loss of EUR 2.6m arising from deconsolidation is included in the income statement as an impairment loss under other operating expenses within the Life Science Research segment.

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

**Last year**, the sale and purchase agreement for the acquisition of 100 % of the shares in the company Vedat Tampas Hermeticac Ltda., Embu, Brazil, was signed on March 21, 2011. At this time Gerresheimer obtained control of Vedat.

For the Gerresheimer Group the acquisition is an outstanding addition to the three existing production facilities for Plastic Packaging in South America. As a result of the integration of Vedat the Group can now act as a full range supplier for pharmaceutical plastic packaging in South America.

Furthermore, with effect from December 1, 2010 Gerresheimer Bauglas GmbH was merged into GERRESHEIMER GLAS GmbH, Duesseldorf.

Full information on the shareholdings of Gerresheimer AG as at November 30, 2012 includes the following entities:

in %	Investment (direct and indirect)
Entities included in the consolidated financial statements	
<b>Asia</b>	
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 <sup>1)</sup>
Neutral Glass & Allied Industries Private Ltd., Mumbai (India)	88.96
<b>Europe</b>	
DSTR S.L., Epila (Spain)	100.00
Gerresheimer Boleslawiec S.A., Boleslawiec (Poland)	100.00
Gerresheimer Buende GmbH, Buende/Westfalia (Germany) <sup>2)</sup>	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) <sup>2)</sup>	100.00
GERRESHEIMER GLAS GmbH, Duesseldorf (Germany) <sup>2)</sup>	100.00
Gerresheimer Group GmbH, Duesseldorf (Germany) <sup>2)</sup>	100.00
Gerresheimer Hallenverwaltungs GmbH, Duesseldorf (Germany)	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) <sup>2)</sup>	100.00
Gerresheimer Horsovsky Tyn spol. s r.o., Horsovsky Tyn (Czech Republic)	100.00
Gerresheimer Item GmbH, Muenster (Germany)	100.00
Gerresheimer Kuessnacht AG, Kuessnacht (Switzerland)	100.00
Gerresheimer Lohr GmbH, Lohr/Main (Germany) <sup>2)</sup>	100.00
Gerresheimer Medical Plastic Systems GmbH, Regensburg (Germany) <sup>2)</sup>	100.00
Gerresheimer Momignies S.A., Momignies (Belgium)	99.00
Gerresheimer Moulded Glass GmbH, Tettau/Upper Franconia (Germany) <sup>2)</sup>	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) <sup>2)</sup>	100.00
Gerresheimer Spain S.L.U., Epila (Spain)	100.00
Gerresheimer Tettau GmbH, Tettau/Upper Franconia (Germany) <sup>2)</sup>	100.00
Gerresheimer UK Ltd., Reading (UK)	100.00
Gerresheimer Vaerloese A/S, Vaerloese (Denmark)	100.00
Gerresheimer Valencia S.L.U., Masalaves (Spain)	99.82
Gerresheimer Werkzeug- und Automatisierungstechnik GmbH, Wackersdorf (Germany) <sup>2)</sup>	100.00
Gerresheimer Wertheim GmbH, Wertheim (Germany) <sup>2)</sup>	100.00
Gerresheimer Wilden AB, Ronneby (Sweden)	100.00
Gerresheimer Zaragoza S.A., Epila (Spain)	99.82
Scherf-Präzision Europa GmbH, Meiningen-Dreissigacker (Germany)	100.00 <sup>1)</sup>
VR-Leasing SALMO GmbH & Co. Immobilien KG, Eschborn (Germany) <sup>3)</sup>	100.00



in %	Investment (direct and indirect)
<b>Americas</b>	
Gerresheimer Buenos Aires S.A., Buenos Aires (Argentina)	99.82
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 Mediciniais 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 <sup>1)</sup>
Kontes Mexico S. de R.L. de C.V., Queretaro (Mexico)	100.00 <sup>1)</sup>
<b>Associated Companies</b>	
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., Horsovsy Tyn (Czech Republic)	30.15
<b>Non-consolidated Companies<sup>4)</sup></b>	
Nouvelles Verreries de Momignies Inc., Larchmont, NY (USA)	99.00

<sup>1)</sup> Share disclosures represent the direct investment of Kimble Chase Life Science and Research Products LLC.

<sup>2)</sup> Pursuant to sec. 264 (3) HGB ["Handelsgesetzbuch": German Commercial Code], the entities are not obliged to prepare a management report or publish annual financial statements.

<sup>3)</sup> Pursuant to SIC 12, the entity is consolidated as a special-purpose entity. Gerresheimer Regensburg GmbH is limited partner. Pursuant to sec. 264b HGB ["Handelsgesetzbuch": German Commercial Code], the company is not obliged to publish annual financial statements.

<sup>4)</sup> Due to the fact that the net assets, financial position, results from operations and cash flow are not material the company is not included in the consolidated group.

### (3) Consolidation Principles

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

Subsidiaries are consolidated for the first time as of the date the parent assumes control of the entity. Deconsolidation is performed as of the date control ceases to exist. The shares of the non-controlling interests in equity, profit and loss and comprehensive income are disclosed separately in the balance sheet, income statement and statement of comprehensive income. In the consolidated balance sheet, they are disclosed separately from the equity attributable to equity holders of the parent.

Purchases of subsidiaries are accounted for using the purchase method. For the initial valuation of a business combination, this method stipulates that all identifiable assets, liabilities and contingent liabilities of the acquired entity are fully recognized at their fair value at the acquisition date. Any remaining debit difference after the purchase price allocation is recognized as goodwill. Any credit difference (negative goodwill) remaining after careful reassessment is recognized immediately in profit or loss under other operating income.

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

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

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

### (4) Currency Translation

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

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

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

Income and expense items as well as cash flow items of the foreign entities are translated into the Group's currency using the average exchange rate. Any resulting currency translation effects are offset directly against equity. Goodwill is treated in the same way as the assets and liabilities of the entities in question and translated using the closing rate on the date of the transaction.

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

	Closing rate		Average rate	
	Nov. 30, 2012	Nov. 30, 2011	2012	2011
1 EUR				
ARS	6.2743	5.7495	5.8203	5.7241
BRL	2.7391	2.4341	2.5013	2.3150
CHF	1.2054	1.2265	1.2067	1.2394
CNY	8.0899	8.5567	8.1720	9.0487
CZK	25.2620	25.3210	25.2024	24.5818
DKK	7.4600	7.4370	7.4425	7.4514
GBP	0.8108	0.8558	0.8168	0.8706
INR	70.6760	70.1160	68.8085	64.7082
MXN	16.7648	18.2109	17.1158	17.2136
PLN	4.1052	4.5080	4.2234	4.0948
SEK	8.6625	9.1460	8.7448	9.0274
USD	1.2986	1.3418	1.2949	1.3949

## (5) Accounting Policies

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

### Intangible assets

Intangible assets are recognized at cost. Those with finite useful lives are amortized in line with their useful economic life, with impairment losses being recognized where required. The useful life of licenses and similar rights is between one and five years. Brand names with finite useful lives are amortized in the same way as technologies, namely over the period of their estimated useful lives of between five and ten years.

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

Research costs are generally expensed as incurred. Development costs are only recognized as an intangible asset if the criteria of IAS 38 have been fulfilled, i.e. in particular if it is likely that the project is technically and commercially feasible and if the expenses attributable to the intangible asset can be measured reliably during its development. 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 system for trading in greenhouse gas emission certificates. These emission allowances are disclosed using the

net liability method. Pursuant to IAS 20.23, non-monetary government grants, here the asset received (emission allowances), may be recorded at nominal amount. Obligations from the emission of pollutants are not considered until the actual level of emission exceeds the existing emission allowances granted to the Gerresheimer Group. The obligation is then recognized at the respective fair value of the emission allowances. Any emission allowances purchased from third parties are recognized at cost and treated as refund claims.

### Property, plant and equipment

Property, plant and equipment are measured at cost less depreciation and any impairment losses. The cost of property, plant and equipment comprises all costs incurred pursuant to IAS 16. Borrowing costs of a qualifying asset are capitalized according to IAS 23. Property, plant and equipment are generally subject to depreciation on a straight-line basis.

This depreciation is based on the following useful lives which were generally calculated on the basis of estimates by experts:

in years	
Buildings	10 – 50
Plant and machinery	5 – 15
Furniture and fixtures	3 – 10

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

### Government grants

Government grants are recognized at their fair value if they have been officially approved and there is reasonable assurance that the entity will comply with the conditions attached to them. The 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 rentals 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 are recognized in accordance with IAS 17 and depreciated when the risks and rewards incidental to ownership have been transferred to a group company. On initial recognition, the assets and liabilities pertaining to the finance lease are recorded at equal amounts in the balance sheet 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 disclosed under financial

liabilities. Lease payments are apportioned between the finance charge and the reduction in the outstanding liability so as to achieve a constant periodic interest rate on the remaining balance of the liability over the period. Non-current assets acquired through finance leases are depreciated over the shorter of their expected useful life or the term of the lease.

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

#### Impairment losses

Property, plant and equipment, investment property, goodwill, intangible assets and other non-current assets are subject to an impairment test if circumstances and events indicate that the carrying amount does not reflect the recoverable amount. Furthermore, goodwill and other intangible assets with indefinite useful lives are subject to an annual impairment test at the level of the cash-generating unit to which the respective asset belongs. The impairment loss is equal to the amount by which the carrying amount exceeds the net realizable value or value in use.

Unless the asset in question is goodwill, impairment losses are reversed if the reasons for the impairment cease to exist. Impairment losses on goodwill are disclosed as other operating expenses, reversals of impairment losses are disclosed under other operating income.

#### Investments in associates

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

#### Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is generally the average cost, and includes production and materials 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 disclosed in the income statement also include the cost of unused capacities.

#### Financial assets

Financial assets are recognized when the contractual rights to receive cash flows of a financial asset have been transferred. Initial recognition is at the fair value plus directly attributable transaction costs. In the same way, financial assets are derecognized once the contractual rights to receive cash flow of a financial asset have expired. 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.

On acquisition, financial assets are classified into the following categories. The classification is reviewed at each balance sheet date.

**Financial assets at fair value through profit or loss:** Financial assets which are initially measured at fair value through profit and loss are classified as assets held for trading. Any subsequently measured gain or loss is recognized in profit or loss.

At Gerresheimer, these assets exclusively comprise the derivative financial instruments disclosed in other financial assets which 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 investments:** Non-derivative financial assets with fixed or determinable payments and fixed maturity 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 the investments are derecognized or impaired as well as 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 or are not classified as one of the other categories. Subsequent to initial measurement, available-for-sale financial assets are 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.

Investments carried in the balance sheet in the reporting period are classified without exception as "available for sale" and are measured at cost due to the lack of a market value.

In addition, the remaining financial assets which are allocated to other financial assets are included in this 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 and through the amortization process.

Trade receivables, the loans and refund claims included in other financial assets and cash and cash equivalents are designated to this category.

If there are indications of impairment for balances in the category loans and receivables, an impairment test is carried out and an impairment loss charged accordingly. For this purpose, the Company tests whether the carrying amount exceeds the present value of the expected future cash flows which are discounted at the current market rate of return of a comparable asset. If this is the case, an impairment loss is recorded for the difference. If the reasons for the impairment cease to exist, the impairment losses are reversed, however not in excess of the initial cost.

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

#### **Customer-specific construction**

Customer-specific construction contracts are recognized using the percentage of completion method. The service rendered, including the share in the result, is disclosed under revenue in accordance with the percentage of completion. The applicable percentage of completion is calculated using the cost-to-cost method. Disclosure is made under 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 their nominal values. The cash equivalents have terms of three months or less.

#### **Assets and disposal groups held for sale**

This item is disclosed if there are individual non-current assets or groups of assets and directly attributable liabilities which may 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.

The non-current assets in a disposal group are not 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 the fair value, they are impaired.

#### **Provisions for pensions and similar obligations**

The Group has a number of pension schemes that are designed in accordance with the regulations and practices of the countries they apply to. Furthermore, commitments have been made in the US to provide additional post-employment medical care. More than 77 % 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 year and for previous years. The Group's obligation is based on the annual contributions. As a result, no actuarial assumptions have to be made in order to value the obligations and expenses and, as such, actuarial gains and losses cannot be incurred. Furthermore, the 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 the defined benefit plans is determined separately for each plan using the projected unit credit method. Actuarial gains and losses are recognized as income or expense if the net cumulative unrecognized actuarial gains and losses for each individual plan at the end of the previous reporting year exceed the higher amount of 10 % of the defined benefit obligation or 10 % of the fair value of plan assets at that date. These gains or losses are recognized over the expected average remaining working lives of the employees participating in the plans.



Past service cost is recognized on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, past service costs are immediately expensed.

The defined benefit liability is the net total of the present value of the defined benefit obligation, plus or minus actuarial gains and losses not yet recognized in profit or loss, minus past service cost not yet recognized in profit or loss, plus any as yet unrecognized gains or losses from plan changes, 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 disclosed in the financial result.

#### Other provisions

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

Phased retirement obligations are also disclosed in other provisions with the block model being applied for phased retirement agreements. The salary portion is recognized pro rata temporis during the active phase over the residual period of the employee's term of service. The incentive amounts, which are granted by the employer, are set up from the date the agreement is concluded with the present value of the settled payments. While the incentive amounts are paid out from the beginning of the active phase, the salary portions are due at the beginning of the passive phase.

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

#### Stock appreciation rights (phantom stocks)

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

#### Current and deferred income taxes

The corporations included in the Gerresheimer AG Group (with the exception of the foreign subsidiaries and three German corporations) form a tax group for income tax purposes. Gerresheimer AG fulfills the role of taxpayer. As a result, the German subsidiaries consolidated into the Group do not generally incur income taxes. In addition to the calculation of current income taxes, deferred tax assets or liabilities are recognized for temporary differences between the amounts recognized in the Company's tax accounts and its IFRS balance sheet in accordance with IAS 12. This leads to a future tax burden (deferred tax liabilities) or future tax relief (deferred tax assets). Additionally deferred tax assets for tax loss carryforwards and tax credits are recognized. The calculation is based on the tax rates applicable in the future. Deferred tax assets are only recognized when it appears probable that they will be realized.

#### Financial liabilities

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

The primary liabilities are recognized for the first time when a contractual obligation to payment arises from these liabilities. They are recognized for the first time at their fair value less any transaction costs. They are subsequently measured at amortized cost using the effective interest method. Differences between their fair value at first time of recognition (less any transaction costs) and their repayable amount on maturity are recognized in profit or loss over the term of the liability.

Derivative financial instruments that are not determined to be an effective hedge pursuant to IAS 39 must be classified as "held for trading" and recognized at fair value. If their fair value is negative, the instruments are disclosed under financial liabilities. Gerresheimer does not make use of the fair value option. Please see Note (6) for further explanations on the recognition of derivative financial instruments. On initial recognition put options are classified at fair value through profit and loss.

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

#### Other liabilities

Payments received, liabilities from other taxes or social security and non-financial liabilities are recognized at amortized cost.

### Revenue recognition

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

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

### (6) Financial Risk Management and Derivative Financial Instruments

Derivative financial instruments are used exclusively for hedging purposes.

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

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

In line with intragroup financing guidelines, forward exchange contracts and currency swaps are used to hedge **exchange rate risks**. In connection with currency management, only transaction risks can be considered risk exposures. The currency derivatives are used to hedge defined 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 the sales divisions of the operating entities. With the aim of avoiding losses on receivables, customers are subject to ongoing internal credit checks. Receivables from customers which do not have a first-class credit rating are generally insured.

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

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

The fair values of derivative financial instruments are determined using the applicable exchange rates, interest rates and credit standings at the balance sheet date. The fair value equals the amount which the group entities would either receive or have to pay to settle the financial instrument 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 which meets the criteria of IAS 39. If the derivative serves to effectively hedge anticipated future cash inflows or outflows (cash flow hedge), changes in the fair value of the derivative financial instrument are recognized directly in equity (in the cash flow hedge reserve), provided that they relate to an effective hedge. In this case, effects from the change in value of the derivative only arise on maturity or settlement of the hedged item.

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

Due to the short-term nature of the hedges, the currency derivatives were classified as held for trading pursuant to 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 in the course of the year under review due to cash inflows and outflows. The effects due to the first-time consolidation of acquisitions, the effects of divestments and other changes in the consolidated group have thereby been eliminated. In accordance with IAS 7, a distinction is made between cash flows from operating, investing and financing activities. The cash and cash equivalents in the cash flow statement comprise cash on hand, checks, bills of exchange and bank balances. The position "Cash paid out for the acquisition of subsidiaries and associated companies, net of cash received", includes the purchase prices paid for the acquisition of the Indian company Neutral Glass and the German company item GmbH, less cash shown by these companies on acquisition as well as a capital increase for an associated company. Furthermore, the change in the cash and cash equivalents of a company which in the past was not consolidated due to minor importance, but was consolidated for the first time in the financial year, is included in this position. The item "Cash paid out/in in connection with divestments" includes the sale of a majority shareholding in China and purchase price payments received in connection with the sale of the Technical Plastic Systems business in the year 2009.

## NOTES TO THE CONSOLIDATED INCOME STATEMENT

### (8) Revenues

in EUR m	2012	2011
<b>By division</b>		
Tubular Glass	320.1	289.6
Plastic Systems	426.9	371.3
Moulded Glass	372.5	342.1
Life Science Research	99.6	91.7
	<b>1,219.1</b>	<b>1,094.7</b>
<b>By region</b>		
Germany	277.1	256.1
Europe	409.4	383.5
Americas	283.8	251.6
Emerging markets	214.8	179.1
Other regions	34.0	24.4
	<b>1,219.1</b>	<b>1,094.7</b>

According to the current definition of IMS Health, revenues in the so-called emerging markets include revenues in Egypt, Argentina, Brazil, China, India, Indonesia, Mexico, Pakistan, Poland, Romania, Russia, South Africa, Thailand, Turkey, Ukraine, Venezuela and Vietnam. The revenues reported for Europe do not include revenues in Germany, Poland, Romania, Russia, Turkey and the Ukraine and the revenues in the Americas do not include Argentina, Brazil, Mexico and Venezuela.

Revenues contain realized order values of EUR 4.6m (prior year: EUR 1.1m) based on application of the percentage of completion method. All other revenue was generated from the sale of goods.

### (9) Cost of Sales

Cost of sales comprises the cost of the goods sold and the purchase cost of the sold merchandise. The cost of sales includes direct costs such as production materials, personnel expenses and energy costs as well as indirect costs such as depreciation on production facilities and repair costs. In addition, the cost of sales includes in total depreciation amounting to EUR 78.8m (prior year: EUR 78.5m), thereof fair value adjustments of EUR 4.4m (prior year: EUR 4.7m).

### (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, the selling expenses include depreciation amounting to EUR 15.1m (prior year: EUR 17.3m), thereof fair value adjustments of EUR 13.6m (prior year: EUR 15.9m).

General administrative expenses comprise personnel and non-personnel expenses for the administrative functions as well as depreciation amounting to EUR 5.5m (prior year: EUR 4.8m).

### (11) Other Operating Income

Other operating income breaks down as follows:

in EUR m	2012	2011
Income from refund claims against third parties	2.5	3.8
One-off income	1.2	-
Income from sale of scrap	1.1	0.2
Income from the reversal of provisions	0.9	4.7
Income from the disposal of fixed assets	0.8	1.8
Income from the derecognition of liabilities	0.8	1.0
Exchange gains	0.2	-
Other income	4.3	4.0
	<b>11.8</b>	<b>15.5</b>

The one-off income of the current financial year primarily includes income arising in connection with the disposal of a majority shareholding in China in the Life Science Research segment.

Exchange gains and losses from the translation of receivables and payables in foreign currency from operating activities and the net result of the fair value of derivative financial instruments, used as hedging instruments for hedged items from operating activities, are shown net either in other operating income or in other operating expenses. Exchange gains or losses from financing activities are included 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 newly formed joint venture Kimble Chase in July 2007, as well as Gerresheimer Zaragoza and Gerresheimer Plasticos Sao Paulo in January 2008, Vedat Tampas Hermeticas Ltda. (merged with Gerresheimer Plasticos Sao Paulo) in March 2011 and Neutral Glass in April 2012:

in EUR m	Fair value adjustments Carrying value as at Nov. 30, 2012	Fair value adjustments Amortization 2012	Fair value adjustments Amortization 2011
Customer base	45.4	13.4	15.7
Orders on hand	-	0.2	0.2
Brand names	36.1	-	-
Technologies	6.2	1.6	1.6
Process know-how	0.1	-	-
Land	4.9	-	-
Buildings	9.4	0.5	0.5
Machinery	9.2	2.3	2.6
	<b>111.3</b>	<b>18.0</b>	<b>20.6</b>

Brand names are not subject to ordinary amortization instead, in accordance with IFRS 3, "Business Combinations", IAS 36, "Impairment of Assets" and IAS 38, "Intangible Assets", they are tested for impairment at least once a year.

### (13) Other Operating Expenses

in EUR m	2012	2011
One-off expenses	9.3	6.9
Research and development	5.6	3.9
Loss from the disposal of fixed assets	0.1	0.5
Exchange losses	–	0.2
Restructuring expenses	–	0.1
Other expenses	4.4	2.6
	<b>19.4</b>	<b>14.2</b>

In the financial year, the one-off expenses chiefly comprise amounts relating to pending arbitration court proceedings and expenditure relating to acquisition projects. In addition expenditure in connection with the premature departure of a Management Board member and an impairment loss arising from the disposal of a majority shareholding in China in the Life Science Research segment are included in the balance. The prior year one-off expenses mainly comprised balances in connection with the acquisition of Vedat as well as expenses incurred in connection with previous acquisitions.

Exchange gains and losses from the translation of receivables and payables in foreign currency from operating activities and the net result of the fair value of derivative financial instruments, used as hedging instruments for hedged items from operating activities, are shown net either in other operating income or in other operating expenses. Exchange gains or losses from financing activities are included net in the financial result.

### (14) Financial Result

in EUR k	2012	2011
Financial income	4,044	2,314
Financial expenses	-36,750	-39,066
<b>Financial result</b>	<b>-32,706</b>	<b>-36,752</b>
<i>Thereof for interest rate swaps:</i>		
<i>Cash flow hedges, transfer from equity</i>	<i>-1,813</i>	<i>-2,655</i>
<i>Thereof interest expense for pension provisions less expected return on plan assets</i>	<i>-7,129</i>	<i>-6,947</i>
<i>Thereof exchange gains from financing activities</i>	<i>227</i>	<i>689</i>

Financial expenses contain interest expenses on liabilities to banks, bonds, finance lease liabilities, and other financial liabilities. In the prior year, one-off expenses of EUR 7,912k arose in connection with the refinancing in the first half of the financial year.

An expense from writing down an investment of EUR 81k is included in the financial expenses, which is classified as "available for sale". The interest expenses in connection with the interest rate swaps, which are recognized as a cash flow hedge (EUR 1,813k; prior year: EUR 2,655k), are classified

as financial liabilities "at fair value – changes in cash flow hedge". Interest expenses in connection with the put option (EUR 270k) are classified as financial liabilities "at fair value through profit and loss". All other income from financial assets is designated to the category "Loans and receivables" and all other expenses from financial liabilities to the category "Liabilities carried at amortized cost".

Exchange effects arising from financing activities including related derivative financial instruments are shown net in the financial result either under exchange gains or exchange losses from financing activities.

### (15) Income Taxes

in EUR k	2012	2011
Current income taxes	-21,794	-17,513
Deferred income taxes	-7,445	-574
	<b>-29,239</b>	<b>-18,087</b>

For information on deferred taxes, please see our explanations in Notes (26) and (31).

The reasons for the difference between the expected and effective tax expense in the Group are as follows:

in EUR k	2012	2011
Net income before income taxes	95,754	72,515
<b>Expected tax expense: 29 % (prior year: 29%)</b>	<b>-27,769</b>	<b>-21,029</b>
Differences:		
Non-recognition of deferred taxes on tax loss carryforwards	-1,938	-1,982
Tax attributable to non-controlling interests	343	1,509
Different foreign tax rates	-551	-417
Non-deductible expenses	-4,472	-2,498
Tax-free income and tax advantages	3,756	993
Change in write-down on deferred tax assets	702	1,177
Taxes from prior periods	900	4,070
Other	-210	90
<b>Total differences</b>	<b>-1,470</b>	<b>2,942</b>
<b>Effective tax expense</b>	<b>-29,239</b>	<b>-18,087</b>

The corporate income tax rate in Germany remained unchanged at 15.0% plus a 5.5% solidarity surcharge on the corporate income tax and trade tax of approximately 13%. This results in a combined tax rate of approximately 29%.

The tax rates for the subsidiaries whose registered offices are not in Germany vary between 13.6% and 40.0% (prior year: 13.3% and 39.0%). Unchanged to the prior year, some of the subsidiaries in China benefited from tax privileges in the year under review, with a resulting tax rate of 12.5% or 15.0%.



### Effects from profit and loss transfer agreements

As a result of the tax group in place at Gerresheimer AG for income tax purposes, the results achieved by twelve German consolidated corporations of the income tax group are subject to tax at the level of Gerresheimer AG. Please see our explanations on current and deferred income taxes in the section on "Accounting Policies".

### Deferred taxes on tax loss carryforwards

Deferred tax assets set up by subsidiaries for tax loss carryforwards are based on budget periods of five years, in which the tax loss carryforwards should be utilized.

Some foreign subsidiaries did not recognize any deferred tax assets (EUR 29.7m; prior year: EUR 29.7m) as they do not expect to use these tax loss carryforwards within the next five years. The tax loss carryforwards, of which EUR 8.7m will expire in the period between 2018 and 2032, relate to foreign taxes.

Despite incurring losses in the current and prior financial years, some foreign subsidiaries recognized deferred tax assets on the tax loss carryforwards (EUR 4.4m; prior year: EUR 5.0m) as the entities expect to generate future taxable profits.

Pursuant to IAS 12, deferred taxes for temporary differences should be recognized for shares in group entities (outside basis differences). No deferred tax liabilities were recognized on outside basis differences of EUR 18.3m (prior year: EUR 18.0m) as the companies do not expect a reversal of the temporary differences in the foreseeable future.

### (16) Earnings per Share

Basic earnings per share are calculated by dividing net profit for the year attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the year.

No new shares were issued in the financial years 2012 and 2011, such that the weighted average number of shares was 31.4 million in both financial years.

The existing phantom stock program (see Note (19)) stipulates that when the exercise target is reached, the Company has the option to issue Gerresheimer shares, however a cash payment is intended. No further options or conversion rights were issued in 2012 and 2011, so that a dilution of the earnings per share does not exist. The diluted and undiluted earnings therefore tally.

	2012	2011
Profit or loss attributable to equity holders of the parent (EUR k)	60,191	50,518
Weighted average number of ordinary shares (in '000)	31,400	31,400
<b>Earnings per share according to IFRS (in EUR)</b>	<b>1.92</b>	<b>1.61</b>

## OTHER INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

### (17) Cost of Materials

in EUR k	2012	2011
Cost of raw materials, consumables and supplies and of purchased merchandise	455,352	385,058
Cost of purchased services	4,964	6,105
	<b>460,316</b>	<b>391,163</b>

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

### (18) Personnel Expenses

in EUR k	2012	2011
Wages and salaries	315,079	278,802
Social security and other benefit costs	65,888	63,982
Pension costs	1,971	4,879
	<b>382,938</b>	<b>347,663</b>

The social security contributions contain expenses for defined contribution plans within the meaning of IAS 19 in the form of contributions to the German statutory pension insurance scheme of EUR 11.6m (prior year: EUR 10.8m).

### (19) Gerresheimer Stock Appreciation Rights (Phantom Stocks)

As part of a voluntary variable component of the total remuneration package, members of the Management Board and some executive managers receive share-based payments. To qualify, participants must have an employment relationship with Gerresheimer AG or one of its group entities on the date of share allocation of the phantom stocks. The phantom stocks granted are subject to a vesting period which runs from the issue date to the end of the 30th stock exchange trading day following the Annual General Meeting after the issue date. These stocks can then be converted into income by October 31 of the year after the next Annual General Meeting after the issue date takes place, assuming that the exercise target has been reached. The level of remuneration will depend on the development of the Gerresheimer share price. The plan stipulates that when the exercise target is reached, the Company has the option to issue Gerresheimer shares; however, cash payments are intended.

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

A recognized option pricing model (binomial model) is used to determine the fair value of the phantom stocks. The volatility of the target value was set at 28 % p.a. and the employee turnover rate at 3 %. The return on German government bonds with respective terms was taken as the risk-free interest rate.

	Tranche 5	Tranche 6
Management		
Grant date	August 4, 2011	July 2, 2012
Term of tranche	October 31, 2013	October 31, 2014
End of the vesting period	June 7, 2012	June 3, 2013
Issue price (in EUR)	32.48	34.50
Target price (in EUR)	35.08	37.26
Number of stock appreciation rights issued	233,500	235,500
Exercise threshold (in %)	8	8
Fair value (in EUR k)	172	1,057
Maximum pay-out amount (in EUR k)	219	1,988

In addition to the tranches described above, the members of the Management Board were granted additional tranches for the years 2013–2016. After a waiting period of four years, a Management Board member is entitled to demand payment within an ensuing period of approximately sixteen months (exercise period) amounting to the appreciation in the value of Gerresheimer stock between the issue date and the exercise date (maturity date) assessed on the basis of the stock-exchange price. A condition for payment is that a value appreciation of at least 12 % or a higher percentage value appreciation than the MDAX occurs over the maturity period and that membership within the Management Board exists for at least one full year during the maturity period. The amount of the remuneration claim is capped for each tranche at an amount equivalent to 25 % of the stock-exchange price of the stock when the stock appreciation rights were granted.

For determining the fair value of the appreciation rights granted to the members of the Management Board, the option pricing model described above was used based on the above assumptions.

Members of the Management Board	Tranche 4	Tranche 5	Tranche 6
			February 9, 2010/ June 24, 2011/ February 7, 2012
Grant date	February 9, 2010	February 9, 2010	February 7, 2012
Term of tranche	October 31, 2015	October 31, 2016	October 31, 2017
End of the vesting period	May 31, 2014	June 7, 2015	June 3, 2016
Issue price (in EUR)	25.00	32.48	34.50
Target price (in EUR)	28.00	36.38	38.64
Number of stock appreciation rights issued	310,000	270,000	275,000
Exercise threshold (in %)	12	12	12
Fair value (in EUR k)	1,171	855	764
Maximum pay-out amount (in EUR k)	1,500	1,705	1,811

Based on the above assumptions, the fair value of the 2013–2016 tranches (tranches 7 to 10) is EUR 926k at the balance sheet date.

The phantom stocks developed as follows:

Management and members of the Management Board	Tranche 4	Tranche 5	Tranche 6
<b>As at November 30, 2009</b>	-	-	-
Allocation	552,000	-	-
Exercise	-	-	-
Expired during the period	2,000	-	-
<b>As at November 30, 2010</b>	<b>550,000</b>	-	-
Allocation	-	503,500	-
Exercise	228,000	-	-
Expired during the period	6,000	8,000	-
<b>As at November 30, 2011</b>	<b>316,000</b>	<b>495,500</b>	-
Allocation	-	-	510,500
Exercise	74,000	254,500	-
Expired during the period	2,000	4,000	70,000
<b>As at November 30, 2012</b>	<b>240,000</b>	<b>237,000</b>	<b>440,500</b>

In the financial year 2012 EUR 235k were paid for tranche 4 and EUR 1,492k for tranche 5. Tranches 2 and 3 had expired at the balance sheet date.

The provision for the phantom stock program amounted to EUR 2,336k as at the balance sheet date (prior year: EUR 1,129k). The expenses amounted to EUR 1,598k for the financial year 2012 (prior year: EUR 747k).

## (20) Employees

Number (annual average)	2012	2011
Wage earners	8,258	7,623
Salaried employees	2,300	2,146
Trainees	238	247
<b>Number of employees and trainees</b>	<b>10,796</b>	<b>10,016</b>
Tubular Glass	3,651	3,682
Plastic Systems	3,330	2,905
Moulded Glass	2,635	2,157
Life Science Research	1,077	1,179
Head office	103	93
<b>Employees by division</b>	<b>10,796</b>	<b>10,016</b>
Germany	3,332	3,213
Europe (excluding Germany)	2,122	2,012
Americas	3,387	3,229
Asia	1,955	1,562
<b>Employees by region</b>	<b>10,796</b>	<b>10,016</b>

## NOTES TO THE BALANCE SHEET

### (21) 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
<b>As at November 30, 2012</b>					
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
<b>Carrying amount</b>	<b>427,526</b>	<b>87,791</b>	<b>4,800</b>	<b>9,578</b>	<b>529,695</b>
Cost	430,340	216,706	7,206	18,107	672,359
Accumulated amortization and write-downs	2,814	128,915	2,406	8,529	142,664
<b>Carrying amount</b>	<b>427,526</b>	<b>87,791</b>	<b>4,800</b>	<b>9,578</b>	<b>529,695</b>
<b>As at November 30, 2011</b>					
Cost	376,679	198,203	6,362	10,226	591,470
Accumulated amortization and write-downs	2,796	96,886	2,415	2,102	104,199
<b>Prior year carrying amount</b>	<b>373,883</b>	<b>101,317</b>	<b>3,947</b>	<b>8,124</b>	<b>487,271</b>
Change in the consolidated group	46,840	14,603	–	48	61,491
Currency translation	-2,207	-1,437	-53	-45	-3,742
Additions	–	–	1,493	1,738	3,231
Reclassifications	–	–	1	115	116
Amortization	–	17,536	1,012	2,796	21,344
<b>Carrying amount</b>	<b>418,516</b>	<b>96,947</b>	<b>4,376</b>	<b>7,184</b>	<b>527,023</b>
Cost	421,191	210,936	6,442	13,267	651,836
Accumulated amortization and write-downs	2,675	113,989	2,066	6,083	124,813
<b>Carrying amount</b>	<b>418,516</b>	<b>96,947</b>	<b>4,376</b>	<b>7,184</b>	<b>527,023</b>

The amortization of the customer base, brand names, technologies and similar assets that resulted from fair value adjustments made in connection with acquisitions is presented separately in Note (12) as amortization of fair value adjustments. The amortization is chiefly recognized in the cost of sales. Significant intangible assets result from business combinations. While brand names with a carrying amount of EUR 36.1m have indefinite useful lives, the other identifiable assets will be written off by 2021.

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

in EUR m	Nov. 30, 2012	Nov. 30, 2011
Tubular Glass	–	138.5
Tubular Glass – Tubing	39.1	–
Tubular Glass – Converting	66.6	–
Tubular Glass – Syringes	32.6	–
Plastic Systems		
Plastic Packaging	70.0	74.1
Medical Plastic Systems	82.9	81.9
Moulded Glass	126.3	114.0
Life Science Research	10.0	10.0
	<b>427.5</b>	<b>418.5</b>

Goodwill is not amortized. It is subject to an impairment test at least once a year.

After adjusting the organizational structure for Tubular Glass, the impairment test on goodwill was carried out in all seven (prior year: five) cash-generating units Tubular Glass – Tubing, Tubular Glass – Converting, Tubular Glass – Syringes, Plastic Packaging, Medical Plastic Systems, Moulded Glass and Life Science Research, on the basis of the business plan approved by the Management Board for the years 2013 to 2017 (prior year: 2012 to 2016), which was prepared with historical developments and current market expectations in mind. A growth rate of 1.0% was considered as sustainable in subsequent years. This rate does not exceed the assumed average growth rate for the market or segment. The recoverable amount was determined by applying the value in use concept and cash flow forecasts based on the planning for the years 2013 to 2017. Future cash flows were discounted using the weighted average cost of capital (WACC). For determining the cost of capital, the beta factor for Gerresheimer AG was used. Borrowing costs were determined by analyzing the credit lines that had been used. The effects of a potential increase or decrease in borrowing costs on the underlying value of goodwill were reviewed by means of a sensitivity analysis. An iterative procedure was applied to the weighted average cost of capital after tax to determine the weighted average cost of capital before tax,

which breaks down as follows for the seven cash-generating units for mandatory reporting purposes:

in %	2012	2011
Tubular Glass	–	6.4
Tubular Glass – Tubing	6.7	–
Tubular Glass – Converting	6.6	–
Tubular Glass – Syringes	6.7	–
Plastic Systems		
Plastic Packaging	6.8	6.3
Medical Plastic Systems	6.6	6.2
Moulded Glass	6.4	5.9
Life Science Research	6.3	6.0

As in the prior year, the impairment test carried out on goodwill did not result in the need for any impairment losses to be recognized.

With regard to the seven cash-generating units, management is of the opinion that no adjustment on the basis of prudent business judgment made to the basic assumptions used to determine the value in use could lead to a situation in which the carrying amount of the cash-generating unit significantly exceeds the recoverable amount.

The **brand names** existing as of November 30, 2012 were allocated as follows:

Tubular Glass EUR 18.2m (prior year: EUR 17.8m), Plastic Packaging EUR 12.1m (prior year: EUR 12.5m), Moulded Glass EUR 4.3m (prior year: EUR 0.0m) and Life Science Research EUR 1.5m (prior year: EUR 1.5m).

Brand names have an indefinite useful economic life and are not amortized. An impairment test is carried out at least once a year. As in the prior year no impairment losses had to be recognized.

In the financial year, EUR 5.6m (prior year: EUR 3.9m) was spent on research and development. In 2012, development costs of EUR 0.9m (prior year: EUR 1.5m), which fulfill the criteria of IAS 38, were capitalized.

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



**(22) Property, Plant and Equipment and Investment Property**

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

in EUR k	Land, land rights and buildings (used commercially)	Investment property	Plant and machinery	Other equipment and machinery	Payments on account and assets under construction	<b>Property, plant and equipment and invest- ment property</b>
<b>As at November 30, 2012</b>						
Prior year carrying amount	125,575	4,471	285,473	25,058	42,724	<b>483,301</b>
Change in the consolidated group	8,886	–	2,394	168	123	<b>11,571</b>
Currency translation	679	–	1,385	-178	822	<b>2,708</b>
Additions	4,859	–	47,960	5,601	55,050	<b>113,470</b>
Disposals	140	–	3,031	59	–	<b>3,230</b>
Reclassifications	8,778	–	26,321	1,190	-36,815	<b>-526</b>
Depreciation	7,273	–	69,491	7,723	–	<b>84,487</b>
<b>Carrying amount</b>	<b>141,364</b>	<b>4,471</b>	<b>291,011</b>	<b>24,057</b>	<b>61,904</b>	<b>522,807</b>
Cost	184,486	4,730	605,237	56,697	61,904	<b>913,054</b>
Accumulated depreciation and write-downs	43,122	259	314,226	32,640	–	<b>390,247</b>
<b>Carrying amount</b>	<b>141,364</b>	<b>4,471</b>	<b>291,011</b>	<b>24,057</b>	<b>61,904</b>	<b>522,807</b>
<b>As at November 30, 2011</b>						
Cost	161,570	3,803	512,437	44,624	30,375	<b>752,809</b>
Accumulated depreciation and write-downs	31,480	259	228,672	19,009	–	<b>279,420</b>
<b>Prior year carrying amount</b>	<b>130,090</b>	<b>3,544</b>	<b>283,765</b>	<b>25,615</b>	<b>30,375</b>	<b>473,389</b>
Change in the consolidated group	–	–	16,853	943	100	<b>17,896</b>
Currency translation	-1,692	–	-5,890	-594	-1,320	<b>-9,496</b>
Additions	1,950	–	33,957	4,728	42,295	<b>82,930</b>
Disposals	13	309	1,228	4	60	<b>1,614</b>
Reclassifications	2,453	1,236	22,907	1,954	-28,666	<b>-116</b>
Depreciation	7,213	–	64,891	7,584	–	<b>79,688</b>
<b>Carrying amount</b>	<b>125,575</b>	<b>4,471</b>	<b>285,473</b>	<b>25,058</b>	<b>42,724</b>	<b>483,301</b>
Cost	163,492	4,730	567,088	50,246	42,724	<b>828,280</b>
Accumulated depreciation and write-downs	37,917	259	281,615	25,188	–	<b>344,979</b>
<b>Carrying amount</b>	<b>125,575</b>	<b>4,471</b>	<b>285,473</b>	<b>25,058</b>	<b>42,724</b>	<b>483,301</b>

Property, plant and equipment include leased assets of EUR 11.3m (prior year: EUR 15.0m). At the end of the reporting period, these comprised the finance lease for production, storage and administrative property and buildings amounting to EUR 7.6m (prior year: EUR 7.9m), the finance lease for plant and machinery amounting to EUR 3.7m (prior year: EUR 7.0m) and the finance lease for other equipment (EUR 0.0m; prior year: EUR 0.1m).

Land and buildings with a carrying amount of EUR 5.7m (prior year: EUR 6.1m) serve as senior collateral for two (prior year: two) loans. As in the prior year, this does not include any investment property. In addition, other equipment and machinery with a carrying amount of EUR 0.0m (prior year: EUR 0.4m) serve as senior collateral for loans.

The land not used for commercial purposes, i.e. "investment property" as defined by IAS 40, mainly relates to land subject to hereditary building rights with a carrying amount of EUR 0.2m (fair value EUR 1.7m) as well as non-operating property. The fair value is determined based on various data sources such as from the sale of land in the past, standard ground values as well as from estimates by independent experts. The fair values of the other non-operating property are the same as the carrying amounts.

Rental income from the land amounted to EUR 15k in the financial year 2012 (prior year: EUR 17k). Expenses of EUR 69k were incurred (prior year: EUR 52k). These related almost exclusively to land that does not generate rental income.

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

Financial assets comprise investments in entities which developed as follows:

in EUR k	Investments in entities
<b>As at November 30, 2012</b>	
Prior year carrying amount	3,280
Disposals	3,280
<b>Carrying amount</b>	-
<b>As at November 30, 2011</b>	
Prior year carrying amount	3,337
Disposals	57
<b>Carrying amount</b>	3,280

No write-downs were recognized.

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

in EUR k	Nov. 30, 2012	Nov. 30, 2011
Assets	15,276	15,276
Equity	8,120	7,498
Liabilities	7,156	7,778
Revenues	15,544	15,690
Profit or loss	-1,254	-1,146

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

in EUR k	Investments accounted for using the equity method
<b>As at November 30, 2012</b>	
Prior year carrying amount	3,434
Capital increase	681
Currency translation	186
Share of profit or loss of associated companies	-571
<b>Carrying amount</b>	3,730
<b>As at November 30, 2011</b>	
Prior year carrying amount	3,824
Currency translation	189
Share of profit or loss of associated companies	-579
<b>Carrying amount</b>	3,434

No write-downs on equity-accounted investments were recognized.

### (24) Financial Assets

Financial assets break down as follows:

in EUR k	Nov. 30, 2012		Nov. 30, 2011	
	Total	Thereof current	Total	Thereof current
Fair value of derivative financial instruments	147	147	234	234
Investments	203	-	285	-
Refund claims for pension benefits	6,342	219	3,710	220
Refund claims from third parties	3,159	3,159	-	-
Loans to investments accounted for using the equity method	1,400	-	1,400	-
Other loans	2,595	1,800	4,148	1,800
Other financial assets	1,185	-	1,295	-
<b>Other financial assets</b>	<b>15,031</b>	<b>5,325</b>	<b>11,072</b>	<b>2,254</b>
Trade receivables	179,439	179,439	162,836	162,836
Cash and cash equivalents	86,087	86,087	131,432	131,432
<b>Financial assets</b>	<b>280,557</b>	<b>270,851</b>	<b>305,340</b>	<b>296,522</b>

Other financial assets include securities used to secure accrued phased retirement credit.

As of the balance sheet date, no other financial assets which had not been written down were overdue.

Write-downs of EUR 81k (prior year: EUR 0k) were recorded on investments in the current financial year. As in the prior year, no allowances on loans to equity-accounted investments exist. Unchanged to the prior year, allowances of EUR 15k on other loans have been made.

The carrying amount of the financial assets recorded in the Group generally represents the credit risk for the entire Group. Trade receivables were to about 23% (prior year: about 23%) covered by credit insurance in the financial year.

The trade receivables balance above includes trade receivables arising from the application of the percentage of completion method (EUR 17.8m; prior year: EUR 13.2m). These are not within the scope of IAS 39 and are therefore not financial assets.

For further details on the market values of derivative financial instruments, please see our explanations in Note (37).

#### (25) Other Receivables

in EUR k	Nov. 30, 2012		Nov. 30, 2011	
	Total	Thereof current	Total	Thereof current
Other tax receivables	10,122	10,122	8,754	8,754
Prepaid expenses	3,223	3,223	3,037	3,037
Other assets	10,368	10,368	6,268	6,268
<b>Other receivables</b>	<b>23,713</b>	<b>23,713</b>	<b>18,059</b>	<b>18,059</b>

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

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

#### (26) Deferred Tax Assets

Deferred tax assets break down as follows:

in EUR k	Nov. 30, 2012		Nov. 30, 2011	
	Realization expected within 12 months	Realization expected after 12 months	Realization expected within 12 months	Realization expected after 12 months
<b>Tax advantages</b>				
Tax loss carryforwards	498	7,338	807	11,171
Tax credits	95	5,909	1,885	3,353
	<b>593</b>	<b>13,247</b>	<b>2,692</b>	<b>14,524</b>
<b>Temporary differences</b>				
Fixed assets	1,663	1,258	443	2,290
Receivables and other assets	369	362	477	944
Provisions for pensions	469	14,920	593	15,205
Other provisions	5,501	767	5,673	2,420
Liabilities and other payables	4,286	189	1,599	2,404
Cash flow hedge	-	1,197	-	1,271
	<b>12,288</b>	<b>18,693</b>	<b>8,785</b>	<b>24,534</b>
	<b>12,881</b>	<b>31,940</b>	<b>11,477</b>	<b>39,058</b>
Netting		-37,552		-39,783
		<b>7,269</b>		<b>10,752</b>
<b>Recognized as non-current in the balance sheet pursuant to IAS 12</b>				

The deferred tax assets and liabilities have been netted by company or income tax group.

The deferred tax assets on the cash flow hedge were netted directly against the respective reserve in equity.

#### (27) Inventories

Inventories break down as follows:

in EUR k	Nov. 30, 2012	Nov. 30, 2011
Raw materials, consumables and supplies	45,100	43,166
Work in progress	27,832	15,103
Finished goods and merchandise	103,618	87,748
Advance payments on inventories	12,407	13,883
<b>Inventories</b>	<b>188,957</b>	<b>159,900</b>

Expenses arising from write-downs on inventory amount to EUR 7.2m in the current financial year. If the reasons which led to a write-down cease to exist write-downs previously set up are reversed. Such reversals amount to EUR 3.4m in the current financial year.

In the prior financial year write-downs of EUR 18.7m existed for inventories.

As in the prior year, no inventories had been pledged as a security for liabilities as at November 30, 2012.

### (28) Trade Receivables

in EUR k	Nov. 30, 2012	Nov. 30, 2011
Trade receivables	181,652	165,420
Less bad debt allowances	2,213	2,584
<b>Net trade receivables</b>	<b>179,439</b>	<b>162,836</b>

Trade receivables contain receivables of EUR 17.8m (prior year: EUR 13.2m) determined on the basis of the percentage of completion method pursuant to IAS 11. Costs amounting to EUR 3.1m (prior year: EUR 1.6m) and realized gains amounting to EUR 1.5m (prior year: losses EUR 0.5m) were recorded in the reporting period.

Bad debt allowances are made for doubtful receivables. The aging structure of receivables and past experience of receivable write-offs, customers' credit rating as well as changes in the payment terms are the basis for determining the appropriateness of bad debt allowances on receivables.

As of the balance sheet date, the aging structure of trade receivables not written down breaks down as follows:

in EUR k	Nov. 30, 2012	Nov. 30, 2011
Carrying amount	179,439	162,836
General allowances	788	619
Specific bad debt allowances	1,425	1,965
Gross carrying amount of receivables for which specific bad debt allowances were set up	-1,483	-2,366
<b>Trade receivables not written down within the meaning of IFRS 7</b>	<b>180,169</b>	<b>163,054</b>
<i>Thereof at the balance sheet date</i>		
<i>not overdue</i>	164,667	146,319
<i>overdue by less than 30 days</i>	8,628	10,814
<i>overdue 31 to 60 days</i>	2,822	2,898
<i>overdue 61 to 90 days</i>	1,630	1,079
<i>overdue 91 to 120 days</i>	730	587
<i>overdue by more than 121 days</i>	1,692	1,357
	<b>180,169</b>	<b>163,054</b>

The gross carrying amount of trade receivables for which specific bad debt allowances were set up amounted to EUR 1,483k (prior year: EUR 2,366k). The respective bad debt allowance amounted to EUR 1,425k (prior year: EUR 1,965k) so that the net book value of trade receivables for which specific bad debt allowances were set up came to EUR 58k (prior year: EUR 401k).

The development of the bad debt allowances was as follows:

in EUR k	2012	2011
Bad debt allowances as at December 1	2,584	4,669
Allowances recognized in profit or loss	881	541
Utilization	-627	-1,971
Release	-635	-461
Currency translation	10	-194
<b>Bad debt allowances as at November 30</b>	<b>2,213</b>	<b>2,584</b>

### (29) Cash and Cash Equivalents

Cash and cash equivalents include cash and other non-restricted bank balances that are not subject to fluctuations in value.

### (30) Equity and Non-controlling Interests

On June 11, 2007, Gerresheimer AG was successfully listed on the regulated market in the Prime Standard segment of the Frankfurt Stock Exchange. The Gerresheimer AG shares are traded under the stock ticker "GXI" and the ISIN "DE000A0LD6E6". A total of 22.8 million shares were issued. 11.4 million thereof stemmed from a capital increase, 10.6 million from the departing shareholder BCP Murano, and a further 0.8 million shares owned by BCP Murano from a greenshoe option granted by a syndicate of banks. Based on an issue price of EUR 40 per share, the placement volume therefore amounted to around EUR 912m (including greenshoe options). Since December 22, 2008, the Gerresheimer shares have been listed on the MDAX.

As at November 30, 2012, subscribed capital remained unchanged at EUR 31.4m and capital reserves came to EUR 513.8m. The capital reserves contain premiums from the IPO in 2007 and cash contributions from the years 2004 and 2007.

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

In the current financial year, a dividend of EUR 18.8m was paid out for the financial year 2011. This corresponds to a dividend of EUR 0.60 per share.



### Proposal for profit appropriation

We propose to the Annual General Meeting to appropriate the retained earnings of Gerresheimer AG for the financial year 2012 as follows:

in EUR	
Retained earnings before dividend distribution	70,409,760.60
Payment of a dividend of EUR 0.65 per share	20,410,000.00
<b>Carryforward to new account</b>	<b>49,999,760.60</b>

Non-controlling interests break down as follows:

in %	Non-controlling interests
<b>Entity</b>	
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
Neutral Glass & Allied Industries Private Ltd., Mumbai (India)	11.0
Kimble Bomex (Beijing) Labware Co. Ltd., Beijing (China)	30.0
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

Please see the consolidated statement of changes in equity for more details on the development of non-controlling interests.

### (31) Deferred Tax Liabilities

Deferred tax liabilities break down as follows:

in EUR k	Nov. 30, 2012		Nov. 30, 2011	
	Realization expected within 12 months	Realization expected after 12 months	Realization expected within 12 months	Realization expected after 12 months
<b>Temporary differences</b>				
Fixed assets	3,769	78,943	4,353	73,243
Inventories	4,694	27	3,847	8
Receivables and other assets	1,093	1,574	830	1,364
Other provisions and liabilities	1,760	1,744	1,695	2,645
	<b>11,316</b>	<b>82,288</b>	<b>10,725</b>	<b>77,260</b>
Netting	-37,552		-39,783	
<b>Recognized as non-current in the balance sheet pursuant to IAS 12</b>	<b>56,052</b>		<b>48,202</b>	

The deferred tax assets and liabilities have been netted by company or tax group.

### (32) Provisions for Pensions and Similar Obligations

The Group's pension scheme comprises both defined benefit and defined contribution plans. Provisions for pensions are set up for obligations from future and current benefit entitlements to current and former employees and their surviving dependents. The structure of the plans depends on the framework prevalent in the respective country and is usually based on the employee's length of service, salary, and position.

Provisions for pensions developed as follows:

in EUR k	2012	2011
As at December 1	145,478	152,435
Change in the consolidated group	-	601
Utilization	15,216	16,201
Addition	7,134	9,563
Plan surplus reported in other assets	1,747	219
Currency translation	937	-1,139
<b>As at November 30</b>	<b>140,080</b>	<b>145,478</b>
<i>Thereof current</i>	<i>14,926</i>	<i>12,740</i>
<i>Thereof non-current</i>	<i>125,154</i>	<i>132,738</i>

Provisions of EUR 109.6m (prior year: EUR 114.5m) were recognized in connection with various pension plans and individual agreements entered into by German group entities, EUR 30.3m (prior year: EUR 30.8m) relate to US group entities. The provision also comprises the obligations of the US entities to assume the medical expenses of retired employees.

The benefits are mainly financed through the systematic accrual of provisions for pensions by the entities. External funds that fulfill the definition of plan assets exist both in Germany and abroad.

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

in %	Germany		Abroad	
	Nov. 30, 2012	Nov. 30, 2011	Nov. 30, 2012	Nov. 30, 2011
Interest rate	3.00	5.00	1.90–4.00	2.40–5.50
Expected return on plan assets	3.00–7.60	4.50	3.25–7.75	3.50–8.00
Increase in salaries	2.65–3.25	2.60–3.25	1.50–3.00	1.50–3.00
Increase in pensions	2.00	2.00	-	-
Increase in medical expenses	-	-	5.00–7.67	5.00–7.50

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

in EUR k	Nov. 30, 2012	Nov. 30, 2011
Present value of the pension obligation as at December 1	207,411	216,490
Service costs of the financial year	1,648	1,532
Interest expense for earned benefits	9,506	9,251
Employee contributions	579	499
Benefit payments	-14,335	-15,032
Actuarial gains/losses	41,380	-4,598
Past service costs	-1,160	337
Settlement	-4,241	-483
Currency translation and other changes	2,379	-585
<b>Present value of the pension obligation as at November 30</b>	<b>243,167</b>	<b>207,411</b>

The plan assets break down as follows:

in EUR k	Nov. 30, 2012	Nov. 30, 2011
Fair value of plan assets as at December 1	38,586	37,292
Expected return on plan assets	2,377	2,141
Employee contributions	579	499
Contributions by employer	4,391	5,218
Benefit payments	-3,510	-4,048
Actuarial gains/losses	617	-2,055
Settlement	-	-478
Other changes (primarily currency translation)	1,004	17
<b>Fair value of plan assets as at November 30</b>	<b>44,044</b>	<b>38,586</b>

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

The contributions to be paid into the fund in the coming financial year are estimated at EUR 5.4m.

The weighted composition of the plan assets earmarked to cover pension obligations break down as follows as of the balance sheet date:

in %	Germany		Abroad	
	Nov. 30, 2012	Nov. 30, 2011	Nov. 30, 2012	Nov. 30, 2011
Shares (held directly)	23	15	50	48
Fixed-interest securities	69	81	26	26
Insurance contracts	-	-	13	14
Property	1	1	10	11
Liquidity	5	2	1	1
Other	2	1	-	-
<b>Plan assets</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

The income statement includes the following pension costs:

in EUR k	2012	2011
Service costs of the financial year	1,648	1,532
Interest expense for earned benefits	9,506	9,088
Expected return on plan assets	-2,377	-2,141
Effect of recognized past service costs	-3,449	375
Effect of recognized actuarial gains and losses	2,134	478
Effect of settlement	-328	231
	<b>7,134</b>	<b>9,563</b>
<i>Thereof expense of pension obligations for which corresponding refund claims exist</i>	<i>1,101</i>	<i>-10</i>
<i>Actual return on plan assets</i>	<i>2,994</i>	<i>86</i>

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

Contributions of EUR 1.6m (prior year: EUR 1.4m) were paid into defined contribution plans in the financial year, mainly in the US.

The pension provision also comprises the obligations of the US entities to assume the medical expenses of retired employees. A cost increase rate of 7.67 % was used to determine the obligation. This will fall incrementally to 5.0 % by 2021. A change in the rate of increase of medical bills by a single percentage point would have the following effects:

in EUR k	Increase by 1 % point	Decrease by 1 % point
Effect on the pension expense	124	-109
Effect on the provision for pensions	2,762	-2,436

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

in EUR k	Nov. 30, 2012	Nov. 30, 2011	Nov. 30, 2010	Nov. 30, 2009	Nov. 30, 2008
Present value of funded benefit obligations	64,290	50,400	48,975	43,110	41,825
Less fair value of plan assets	44,044	38,586	37,292	33,119	31,061
Fund shortfall	20,246	11,814	11,683	9,991	10,764
Present value of unfunded benefit obligations	174,500	153,520	163,802	154,657	147,093
Present value of pension obligations for which corresponding refund claims exist	4,376	3,491	3,713	3,331	3,065
Plan surplus reported in other assets	1,966	219	-	-	-
Adjustment due to unrecognized past service costs	1,266	-113	-151	-	-
Adjustment due to the non-recognition of actuarial gains/losses	-62,274	-23,453	-26,612	-15,745	-518
	<b>140,080</b>	<b>145,478</b>	<b>152,435</b>	<b>152,234</b>	<b>160,404</b>
<i>Experience adjustments on pension obligation</i>	<i>1,662</i>	<i>-463</i>	<i>-8,124</i>	<i>-1,807</i>	<i>11,288</i>
<i>Experience adjustment on plan assets</i>	<i>-617</i>	<i>2,055</i>	<i>560</i>	<i>-2,832</i>	<i>8,923</i>

The experience adjustments based on past experience reflect the effects on the existing obligation amounts and plan assets which stem from the discrepancy between the actual portfolio growth in the financial year and the assumptions made at the beginning of the financial year. These include the development of increases in income, increases in pensions, employee turnover, as well as deaths and invalidity.

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

The refund claims for pension benefits are disclosed under other financial assets. Please see Note (24).

### (33) Other Provisions

Other provisions developed as follows:

in EUR k	As at Dec. 1, 2011	Changes in the con- solidated group	Reclassi- fications	Utilization	Release	Addition	Currency translation	As at 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	-
Other	11,845	-	-142	6,645	31	12,219	219	17,465	12,506	4,959
	<b>46,846</b>	<b>61</b>	<b>-191</b>	<b>24,531</b>	<b>917</b>	<b>32,278</b>	<b>1,065</b>	<b>54,611</b>	<b>43,023</b>	<b>11,588</b>

in EUR k	As at Dec. 1, 2010	Changes in the con- solidated group	Reclassi- fications	Utilization	Release	Addition	Currency translation	As at Nov. 30, 2011	Thereof current	Thereof non-current
Tax provisions	1,638	-	33	1,303	4	466	-16	814	814	-
Personnel obligations	23,925	440	130	14,011	168	10,051	-874	19,493	13,383	6,110
Warranties	9,999	144	-	1,799	2,701	2,747	-182	8,208	8,208	-
Sales bonuses, rebates and discounts	6,807	-	-	4,181	411	4,406	-135	6,486	6,486	-
Other	16,351	-	-130	8,495	1,412	5,944	-413	11,845	11,464	381
	<b>58,720</b>	<b>584</b>	<b>33</b>	<b>29,789</b>	<b>4,696</b>	<b>23,614</b>	<b>-1,620</b>	<b>46,846</b>	<b>40,355</b>	<b>6,491</b>

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

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

The other provisions include restructuring provisions. The restructuring provisions relate to cost-cutting measures and restructuring to boost efficiency in production, sales and administration. The restructuring provisions of EUR 0.8m (prior year: EUR 1.4m) reported at the end of the financial year are based on a conclusively defined plan. All the criteria set forth in IAS 37 for the recognition of a restructuring provision have been met. In addition,

other provisions comprise expected expenses for premiums, arbitration proceedings, an obligation for the possible repayment of a subsidy granted and numerous individual items with amounts of secondary importance.

The reclassifications made in the current financial year relate solely to reclassifications in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations" and must be seen in connection with the disposal of a majority shareholding in China.

Cash-out from provisions will amount to approximately EUR 43.0m (prior year: EUR 40.3m) within the next year, EUR 11.6m (prior year: EUR 6.5m) between one and five years and EUR 0.0m (prior year: EUR 0.0m) after five years.

### (34) Financial Liabilities

in EUR k	Nov. 30, 2012			Nov. 30, 2011		
	Total	Thereof current	Thereof non-current	Total	Thereof current	Thereof non-current
Bonds	296,331	–	296,331	310,702	15,000	295,702
Liabilities to banks	138,318	26,610	111,708	160,011	29,586	130,425
<i>Unsecured</i>	3,477	3,477	–	5,460	5,240	220
<i>Secured</i>	134,841	23,133	111,708	154,551	24,346	130,205
Fair value of derivative financial instruments	3,145	1,333	1,812	3,382	1,393	1,989
Other financial liabilities	25,243	16,169	9,074	30,967	16,669	14,298
<b>Other financial liabilities</b>	<b>463,037</b>	<b>44,112</b>	<b>418,925</b>	<b>505,062</b>	<b>62,648</b>	<b>442,414</b>
Trade payables	154,301	154,301	–	119,215	119,215	–
<b>Financial liabilities</b>	<b>617,338</b>	<b>198,413</b>	<b>418,925</b>	<b>624,277</b>	<b>181,863</b>	<b>442,414</b>

The carrying amounts of the derivative financial instruments, the other financial liabilities as well as the trade payables correspond to their fair values.

For further details on the market values of derivative financial instruments, please see our explanations in Note (37).



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

**Nov. 30, 2012**

(Currency in k)		Amount	Due by	Interest rate % p. a.	Carrying amount (EUR)	Fair value (EUR)
<b>Bond</b>	EUR	296,331	2018 <sup>1)</sup>	5.00	<b>296,331</b>	330,819 <sup>5)</sup>
<b>Liabilities to banks</b>	USD <sup>2)</sup>	173,084	2016	1.99	<b>133,285</b>	133,285 <sup>6)</sup>
	USD	230	2013	7.0–9.5	<b>177</b>	177
	EUR <sup>3)</sup>	3,092	2013–2021	1.64–1.94	<b>3,092</b>	3,092
	EUR	118	2015	–	<b>118</b>	118 <sup>4)</sup>
	PLN	6,555	2013	4.93–5.31	<b>1,597</b>	1,597
	INR	3,486	2013	12.75	<b>49</b>	49
					<b>138,318</b>	<b>138,318</b>
					<b>434,649</b>	<b>469,137</b>

Nov. 30, 2011

(Currency in k)		Amount	Due by	Interest rate % p. a.	Carrying amount (EUR)	Fair value (EUR)
<b>Bonds</b>	EUR	295,702	2018 <sup>1)</sup>	5.00	295,702	295,972 <sup>5)</sup>
	EUR	15,000	2011 <sup>1)</sup>	7.50	15,000	15,000
					<b>310,702</b>	<b>310,972</b>
<b>Liabilities to banks</b>	USD <sup>2)</sup>	202,689	2016	1.94	151,058	151,058 <sup>6)</sup>
	USD	210	2012	4.86	157	157
	EUR	6,199	2011–2021	2.15–4.96	6,199	6,199
	ARS	556	2012	16.60	96	96
	BRL	74	2012	11.75	30	30
	PLN	11,138	2012	5.12	2,471	2,471
					<b>160,011</b>	<b>160,011</b>
					<b>470,713</b>	<b>470,983</b>

<sup>1)</sup> Bullet.

<sup>2)</sup> Interest rate fixed until 2015 through the interest rate swap; last interest rate fixing of the loans shown here.

<sup>3)</sup> In part interest rate fixed until 2013.

<sup>4)</sup> Free of interest.

<sup>5)</sup> Except for the loans labeled, the carrying amounts correspond to their fair values due to the current interest rates.

<sup>6)</sup> Due to the fact that the revolving credit facility had not been drawn, the capitalized fees for this credit facility are included in the facility drawn in USD.

The financial liabilities with a fixed interest rate are subject to the risk that changes to the market interest rate and the issuer's credit standing may lead to changes in the fair value.

The interest rates disclosed are the interest rates valid at the balance sheet date. In addition to the market interest rate, they comprise the financing margins of the banks. Current interest expenses were higher in the financial year due to the long-term interest rate hedges in place for the major loans.

The Management Board of Gerresheimer AG decided to commence the refinancing of the syndicated loan and the high-yield bond ahead of schedule at the beginning of the year 2011. In connection with the refinancing a new syndicated loan agreement with a five-year term to maturity which comprises a long-term loan of originally EUR 150m (fully drawn in USD) and a revolving credit facility of EUR 250m was signed on March 9, 2011. Thereby, the credit facilities of originally EUR 450m existing up to this point, which were to a large extent due to mature in 2013, were redeemed ahead of schedule on March 14, 2011.

In addition, on March 9, 2011, a syndicated loan amounting to EUR 200m with a one-year term to maturity plus six months extension option was signed. In April 2011, this primarily served for the early repayment of the high-yield bond of EUR 126m which was due to mature in March 2015. On May 19, 2011, a new bond of EUR 300m was issued, with an issue price of 99.40 %, an interest rate of 5.00 % p.a. and a term to maturity to 2018. The liquidity from this bond was used to repay the EUR 200m syndicated loan as well as for the repayment of other financial liabilities.

The other financial liabilities also include liabilities from finance leases. Please see our explanations in Note (36) for information on the finance leases.

### (35) Other Liabilities

in EUR k	Nov. 30, 2012			Nov. 30, 2011	
	Total	Thereof current	Thereof non-current	Total	Thereof current
Payments received on account of orders	38,935	38,935	–	31,000	31,000
Liabilities from other taxes	6,746	6,746	–	6,886	6,886
Liabilities from social security obligations	5,101	5,101	–	4,713	4,713
Miscellaneous other liabilities	46,055	44,346	1,709	41,450	41,450
<b>Other liabilities</b>	<b>96,837</b>	<b>95,128</b>	<b>1,709</b>	<b>84,049</b>	<b>84,049</b>

Included in the payments received on account of orders are EUR 27,826k (prior year: EUR 19,503k) relating to construction contracts, which are valued in accordance with the percentage of completion method pursuant to IAS 11.

Securities were given for payments received on account of orders amounting to EUR 20,321k.

Miscellaneous other liabilities primarily comprise obligations to employees.

### (36) Other Financial Obligations

Other financial obligations break down as follows:

in EUR m	Nov. 30, 2012	Nov. 30, 2011
Obligations under rental and lease agreements	47.8	67.7
Capital expenditure commitment	29.8	10.0
<b>Other financial obligations</b>	<b>77.6</b>	<b>77.7</b>

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

Furthermore, guarantees in favor of leasing companies of EUR 112k and other financial obligations with regard to the supply of goods and services of EUR 975k exist.

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

in EUR m	Finance leases			Rental and operating lease agreements
	Minimum lease payments	Interest component	Present value	Nominal value
Due to 1 year	1.8	0.2	1.6	10.1
Due 1 to 5 years	2.0	0.5	1.5	22.5
Due after 5 years	3.9	0.2	3.7	15.2
<b>Nov. 30, 2012</b>	<b>7.7</b>	<b>0.9</b>	<b>6.8</b>	<b>47.8</b>

In the financial year 2012, the income statement included expenses of EUR 8.2m (prior year: EUR 8.8m) in connection with operating leases.

### (37) Reporting on Capital Management and Financial Instruments

The aims of the Group with regard to capital management primarily lie in maintaining and ensuring a best possible capital structure to reduce capital costs, by ensuring a sufficient level of cash and cash equivalents and through the active management of working capital. As at November 30, 2012, net financial debt amounted to EUR 366.5m (prior year: EUR 364.6m) and net working capital amounted to EUR 175.2m (prior year: EUR 172.5m).

The Gerresheimer Group's risk management system for the credit risk, the liquidity risk and individual market risks, in particular interest risks, currency risks and price risks, is described, including its objectives, policies and processes, in the risk 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 on the basis of the following hierarchy:

Level 1: The fair values are determined on the basis of published market prices, as an active market gives the best possible objective indication 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, valuation models are used to determine the fair values. In the Gerresheimer Group the fair values were determined by applying the information available from recent business transactions with willing and independent business partners as well as information available from observable current market transactions in the same instrument.

Level 3: The determination of the fair values is based on models, where the parameters are not based on observable market values.

in EUR k	Nov. 30, 2012				Nov. 30, 2011			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets of category "available for sale"								
Securities	1,185	-	-	1,185	1,295	-	-	1,295
Financial assets of category "at fair value through profit and loss"								
Derivative financial assets	-	147	-	147	-	234	-	234
<b>Valuation at fair value</b>	<b>1,185</b>	<b>147</b>	<b>-</b>	<b>1,332</b>	<b>1,295</b>	<b>234</b>	<b>-</b>	<b>1,529</b>
Financial liabilities of category "at fair value through profit and loss"								
Derivative financial liabilities	-	59	-	59	-	176	-	176
Put option	-	3,655	-	3,655	-	-	-	-
Financial liabilities of category "at fair value – changes in cash flow hedge reserve"								
Derivative financial liabilities	-	3,086	-	3,086	-	3,206	-	3,206
<b>Valuation at fair value</b>	<b>-</b>	<b>6,800</b>	<b>-</b>	<b>6,800</b>	<b>-</b>	<b>3,382</b>	<b>-</b>	<b>3,382</b>

The following table shows the carrying amounts and the fair values of the individual financial assets and liabilities for each individual category of financial instruments and breaks them down into the relevant balance sheet items:

Nov. 30, 2012	At amortized cost		At fair value	Balance sheet value
	Carrying amount	For information purposes: Fair value	Carrying amount	
in EUR k				
Trade receivables	161,622	161,622	–	161,622 <sup>2)</sup>
Loans and receivables	161,622	161,622	–	
Other financial assets	13,699	13,496	1,332	15,031
Available-for-sale financial assets <sup>1)</sup>	203	–	1,185	
At fair value through profit or loss	–	–	147	
Loans and receivables	13,496	13,496	–	
Cash and cash equivalents	86,087	86,087	–	86,087
<b>Financial assets</b>	<b>261,408</b>	<b>261,205</b>	<b>1,332</b>	<b>262,740</b>
Other financial liabilities	456,237	490,725	6,800	463,037
At amortized cost	456,237	490,725	–	
At fair value through profit or loss	–	–	3,714	
At fair value – changes in cash flow hedge reserve	–	–	3,086	
Trade payables	154,301	154,301	–	154,301
At amortized cost	154,301	154,301	–	
<b>Financial liabilities</b>	<b>610,538</b>	<b>645,026</b>	<b>6,800</b>	<b>617,338</b>

<sup>1)</sup> Due to the non-availability of a market value, we do not specify the fair value of the equity investments amounting to EUR 203k.

<sup>2)</sup> In the balance sheet trade receivables contain receivables determined on the basis of the percentage of completion method amounting to EUR 17,817k.

Nov. 30, 2011	At amortized cost		At fair value	Balance sheet value
	Carrying amount	For information purposes: Fair value	Carrying amount	
in EUR k				
Trade receivables	149,617	149,617	–	149,617 <sup>2)</sup>
Loans and receivables	149,617	149,617	–	
Other financial assets	9,543	9,258	1,529	11,072
Available-for-sale financial assets <sup>1)</sup>	285	–	1,295	
At fair value through profit or loss	–	–	234	
Loans and receivables	9,258	9,258	–	
Cash and cash equivalents	131,432	131,432	–	131,432
<b>Financial assets</b>	<b>290,592</b>	<b>290,307</b>	<b>1,529</b>	<b>292,121</b>
Other financial liabilities	501,680	501,950	3,382	505,062
At amortized cost	501,680	501,950	–	
At fair value through profit or loss	–	–	176	
At fair value – changes in cash flow hedge reserve	–	–	3,206	
Trade payables	119,215	119,215	–	119,215
At amortized cost	119,215	119,215	–	
<b>Financial liabilities</b>	<b>620,895</b>	<b>621,165</b>	<b>3,382</b>	<b>624,277</b>

<sup>1)</sup> Due to the non-availability of a market value, we do not specify the fair value of the equity investments amounting to EUR 285k.

<sup>2)</sup> In the balance sheet trade receivables contain receivables determined on the basis of the percentage of completion method amounting to EUR 13,219k.



Liabilities measured at amortized cost include finance lease liabilities for which group companies are the lessees and which are thus measured in accordance with IAS 17. As at November 30, 2012, these liabilities amount to EUR 6.8m (prior year: EUR 9.6m).

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 respective maturity of the asset or the residual term of the liabilities.

Due to the short terms of cash and cash equivalents, trade receivables, trade payables, and other financial assets and liabilities, the fair values as of the balance sheet date do not differ significantly from the carrying amounts.

The receivables resulting from the application of the percentage of completion method (EUR 17.8m; prior year: EUR 13.2m) are not within the scope of IAS 39 and are therefore not financial assets.

The fair value of the financial assets available for sale has marginally changed to the prior year.

**Maturities**

The Group continually monitors the risk of potential liquidity shortages. The table below summarizes the maturity profile of the Group's financial liabilities as of November 30, 2012. The disclosures are made on the basis of the contractual, non-discounted payments.

**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
Other financial liabilities	282	148	4,866	1,834	2,023	9,153
	<b>125,696</b>	<b>31,430</b>	<b>51,267</b>	<b>181,885</b>	<b>322,478</b>	<b>712,756</b>

**Nov. 30, 2011**

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
Bonds and liabilities to banks	17,305	1,723	26,397	131,683	301,507	478,615
Interest payments on bonds and liabilities to banks	2,060	785	16,451	66,853	30,351	116,500
Interest from interest rate swaps	495	-	1,346	3,321	-	5,162
Loan commitments received	-	-350	-	350	-	-
Trade payables	92,209	20,551	6,455	-	-	119,215
Finance lease liabilities	223	690	2,287	3,833	4,192	11,225
Other financial liabilities	1,915	192	2,006	3,521	3,856	11,490
	<b>114,207</b>	<b>23,591</b>	<b>54,942</b>	<b>209,561</b>	<b>339,906</b>	<b>742,207</b>

## 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 measures on the basis of clearly defined guidelines.

The following table provides an overview of hedging transactions as of the balance sheet date:

in EUR k	Nov. 30, 2012		Nov. 30, 2011	
	Exchange rate hedges	Interest rate derivatives	Exchange rate hedges	Interest rate derivatives
Nominal value (gross)	45,377 <sup>1)</sup>	135,836	44,154 <sup>1)</sup>	154,827
Fair value (net)	88	-3,086	58	-3,206
Residual term	12/2012– 5/2013	3/2015	12/2011– 3/2012	3/2015
Carrying amount (underlying assets)	13,217	–	12,384	–
Carrying amount (underlying liabilities)	5,668	134,674	6,308	153,039

<sup>1)</sup> This also includes forward currency contracts for receivables and liabilities between consolidated companies which have been eliminated within the scope of consolidation.

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

### Cash flow hedges

As at November 30, 2012, the Gerresheimer Group concluded payer interest rate swaps to hedge the cash flow risk of floating-rate loans. The changes in the cash flow of the hedged item which stem from changes to the reference interest rate (USD LIBOR) are offset by cash flow changes relating to the interest rate swap. This hedge aims to transform the floating-rate bank loans into fixed-rate liabilities.

As the essential conditions of the interest rate swap match those of the liability, it is probable that the changes to fair value or cash flow of the hedged item and the hedging instrument offset each other in full. As a result, in accordance with IAS 39, prospective effectiveness may be accepted without a notional presentation.

The retrospective effectiveness is measured using the dollar offset method in the form of the hypothetical derivative method. In this case, the cumulative absolute change in the fair value of the swap designated as a hedge is compared to the cumulative absolute change in fair value of the hypothetical swap. As the "representative" of the hedged item, the relevant terms of the hypothetical swap should be identical to the terms of the hedged item and they should include all measurement-relevant conditions and be measured using the current market conditions. If the conditions of the hedged item and hedging instrument (of the hypothetical swap and the swap contracted as a hedging instrument) match completely, as is the case at Gerresheimer, the changes in value are generally identical in absolute terms.

The gains and losses from hedging transactions are initially recognized directly in consolidated equity in the cash flow hedge reserve and then reported to the income statement as soon as the cash flows affect earnings for the period under review.

Only bank loans with fixed terms and repayment agreements can be considered as risk exposures with fixed interest rates. The hedging rate in relation to syndicated loans comes to 100 % (prior year: 100 %). The cash flow hedges of the future interest payments were assessed to be effective; as a result an unrealized loss (less deferred taxes) of EUR 1.9m from these hedging instruments was recognized in consolidated equity. In the financial year 2012, losses of EUR 1.8m recognized in equity (prior year: losses of EUR 2.7m) were transferred to the financial result.

Gains and losses from the ineffective portions of these hedging transactions are recognized immediately in profit or loss. As in the prior year, there was no ineffectiveness in 2012.

### Exchange risk hedges

In accordance with internal financing guidelines, the Gerresheimer Group used forward currency contracts and currency swaps to secure currency risks from receivables and liabilities in foreign currencies in the financial year 2012. In connection with currency management, only transaction risks can be considered risk exposures. The currency derivatives are used to hedge precisely defined hedged items and are classified as effective hedging instruments in accordance with the requirements of IAS 39.

Losses from derivative financial instruments of EUR 0.8m (prior year: EUR 0.3m losses) were included in the net result of the financial year 2012.

### Sensitivity analyses

In accordance with IFRS 7, interest rate risks are indicated by means of sensitivity analyses. The following section describes the sensitivity of net income before taxes and the cash flow hedge reserve included in equity to a reasonable possible change in interest rates.

The interest rate sensitivity analyses are based on the following assumptions:

Changes to the market interest rate of primary financial instruments with fixed interest rates only affect earnings when they are measured at fair value. In the Gerresheimer Group, all primary liabilities are measured at amortized costs. As a result, all financial liabilities with fixed interest rates are not subject to interest rate risks within the meaning of IFRS 7.

In the case of interest rate swaps for hedging interest rate fluctuations, the value changes 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 also not subject to any interest rate risks.

The interest analysis on the market valuation assumes a parallel shift of the interest rate curves in the USD area of 100 basis points higher and 20 basis points lower interest rates and is therefore unchanged to the prior year.

If the market interest rate were 100 basis points higher or 20 basis points lower as at November 30, 2012, the cash flow hedge reserve would be more positive by EUR 1,615k or more negative by EUR 330k (prior year: more positive by EUR 2,396k or more negative by EUR 413k).

If the market interest rate were 100 basis points higher or 20 basis points lower as at November 30, 2012, the result would have been EUR 21k lower or EUR 4k higher (prior year: EUR 66k lower, EUR 13k 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 reasonable possible change in the exchange rates. In doing so Gerresheimer AG is only exposed to exchange rate change risks from unsecured monetary financial instruments. All other variables remain constant.

If the currency rates as at November 30, 2012 had increased (decreased) by 10 %, the net income before taxes would have increased by EUR 1,595k or decreased by EUR 1,244k (prior year using the same sensitivities: increase of EUR 2,964k and decrease of EUR 1,602k).

### (38) Segment Reporting

According to IFRS 8 "Operating Segments", the segment reporting is based on the "management approach". The external reporting is therefore based on the internal reporting.

At Gerresheimer, the Management Board, as the chief operating decision maker, allocates resources to the operating segments and assesses their performance. The reportable segments and regions and the disclosed key data are in line with the internal financial reporting system.

The Gerresheimer Group is managed by strategic business entities as divisions. The activities are aggregated into the reportable segments according to economic characteristics, especially products and their production processes but also customer relationships.

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 its business unit Medical Plastic Systems, the **Plastic Systems** Division produces complex customer-specific plastic systems for pharmaceuticals, diagnostics and medical technology. In the second business unit Plastic Packaging, it produces plastic containers, mainly as primary packaging for pharmaceuticals and healthcare.

The **Moulded Glass** Division produces glass primary packaging in a continuous process. The containers are used for pharmaceuticals, cosmetic products and specialty beverages and food.

The product spectrum of the **Life Science Research** Division consists of laboratory glassware for research, development and analytics.

Services of Gerresheimer AG, mandatory consolidation measures and transition between the divisions are presented in the segment reporting as "Head office/Consolidation". The measurement principles for the segment reporting structure are based on the IFRSs adopted in the consolidated financial statements.

The performance of the segments is estimated and calculated by the following criteria:

- › The intragroup revenues effected at transfer prices fixed on an arm's length basis.
- › The adjusted EBITDA and adjusted EBITA are not defined in the IFRSs, but they represent key performance indicators for the Gerresheimer Group. The adjusted EBITDA is defined as earnings before income taxes, financial result, amortization of fair value adjustments, extraordinary depreciation, depreciation and amortization, restructuring expenses and one-off income and expenses. The adjusted EBITA equates to the adjusted EBITDA reduced by the depreciation and amortization of intangible and tangible assets.
- › The net working capital is defined as the balance of inventories, trade receivables and advance payments reduced by payments received on account of orders and trade payables.
- › The operating cash flow as key performance indicator starts with the adjusted EBITDA and considers the change in the net working capital at constant exchange rates and the capital expenditures less investments from finance leasing.
- › The capital expenditures comprise all additions to the intangible and tangible assets measured at cost.
- › The non-current assets do not include financial instruments, deferred tax assets, post-employment benefit assets and rights arising from insurance contracts.



Revenues from transactions with a single external customer do not amount to 10 % either for the financial year 2012 or for the prior year.

<b>By division</b>							
<b>in EUR m</b>		Tubular Glass	Plastic Systems	Moulded Glass	Life Science Research	Head office/ Consolidation	Group
Segment revenues	<b>2012</b>	<b>333.8</b>	<b>427.2</b>	<b>372.8</b>	<b>99.6</b>	-	<b>1,233.4</b>
	2011	304.1	371.4	342.4	91.8	-	1,109.7
Thereof intragroup revenues	<b>2012</b>	<b>-13.7</b>	<b>-0.3</b>	<b>-0.3</b>	-	-	<b>-14.3</b>
	2011	-14.5	-0.1	-0.3	-0.1	-	-15.0
Revenues third parties	<b>2012</b>	<b>320.1</b>	<b>426.9</b>	<b>372.5</b>	<b>99.6</b>	-	<b>1,219.1</b>
	2011	289.6	371.3	342.1	91.7	-	1,094.7
Adjusted EBITDA	<b>2012</b>	<b>67.8</b>	<b>92.8</b>	<b>81.8</b>	<b>13.5</b>	<b>-19.4</b>	<b>236.5</b>
	2011	62.4	87.1	76.8	10.6	-19.6	217.3
Depreciation and amortization	<b>2012</b>	<b>-25.0</b>	<b>-22.7</b>	<b>-31.0</b>	<b>-2.9</b>	<b>-0.4</b>	<b>-82.0</b>
	2011	-26.0	-21.2	-29.9	-2.9	-0.4	-80.4
Adjusted EBITA	<b>2012</b>	<b>42.8</b>	<b>70.1</b>	<b>50.8</b>	<b>10.6</b>	<b>-19.8</b>	<b>154.5</b>
	2011	36.4	65.9	46.9	7.7	-20.0	136.9
Restructuring/one-off expenses and income	<b>2012</b>	-	-	-	-	-	<b>-5.5</b>
	2011	-	-	-	-	-	-7.0
Amortization of fair value adjustments	<b>2012</b>	-	-	-	-	-	<b>-18.0</b>
	2011	-	-	-	-	-	-20.6
Impairment loss	<b>2012</b>	-	-	-	-	-	<b>-2.6</b>
	2011	-	-	-	-	-	-
Result from operations	<b>2012</b>	-	-	-	-	-	<b>128.4</b>
	2011	-	-	-	-	-	109.3
Financial result (net)	<b>2012</b>	-	-	-	-	-	<b>-32.7</b>
	2011	-	-	-	-	-	-36.8
Net working capital	<b>2012</b>	<b>54.2</b>	<b>42.2</b>	<b>54.6</b>	<b>26.5</b>	<b>-2.3</b>	<b>175.2</b>
	2011	53.4	37.0	58.2	25.9	-2.0	172.5
Operating cash flow	<b>2012</b>	<b>35.4</b>	<b>43.4</b>	<b>50.5</b>	<b>11.4</b>	<b>-19.5</b>	<b>121.2</b>
	2011	35.5	49.2	39.8	8.6	-18.5	114.6
Capital expenditure	<b>2012</b>	<b>32.6</b>	<b>43.6</b>	<b>40.7</b>	<b>1.6</b>	<b>0.4</b>	<b>118.9</b>
	2011	20.3	35.7	29.0	1.0	0.2	86.2

According to the current definition of IMS Health, revenues in the so-called emerging markets include revenues in Egypt, Argentina, Brazil, China, India, Indonesia, Mexico, Pakistan, Poland, Romania, Russia, South Africa, Thailand, Turkey, Ukraine, Venezuela and Vietnam. The revenues reported for Europe do not include revenues in Germany, Poland, Romania, Russia, Turkey and the Ukraine and the revenues in the Americas do not include Argentina, Brazil, Mexico and Venezuela.

<b>By region</b>							
<b>in EUR m</b>		Germany	Europe	Americas	Emerging markets	Other regions	Group
Revenues by target region	<b>2012</b>	<b>277</b>	<b>409</b>	<b>284</b>	<b>215</b>	<b>34</b>	<b>1,219</b>
	2011	256	384	252	179	24	1,095
Revenues by region of origin	<b>2012</b>	<b>503</b>	<b>224</b>	<b>293</b>	<b>199</b>	-	<b>1,219</b>
	2011	461	209	261	164	-	1,095
Non-current assets	<b>2012</b>	<b>625</b>	<b>152</b>	<b>119</b>	<b>157</b>	-	<b>1,053</b>
	2011	590	153	118	149	-	1,010

**(39) Audit and Consulting Fees**

The auditor's fees recorded in the financial year for the audit of the financial statements amount to EUR 478k (prior year: EUR 475k), for other assurance services EUR 30k (prior year: EUR 228k), for tax advisory services EUR 23k (prior year: EUR 69k) and for other services EUR 5k (prior year: EUR 0k).

**(40) Related Party Disclosures (IAS 24)**

Within the scope of our operations, we conduct business with legal and individual persons that are able to influence Gerresheimer AG or their subsidiaries or over which Gerresheimer AG or its subsidiaries have control or on which they exert a significant influence.

These include companies that have relations to members of the Supervisory Board of Gerresheimer AG, non-consolidated companies and associated companies as well as the members of the Supervisory Board and Management Board of Gerresheimer AG, whose remuneration is reported in Note (41) and in the Remuneration Report in the combined management report.

Business with companies which have relations to one member of the Supervisory Board of Gerresheimer AG relate to the company Vetter Pharma Fertigung GmbH & Co. KG, Ravensburg, Germany, and mainly relate to trade relations which are always at arm's length prices and conditions and totaled EUR 5.3m in the financial year 2012 (prior year: EUR 5.3m) plus expenses of EUR 0.2m (prior year: EUR 0.0m). At the balance sheet date, trade receivables amounted to EUR 0.2m (prior year: EUR 0.1m).

Business with associated companies (prior year: including non-consolidated affiliated companies) also mainly relates to trade relations at arm's length prices and conditions and totaled EUR 2.2m in the financial year 2012 (prior year: EUR 2.3m). At the balance sheet date, trade receivables amounted to EUR 1.4m (prior year: EUR 1.7m), trade payables amounted to EUR 0.3m (prior year: EUR 1.7m) and recognized income amounted to EUR 0.1m (prior year: expenses EUR 0.1m).

**(41) Total Remuneration of the Members of the Supervisory Board and Management Board**

Remuneration of the members of the Supervisory Board of Gerresheimer AG in the financial year 2012 totaled EUR 975k (prior year: EUR 891k). Thereof EUR 10k relate to the financial year 2011.

Remuneration of the active Management Board members during the financial year, made up of fixed salary (incl. fringe benefits), success-dependent bonus and component with a long-term incentive, came to EUR 4,142k (prior year: EUR 3,175k). In addition, severance payments in accordance with the Management Board contract of EUR 2,771k were made to Dr. Raster, who left the Management Board with effect from February 7, 2012.

Further remuneration was granted in connection with the appointment of Stefan Grote to the Management Board by way of issuing a total of 115,000 new stock appreciation rights in 2012 (tranches 6 and 7), which relate to a period until 2013 and were not cash-effective in the financial year 2012. The fair value of the phantom stocks at the grant date amounted to EUR 292k.

The fair value of the stock appreciation rights of the tranches 2012 to 2016 (tranches 6 to 10) for the Management Board amount to EUR 1,690k (prior year: EUR 1,625k). Expenses from the addition to the provision for stock appreciation rights (tranches 4 and 5) amount to EUR 988k (prior year: EUR 374k). For further information see Note (19).

With effect from May 1, 2007, the pension obligations to active members of the Management Board were transferred to a pension fund. Vested benefits arising since May 1, 2007 are, as a general rule, processed through a provident fund. The present value of pension obligations to active members of the Management Board, before offset against plan assets, amount to EUR 5,371k (prior year: EUR 3,657k).

The present value of the pension obligations to former members of the management and their dependents, before offset against plan assets, amount to EUR 25,131k (prior year: EUR 19,793k). Regular payments from pensions and from other services amounted to EUR 1,414k (prior year: EUR 1,395k).

Details on the remuneration of the members of the Management Board can be taken from the Remuneration Report within 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, and its internal and external control mechanisms. The aim of good corporate governance is to foster responsible and transparent management and control of companies focused on long-term added value. It promotes the confidence of national and international investors, business partners, financial markets, employees and the public in the management and control of Gerresheimer AG.

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

On September 5, 2012, the Management Board and Supervisory Board of Gerresheimer AG issued their latest declaration of compliance in accordance with sec. 161 AktG ("Aktengesetz": German Stock Corporation Act): Gerresheimer AG has complied with the recommendations of the German Corporate Governance Code in the version dated May 26, 2010 since the last declaration of compliance made on September 8, 2011 with the exceptions stated therein. Gerresheimer AG will comply with the recommendations of the German Corporate Governance Code in the valid version dated May 15, 2012 except for item 5.4.6 (2) sentence (2) of the Code (performance-related remuneration of the Supervisory Board). The declaration is available on the Company's website ([www.gerresheimer.com/en/investor-relations](http://www.gerresheimer.com/en/investor-relations)).

#### (43) Events after the Balance Sheet Date

On December 17, 2012 Gerresheimer signed the sale and purchase agreement for a 75 % stake in the Indian Company Triveni Polymers Private Ltd., New Delhi. The purchase price for this majority shareholding amounted to INR 3.8 billion (around EUR 52.2m). The transaction was completed on December 20, 2012 and since this point in time the company has been included in the consolidated financial statements of Gerresheimer AG. In addition, from April 1, 2016, Gerresheimer has the possibility to purchase the remaining 25 % stake by exercising its option to buy (call option). From this date onwards the seller can tender the remaining 25 % stake to Gerresheimer by exercising its option to sell (put option).

Triveni is a producer of pharmaceutical plastic packaging in India. This acquisition is a further ideal step towards enhancing the position of the Gerresheimer Group in the emerging markets. Triveni is a leading and fast-growing company with excellent profitability that provides high value for Gerresheimer. In the financial year 2011/2012 the company generated revenues of around INR 1.3 billion (around EUR 20m) and employed more than 300 people.

There were no further subsequent events after November 30, 2012 which had a significant effect on the net assets, financial position or results of operations of the Gerresheimer Group.

These financial statements were prepared by the Management Board during its meeting on January 21, 2013, authorized for issue and will be submitted by the Audit Committee to the Supervisory Board for approval in its meeting on February 13, 2013.

Duesseldorf, Germany, January 21, 2013  
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 21, 2013

The Management Board



Uwe Röhrhoff



Hans-Jürgen Wiecha



Rainer Beaujean



Stefan Grote



Andreas Schütte



## AUDIT OPINION

We have audited the consolidated financial statements prepared by Gerresheimer AG, Duesseldorf/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 combined group management report for the business year from 1 December 2011 to 30 November 2012. The preparation of the consolidated financial statements and the 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, Duesseldorf/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.

Duesseldorf, Germany, January 21, 2013

Deloitte & Touche GmbH  
Wirtschaftsprüfungsgesellschaft

Signed: Harnacke  
German Public Auditor

Signed: Dr. Panning  
German Public Auditor

# Supervisory Board and Management Board

## SUPERVISORY BOARD

Financial Year 2012 (December 1, 2011 to November 30, 2012)

### 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,  
Union Secretary, IG Bergbau, Chemie, Energie  
(Mining, Chemical and Energy Industrial Union)  
a) Symrise AG

### Sonja Apel (since April 26, 2012)

Director Corporate Financial Accounting of Gerresheimer AG  
b) Gerresheimer Mexico Holding LLC, USA  
Gerresheimer MH Inc., USA

### Lydia Armer

Chairwoman of the Company Works Council of  
Gerresheimer Regensburg GmbH  
a) Gerresheimer Regensburg GmbH

### Dr. Karin Louise Dorrepaal (since April 26, 2012)

Consultant,  
former Member of the Management Board of Schering AG  
a) Paion AG (since October 29, 2012)  
b) Cryo Save Group NV, The Netherlands (since May 1, 2012)  
MDx Health S.A., Belgium  
Triton Beteiligungsberatung GmbH

### Günter Fehn (until April 26, 2012)

Member of the Company Works Council of Gerresheimer Tettau GmbH

### Olaf Grädler (until April 26, 2012)

Head of Personnel of Gerresheimer Buende GmbH  
b) AG der Wirtschaft für berufliche Weiterbildung im Kreis Herford e.V.  
Arbeitgeberverband der deutschen Glasindustrie  
(Member of the Social Panel)

### Eugen Heinz (since April 26, 2012)

Member of the Company Works Council of Gerresheimer Lohr GmbH

### Dr. Axel Herberg (until April 26, 2012)

Senior Managing Director The Blackstone Group Germany GmbH  
a) Jack Wolfskin Ausrüstung für Draussen GmbH & Co. KGaA  
(Chairman)  
Leica Camera AG (since December 12, 2011)  
b) Klöckner Pentaplast Group  
› KP Germany Erste GmbH (Chairman)  
› Kleopatra Acquisition Corporation, USA (Chairman)  
› Lisa Germany Holding GmbH (since December 2, 2011)  
Mivisa Group  
› Mivisa Envases S.A.U., Spain (Chairman)  
› Adularia Inversiones 2010 S.L., Spain (Chairman)  
› Crisolito Inversiones 2010 S.L., Spain (Chairman)  
› Sofamen XXI S.A.U., Spain (Chairman)  
› Twistoff S.A., Spain (Chairman)

**Seppel Kraus (since April 26, 2012)**

Regional Director Bavaria, IG Bergbau, Chemie, Energie

a) Hexal AG

Novartis Deutschland GmbH

Wacker Chemie AG

**Reiner Ludwig (until April 26, 2012)**

Chairman of the Company Works Council of Gerresheimer Lohr GmbH

**Dr. Peter Noé (since April 26, 2012)**

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)

Deutsches Aktieninstitut e.V.

German Mid-cap Fonds (GMF) (Chairman)

Ondas Media S.L., Spain

Bank Sarasin AG (since August 1, 2012)

**Dr. Gerhard Prante (until April 26, 2012)**

Member of the Management Board Agrarius AG

a) Bayer CropScience AG

AllessaChemie GmbH

b) DIREVO Industrial Biotechnology GmbH

Cibus US LLC, USA

**Markus Rocholz (since April 26, 2012)**

Chairman of the Company Works Council of Gerresheimer Essen GmbH

a) Gerresheimer Tettau GmbH

**Harald Sikorski (until April 26, 2012)**

Head of Region Altoetting, IG Bergbau, Chemie, Energie

a) Wacker Chemie AG

Siltronic AG

**Theodor Stuth**

Auditor and Certified Tax Advisor

b) Wicked Holding GmbH

Wicked Profile Walzwerk GmbH

Linet Group SE, The Netherlands

**Udo J. Vetter**

Pharmacist and General Partner of UV-Cap GmbH & Co. KG

a) EDT AG (Chairman) (until January 1, 2012)

ITM AG (Chairman)

b) Vetter Pharma Fertigungs GmbH & Co. KG (Chairman)

Atoll GmbH (Chairman)

HSM GmbH & Co. KG

K & M Präzisionstechnik 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 2012 (December 1, 2011 to November 30, 2012)

### 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  
Neutral Glass and Allied Industries Pvt. Ltd., India  
(since April 18, 2012)

### Rainer Beaujean (since December 1, 2012)

#### Stefan Grote (since April 1, 2012)

- b) Gerresheimer Boleslawiec S.A., Poland  
(Deputy Chairman) (since May 7, 2012)  
Gerresheimer Pisa S.p.A., Italy (Chairman) (since April 1, 2012)  
Gerresheimer Chalon S.A., France (since April 1, 2012)  
Gerresheimer Glass Inc., USA (since April 1, 2012)  
Gerresheimer Queretaro S.A., Mexico (Chairman) (since April 1, 2012)  
Kontes Mexico S. de R.L. de C.V., Mexico (since April 1, 2012)  
Kimble Kontes LLC, USA (since April 1, 2012)  
Kimble Bomex (Beijing) Glass Co. Ltd., China (Chairman)  
(from April 1, 2012 until September 13, 2012)  
Kimble Bomex (Beijing) Labware Co. Ltd., China  
(Chairman) (since April 1, 2012)  
Kimble Chase Life Science and Research Products LLC, USA  
(Chairman) (since April 1, 2012)  
Gerresheimer Shuangfeng Pharmaceutical Glass  
(Danyang) Co. Ltd., China (Chairman) (since April 1, 2012)  
Gerresheimer Shuangfeng Pharmaceutical Packaging (Zhenjiang)  
Co. Ltd., China (Chairman) (since April 1, 2012)

### Dr. Max Raster (until February 7, 2012)

- b) Gerresheimer Boleslawiec S.A., Poland  
(Chairman) (until February 7, 2012)  
Gerresheimer Pisa S.p.A., Italy (Chairman) (until February 7, 2012)  
Gerresheimer Chalon S.A., France (until February 7, 2012)  
Gerresheimer Glass Inc., USA (until February 7, 2012)  
Gerresheimer Queretaro S.A., Mexico  
(Chairman) (until February 7, 2012)  
Kontes Mexico S. de R.L. de C.V., Mexico (until February 7, 2012)  
Kimble Kontes LLC, USA (until February 7, 2012)  
Gerresheimer Pharmaceutical Packaging Mumbai Pvt. Ltd., India  
(until February 7, 2012)  
Kimble Bomex (Beijing) Glass Co. Ltd., China  
(Chairman) (until February 7, 2012)

- Kimble Bomex (Beijing) Labware Co. Ltd., China  
(Chairman) (until February 7, 2012)  
Kimble Chase Life Science and Research Products LLC, USA  
(Chairman) (until February 7, 2012)  
Gerresheimer Shuangfeng Pharmaceutical Glass (Danyang)  
Co. Ltd., China (Chairman) (until February 7, 2012)  
Gerresheimer Shuangfeng Pharmaceutical Packaging (Zhenjiang)  
Co. Ltd., China (Chairman) (until February 7, 2012)

### Andreas Schütte

- b) Gerresheimer Denmark A/S, Denmark (Chairman)  
Gerresheimer Vaerloese A/S, Denmark (Chairman)  
Gerresheimer Zaragoza S.A., Spain (Deputy Chairman)  
Gerresheimer Plásticos Sao Paulo Ltda., Brazil  
Vedat Tampas Hermeticas Ltda., Brazil  
(until December 31, 2011)  
Gerresheimer Boleslawiec S.A., Poland  
(Chairman since March 19, 2012)

### Hans-Jürgen Wiecha

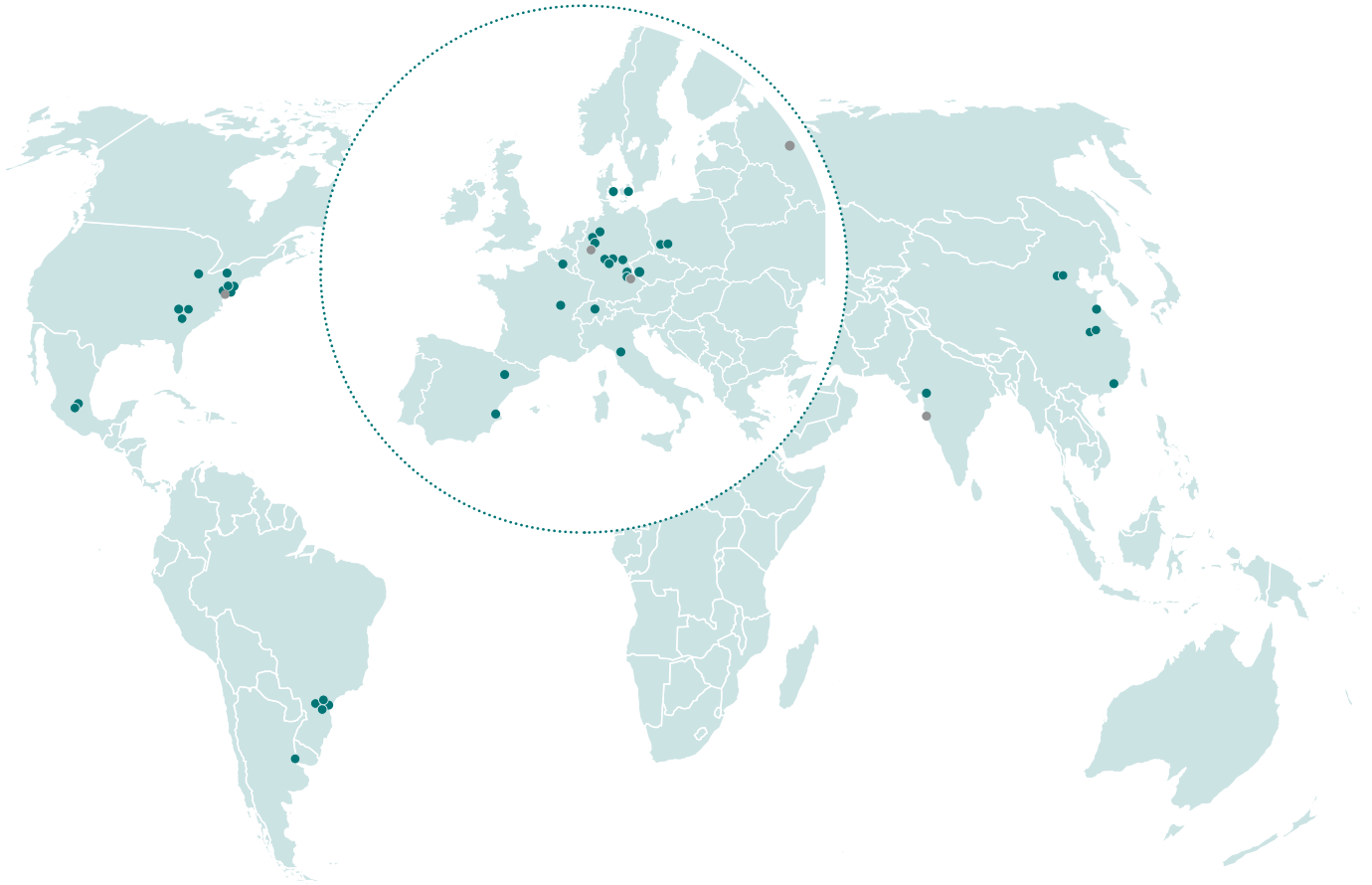
- a) Gerresheimer Tettau GmbH (Deputy Chairman)  
Gerresheimer Regensburg GmbH (Deputy Chairman)
- b) Gerresheimer Boleslawiec S.A., Poland  
Gerresheimer Pisa S.p.A., Italy  
Gerresheimer Chalon S.A., France  
Gerresheimer UK Ltd., United Kingdom  
Gerresheimer Glass Inc., USA  
Gerresheimer Momignies S.A., Belgium  
Gerresheimer Queretaro S.A., Mexico  
Gerresheimer Denmark A/S, Denmark  
Gerresheimer Vaerloese A/S, Denmark  
Gerresheimer Zaragoza S.A., Spain  
Gerresheimer Plásticos Sao Paulo Ltda., Brazil  
Vedat Tampas Hermeticas Ltda., Brazil (until December 31, 2011)  
Gerresheimer Mexico Holding LLC, USA (until March 15, 2012)  
Gerresheimer MH Inc., USA (until March 15, 2012)  
Gerresheimer Shuangfeng Pharmaceutical Glass  
(Danyang) Co. Ltd., China  
Gerresheimer Shuangfeng Pharmaceutical Packaging  
(Zhenjiang) Co. Ltd., China  
William Prym Holding GmbH (until February 23, 2012)  
Prym Anteilsverwaltung GmbH (until February 23, 2012)  
William Prym GmbH & Co. KG (until February 23, 2012)

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  
 Bünde, 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  
 Kuessnacht, Switzerland  
 Muenster, 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

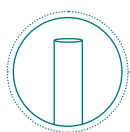
## ● OTHER LOCATIONS

Duesseldorf, Germany  
 (Gerresheimer AG)  
 Regensburg, Germany  
 Moscow, Russia  
 Mumbai, India  
 Vineland, USA

# Product Overview by Division

## 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 1 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.

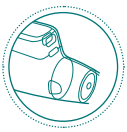


### PREFILLABLE SYRINGE SYSTEMS

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. 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.

## 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: 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.



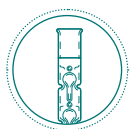
### BOTTLES AND JARS FOR BEVERAGES AND FOOD

Gerresheimer supplies customer-specific and specialty containers for spirits and food.



## 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). In the case of pharmaceutical ampoules, a distinction is made between various systems for breaking open the ampoule: For example the One Point Cut, the Color Break and the Score Ring method.

## Backstop

As a smart addition to its syringe range, Gerresheimer offers a Backstop. This system component is made of plastic and is machine-clipped to the existing finger flange of the glass syringe, thereby reducing its aperture diameter and preventing the plunger head from being pulled out of the syringe. At the same time, the ergonomically shaped wings enlarge the finger flange to facilitate application.

## Baked-On RTF®

Baked-On RTF® optimizes RTF® syringes for sensitive biotech medicines. This Gerresheimer process is patented in Europe and the USA. It consists of baked-on siliconization which fixes the silicone oil to the glass surface permanently and almost completely.

## Biopharmaceuticals

Biopharmaceuticals are substances produced by means of biotechnology in genetically modified organisms. Biopharmaceutics is one of the fastest-growing product categories in the pharma and biotechnology industry.

## Borosilicate glass › Type I borosilicate glass tubing

## Bulk syringes

The term bulk syringes is used to describe syringe barrels supplied to the customer in an unsterilized state with or without a premounted needle. Washing, sterilization and mounting of the closure cap/needle shield before filling is carried out by the pharma company.

## Cartridge

The cartridge is a cylinder made of tubular glass which is closed at the front end by an aluminum cap with a membrane which is penetrated by the injection needle to draw in the injection solution.

## Camera inspection systems

During and after production, the quality of Gerresheimer products is monitored by means of in-process controls. Modern optical camera systems and mechanical examination systems supported by special computer technology and digital image processing help to detect trends and variances and pick out defective articles at an early stage.

## Child-resistant closure

A child-resistant closure protects children's health by making pharmaceutical packaging difficult for them to open. Certain actions are necessary to open a child-resistant closure that children find impossible to perform (without instruction). These are generally unusual opening actions, such as a combination of sequenced or simultaneous movements (e.g. press and turn caps).

## Clean room

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

## Clearject™

Brand name of our Japanese partner Taisei Kako Co. Ltd. for sterile prefillable plastic syringes made of crystal-clear COP (Cyclic Olefin Polymer). These are particularly suitable for use in the demanding field of cytostatics and biopharmaceutics.

## COP syringe › Clearject™

## Cytostatics

Cytostatics are natural or synthetic substances which inhibit cell growth or division. They are used particularly in cancer treatment (chemotherapy) and sometimes also in the treatment of 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). In such systems, patient samples can be examined for specific parameters – on a fully automated basis in many cases.

## Disposable syringe systems › Prefillable syringe systems

### Dropper bottle system

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

### Drug delivery system

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

### Heat transfer printing

Heat transfer printing allows multicolor elements to be applied to glass syringes and cartridges in a single efficient process. Product information, calibrations and bar codes distinguished by different colors help to avoid confusion and application errors.

### Hydrolytic resistance

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

### Inhaler

An inhaler is a 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

### Insulin pen system

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

### Integrated moisture absorber

A moisture absorber protects the pharmaceutical against the effects of moisture during storage and absorbs atmospheric humidity which 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.

### Lancet

A lancet is a blood-sampling needle which is extrusion-coated with plastic. It is inserted into a skin-prick aid for diabetic patients.

### Lancet magazine

Magazine with integrated lancets in a drum housing.

### Laser coding

With the new method of laser coding for syringes, a tiny data matrix code containing individual data about the nature and origin of the respective glass packaging is indelibly applied by laser to the finger flange. Gerresheimer thereby offers an innovative track-and-trace solution for pharma containers and also helps combat the problem of drug counterfeiting.

### Life science

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

### Molecular diagnostics

Molecular diagnostics refers to analysis methods based on examination of the genetic substance (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 continuous work process directly after the melting process.

### Multifunctional closure system

The Gerresheimer closure systems comprise resistant and air-tight opening and closure devices which meet diverse 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.

**MultiShell® plastic vials**

These pharmaceutical primary packaging vials are made from COP plastic and PA (polyamide). COP stands for Cyclic Olefin Polymer, a glass-clear, break-resistant and biocompatible plastic type which is particularly suitable for long-term storage of sensitive parenteral medicines. With the new MultiShell® development combining two COP outer layers with a middle layer of polyamide, Gerresheimer has substantially enhanced the barrier properties against gas permeation to several times that of vials consisting of COP alone.

**Needle trap**

Label with integrated needle shield to avoid needleprick injuries from syringes.

**Ophthalmology**

The specialist medical field of ophthalmology (study of the eye) also covers diseases and malfunctions of the optical organ and the sense of sight and their medical treatment.

**Paste mould technology**

Glass-forming process using a rotation mould (blowing process) to form a round and seamless piece of glassware.

**Pen system**

Easy-to-handle injection system, mostly in ballpoint- pen format, developed to make self-medication simpler.

**› Insulin pen system****PharmaPlus**

Gerresheimer description for a whole range of high-caliber technical solutions in the forming of glass pharma containers, achieving a previously unattained level of precision. This includes the production of borosilicate tubes which Gerresheimer manufactures itself as intermediary products. The further refined equivalent for the forming processes has produced a new and outstanding quality category of tubular glass products – whether they be syringes, cartridges, vials or ampoules.

**Plastic systems**

Complex and technically demanding systems consisting of several plastic components.

**Prefillable syringe systems/Disposable syringe systems**

Syringe systems, such as Gerresheimer RTF® syringes, that are supplied to customers in the pharma and biotech industry for filling with prepared medications.

**Primary packaging**

Packaging with which the filling contents come into direct contact.

**RTF® syringe systems**

The leading Gerresheimer trademark RTF® stands for "Ready to Fill". RTF® syringe systems are delivered to the customer washed, siliconized, assembled with the closure cap, packed in nests and tubs, and sterilized; in other words, completely ready to fill. For the pharma manufacturer, this means that the whole chain of time-consuming process steps is avoided. The customer can therefore start filling the products straightaway. On high-speed production lines, this produces substantial cost and time advantages. Gerresheimer's RTF® syringe portfolio is oriented toward modern pharma production.

**Siliconization**

Silicone oil is used as a glide agent in the inner surface treatment of pharmaceutical containers. This facilitates the action of the plunger inside the syringe barrel, which is essential for proper functioning of a syringe system.

**› Baked-On RTF®****Skin-prick aid**

Device for diabetics by which a lancet can be inserted into the skin almost without pain. Some models permit different penetration depths to take account of the thickness of the skin.

**Sterile syringes**

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

**Surface treatment**

Special finishing process on the inside of a pharmaceutical container, e.g. to ensure compatibility of the packaging material with the medication.

**Tamper-evident closure**

A tamper-evident closure is designed to signalize when a product is opened for the first time so that a patient will be aware if the medication has been tampered with. The Gerresheimer tamper-evident screw caps for tablet bottles (Duma® Twist-Off) have a ring on the cap which is detached from the cap by the twisting action when the container is opened for the first time. The pieces of plastic connecting the ring to the cap are torn off in the process, clearly indicating that the product has been opened. The tamper-evident closures with Luerlock adapter for Gerresheimer syringe systems are activated by twisting. The tamper-evident tabs on the twist-off closure (TELC) spread out as a result of the twist action to indicate that the syringe has been opened.

**TCC**

Technical Competence Center. Here, products and systems are developed and made ready for series production in collaboration with the customer.

**TERNS – Rigid Needle Shield with Thermoplastic Elastomer**

TERNS is a closure developed by Gerresheimer for needle tips, with a soft sealing element made of thermoplastic elastomer (TPE) and a firm plastic shell.

**TPE – Thermoplastic Elastomer**

Plastic which behaves like a classical elastomer at room temperatures, can be deformed itself when heat is added and therefore displays thermoplastic behavior.

**Tubular glass**

Tubular glass packaging is produced in two separate process steps: Production of the tubular glass followed by forming.

**Type I borosilicate glass tubing**

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

**Vials**

Vials are small-volume pharmaceutical primary packaging containers. These vials are often also referred to as injection vials as the fluid to be injected is drawn up from the vial by means of an injection needle. The definitions used here apply in connection with Gerresheimer's operations and should not be understood as generally applicable.



# Multi-Year Overview

Financial Year End November 30	2012	2011	2010	2009	2008	2007	2006
<b>Results from Operations during the Reporting Period in EUR m</b>							
Revenues	1,219.1	1,094.7	1,024.8	1,000.2	1,060.1	957.7	646.7
Adjusted EBITDA <sup>1)</sup>	236.5	217.3	204.5	185.9	206.4	181.6	122.6
in % of revenues	19.4	19.9	20.0	18.6	19.5	19.0	19.0
Adjusted EBITA <sup>2)</sup>	154.5	136.9	123.5	109.7	135.6	116.6	73.8
in % of revenues	12.7	12.5	12.0	11.0	12.8	12.2	11.4
Result from operations	128.4	109.3	95.0	60.5	61.0	53.3	21.8
Net income	66.5	54.4	46.7	7.0	4.5	0.8	-25.0
Adjusted net income <sup>3)</sup>	86.5	80.6	65.8	45.2	61.4	44.3	8.7
<b>Net Assets as of the Reporting Date in EUR m</b>							
Total assets	1,557.7	1,515.1	1,357.8	1,340.6	1,538.3	1,436.8	941.1
Equity	580.1	552.2	529.4	480.2	479.1	499.9	-26.3
Equity ratio in %	37.2	36.4	39.0	35.8	31.6	34.8	-
Net working capital	175.2	172.5	151.2	144.4	163.0	179.8	117.8
in % of revenues of the preceding twelve months	14.4	15.8	14.8	14.4	15.4	18.8	18.2
Capital expenditure	118.9	86.2	73.2	86.4	107.8	98.9	74.9
Net financial debt	366.5	364.6	311.0	373.3	421.6	390.6	574.7
Adjusted EBITDA leverage <sup>4)</sup>	1.5	1.7	1.5	2.0	2.0	2.2	4.7
<b>Financial and Liquidity Position during the Reporting Period in EUR m</b>							
Cash flow from operating activities	173.6	129.8	159.8	117.4	165.3	54.1	62.3
Cash flow from investing activities	-148.6	-159.0	-69.5	-86.8	-133.4	-304.1	-134.5
thereof cash paid for capital expenditure	-118.9	-86.2	-73.1	-86.3	-103.3	-88.5	-77.5
Free cash flow before financing activities	25.0	-29.2	90.3	30.7	31.9	-250.0	-72.2
<b>Employees</b>							
Employees as of the reporting date (total)	10,952	10,212	9,475	9,343	10,177	10,148	5,677
<b>Stock Data</b>							
Number of shares as of the reporting date in million	31.4	31.4	31.4	31.4	31.4	31.4	-
Share price <sup>5)</sup> as of the reporting date in EUR	39.41	31.17	28.20	23.05	27.10	37.70	-
Market capitalization as of the reporting date in EUR m	1,237.5	978.7	885.5	723.8	850.9	1,183.8	-
Share price high <sup>5)</sup> during the reporting period in EUR	41.34	36.62	29.85	27.05	38.20	39.65	-
Share price low <sup>5)</sup> during the reporting period in EUR	31.00	28.30	22.09	13.24	23.99	32.65	-
Earnings per share in EUR	1.92	1.61	1.38	0.18	0.02	-0.04	-
Adjusted earnings per share <sup>6)</sup> in EUR	2.56	2.44	1.95	1.34	1.83	1.34	-
Dividend per share in EUR	0.65 <sup>7)</sup>	0.60	0.50	-	0.40	0.40	-

<sup>1)</sup> Adjusted EBITDA: Earnings before income taxes, financial result, amortization of fair value adjustments, extraordinary depreciation, depreciation and amortization, restructuring expenses and one-off income and expenses.

<sup>2)</sup> Adjusted EBITA: Earnings before income taxes, financial result, amortization of fair value adjustments, extraordinary depreciation, restructuring expenses and one-off income and expenses.

<sup>3)</sup> Adjusted net income: Consolidated profit (including profit attributable to non-controlling interests) before non-cash amortization of fair value adjustments, special effects from restructuring expenses, extraordinary depreciation, one-off costs connected with the refinancing in the financial year 2011, the balance of one-off income and expenses (including significant non-cash expenses) and the related tax effects.

<sup>4)</sup> Adjusted EBITDA leverage: The relation of net financial debt to adjusted EBITDA of the preceding twelve months.

<sup>5)</sup> In each case Xetra closing price.

<sup>6)</sup> Adjusted net income after non-controlling interests divided by 31.4m shares.

<sup>7)</sup> Proposed appropriation of net earnings.

# Financial Calendar

February 14, 2013	Annual Report 2012
April 10, 2013	Interim Report 1st Quarter 2013
April 18, 2013	Annual General Meeting 2013 in Duesseldorf
July 10, 2013	Interim Report 2nd Quarter 2013
October 2, 2013	Interim Report 3rd Quarter 2013

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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.annualreport2012.gerresheimer.com](http://www.annualreport2012.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.

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