2014

ANNUAL REPORT

top technology
creates confidence

RATH

KEY FIGURES

	2014 KEUR	2013 KEUR	2012 KEUR	2011 KEUR
Sales	**77,441**	79,410	86,671	81,678
Change in %	**-2.5**	-8.4	6.1	9.1
EBIT	**4,612**	1,353	2,233	4,026
EBIT margin in %	**6.0**	1.7	2.6	4.9
EBT	**5,022**	-248	818	2,987
Operating cash flow	**5,313**	1,377	-916	5,972
Equity ratio	**46.9**	43.1	42.5	42.7
Return on equity in %	**7.9**	-0.4	1.6	6.6
Working Capital in %	**37.2**	34.6	28.2	26.5
ROCE in %	**11.0**	2.0	4.1	8.4
WACC in %	**8.1**	6.9	6.5	8.0
Investments in tangible assets	**2,805**	1,388	2,928	5,783
Depreciation	**3,905**	3,779	3,862	3,642
Number of employees in annual average	**549**	611	614	575
Number of consolidated corporations	**11**	11	11	8

BUSINESS REPORT 2014

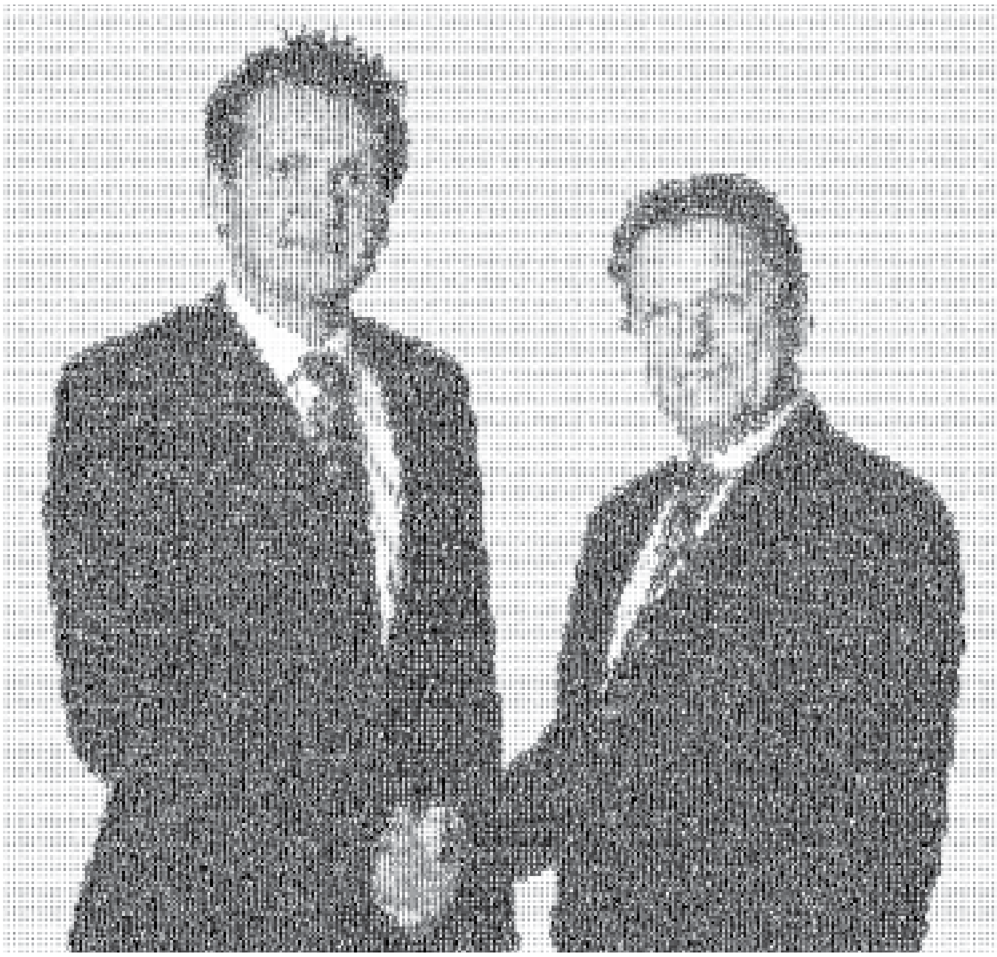
RATH GROUP

CONTENTS

2014

RATH INCREASES REVENUES - SUCCESS CONFIRMS STRATEGY

PREFACE BY THE EXECUTIVE BOARD



DEAR SHAREHOLDERS,

The right points were made. The 2014 business year was a successful one for the Rath Group.

The EBIT margin has been significantly improved, market and customer potentials have been developed in a well-structured way, the cost structure of the Group has been further adjusted and organizational changes have been finalized.
This positive development of the company can be ascribed to our strategy principle "Margin over Volume", which was the economic center in the 2014 business year.

PREFACE BY THE EXECUTIVE BOARD

Organizational topics were handled with additional strategic priority. Besides the increased centralization of services and expertise, the central group sector of Research and Development for Product Management has been extended and boosted with more personnel in the past year. Aim was to identify and implement market and customer demand more quickly. First cases of success already show the added value of this organizational adjustment.

Thereby, the Rath Group has developed a vacuum-formed product group (PRIOFORM®) for higher application temperatures and, thus, completed the product portfolio for any customer demand in this field.

Additionally, the Rath Group continues to handle the challenging economic market conditions with more and more innovations. Within a 12-months project period, we have been able to establish ourselves as the supplier for SiC products (silicon carbide; SICRATH®) in the market area of domestic waste incineration plants. Moreover, we have signed initial year-long contracts with European partners.

We also have many things planned for the new business year. Our responsibility as a premium supplier of top technology for the refractory industry requires us to constantly develop and improve. You can count on that.

Due to the good business success in 2014, the Executive Board of the Annual General Meeting will suggest a dividend payout with a bonus dividend. With this in mind we want to thank all our employees for their efforts and great dedication in the past business year.

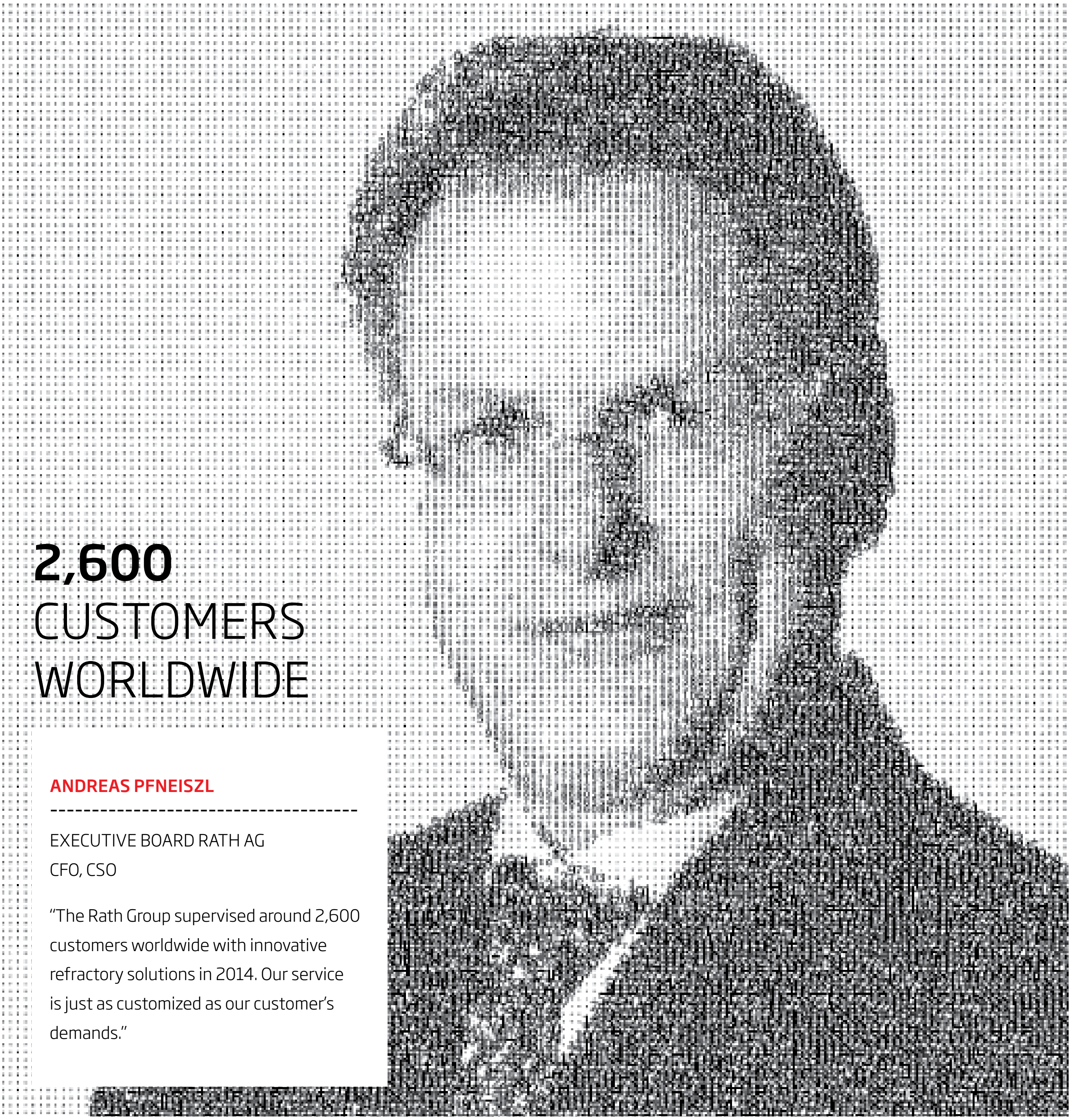
And to you, dear shareholders, we want to express our gratitude for your long-lasting trust in our company.

Your Board

Andreas Pfneiszl

DI Jörg Sitzenfrey

FIGURES ARE ALWAYS ONE STEP AHEAD



2,600
CUSTOMERS
WORLDWIDE

ANDREAS PFNEISZL

EXECUTIVE BOARD RATH AG
CFO, CSO

"The Rath Group supervised around 2,600 customers worldwide with innovative refractory solutions in 2014. Our service is just as customized as our customer's demands."

15 MILLION EUROS IN INVESTMENTS

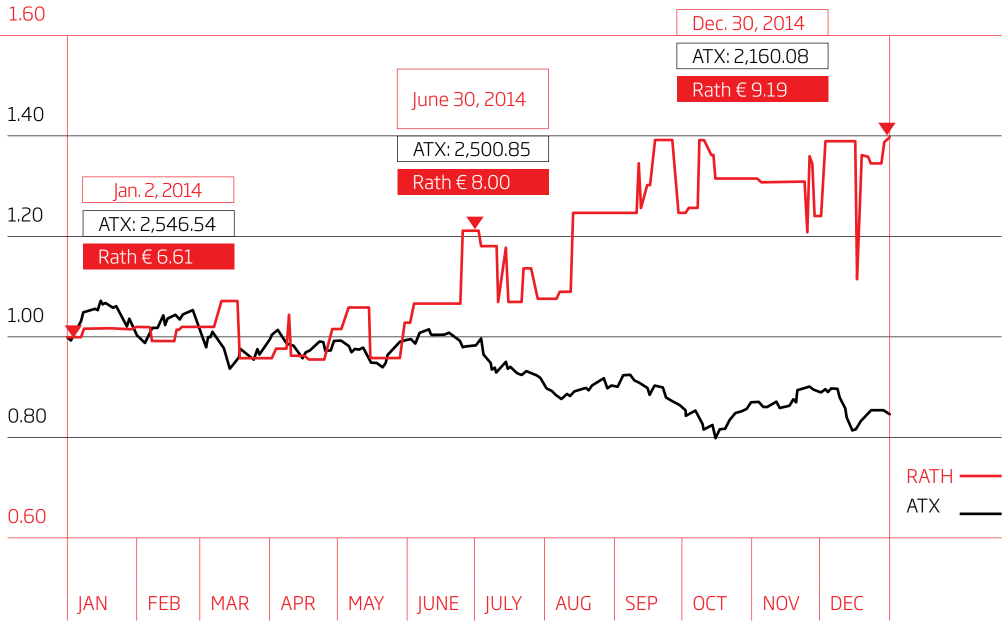
DI JÖRG SITZENFREY

EXECUTIVE BOARD RATH AG
COO

"In the past 5 years, we have invested around 15m euros in tangible assets. This is how we make sure our customers are always offered the most efficient and advanced systems."

THE STOCK

› STOCK DEVELOPMENT



› STOCK MARKET INDICATORS

ISIN	AT0000767306
Securities abbreviation	RAT
Market segment	Standard Market Auction
Trading segment	Official trading
Class of shares	No-par value stocks entitled to vote
Number of shares	1,500,000
Total number of stocks	1,500,000
Stock price 30th 12. 2014	9.19 euros
Market capitalization:	13,777,500.00 euros
Earnings/share	1.91

› CAPITAL MARKET CALENDAR 2015

June 1, 2015	Annual General Meeting
June 8, 2015	Ex-dividend date
June 10, 2015	Dividend payment day
August 28, 2015	Half-year results 2015
November 13, 2015	Result 3rd Quarter Report 2015

THE STOCK

STOCK

Market development

The 2014 stock market year was characterized by insecurities regarding the central banks' politics and political crises. Europe's economic growth remained below expectations and increasingly dampened the mood at the stock exchanges.

The Rath stock

After a price of 6.61 EUR at the beginning of 2014, the stock gradually increased until the end of the year. In mid-year (June 30, 2014), the price was at 8.00 EUR, an increase of 21 %. During the rest of the year, the stock price increased even further and closed at 9.19 EUR, up by 39 % from the price of 31st. 12. 2013.

Investor Relations

The aim of the capital market communication by the Rath Aktiengesellschaft is to inform the Financial Community about market-relevant developments promptly, extensively and regularly. We consider ourselves an intelligent contact for creating a fair and appropriate evaluation of the Rath stock. Our constant focus is to convey an image representing the company's actual situation according to the "true and fair view".

Investor Relations is not only an obligation to us to inform our shareholders about the company but also a chance to win new investors domestically and abroad.

Investor Relations Officer
Marion Mörth
E-Mail: ir@rath-group.com
Internet: www.rath-group.com

CORPORATE GOVERNANCE REPORT ACCORDING TO SECTION 243B UGB

With the Austrian Corporate Governance Code, Rath Group follows the regulatory framework of standards for a company's responsible management and leadership. It includes the internationally recognized standards of good company management (OECD guidelines, EU Transparency Directive) but also the significant regulations of the Austrian Stock Exchange Act (Boersegesetz, Company Law Reform Act 2013, Commercial Code Amendment Act 2008).

A high company transparency is being created for all stakeholders this way. The valid Austrian Code of Corporate Governance (ÖCGK) (version July 2012) can be retrieved from the Austrian Working Group for Corporate Governance's website (www.corporate-governance.at) but also at the one from Rath Aktiengesellschaft (www.rath-group.com > Investor Relations >Corporate Governance > Corporate Governance Kodex). In order to avoid insider trading, there has been a policy in place since 2002 which is based on the Regulation on Compliance for Issuers of the Austrian Financial Market Authority.

The Code of Conduct updated in 2010 is intended for all employees, includes all principles of conduct and offers information about the basic ethical and legal obligations of Rath employees.

The code includes three categories of rules:

1. Legal Requirement ("L") - mandatory legislation is included.
2. The "C" rules (Comply or Explain) must be observed; a deviation must be explained and justified in order to achieve a behavior compliant with the code.
3. Recommendation rules ("R") are to be recommended.

Rath uses the Code of Corporate Governance of July 2012 to its full extent – with the following detailed explanations:

Composition, term of office and responsibilities of the Executive Board (Section 16 ÖCGK)
The Executive Board consists of:
DI Joerg Sitzenfrey, born 1976, has been, as of 1st January 1, 2013 (initial order), responsible for the departments of Production, Research and Development, SAP and Information Technology as well as Process Management as a Member of the Executive Board.

Mr. Andreas Pfneiszl, born 1969, has been, as of June 10, 2013 (initial order), responsible for the departments of Sales and Finance as a Member of the Executive Board.

The Members of the Executive Board did not hold any Supervisory Board mandates or similar functions within domestic and foreign companies not incorporated in the consolidated accounts in the 2014 business year.

Both Executive Board contracts, which last until December 31, 2015, have been extended until December 31, 2020.

CORPORATE GOVERNANCE REPORT ACCORDING TO SECTION 243B UGB

Report on Executive Board Remuneration (Section 30/31 ÖCGK)
Remuneration of the Executive Board depends on the scope of functions, the responsibility and personal achievement by the Member as well as on the achievement of company goals, size and economic situation of the company.

At Rath Aktiengesellschaft, remunerations dependent on success are not made via stock options but are dependent on varying success criteria. Part of this is a predefined target achievement regarding the business result of qualitative and quantitive goals.

REMUNERATIONS OF EXECUTIVE BOARD

2013 *KEUR*	2014 *KEUR*		
157	159	fixed	**DI Jörg Sitzenfrey**
19	35	variable	
176	**194**		
80	162	fixed	**Andreas Pfneiszl**
5	35	variable	
85	**197**		
139	0	fixed	**Mag. Georg Rath**
35	0	variable	
174	**0**		
163	0	fixed	**DI Dr.Matthias Rath**
29	0	variable	
192	**0**		
627	**391**		**Total sum**

Some parts of the total remuneration of the Executive Board in 2014 were fixed, others were dependent on success. The variable limit was set at a value of 50 % of the basic salary. In case of a function termination by the Executive Board, no claims or entitlements beyond the statutory requirements can be made or requested. The Rath Group's Management is covered by a valid liability insurance (D & O Versicherung [Insurance]).

The entire Supervisory Board fulfills the tasks of the compensation committee.
Knowledge and experience in the field of compensation politics are offered especially by Mr. Mag. Ehrlich- Adám.

Structure of the Supervisory Board
The Supervisory Board currently consists of six selected members of the shareholder's meeting, who are characterized by strong business economic and legal expertise, personal qualifications and long-standing experience. All members are Austrian citizens.

CORPORATE GOVERNANCE REPORT ACCORDING TO SECTION 243B UGB

› SUPERVISORY BOARD MEMBERS	YEAR BORN	AR MANDATES OR SIMILAR POSITIONS	INITAL ORDER	END OF CURRENT TERM OF OFFICE
Mag. Stefan Ehrlich-Adám (Chairman) › *independent*	1964	Managing Director EVVA Sicherheitstechnologie GmbH	25.6.2013	in 2018
WP Mag. Philipp Rath (Vice Chairman) › *dependent*	1966	Auditor and partner at Grant Thornton Unitreu GmbH	17.7.2003	in 2018
Dkfm. Paul Rath › *dependent*	1934	Managing Director of Rath Holding GmbH	14.9.1989	in 2018
MMag. Christian B. Maier › *independent*	1966	Financial Director of Porr Aktiengesellschaft	27.6.2008	in 2018
Roula Millauer › *independent*	1964	Roula Millauer Consulting	25.6.2013	in 2018
Mag. Dieter Hermann › *independent*	1966	Supervisory Board Silgan Holdings Austria GmbH	25.6.2013	in 2018

Report of the Supervisory Board Remuneration (Section 50/51 ÖCGK)

The Supervisory Board remuneration (including attendance fees) for the financial year 2014, conditioned on the approval of the shareholder's meeting, amounts to a total of 45 KEUR (2013: 50 KEUR) as well as pension payments of 179 KEUR (previous year: 179 KEUR) distributed among the Members of the Supervisory Board as follows:

› SUPERVISORY BOARD MEMBERS	REMUNERATION IN EUROS (INCL. ATTENDANCE FEES)
Mag. Stefan Ehrlich-Adám (Chairman)	10,400
WP Mag. Philipp Rath (Vice Chairman)	9,100
Mag. Dieter Hermann	6,700
Roula Millauer	6,700
MMag. Christian B. Maier	6,300
Dkfm. Paul Rath	6,000

The remuneration for Members of the Supervisory Board are made up of fixed and attendance-dependent components. The fixed component consists of a total amount, which is to be distributed so that the chairman of the Supervisory Board receives twice the amount and the Vice Chairman receives one and a half times the amount a normal member receives.

The second component consists of an attendance fee which is determined by a fixed amount per meeting a member participates in.

CORPORATE GOVERNANCE REPORT ACCORDING TO SECTION 243B UGB

Independence of Supervisory Board (Section 53, 54 ÖCGK)
All Members of the Supervisory Board who are not in a business or personal relationship with the Rath Aktiengesellschaft or its Executive Board, that would justify a material conflict of interest, and, thus, be able to influence the Member's behavior, are regarded as "independent" in the sense of the general clause of regulation 53. Criteria of the Code of Corporate Governance Exhibit 1 are used as a benchmark.

According to these criteria, two Members of the Rath Aktiengesellschaft's Supervisory Board are to be considered dependent. There is one Member of the Rath Aktiengesellschaft's Supervisory Board who is a shareholder with a share of over 10 %.

Committees and functions of the Supervisory Board (Section 36, 39 ÖCGK)
The Rath Aktiengesellschaft's Supervisory Board is comprised of experts of different specialist fields, and conducts regular meetings dealing with strategic and balance sheet matters, among other things. Within this framework, the Rath Aktiengesellschaft's Supervisory Board is involved as an advising body in all basic decisions of the Executive Board.

Besides the audit and strategy committees, the Rath Aktiengesellschaft's Supervisory Board has not established any other committees. The following people of the Supervisory Board are part of the audit committee: Ms.Roula Millauer as Chairwoman, Mr. Mag. Philipp Rath, Mr. MMag. Christian B.Maier and Mr. Mag. Dieter Hermann. In 2014, the audit committee held two meetings in which the preparation and analysis of the annual accounts and the internal control, revision and risk systems were discussed. The annual auditor participated in both meetings.

The following people of the Supervisory Board are part of the strategy committee: Mr. Mag. Ehrlich-Adám,

Mr. Mag. Philipp Rath, Mr.Dkfm. Paul Rath, Mr. Mag. Dieter Hermann In 2014, the strategy committee held one meeting discussing new products and their sales markets. In 2014, the Supervisory Board held five regular meetings. The attendance rate was at 90 %. The Supervisory Board's focus of activities of the financial year is shown in more detailed in the Supervisory Board's report.

Actions for increasing the share of female employees in the Executive Board, Supervisory Board and leading positions
There are no women on the Executive Board of the Rath Aktiengesellschaft. There is one woman on the Supervisory Board, putting the overall share of women to around 17 %. Women hold leading positions in numerous departments of the first and second reporting level. The share of female employees of the overall staff level as of December 31, 2014 was: 18.7 % (2013: 19.2 %).

The Rath Group supports and promotes the hiring of women in all departments. Rath also takes measures and makes investments which promote the compatibility of career and family. Furthermore, the recruiting process is highly focused on a strict equal treatment of both genders.

CORPORATE GOVERNANCE REPORT ACCORDING TO SECTION 243B UGB

Internal revision

A typical department for internal revision does not exist due to the company's size. The tasks of internal revision are performed by the department of Process Management which regularly notifies the Executive Board about important results . Up-to-date information on the implementation of the Code and amendments as a result of statutory changes can be found on the Rath Group's website (www.rath-group.com).

Corresponding inquiries will be answered by the Executive Board member responsible for Investor Relations during the year or the Chairman of the Supervisory Board at the Annual General Meeting.

VIENNA, APRIL 08, 2015

The Executive Board

Andreas Pfneiszl

DI Jörg Sitzenfrey

DECLARATION BY THE LEGAL REPRESENTATIVES ACCORDING TO SECTION 82 (4) Z 3 BÖRSEGESETZ (AUSTRIAN STOCK EXCHANGE ACT)

We confirm to the best of our knowledge that the consolidated financial statements established according to the authoritative accounting standards give as accurate a representation as possible of the Group's assets, finances and income, and that the consolidated management report presents the activities, results and position of the Group so as to give as accurate a representation as possible of the Group's assets, finances and income, and that the consolidated management report describes the main risks and uncertainties faced by the Group.

We confirm to the best of our knowledge that the parent company's financial statements, established according to the appropriate accounting standards, give as accurate a representation as possible of the company's assets, finances and income, and that the management report presents the activities, results and position of the Group so as to give as accurate a representation as possible of the Group's assets, finances and income, and that the management report describes the main risks and uncertainties faced by the company.

The results of the financial year ending on Wednesday, December 31, 2014 are not necessarily indicative of future results.

The Executive Board

VIENNA, APRIL 08, 2015

Andreas Pfneiszl

DI Jörg Sitzenfrey

REPORT OF THE SUPERVISORY BOARD

Mag. Stefan Ehrlich-Adám, Chairman of the Supervisory Board

DEAR SHAREHOLDERS,

In the 2014 business year, the Executive Board and the Supervisory Board exchanged information during six meetings (five regular meetings, one inaugural meeting), consulting on the economic situation and the strategic development of our company Group as well as on important events, investments and actions.

During all meetings, the Supervisory Board has been, in the course of regular reporting, informed about the most important matters of the management, the course of business and the economic situation of the company. Thus, the Supervisory Board was given great opportunity to comply with its obligation to inform and supervise. We have thereby fulfilled our legal obligations and those laid out in our statutes. We have advised the Executive Board regarding the management of the company and supervised the activities of its Directors. In 2014, we carried out an evaluation of the Supervisory Board's activities during the previous year, revealing no anomalies. There were no grounds for objecting to the economic activity of the Executive Board.

In December 2014, both Executive Board mandates of Mr.Jörg Sitzenfrey (COO) and Mr.Andreas Pfneiszl (CFO/CSO) were extended by the highest possible duration of 5 years until December 31, 2020.

Supervisory Board Meetings

During the year under review, the Supervisory Board and Executive Board extensively discussed all relevant issues affecting the development of the business, including risk and risk management within both the company itself and its subsidiaries. The Executive Board has kept the Supervisory Board informed in the course of reports generated on an ongoing basis by the reporting system, and on the basis of a detailed report on the business and financial position of the group, the personnel situation and the investment and acquisition projects. Special events were reported separately. Supervisory Board committees reported on their activities at the Board's meetings. Six General Meetings (incl.inaugural Supervisory Board's meetings) were held during the 2014 financial year. All but a few members personally participated in all meetings. The meeting of March 3, 2014, dealt with reports of the last business year. The area of activity about the Regulation on Compliance for Issuers has been noted.

At the meeting on April 28, 2014, the 2013 financial statements and management report as well as the 2013 consolidated financial statements and management report were reviewed, the 2013 financial statements were assessed as recommended by the Audit Committee and the proposal for the distribution of profits from the 2013 financial year was approved.

Furthermore, the suggestion of voting an annual auditor was agreed upon, the Annual General Meeting was prepared and the current state of business was reported on. The meeting on June 23, 2014 was mainly used for the preliminary discussion regarding the Annual General Meeting. During the inaugural meeting, which took place on the same day after the Annual General Meeting, the meeting dates for

REPORT OF THE SUPERVISORY BOARD

2014/2015 were finalized. In the meeting held on September 08, 2014, the half-yearly financial report was discussed and deliberations were also held on the current business situation. In the final meeting of the year on December 12, 2014, the 2015 budget, incl.investments, was approved.

Committees

The Supervisory Board has set up two committees. The Audit Committee met twice in 2014. On April 22, 2014, the Audit Committee has carried out the final meeting for the 2013 economic year in the presence of the annual auditor. The annual financial statements and management report as well as the consolidated financial statements and management report were reviewed and the Supervisory Board was recommended to approve the financial statements and the selection of the financial auditor. In the meeting on December 12, 2014, the auditors reported on the status of the preliminary audit of the financial statements and consolidated financial statements.

The Strategy Committee met once in 2014. The main focus of the meeting of December 11, 2014 was an overview of the Rath Group's strategy as well as a detailed overview of the sales and production strategy.

Financial statements

The annual accounts of the Rath Aktiengesellschaft as of December 31, 2014 and the status report of the Executive Board as well as the consolidated financial report as of December 31, 2014 according to IFRS, and the consolidated status report of the Executive Board were audited with regard to accounting and provided with an unqualified audit certificate by KPMG Austria GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (auditing and tax consultancy firm), Vienna.This company was chosen by the General Meeting of June 23, 2014. The Audit Committee of the Supervisory Board analyzed the findings of the audit in cooperation with the auditors during the meeting on March 31, 2015, and recommended the approval of the financial statements and consolidated financial statements to the Supervisory Board.

The Supervisory Board has reviewed the documents according to Section 96 AktG (Stock Corporation Act) as well as the Corporate Governance report, and approved the annual accounts which are therefore determined according to Section 96 no.4 AktG.The Supervisory Board has also reviewed and approved the proposed distribution of profits given by the Executive Board. The audits gave no grounds for objections after their final result.

VIENNA, APRIL 08, 2015

Mag. Stefan Ehrlich-Adám
Chairman of the Supervisory Board

CONSOLIDATED ANNUAL REPORT

CONSOLIDATED ANNUAL REPORT 2014

ECONOMIC ENVIRONMENT

In 2014, the slow-moving recovery of the world's economy continued. However, especially due to the economic momentum falling short of expectations in the first 6 months of 2014, the International Monetary Fund (IMF) has reduced its forecast in the fall for the global economic growth to 3.3 %, 0.3 percentage points less than in April 2014. For 2015, IMF's experts expect a growth of 3.8 %, with risks of a slowdown having gone up.

While economic growth in the USA remained stable at 2.2 % in the financial year 2014 compared to the previous year, according to the IMF, growth decreased slightly from 7.7 % to 7.4 % in China, mirroring the structural change of China in the growth slowdown. After a stagnation in the previous year (+/-0 %), the economy in the European Union grew by 1.3 % in 2014 after a published forecast at the beginning of November.

While the US Central Bank FED has been keeping its base rate at 0.00-0.25 % since 2008 and discontinued its bond-buying program in 2014, the European Central Bank continued easing its financial politics in the reporting year. The further intensification of the low-interest-rate policy, also against the background of a discussion about a possible deflation in the euro zone, placed two additional base rate drops by 10 base points each to 0.05 % in June and September.

Further developments shaping the events on the international capital markets were, besides the continuing civil war in Syria, the military conflict in Eastern Ukraine and the economic sanctions against Russia. The budget crises in the European peripheral countries have calmed down a bit, at least for now. (Source: www.iwf.org)

INDUSTRY ENVIRONMENT

Global outlets of refractory products, as offered by the Rath Group, have barely improved compared to 2013. Europe's market environment is dealing with missing incentives for investments and consumers's prudence of making larger investments; of course, the Ukraine/Russia conflict is an additional strain. Due to the known difficulties, hardly any growth is currently possible in the Middle East. Only in Iran ca small signs of a normalization be observed. The excess capacities are seen mostly in Asia, however, in India as well as China, demand for qualitative refractory products has decreased. Only in the USA and Central America can slight upward trends be noticed, however, these growth rates are also too low to be euphoric.

The Rath Group is globally active in the most important industries for refractory products and solutions. We subdivide those into Business Lines:

CONSOLIDATED ANNUAL REPORT 2014

METALS

The business line Metals generated the greatest contribution in sales in the Rath Group in 2014, remaining stable compared to the previous year with a share of 31 % of overall revenues. The slow-moving growth in the business line Metals mirrors the weak development of the steel industry as well as political uncertainties in Russia, the Ukraine as well as in the Middle East.

FCE

The positive expectations and forecasts of our customers in the business line Fuels, Chemicals & Energy were not met in 2014. Our customer's products were put under strong global price pressure. The caused reduction in the willingness to invest did not only affect new investments negatively but also expenses for major repairs.

The revenue forecasts for high-quality, dense rocks given at the beginning of the business year were clearly missed, especially by customers in North America. According to estimates of our business partners, the field of chemical industry can expect growth in 2015. In this field the Rath Group counts as one of the partners of refractory comprehensive solutions with best reliability and an above-average lifetime.

Sales development in the field of cement and chalk was satisfactory. This can mainly be ascribed to the countries of North Africa and the Middle East.

Some investments were delayed or cancelled in the field of biomass power plants. Many investors, especially in Middle and Western Europe, are insecure of the development of bioenergy due to unclear prospects. The only promising area is the incineration of waste wood, waste materials and residual waste. Two large orders have been booked from these requests received at the end of 2014 for this practice. The revenue share of this business line remained unchanged to the previous year at 21 %.

CERAMIC

According to manufacturers of ceramic products and raw materials, there was good demand for lightweight refractory bricks, dense rocks and ceramic moldings. The largest contribution to sales came from manufacturers of ceramic exhaust filters for the automotive industry. Our customers, who belong to the market leaders in the production of ceramic exhaust filters, surpassed their revenue forecasts in 2014 in all regions worldwide. A growth of 5 % is expected for next year. Furthermore, several new and expansion investments are lined up in Asia, Europe and the western hemisphere for the years of 2015 to 2017. The share of overall revenues is 17 %, up from 15 % in the previous year.

GLASS

The sales contributions of the business line Glass remained below expectations in 2014. The main reason when compared to the previous year was the lack of larger projects. The bad utilization of excess capacities on European and western hemisphere markets led all suppliers to a reduction in the consumption of refractory materials.

CONSOLIDATED ANNUAL REPORT 2014

SECTOR SHARES OVERALL YEAR 2014

- 31 % Metals
- 21 % F. C. & Energy
- 17 % Ceramics
- 15 % Special Furnaces
- 13 % Domestic Fireplaces
- 3 % Glass

SECTOR SHARES OVERALL YEAR 2013

- 31 % Metals
- 21 % F. C. & Energy
- 16 % Special Furnaces
- 15 % Ceramics
- 13 % Domestic Fireplaces
- 4 % Glass

Requests received at the end of 2014 already show a slight market upturn. Facilities producing aluminum silicate specialty glass for displays of portable electronic devices have moved upward noticeably. The main sales markets are North America and East Asia. The revenue share of the business line was 3 %, down from 4 % in the previous year.

SPECIAL FURNACES

The customers of our business line Special Furnaces are mainly manufacturers of special ovens for the industry as well as for the Laboratory sector and Dentistry. The business line also includes manufacturers of analysis and measuring devices that require a specific insulation due to high temperatures. In this business line, the Rath Group is one of the top 5 suppliers worldwide. Growth in Europe and the USA in 2014 was caused by ceramic moldings made of high temperature wool. These are personalized solutions which can be installed expeditiously and easily by the customer. With revenue shares of 15 %, 16 % in the previous year, this business line is one of the Group's most innovative and promising ones.

DOMESTIC FIREPLACES

The Rath Group is and remains the unchallenged number one of heat storage ovens (standard heating stove, classical tiled stove) on the core market. In Austria, for example, Rath still has a market presence of over 50 %, in Hungary, Slovakia and Poland around 30 %, in Germany around 25 %. In general, the sector had to accept drops of over 10 % in 2014, with the negative trend still continuing in the first quarter of 2015. Main reasons are, for example, large insecurities among Europeans regarding their jobs or the change of statutory general conditions for emission limits for private fireplaces (Effective as of January 1, 2015).

The Rath Group has, however, to this date, again in 2014, managed to keep revenues solid, despite this general European trend. The business line richest in tradition generated revenue shares of 13 % which remained stable compared to the previous year.

BUSINESS PERFORMANCE 2014

The 2014 business year was very positive for the Rath Group, despite being in a weak market environment. When looking at the four elapsed quarters of the 2014 business year, a distinct improvement of the key figures can be noted:

Sales development

Weak economic growth on the European core market and reserved economic conditions in the USA have had a negative effect on the sales development of the Rath Group.

CONSOLIDATED ANNUAL REPORT 2014

WHOLE YEAR	4TH QUARTER	3RD QUARTER	2ND QUARTER	1ST QUARTER	KEY FIGURES ‹
77,441	19,479	20,366	20,328	17,268	Revenues in KEUR
8,517	2,805	1,850	3,017	845	EBITDA in KEUR
11.00 %	**14.40 %**	**9.08 %**	**14.84 %**	**4.89 %**	**EBITDA margin**
4,612	1,714	686	2,027	185	EBIT in KEUR
5.96 %	**8.80 %**	**3.37 %**	**9.97 %**	**1.07 %**	**EBIT margin**
549	545	550	544	557	Employees
9.19	9.19	8.25	8.00	6.33	Stock price in EUR

Revenues dropped compared to the same period of the previous year by 2.5 % to 77,441 KEUR (previous year: 79,410 KEUR). A distinct drop can be seen in the project business where the "negative" trend has already set in in 2013 and decreased again in the reporting year by 23.2 % to 17,023 KEUR (previous year: 22,162 KEUR) The separate companies developed differently. The Aug.Rath jun. GmbH, Krummnussbaum, our Austrian company, was not able to keep revenues due to the weak project business demand, thus dropping by 3.4 % or 907 KEUR to 26,115 KEUR (previous year: 27,022 KEUR) Our German company, Rath GmbH, Meissen, with three locations (Meissen, Bennewitz and Moenchen-gladbach) also had to adjust revenues downwards in the project business. Here the decrease had the largest effect with –7.9 % or -2,134 KEUR to 24,989 KEUR (previous year: 27,123 KEUR). The Rath Hungaria Kft., Budapast, was able to keep its revenues stable at 8,206 KEUR (previous year: 8,007 KEUR). The US daughter company Rath USA Inc., Newark, with two locations (Newark, Delaware, and Milledgeville, Georgia) was also not quite able to fulfill its expected revenues and closed the business year with revenues of 11,640 KEUR (previous year: 11,806 KEUR). Our distribution companies in Europe and Mexico are developing positively, finalizing the year with an increase in revenues of 1,038 KEUR. Further details can be found in the segment report.

Earnings development

The EBIT improved significantly and increased by 3,260 KEUR to 4,612 KEUR (previous year: 1,352 KEUR) compared to the same period of 2013. Even in consideration of one-time effects (personnel costs) of around 1,200 KEUR, the EBIT could be raised by 2,060 KEUR in the reporting year, an increase in value of 80.72 % compared to the settled EBIT of 2013. This success confirms the applied strategy.

The gross profits increased compared to the previous year from 56.3 % to 57.9 %. The optimization of the purchasing process led to positive effects on the gross profits.

Personnel costs dropped from 27,191 KEUR to 24,038 KEUR (-11.60 %). In consideration of one-time effects of 1,200 KEUR in 2013, a reduction in personnel costs of -1,953 KEUR (-7.5 %) could be achieved. A significant part to the long-lasting reduction of personnel costs was the closing of the Wirges location as well as organizational changes in the personnel structure in America.

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Other operational expenses remained stable at 12,896 KEUR compared to 12,731 KEUR in the previous year. Strict cost control needs to be mentioned at this point - as well as successes of cost optimization programs.

The financial result improved significantly by 2,011 KEUR to 410 KEUR compared to the same period of the previous year (previous year: -1,601 KEUR). Due to the exchange rate of the USD/EUR, there were strong positive changes in the evaluation. Currency profits amount to 1,435 KEUR (previous year: -699 KEUR), thus being 2,134 KEUR more than in the same period of the previous year; 1,442 KEUR are excluded from the evaluation (previous year: -677 KEUR). The interest rate swap had a positive effect on the financial result with 20 KEUR (previous year: 202 KEUR).

The Group's result was at 2,869 KEUR (previous year: -119 KEUR).

Due to the solid Group result of 2014 and the stable outlook on the 2015 business year, the Executive Board will suggest a dividend payout of 0.40 EUR per no-par-value stock and a bonus dividend of 0.10 EUR per no-par-value stock at the upcoming Annual General Meeting.

Development of the asset and financial situation

The solid asset and financial situation of the Rath Group looks as follows at the end of the 2014 business year: Long-term assets on the asset side decreased by 2,016 KEUR to 38,319 KEUR. The change can basically be attributed to the decrease in active deferred taxes. Tangible assets remained stable compared to the previous year. Investments made in 2014 amounted to 2,871 KEUR (previous year: 1,569 KEUR).

Concurrently, short term assets, especially in the area of inventory and bank balances, increased by 1,639 KEUR to 39,382 KEUR. The balance sheet total now decreased by around 380 KEUR; at the end of the 2014 reporting year, the value was at 77,702 KEUR (previous year: 78,079 KEUR).

By the reporting date of 31st 12., 2014, the Group shows equity capital of 36,481 KEUR (previous year: 33,662 KEUR). Due to the improved annual result compared to the reporting date of the previous year, the equity capital increased by 3.8 % to 46.9 % (previous year: 43.1 %).

The amount of borrowed capital was as of 31st 12. 2014: 53.1 % (previous year: 56.9 %), with 17.4 % for long-term borrowed capital and 82.6 % for short-term borrowed capital.

The debt ratio (net financial liabilities in proportion to equity capital) dropped from 76.5 % to 66.5 %.

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Long-lasting financing strategy
For years the Group's financing has been following the principles of preserving a secured liquidity as well as a capital base as high as possible. The rise of the equity quota to 46.9 % (previous year: 43.1 %) is to be assigned to the annual result in the reporting year. A significant goal of the company is to maintain the equity quota at over 40 %.

The Group's net debt (the balance of interest-bearing liabilities less monies and financial assets/ securities) decreased in the current business year by 1,498 KEUR to 24,263 KEUR (previous year: 25,762 KEUR).

Net cash flow
Due to the solid Group result, cash flow of the operational business activity could be improved to 5,313 KEUR (previous year: 1,377 KEUR). Cash outflow from investment activity increased by 1,218 KEUR to 2,787 KEUR (previous year: 1,569 KEUR) and can basically be attributed to investments in tangible assets (2,805 KEUR; previous year: 1,388 KEUR).

The repayment of financial debts of 923 KEUR (previous year: 827 KEUR) can be seen in the cash outflow of financing.

Free Cashflow increased compared to the previous year by 2,136 KEUR to 1,603 KEUR (previous year: -533 KEUR). The amount of liquid assets was 3,864 KEUR on December 31, 2014, up by 19.5 % from the previous year.

Employees
For the Rath Group, staff members resemble the central factor of success. On one hand success is due to the dedication to innovative refractory solutions which we implement in our products and technologies. On the other hand it is due to the huge commitment and solidarity of our employees.

From the developer to process engineers to production staff and technicians, from the supervisor to employees in the sectors of Back Office and Service as well as of the sales team, people with technical and commercial training find areas of responsibility in the most versatile fields of activity. Rath has a "Lean Management" structure allowing direct, personal communication.

As of December 31, 2014, the Rath Group employed a total of 500.7 people on an "FTE" basis ("full-time equivalent") (previous year: 527.3).

The Rath Group does not have a stock option program. Management, leading employees and other key employees are included in locally differing premium models. Tasks of personnel management are observed according to central guidelines by the parent company and then transferred to the daughter companies. Strategic tasks in the sector of Human Resources are carried out by the CFO.

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In the 2014 business year, an employee survey in our European locations was conducted. The response rate reached a very satisfactory result of over 60 %. Results were evaluated based on the location and respective measures for improvement have been initiated.

In 2014, the Rath Group spent a total of 130 KEUR on employee training (previous year: 139 KEUR).

Our staff members stand out due to their qualifications, commitment, responsibility, discipline, loyalty and mutual appreciation in a familiar work environment. The Executive Board hereby thanks all Rath colleagues for their accomplishments to further develop our company Group, which is only possible due to the above-average commitment of many Rath employees.

Sustainability (Corporate Social Responsibility)
The Supervisory Board and Management of the Rath Group place a high value on sustainable company leadership. Thus, strategic decision-making as well as operational leadership are influenced equally by ecological, economic and social factors.

Since January 1, 2005, the Rath Group has been part of the European Emissions Trading Scheme. Under this scheme, the companies involved (currently Aug.Rath jun.GmbH, Austria) receive emissions certificates that must be returned to the relevant authority within four months at the end of the calendar year in respect of that year's actual emissions. If actual yearly emissions exceed those allocated on the certificates, the required number of additional certificates must be purchased. The Rath Group has a sufficient number of free certificates.

Part of the most important cross-group strategies of sustainability are Rath's brand and product development strategies as well as innovation and production methods for optimizing the economy and ecology during the production process as well as in the product. Entering of the most important basic data of the Group's companies had been continued in the 2014 financial year.

Our colleagues are the most important key for a positive, sustainable development of our company's success. Open, appreciative interactions among colleagues of all sectors beyond function levels is the foundation of our company.

Research and Development
The Rath Group is organized by a central Research and Development sector with focus on Product Development and Management, Product Engineering and Materials Science. Research and Development are important components of our strategy as a premium supplier. With innovative and developing products, procedures and materials do we strengthen our claim "Top technology creates trust".

Numerous F & E projects were realized in 2014. The development and introduction of two new product groups stands out: PRIOFORM® in the area of vacuum forming, a special HT fabrics product, REACH-com-

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pliant for higher application temperatures, and SICRATH®, special pads and structural components made of silicium carbide for municipal waste incineration plants in the field of energy and environmental technology.

REPORTING ABOUT ESSENTIAL FEATURES OF THE INTERNAL CONTROL SYSTEM REGARDING THE ACCOUNTING PROCEDURE

The internal control system (IKS) defines all processes for securing economic efficiency and correctness of accounting. It reduces the error rate of transactions, protects assets from losses by damages and fraud and guarantees conformity of business procedures regarding statutes, Group guidelines and current legislation (Compliance).

The control environment of the accounting process is marked by a clear structural and process organization, with people specifically assigned to individual functions (e.g.in Financial Accounting and Controlling). Staff involved in the accounting process fulfill the professional requirements. Mostly standard software is used in accounting.

The Rath Group's guidelines are based on the Rath management handbook, the Compliance guidelines as well as internal regulations and signature rules for the company's management and leading employees of all Rath Group companies. These terms will be revised according to the Compliance terms, if necessary, and verifiably given to the respective Management.

Local Management is responsible for adhering to the guidelines of their respective Rath daughter company. Internal regulations refer to i.a.the mandatory compliance with terms of the management handbook and defines a list of business cases which require group management's approval.

The Rath Group's management handbook contains i.a.information and terms necessary for the accounting process as well as the consolidation handbook (reporting guidelines, accounting and valuation rules) or IT guidelines.

Every quarter group results are consolidated according to UGB regulations and reported to the Supervisory Board and shareholders, or every six months according to IFRS regulations.

The consolidated accounts will be extensively reviewed by a Group auditor in close cooperation with the Supervisory Board and the Audit Committee.The Group auditor guarantees consistent audit standards due to his international network. A standardized monthly management reporting system includes all consolidated individual companies of the Rath Group.

The Rath Aktiengesellschaft's Supervisory Board regularly informs itself about the internal control system during its meetings. The Audit Committee's task is to supervise the control system's efficiency.

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Risk Management

The Rath Group is exposed to different opportunities and risks in its global entrepreneurial trade. The constant identification, evaluation and management of risks is an essential part of the management, planning and controlling process. The Risk Management resorts to organizational, reporting and management structures available in the Group.

These processes are continually evaluated by the central Processing Management team. The contents are about documenting all processes within the company as well as the documented behavior in case of deviations in order to learn from mistakes and make constant improvements. This way of thinking about processes is anchored in ISO 9001:2008. The risk management system ensures that risks are regularly analyzed and assessed. This is the only way to be sure that they can be detected at an early stage and countermeasures can be implemented quickly should a risk arise.

Essential risks

Risks that might have negative affects on the Rath Group's asset, financial or profit situation, are basically unchanged compared to previous time periods and are as follows:

Acquisition

The main topic regarding acquisition is avoidance of being dependent on individual suppliers. Our central Purchasing department counteracts this and creates requirements for a balanced portfolio of suppliers in consideration of reasonable purchase volumes and prices. In order to receive better prices for our suppliers, it is often necessary to place bulk orders. However, this brings along the disadvantage of capital commitment.

Production

The essential value-added levels of the Rath Group lie within the manufacturing of our products. A possible risk of a business interruption with direct impact on the company's result is covered by our business interruption insurance across the entire Group. The Group proactively counteracts this in a preventative way via constant analyses of individual assets and precautionary maintenance. Nonetheless, risks arising from product liabilities cannot be fully excluded. In case of quality flaws, they will be corrected according to the customer. Costs arising from this are covered by our product liability insurance across the entire group. Reputation damage resulting from this, however, is always a risk for the company Group.

Sales

The global product or project sale also harbors risks. Our overall solutions are nowadays going to countries that are not always economically and politically stable. Information about our sales directors is constantly retrieved from the respective sales markets and countries, helping us recognize possible defaults of receivables and initiate counteractive measures.

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Outside the European Union and the USA, the Rath Group mostly relies on credit operations in regard to payment conditions. Thus, it is guaranteed that our sales are secured by an international bank.

For those sales not secured with letters of credit, we have set up an internal Receivables Management with credit limits. The Receivables Management evaluates the resulting credit risk with the help of external information from credit agencies and our experience with the respective customer or the customer's country. On the basis of information collected a credit limit is set. The Rath Group has no credit loss insurance.The defaults of receivables in the 2014 business year amounted to 16 TEUR within the Rath Group, 0.02 % of all sales revenues.

Liquidity
The stipulation of credit limits and the amount of refinancing costs at financial institutes are dependent on their evaluation of the Rath Group's future prospects. Therefore, bank contacts are well maintained to ensure that our bank partners always have a clear and current idea of the economic situation of our Group.

Foreign currencies and interest
For the most part, the Rath Group provides deliveries to its customers in the respective currency of the company. Due to the ongoing assessment of the currency pairs USD/EUR or HUF/EUR, positive as well as negative changes can take place in the financial result of the individual companies, therefore in the Group as well.

Due to increased financing requirements of the Rath Group, the impact of interest rate changes on the financial result also increases. The Rath Group currently has an interest rate swap contract valid until 2018. Due to the currently prevailing low interest level, hedging has been assessed negatively.

Total risk
The Rath Group's risks are supervised with the described means and measures in the best possible way. The continued existence of the company is not at risk from the vantage point at present.

INFORMATION IN ACCORDANCE WITH SECTION 243A UGB (AUSTRIAN COMMERCIAL CODE)

The capital stock is comprised of 1,500,000 no-par-value stocks (previous year: 1,500,000 no-par-value stocks), with each no-par-value stock having an equal share of the capital stock.

The Executive Board is not aware of any limits regarding voting rights or transfers of stocks.

The Rath Aktiengesellschaft does not own any of its own stocks. Diversified holdings are with Austrian and international investors. The stock is quoted at the "Standard Market Auction" of the Vienna Stock Exchange under the ISI number AT0000767306.

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SHAREHOLDER'S STRUCTURE
DECEMBER 31, 2014

- 66.7 % Rath Holding GmbH
- 14.7 % Diversified holdings
- 13.8 % Rath family members
- 4.8 % Pioneer Investments

No significant investments from Rath Group employees are known. As is within each shareholder's discretion to exercise their voting rights in General Meetings, this is also granted to employees holding stocks.

There are no terms not immediately derived from the law regarding the naming and dismissal of Execute Board and Supervisory Board Members as well as the change of the company's statutes.

The Executive Board is not aware of any significant agreements the company is involved in and that take effect at a change of control in the company following a takeover bid.

There are also no compensation agreements in place between the company and their Executive Board and Supervisory Board Members or employees in the case of a public takeover bid.

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OUTLOOK

The Rath Group will continue on its current path and is expecting a successful business year in 2015.

The solid structure of the balance sheet and strong equity base of the Rath Aktiengesellschaft and its daughter companies presents the necessary basis for further developments, whether provided by the market, customer or products. The Rath Group feels well prepared for the 2015 financial year in that aspect, despite the likely lack of a significant global economic growth, as economics experts suggest. While forecasts for Europe remain cautious, experts forecast a strong growth for the USA.

Regarding the expected overall economic parameters, no substantial changes compared to 2014 are to be expected for the markets served by the Rath Group. Internally, the Rath Group will further push ahead the already successfully implemented process optimizations and measures for increases in efficiency, while keeping an eye on cost discipline.

On this basis and under consideration of consistent foreign exchange rates as well as interest rate levels, the company group is expecting a slight increase in revenues as well as the group result for the financial year of 2015.

There were no reportable events after the reporting date.

The Executive Board

VIENNA,
APRIL 08, 2015

Andreas Pfneiszl

DI Jörg Sitzenfrey

FINANCIAL STATEMENTS
RATH GROUP 2014

CONSOLIDATED BALANCE SHEET

	EXHIBIT INFORMATION	31.12.14 KEUR	31.12.13 KEUR (ADJUSTED*)	31.12.13 KEUR (AS REPORTED)
Means of payment and payment equivalents	(7)	3,864	3,234	3,234
Trade receivables	(5)	12,763	12,967	12,967
Other receivables and accruals and deferrals	(6)	1,840	1,494	1,211
Inventory	(4)	20,906	20,048	20,048
Receivables from income tax		9	0	0
Other short-term assets	(6)	0	0	283
Short-term assets		**39,382**	**37,743**	**37,743**
Financial assets	(3)	698	681	681
Intangible assets	(2)	488	354	354
Tangible assets	(1)	34,189	34,495	34,495
Deferred tax assets	(12)	2,945	4,805	4,805
Long-term assets		**38,319**	**40,335**	**40,335**
Total assets		**77,702**	**78,079**	**78,079**
Short-term financial liabilities	(10)	25,169	24,609	25,422
Liabilities from deliveries and services	(13)	4,833	5,363	5,507
Other short-term liabilities	(14)	2,996	2,842	2,850
Short-term reserves	(11)	614	1,568	1,685
Short-term income tax debts	(12)	449	916	1,101
Current liabilities		**34,062**	**35,298**	**36,565**
Long-term financial liabilities and bonds	(10)	2,203	3,469	2,471
Liabilities from leasing obligations	(10)	1,453	1,599	1,784
Employee benefits	(9)	3,075	3,189	2,914
Long-term provisions	(11)	0	0	275
Other long-term financial liabilities	(14)	180	121	121
Other long-term liabilities and deferred income	(15)	230	269	0
Deferred tax liabilities	(12)	19	471	286
Long-term liabilities		**7,159**	**9,118**	**7,851**
Authorized capital		10,905	10,905	10,905
Capital reserves		1,118	1,118	1,118
Net profit and free reserves		26,719	23,857	23,857
Reserves from currency conversion		-1,895	-1,816	-1,816
Other reserves		-374	-403	-403
Non-controlling interests		8	1	1
Total equity capital	(8)	**36,481**	**33,662**	**33,662**
Total liabilities		**77,702**	**78,079**	**78,079**

* For reasons of comparison, adjustments of the previous year have been made.

GROUP'S INCOME AND LOSS STATEMENT

	EXHIBIT INFORMATION	2014 KEUR	2013 KEUR
Sales revenue	(16)	77,441	79,410
Change in inventory		2,387	623
Other operating income	(19)	625	341
		80,453	**80,374**
Cost of materials and purchased services	(17)	-35,002	-35,321
Personnel costs, including social security benefits and taxes	(18)	-24,038	-27,191
Other operating expenses	(20)	-12,896	-12,731
EBITDA		**8,517**	**5,131**
Depreciations on intangible assets	(2)	-118	-86
Depreciations on tangible assets	(1)	-3,788	-3,693
EBIT		**4,612**	**1,352**
Interest income	(21)	49	10
Interest expenses:	(21)	-1,029	-1,114
Other financial income	(21)	3,179	1,877
Other financial expenses	(21)	-1,788	-2,374
Earnings before tax (EBT)		**5,022**	**-249**
Taxes on income	(12)	-2,153	130
Consolidated result		**2,869**	**-119**
Attributable to shareholders of parent company		2,862	-117
Non-controlling interests		7	-2
Consolidated result		**2,869**	**-119**
Basic (undiluted) result per stock (in EUR)	4.5.	1.91	-0.08
Diluted result per stock (in EUR)	4.5.	1.91	-0.08

GROUP'S STATEMENT OF COMPREHENSIVE INCOME

	2014 KEUR	2013 KEUR
Consolidated result after income tax	2,869	-119
Other results		
Items that will not be reclassified in the income and loss statement afterwards:		
Reevaluation of longterm liabilities towards employees according to IAS 19	2	-144
Apportionable to tax	-1	36
	2	**-108**
Items that will be reclassified in the income and loss statement afterwards:		
Evaluation of financial assets "available for sale" in accordance with IAS 39	36	15
Apportionable to tax	-9	-4
Currency conversion	-79	-219
	-52	**-207**
Total other comprehensive income	**-51**	**-315**
Total result attributable to the stockholders of the parent company	-51	-315
Non-controlling interests	0	0
Consolidated revenues after tax	**2,819**	**-434**
Total result attributable to the stockholders of the parent company	2,811	-433
Non-controlling interests	8	-1
Consolidated revenues	**2,819**	**-434**
Basic (undiluted) result per stock (in EUR)	**1.91**	**-0.08**
Diluted result per stock (in EUR)	**1.91**	**-0.08**

CHANGES IN CONSOLIDATED STOCKHOLDERS' EQUITY

	AUTHORIZED CAPITAL KEUR	CAPITAL RESERVES KEUR	CURRENCY CURRENCY CONVERSION KEUR	OTHER RESERVES KEUR	NET PROFIT AND FREE RESERVES KEUR	TOTAL KEUR	NON-CONTROLLING SHARES KEUR	TOTAL EQUITY CAPITAL KEUR
As of 1st 1. 2013	**10,905**	**1,118**	**-1,597**	**-305**	**23,972**	**34,093**	**3**	**34,096**
Group earnings 2013	0	0	0	0	-117	-117	-2	-119
Other comprehensive income 2013	0	0	-219	-97	0	-315	0	-315
Consolidated revenues	0	0	-219	-97	-117	-432	-2	-434
As of 31st 12. 2013	**10,905**	**1,118**	**-1,816**	**-403**	**23,857**	**33,661**	**1**	**33,663**
Group earnings 2014	0	0	0	0	2,862	2,862	7	2,869
Other comprehensive income 2014	0	0	-79	29	0	-51	0	-51
Consolidated revenues	0	0	-79	29	2,862	2,812	7	2,819
As of 31st 12. 2014	**10,905**	**1,118**	**-1,895**	**-374**	**26,719**	**36,473**	**8**	**36,481**

CONSOLIDATED CASH FLOW STATEMENT

	EXHIBIT INFORMATION	31.12.14 KEUR	31.12.13 KEUR
Group results after tax		**2,869**	**-119**
Adjustments to Group results			
Depreciation	(1), (2)	3,905	3,779
Depreciations on financial assets		0	15
Changes to personnel reserves		-112	86
Changes to value adjustments		127	64
Interest expenses	(21)	1,029	1,114
Interest income	(21)	-49	-10
Income tax	(12)	2,153	-130
Income/loss from from the disposal of assets		**19**	**0**
		9,942	**4,799**
Changes in net working capital			
Trade receivables		77	-734
Other receivables		-327	-263
Inventory		-859	90
Liabilities from deliveries and services		-530	-2,179
Accruals and provisions		-954	184
Other liabilities		36	-201
		-2,556	**-3,103**
Interest paid		-891	-1,114
Interest received		48	10
Income tax paid		-1,230	786
Net cash inflow and outflow from operational activity		**5,313**	**1,377**
Acquisition of tangible assets and intangible assets	(1)	-2,871	-1,569
Deposits from the sale of tangible assets and intangible assets		84	0
Net cash used in investing activities		**-2,787**	**-1,569**
Taking on of financial debts		3,338	3,228
Repayment of financial debts		-4,116	-3,349
Repayment of leasing liabilities		-146	-353
Net cash generated from financing activities		**-923**	**-827**
Cash and cash equivalents at the beginning of the year		**3,234**	**3,810**
Net change of means of payment and equivalents		**1,603**	**-533**
Non-cash currency differences		**-974**	**-43**
Cash and cash equivalents at the end of the year		**3,864**	**3,234**

GROUP NOTES

1. THE COMPANY

Rath Aktiengesellschaft, Walfischgasse 14, 1010 Vienna, and its daughter companies (hereafter referred to as the 'Rath Group') manufacture and distribute refractory materials for industrial consumers and other business enterprises. The main markets are located within the European Union, Eastern Europe and the USA. The registered office of the parent company is situated in Vienna. Production sites are located in Austria, Germany, Hungary and the USA. There are also sales companies in France, the Czech Republic, Poland, Ukraine, Mexico, Argentina and Brazil.

The stocks of the Rath Aktiengesellschaft (hereafter Rath AG) as "parent company" are listed on the Vienna stock exchange in the 'Standard Market Auction' segment.

2. ACCOUNTING AND METHODS OF ACCOUNTING AND EVALUATION

2.1. ACCOUNTING STANDARDS

The consolidated financial result of the Rath Group of December 31, 2014 was created in accordance with the International Financial Reporting Standards ("IFRS") as applicable in the European Union, and the additional regulations of Sec. 245a paragraph 1 UGB.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the fair value evaluation of available for sale financial assets, and financial assets and liabilities (including derivative instruments) at fair value through profit and loss.

Accounting practices for the companies included in the consolidated financial statements are based on accounting methods which apply uniformly across the Rath Group.

The consolidated financial statements are compiled in units of 1,000 EUR ("KEUR", rounded up or off by the commercial rounding method). The summation of rounded figures and percentages may give rise to calculation differences due to the use of automatic calculation systems.

These consolidated financial statements were approved for publication by the Executive Board on April 2, 2015. The parent company financial statements, which shall also be incorporated into the consolidated financial statements after the adoption of the applicable accounting standards, shall be presented to the Supervisory Board for review on April 21, 2015.

Changes due to the new balance sheet structure have been separately displayed as "adjusted" as of 31st 12. 2013. Such a display was abstained from in the detailed information.

2.2. CHANGES AND AMENDMENTS OF IFRS

New and amended standards adopted by the company

The Group reviewed the impacts of the following, new applied standards and has come to the conclusion that they have no or no significant impacts on the Group earnings of 31st 12. , 2014.

	STANDARD/INTERPRETATION/AMENDMENT	DATE OF APPLICATION	IMPACTS IN THE REPORTING YEAR
IFRS 10	IFRS 10 "Group earnings	1.1.14	none
IFRS 10	Changes to IFRS 10 "Group earnings" – Interim arrangements	1.1.14	none
IFRS 10	Changes to IFRS 10 – "Group earnings" – Investment companies	1.1.14	none
IFRS 11	IFRS 11 "Mutual agreements"	1.1.14	none
IFRS 11	Changes to IFRS 11 "Mutual agreements" – Interim arrangements	1.1.14	none
IFRS 12	IFRS 12 "Information about stocks of other companies"	1.1.14	Not relevant
IFRS 12	Changes to IFRS 12 "Information about stocks of other companies" – Interim arrangements	1.1.14	none
IFRS 12	Changes to IFRS 12 "Information about stocks of other companies" – Investment companies	1.1.14	none
IAS 27	Revised version of IAS 27 "Individual financial statements"	1.1.14	none
IAS 27	Changes to IAS 27 "Individual financial statements" – Investment companies	1.1.14	none
IAS 28	Revised version of IAS 28 "Stocks of associated companies and joint ventures"	1.1.14	none
IAS 32	Changes to IAS 32 "Financial instruments: Representation" – Balancing of financial instruments	1.1.14	Not relevant
IAS 36	Changes to IAS 36 "Value reductions of assets" – Information about attainable amount	1.1.14	Not relevant
IAS 39	Changes to IAS 39 "Financial instruments: Concept and evaluation" – Novation of derivatives and the continuation of hedging transactions	1.1.14	none

New standards, amendments and interpretations not yet adopted by the European Union and not applied in advance of their adoption date

The following amendments or revisions of standards and interpretations have not yet been fully adopted by the EU as of the reporting date and are not yet obligatory for the financial year and have not been applied early.

Standard to be used in the future:

	STANDARD/INTERPRETATION/AMENDMENT	TIME OF ITS COMING INTO EFFECT	EXPECTED IMPACTS
IAS 19	Changes to IAS 19 "Employee Benefits"	1.1.15	Are currently under review
IFRIC 21	IFRIC 21 "Accounting of taxes"	1.1.15	none
Miscellaneous	Improvements of the IFRS 2010-2012 (annual adjustment process)	1.1.15	Are currently under review
Miscellaneous	Improvements of the IFRS 2011-2013 (annual adjustment process)	1.1.15	Are currently under review

Standards not yet adopted by the EU:

	STANDARD/INTERPRETATION/CHANGE	TIME OF ITS COMING INTO EFFECT	EXPECTED IMPACTS
IFRS 7	Changes to IFRS 7 "Financial instruments: Information" – Binding point in time of its coming into effect and transitional provisions	1.1.15	Are currently under review
IFRS 9	IFRS 9 "Financial instruments"	1.1.18	Are currently under review
IFRS 10, 11 and IAS 28	Changes to Investment Entities of the standards IFRS 10, 11 and IAS 28	1.1.16	Not applicable
IFRS 11	Changes to IFRS 11 "Mutual agreements" – Acquisition of stocks of a joint operation.	1.1.16	Are currently under review
IFRS 14	IFRS 14 "Regulatory deferrals and accruals"	1.1.16	Not applicable
IFRS 15	IFRS 15 "Revenues from customer contracts"	1.1.17	Are currently under review
IAS 1	Changes to IAS 1 "Presentation of financial statements"	1.1.16	Are currently under review
IAS 16 and AIS 38	Changes to IAS 16 "Assets" and IAS 38 "Intangible assets" – Clarification of acceptable depreciation methods	1.1.16	Are currently under review
IAS 16 and AIS 41	IAS 16 "assets" and IAS 41 "Agriculture" – produced plants	1.1.16	Not applicable
IAS 27	IAS 27 "Individual financial statements" – Application of equity method	1.1.16	Are currently under review
IAS 28 and IFRS 10	Changes to IAS 28 "Stocks of associated companies and joint ventures" and IFRS 10 "Group's consolidated financial statements"	1.1.16	Are currently under review
Miscella-neous	Improvements of the IFRS 2012-2014 (annual adjustment process)	1.1.16	Are currently under review

Apart from this, there are no IFRS or IFRIC interpretations that have not yet come into effect and for which any significant impact is expected for the company.

2.3. CONSOLIDATION SCOPE AND METHODS

The parent company is Rath AG, Vienna. The consolidated financial statement of the Group includes all companies governed by the parent company through full consolidation. An investor is in command of an associated company when he or she has the power of disposition over the associated company, when he or she is exposed to risks by or rights to fluctuating returns from his or her commitment in the associated company, and when he or she uses his or her power of disposition over the associated company in such a way that the amount of returns of the associated company is influenced. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The first-time inclusion of a subsidiary takes place using the purchase method by allocating acquisition costs to the identifiable assets and liabilities of the purchased company. The amount of acquisition costs over and above the fair value of net assets is recorded as goodwill. Should the fair value of the net assets be higher than the acquisition costs, Rath Aktiengesellschaft, after a further critical assessment of the applicability and evaluation of the assets and liabilities taken over, will record the excess amount in the income statement. Acquisition-related costs are expressed as incurred. The company recognizes any non-controlling interests in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Group-internal transactions, receivables, liabilities and significant unrealized profits and/or losses (interim results) are eliminated. Transactions with non-controlling interests are treated as transactions with equity owners of the Group. The difference between fair value of any consideration paid and the corresponding share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

In addition to the parent company, the scope of consolidation includes the following companies:

	GROUP SHARE IN %	CONSOLIDATION METHOD
Aug. Rath jun. GmbH, Austria	99.98	Full consolidation
Rath GmbH, Germany	100	Full consolidation
Rath Hungaria Kft., Hungary	100	Full consolidation
Rath USA Inc. Newark, USA	100	Full consolidation
Rath žárotechnika spol. s r.o, Dvůr Králové, Czech Republic	100	Full consolidation
Rath Polska Sp. z o.o., Poland	100	Full consolidation
Rath SAS, France	95	Full consolidation
Rath Ukrajina TOW, Ukraine	100	Full consolidation
Rath Group srl., Mexico	100	Full consolidation
Rath Group S.R.L., Argentina	100	Full consolidation
Rath Group srl., Brazil	100	Full consolidation

2.4. CURRENCY CONVERSION

Transactions in foreign currency

The functional currencies of the financial statements of the individual group companies correspond with the local currency. Individual Group companies record business transactions in a foreign currency using the average exchange rate on the relevant transaction date. The conversion of existing monetary assets and liabilities denominated in a foreign currency on the reporting date takes place using the valid exchange rate of that date. The resultant foreign currency profits and losses are recorded within the income statement of the financial year in question.

Conversion of financial statements in foreign currency

The consolidated financial statements are compiled in Euros, the reporting currency of Rath Aktiengesellschaft. The functional currency of subsidiaries outside the Euro Zone is the respective local currency. The conversion into Euros of all assets and liabilities in these companies' financial statements, including goodwill and value adjustments resulting from the initial consolidation, takes place using the average exchange rate on the reporting date.

Profit and loss items are converted and posted at the monthly average exchange rate over the financial year in question. All differences in conversion rates are recognized as separate items in the comprehensive income statement ("currency conversion" as part of other results).

Unrealized currency differences from long-term Group loans which are regarded as part of the net investment in a subsidiary are also recognized in other comprehensive income under the line item "Currency translation differences".

The following exchange rates are particularly significant for the consolidated financial reports:

	RATE ON REPORTING DATE 31.12.14	RATE ON REPORTING DATE 31.12.13	AVERAGE RATE 1-12 2014	AVERAGE RATE 1-12 2013
USD	1.214	1.379	1.329	1.328
HUF	315.540	297.040	308.706	296.873
CZK	27.735	27.427	27.536	25.980
PLN	4.273	4.154	4.184	4.197

equals 1 euro.

Source: Austrian National bank (www.oenb.at)

2.5. ACCOUNTING AND EVALUATION PRINCIPLES

a) Intangible assets

Individually acquired intangible assets are initially valued under acquisition or production costs. Acquisition or production costs include all costs incurred to bring the asset up to its current condition. Acquisition costs of an intangible asset acquired under a business combination reflect its fair value at the time of acquisition. Following initial evaluation, intangible assets are stated at acquisition or production cost less cumulative planned depreciations and value reductions. Amortization occurs using a straight-line method over an estimated utilization period of 3 to 15 years. There are no intangible assets with an indefinite useful life.

Profits and losses from the disposal of intangible assets are determined by comparing the proceeds with the carrying amount and are recognized in the item 'Other operating income' or 'Other operating expenses' in the income statement. Development expenses will only then be activated if the development costs can be evaluated reliably, if the product or the procedure is suitable technically and commercially, if a future economic use is likely and if the Group intends to and has sufficient resources to finish the development and use or sell the asset. Activated development expenses will be stated as acquisition or production costs less cumulative depreciations and impairment expenses. No activations have been carried out.

b) Tangible assets

Items of property, plant and equipment are valued at acquisition or production cost less accumulated depreciation and impairment losses. Acquisition and production costs include all costs incurred to bring the asset up to its current condition and location. Due to contractual obligations for rented property, estimated expenditure for renovation or demolition is capitalized. The production costs of self-constructed plants contain the expenses attributable directly to the production. Borrowing costs are stated if they can be attributed to a qualifying asset. No borrowing costs were stated in the reporting year.

Costs incurred in subsequent periods for an asset are considered only when it is probable that future economic benefits will flow to the group and the costs can be measured reliably.

Amortization of intangible assets and depreciable assets occurs using a straight-line method over the expected useful life of such assets. The residual book values and useful lives are reviewed on every reporting date and adjusted if required. The following values for useful life were used to determine the depreciation rates and are unchanged from the previous year:

	UTILIZATION PERIOD IN YEARS	
Buildings	of 10	up to 35
Machinery	of 10	up to 20
Business equipment	of 5	up to 15

Profits and losses from the disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognized in the item 'Other operating income' or 'Other operating expenses' in the income statement.

c) Leases

Assuming that all significant risks and opportunities under this item are transferred to the Rath Group (finance lease), such items are recorded as assets. Valuation on conclusion of the contract agreement is made at the lower value of the fair value of the object at the time of contract conclusion and the present value of minimum lease payments to be made in future. At the same time, the amount considered is taken to be a financial liability.

In the case of finance leases, from the lessee's perspective, the fair value or lower cash value of the minimum lease payments for the leased item is capitalized at the time of purchase and amortized over the useful life. Capitalized asset values are set against the respective present value of the liability from outstanding lease payments as of the reporting date. Each leasing rate will be divided into an interest part and a repayment portion so that interest is constantly paid on the leasing liability. The interest part of the leasing rate is stated in the income and loss statement as expenses.

d) Government grants

Government grants for reimbursement of expenses are recognized as other operating income in the period the payments accrue, except when the grant is dependent on conditions that are unlikely to occur.

Investment grants are recognized on the liability side at the time binding approval is given and recorded as income in accordance with the amortization of the systems in question.

e) Financial assets

Financial assets are divided in the following categories: Loans and receivables and financial assets available for sale. The classification depends on the purpose for which the financial assets have been acquired. The management determines the classification of the financial asset upon initial recognition.

All securities are classified as 'available for sale'. They are valued at the fair value on the acquisition date under consideration of the transaction costs and in later periods at the current fair value. Changes in value are recorded in other comprehensive income and only shown in the income statement on sale of the security or if there is objective evidence of impairment.

Any recoveries in value up to the cost of acquisition are recorded in the income and loss statement with debt instruments. As soon as the fair value exceeds the acquisition cost, these changes are recorded in the stockholders' equity.

The fair value of securities is established using the stock market value as of the reporting date. Securities are recognized on the day of completion.

Loans and receivables are recorded at the amortized costs using the effective interest method.

f) Inventories

Inventories are stated at the lower value of the acquisition and production cost and the net realizable value as of the reporting date.

Acquisition and production costs include all costs of manufacturing, working and processing as well as other costs incurring to move the inventory to their current location and condition. Production costs include all direct costs and variable costs and overheads that are systematically incurred during production on the basis of the average utilization of production facilities. Unit costs are calculated using the moving average price method.

Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

g) Receivables from deliveries and services and other receivables and other assets

Receivables from deliveries and services and other receivables are recorded at acquisition cost less impairment costs for any anticipated irrecoverable elements. The evaluation of other assets is made at acquisition cost less provision for impairment.

Where the provisions of IAS 11 apply, production orders are recognized using the percentage of completion method. According to this method, costs incurred plus a profit margin based on the degree of completion will be recognized as receivables under manufacturing orders as well as turnover. The degree of completion will generally be calculated according to the ratio of incurred costs to anticipated total costs. Anticipated contract losses are to be covered by provisions, calculated in light of the recognized risk.

Payments received are deducted from production order receivables. Any resulting negative balance for a production order is capitalized as a liability from production orders.

h) Cash and cash equivalents

Means of payment and equivalents include cash and readily available assets with credit institutes with a remaining term of up to three months. The item "means of payment and equivalents" corresponds with the cash and cash equivalents of the cash flow statement.

i) Impairment of non-financial assets

In case of long-term assets, except for deferred tax claims and financial assets, a review of whether or not there are indications of a reduction in value is carried out on the respective reporting date or in case of a triggering event.

If action is required, the Rath Group calculates the recoverable amount for the asset. This is the higher of the asset's value in use and its fair value less costs to sell. Should the recoverable amount be less than the asset's carrying amount, an impairment loss for this difference shall be recorded in the income statement.

The value in use of the asset is the present value of anticipated future cash flows from its continued use and end-of-life disposal, using a pre-tax, standard market interest rate that is appropriate for the specific risks of the asset. If no separate cash flow can be determined for an individual asset, the value in use is calculated for the next largest unit to which the asset belongs and for which it is possible to establish a separate cash flow (cash generating unit). The Rath Group defines the individual companies as 'cash generating units'. The fair value less costs to sell corresponds to the proceeds achievable in the market from independent third parties, less any costs of sale incurred. Any subsequent non-impairment leads to a net income- affecting value recovery to the lowest value of updated, original acquisition or production costs and the recoverable amount.

As of the reporting date, no action was required regarding impairment.

j) Employee benefits

In the case of contribution-based pension plans, the company performs payments to private or public pension systems and employee and employee pension funds due to statutory or contractual obligations. There are no further obligations besides the payment of contributions. The regular payments of contributions are stated as expenses of the respective period.

All other obligations result from uncovered performance-oriented pension schemes and are reset respectively. This obligation is reported in accordance with IAS 19 The cash value of the defined benefit obligation (DBO) is determined this way. The DBO is calculated using the projected unit credit (PUC) method. According to this method, future payments are calculated using realistic assumptions over the period of benefit entitlement. The calculation of the required provision for the respective reporting date is done via a report of an actuary.

Future obligations will be assessed according to actuarial principles and are based on a proper assumption of the discount factor, salary increase factor and the pension increase factor. Reevaluations, dependent on assessment, of the net debt from performance-oriented pension plans, which are exclusively represented by actuarial profits in the Rath Group, are stated in its full amount of the other results in equity capital (see "consolidated income statement") Thus, the provisions usually correspond to the actual obligation on the respective reporting date.

Any past service costs are immediately recorded with effect on the results. Regarding the anniversary bonus provisions, actuarial profits and losses are immediately recorded with effect on the results. Actuarial profits and losses are immediately recorded in other results regarding provisions for severance payments and pensions.

With respect to provisions for severance payments, the service costs are distributed over the time frame in which the maximum entitlement to compensation is reached.

k) Provisions

Provisions are established if the Rath Group has a legal or factual obligation to a third party as a result of a past event whereby it is likely that this obligation will lead to a reduction of resources and a reliable estimate of the amount of the obligation can be made. If work needs to be carried out on a tangible asset at the end of its useful life, the associated costs will be classified in the form of a provision for costs of disposal and capitalized as part of acquisition or production costs.

Provisions are set at the value corresponding to the best possible estimate of the expenditure required to fulfill the obligation. If the present value of the provisions established using a standard market interest rate is significantly different from the nominal value, the present value of the obligation shall be used.

l) Taxes

Income tax expense includes current and deferred taxes. For transactions recorded directly in the equity capital or other results, the income tax related thereto will be recorded, without affecting results, in the equity capital or in other results.

Actual taxes for individual companies within the Rath Group are calculated from the income tax liability of the company and the applicable tax rate in the country.

Deferred taxes are established according to the liability method for all temporary differences between value of the assets and liabilities in the consolidated financial statements and the tax amounts of the individual companies. Furthermore, any tax advantage likely to accrue from any existing losses is included in the calculation. Exceptions to this comprehensive deferred tax establish temporary differences associated with participation with non tax-deductible company values. Deferred tax assets are not established if it is unlikely that the inherent tax advantage can be realized. The determination of the deferred tax was based on a tax rate of 25.0 % in Austria, 30.0 % in Germany, 10.0 % in Hungary and 40.0 % in the USA.

m) Financial liabilities

Financial liabilities are recorded at the amounts actually received minus transaction costs. Premiums, discounts and other differences bet¬ween the amount received and the amount of repayment are realized over the term of the finance arrangement according to the effective interest method and recorded in the financial result (continued acquisition costs).

n) Liabilities from deliveries and services and other liabilities

Liabilities from deliveries and services are valued when the liabilities are incurred at the amount of the fair value of the services received. They are subsequently valued as amortized costs. Other liabilities not resulting from service relationships are recorded at cost.

o) Derivative financial instruments

The Rath Group currently only uses interest rate swaps to reduce existing risks of interest rate fluctuations.

The fair value of interest rate swaps corresponds to the value that the Rath Group would receive or would have to pay on the reporting date if the company were liquidated. To this end, actual market conditions, especially current interest rates, are taken into consideration. Fluctuations in the value are recorded in the income statement.

Regulations of IAS 39 about accounting of hedging relationships are not applied.

p) Revenue realization

Proceeds from deliveries (goods) are recognized if all the main risks and opportunities from the delivered item have been transferred to the buyer. Proceeds from services not associated with a production order are recorded to the extent that they have been performed as of the reporting date.

If the result of a production order (project business) can be reliably estimated, the revenues and order costs are recorded in line with the progress of service on the reporting date as revenues and corresponding expense items. Any anticipated loss from the production order is immediately recorded as an expense item.

q) Financing expenses and financial income

Financing expenses include interest, expenses similar to interest, allowable expenses, and other similar costs and currency exchange rate profits/losses regarding the financing, and results from hedging transactions as well as permanent depreciations of "available for sale" securities for borrowed loans and finance leasing transactions.

Financial income includes the interest, dividends and other similar proceeds realized from the investment of financial assets.

The interest is categorized on the basis of time elapsed according to the effective interest method. Dividends are recognized at the time of the resolution to make a dividend payout.

r) Uncertainties with judgments and assumptions

The preparation of the consolidated financial statements in accordance with IFRS requires judgments and assumptions to be made by the company management regarding future developments which may have a decisive influence on the approach to and value of assets and liabilities, on the recording of other liabilities as of the reporting date and on the disclosure of proceeds and expenditure during the financial year. With respect to liabilities and impairments not recorded in the balance sheet and arising from sureties, guarantees and other contingent liabilities, regular estimates are made as to whether recognition is required in the consolidated financial statements.The estimates and assumptions on which these are based are continually reviewed. The actual values may differ from the assumptions and estimates made if the specified framework conditions develop contrary to expectations on the reporting date. Amendments are made in the income statement when dictated by the facts, and premises are adapted accordingly.

For the following assumptions, there is a not inconsiderable risk that asset and liability values will need to be amended in the following financial year:

› For the valuation of existing pension and severance payment liabilities, assumptions are used regarding interest rates, retirement age, life expectancy, fluctuation and future salary increases. The group determines the reasonable discount rate at the end of each year. When determining the discount rate, the group uses the interest rate for industrial borrowings with maximum solvency in the currencies in which the payments are made and with terms that match those specified in the pension and severance publications (Sensitivity see point 3 (9), page 49)

› The calculation of deferred taxes is based on the assumption that sufficient taxable income will be generated in the future to utilize losses carried forward (Sensitivities see point 3 (12), page 52f).

› Value corrections for inventories are conducted after a storage period.Inventories that have not been sold within a year are subjected to a value correction (up to 100 %) (see point 3 (4), page 48).

3. EXPLANATORY NOTES TO BALANCE SHEET AND INCOME STATEMENT

For reasons of comparison, adjustments of the previous year have been made. This affects both short and long term liabilities. The main changes include reclassification of active deferred items to other receivables and deferred items regarding short-term assets. Short and long-term liabilities have been adjusted, advance payments of customers for liabilities due to deliveries and services were reclassified as other short-term liabilities. Reserves for anniversary bonuses have been included in personnel reserves. Special items were reclassified from other short-term liabilities to other long-term liabilities. The values reported in the previous year are shown in the balance sheet presentation as in the previous year; reclassifications are shown in the column "reclassified". Details in the following refer to the reclassified values.

(1) Tangible assets

	LAND KEUR	BUILDINGS (INCLUDING BUILDINGS ON FFOREIGN GROUND) KEUR	TECHNICAL ASSETS KEUR	OTHER ASSETS AND BUSINESS EQUIP-MENT KEUR	ASSETS FROM FINANCIAL LEASING KEUR	ADVANCE PAY-MENTS/ASSETS IN BUILDINGS KEUR	TOTAL KEUR
Acquisition costs							
As of 1st 1. 2013	479	22,241	79,880	11,721	1,765	984	117,070
Additions	0	82	1,112	122	0	72	1,388
Disposals	0	-3	-191	-46	0	0	-239
Transfers	0	13	221	113	0	-410	-63
Exchange rate changes	-9	-198	-733	-51	0	-2	-993
As of 31st 12. 2013	**470**	**22,135**	**80,289**	**11,862**	**1,765**	**644**	**117,167**
Additions	0	467	1,593	435	155	155	2,805
Disposals	0	-85	-1,548	-684	0	0	-2,317
Transfers	0	219	-7,802	5,337	2,577	-521	-190
Exchange rate changes	-11	233	1,365	15	0	-4	1,598
As of 31st 12. 2014	**459**	**22,969**	**73,897**	**16,962**	**4,497**	**274**	**119,058**
Cumulative depreciation							
As of 1st 1. 2013	-1	-11,897	-60,387	-6,816	-578	0	-79,676
Additions	0	-536	-2,814	-294	-48	0	-3,693
Disposals	0	2	225	43	0	0	270
Transfers	0	0	0	4	0	0	4
Exchange rate changes	0	40	369	21	0	0	430
As of 31st 12. 2013	**-1**	**-12,390**	**-62,608**	**-7,041**	**-626**	**0**	**-82,664**
Additions	0	-561	-2,534	-464	-229	0	-3,788
Disposals	0	85	1,535	605	0	0	2,225
Transfers	0	0	4,547	-3,481	-1,066	0	0
Exchange rate changes	0	-29	-629	31	-12	0	-639
As of 31st 12. 2014	**-1**	**-12,896**	**-59,688**	**-10,351**	**-1,933**	**0**	**-84,869**
Asset value on 1st 1. 2013	**478**	**10,344**	**19,493**	**4,906**	**1,187**	**984**	**37,395**
Asset value on 31st 12. 2013	**469**	**9,745**	**17,681**	**4,821**	**1,139**	**641**	**34,495**
Asset value on 31st 12. 2014	**458**	**10,073**	**14,209**	**6,611**	**2,564**	**274**	**34,189**

Depreciation does not contain any impairments. On 31st 12., 2014, the purchase commitment regarding tangible assets was at 223 KEUR.

(2) Intangible assets

	SOFTWARE *KEUR*	OTHER RIGHTS *KEUR*	SELF-DEVELOPED SOFT-WARE *KEUR*	TOTAL *KEUR*
Acquisition costs				
As of 1st 1. 2013	1,566	212	173	3,077
Additions	181	0	0	181
Exchange rate changes	-10	0	0	-10
As of 31st 12. 2013	**1,736**	**212**	**173**	**3,247**
Additions	53	12	0	65
Disposals	-227	-12	0	-239
Transfers	151	-38	76	189
Exchange rate changes	19	0	0	19
As of 31st 12. 2014	**1,733**	**174**	**249**	**3,282**
Cumulative depreciation				
As of 1st 1. 2013	-1,483	-47	-160	-2,817
Additions	-58	-23	-5	-86
Exchange rate changes	9	0	0	9
As of 31st 12. 2013	**-1,532**	**-70**	**-165**	**-2,893**
Additions	-99	-5	-14	-118
Disposals	227	0	0	227
Transfers	-23	-96	119	0
Exchange rate changes	-9	0	0	-9
As of 31st 12. 2014	**-1,437**	**-171**	**-60**	**-2,794**
Asset value on 1st 1. 2013	**83**	**165**	**13**	**261**
Asset value on 31st 12. 2013	**204**	**142**	**8**	**354**
Asset value on 31st 12. 2014	**296**	**3**	**189**	**488**

(3) Other financial assets

The financial assets mostly include securities that have been classified "available for sale" according to the IAS 39. They include shares in three investment funds and are used to cover pension obligations in accordance with Sections 14 and 116 öEStG (Austrian Income Tax Act). Evaluation takes place for the fair value. Value changes of the fair value are recorded in other results.

	ACQUISITION COSTS 31.12.13 *KEUR*	(+) ADDITIONS (-) OUTFLOWS 31.12.14 *KEUR*	ACQUISITION COSTS 31.12.14 *KEUR*	BOOK VALUE 31.12.14 *KEUR*	BOOK VALUE 31.12.13 *KEUR*
Other financial assets	19	-19	0	0	19
Securities available for sale	734	0	734	698	662
	753	**-19**	**734**	**698**	**681**

(4) Inventories

	31.12.14 KEUR	31.12.13 KEUR
Raw materials, consumables and fuel	3,399	3,161
Unfinished/finished products and trading goods, gross	18,704	17,918
Value adjustment on products and trading goods	-1,197	-1,031
Unfinished/finished products and trading goods, net	17,507	16,887
	20,906	**20,048**

(5) Receivables from deliveries and services

	31.12.14 KEUR	31.12.13 KEUR
Trade receivables	13,047	13,161
Receivables towards a company with an ownership structure	0	1
Adjustments	-284	-196
	12,763	**12,967**

From receivables from deliveries and services, value adjustments of 284 KEUR (31st 12. 2013: 196 KEUR) were deducted. The value adjustments are developing as follows.

	31.12.14 KEUR	31.12.13 KEUR
As of 1.	160	134
Use	-12	0
Liquidation	-42	-24
Remuneration	169	88
Currency conversion	9	-2
As of 31st 12.	**284**	**196**

There were no long-term orders on the reporting date which had to be evaluated according to the Percentage of Completion Method (PoC) (previous year 0 KEUR). For export loans of 3,963 KEUR (31st 12. 2013: 3,963 KEUR) there is a global cession towards Erste Bank AG, Austria.

(6) Other receivables and accruals and deferrals

	31.12.14 KEUR	31.12.13 KEUR
Other receivables	101	127
Advance payments	1	0
Receivables to companies with an ownership structure	1	1
Financial assets	**103**	**128**
Receivables tax office and social security contributions	1,078	1,033
Miscellaneous other receivables	65	35
Other non-financial receivables	1,143	1,068
Accruals and deferrals	595	298
Total	**1,841**	**1,494**

(7) Cash and cash equivalents

	31.12.14 KEUR	31.12.13 KEUR
Bank balances	3,843	3,221
Cash in hand	21	13
	3,864	**3,234**

The holdings of payment means and equivalents correspond with the cash and cash equivalents of the cash flow. Bank balances are freely available.

(8) Equity

Unchanged to the previous year, the share capital is identified as the Rath AG's nominal capital of 10,905 KEUR. It consists of 1,500,000 non-par value shares. The shares are fully paid up.

The bonded capital reserves recorded in the parent company's financial statements (31st 12. 2014: 1,118 KEUR; 31st 12. 2013: 1,118 KEUR) may only be liquidated to balance a recorded net loss in the parent company's financial statement.The free reserves result from the presented profits and losses generated by the Group.

All other reserves include the generated other results less currency conversion differences which are recorded in a separate reserve (currency conversions). Dividends are determined according to the balance sheet profit reported in the financial statements of the parent company in accordance with company law. As of December 31, 2014, the parent company reports a balance sheet profit of 2,317KEUR. Due to the solid Group result of 2014 and the stable outlook on the 2015 business year, the Executive Board will suggest a dividend payout of 0.40 EUR per no-par-value stock and a bonus dividend of 0.10 EUR per no-par-value stock at the upcoming Annual General Meeting. Other shareholders' shares in equity (non-controlling interests) involve Charmottewaren- und Thonöfenfabrik Aug.Rath jun. GmbH, Austria and Rath SAS, France.

(9) Employee benefits

Pension obligations

The pension obligation is based on individual contractual promises, to be paid to a total of two pensioners/leading employees in Austria after reaching retirement.

Severance payment obligations

Pursuant to statutory regulations, the Rath Group is obliged to make a severance payment to all employees in Austria whose employment commenced before January 1, 2003 if they are dismissed by the employer or when they retire. The amount depends on the number of years of service and the salary at the time of termination, and amounts to between two and 12 months' salary. Effective on 31st 12. With effect from December 31, 2002, the option to freeze all existing severance-pension entitlements was made use of and all employees transferred to the new Employee Pension Fund system. A provision was established for these frozen obligations.

For all valid Austrian employment contracts after December 31, 2002, from the second month of employment, the Rath Group pays 1.53 % of the salary into the Employee Pension Fund each month, where the contributions are invested in an employee account and are either paid or transferred as entitlement to the employee on the termination of the employment contract.The Rath Group is exclusively obliged to payment of these contributions. For this contribution-based pension model, therefore, no provision needs to be established.

Anniversary bonus reserves

Due to statutory regulations, the Rath Group is required to pay anniversary bonuses of 2 to 12 monthly salaries to all employees in Austria who have exceeded a certain employment period.

Calculations as of Wednesday, December 31, 2014, and Tuesday, December 31, 2013, are based on the following assumptions:

	2014	2013
Interest rate	2.50 %	3.00 %
Salary increase	2.00 %	2.75 %
Pension increase	1.75 %	2.25 %
Pension age for women	56.5 years	56.5 years
Pension age for men	61.5 bis 65 years	61.5 bis 65 years
Probability of dying	AVÖ 2008-P	AVÖ 2008-P

	2014 *KEUR*	2013 *KEUR*
Provisions for severance payments	651	672
Provisions for pensions	2,214	2,330
Provisions for anniversary bonuses	209	189
	3,075	**3,189**

	SEVERANCE PAYMENT RESERVE		PENSION RESERVE		ANNIVERSARY BONUS RESERVE	
Development of reserves (DBO) recorded in the annual report	2014 *KEUR*	2013 *KEUR*	2014 *KEUR*	2013 *KEUR*	2014 *KEUR*	2013 *KEUR*
Cash value reserve (DBO) on 1st 1.	**672**	**616**	**2,330**	**2,338**	**189**	**174**
Service costs	27	16			20	15
Interest expenses	20	21	65	76	0	0
Recorded in income and loss statement	**47**	**37**	**65**	**76**	**20**	**15**
Actuarial profits/losses						
from experience-related adjustments	7	52	0	93	0	0
from changes in demographic assumptions	0	0	10	0	0	0
from changes in financial assumptions	-15	0	-1	0	0	0
recorded in other results	**-8**	**52**	**9**	**93**	**0**	**0**
Payments	-59	-34	-190	-177	0	0
Cash value reserve (DBO) on 31st 12.	**651**	**672**	**2,214**	**2,330**	**209**	**189**

Impact change return interest rate	INCREASE BY 0.5 % *KEUR*	REDUCTION BY 0.5 % *KEUR*
Change of reserves for severance indemnities	-29	34
Changes to pension reserves	-73	95

Pension payments to beneficiaries amounted to 190 KEUR during the business year (31st 12. 2013: 177 KEUR). The estimated duration of the pension obligation is 11.4 years, the one for severance payments is 10.4 years.

(10) Financial liabilities

	31.12.14 LONG-TERM KEUR	31.12.14 CURRENT KEUR	31.12.14 TOTAL KEUR	31.12.13 LONG-TERM KEUR	31.12.13 CURRENT KEUR	31.12.13 TOTAL KEUR
Bank borrowings						
Short-term loans	0	19,581	19,581	0	18,973	18,973
Export loans	0	3,963	3,963	0	3,963	3,963
Investment loans	2,203	1,318	3,521	3,469	1,372	4,841
Liabilities to other creditors						
Financial leasing	1,453	308	1,762	1,599	301	1,900
	3,656	**25,169**	**28,825**	**5,068**	**24,609**	**29,677**

The maturities of financial liabilities are displayed in section 4.1. Liquidity risk.

The main conditions of financial liabilities are as follows:

TYPE OF FINANCING	CURREN-CY	BOOK VALUE AS OF 31.12.14 KEUR	EFFECTIVE EFFECTIVE 2014 %	BOOK VALUE AS OF 31.12.13 KEUR	EFFECTIVE EFFECTIVE 2013 %	INTEREST FIXED/VARI-ABLE	DUE
Short-term loans	EUR	18,079	2.05 to 4.25	17,557	1.6 to 3.798	variable	< 1 year
Short-term loans	USD	1,501	3.25 to 4.24	1,416	1.75	variable	< 1 year
Export loans	EUR	3,963	0.75	3,963	2.6	variable	< 1 year
Investment loans	EUR	2,280	2.42 to 5.01	3,066	2.25 to 4.5	fixed/variable	> 1 year
Investment loans	USD	1,240	1.06	1,775	1.83	variable	> 1 year
Financial leasing	EUR	1,042	4.1	1,142	2.9	variable	> 1 year
Financial leasing	USD	720	6.4 to 8.0	757	6.4 to 8.0	fixed	> 1 year
		28,825		**29,677**			

For export loans of 3,963 KEUR (previous year: 3,963 KEUR) there is a global cession towards Erste Bank AG, Austria.

For part of the variable loans there is an interest rate swap, details of which are provided under point 3 (14) in section 4.1.

The fair values of the variable-rate financial liabilities do not vary significantly from the book values. The financial liabilities with fixed interest have a fair value of 4,102 KEUR (previous year: 5,288 KEUR).

The fair values are determined as cash value of the anticipated cash flow. The calculation is based on a risk-adequate discount factor.

(11) Accruals and provisions

	PERSONNEL KEUR	OTHER KEUR	TOTAL KEUR
As of 1st 1. 2014	**639**	**929**	**1,568**
Accruals	159	104	263
Used	-432	-314	-746
Transfers	0	-459	-459
Currency conversion	0	-12	-12
As of 31st 12. 2014	**366**	**248**	**614**

All reserves listed in the above table are short-term. The personnel reserves include reserves for excluded Board Members in the amount of 0 KEUR (previous year: 393 KEUR), other reserves include 0 KEUR (previous year: 235 KEUR) for the renaturation of the abandoned plant in Wirges.

(12) Income taxes

Income tax breaks down as follows:

	2014 KEUR	2013 KEUR
Corporation tax for the financial year (actual tax liability)	703	214
Deferred taxes	1,450	-344
	2,153	**-130**

Temporary differences from the amount stated in the IFRS consolidated financial statement and the respective tax amount have the following impact on deferred taxes reported on the balance sheet:

	2014 KEUR	2013 KEUR
Reported in the annual report:		
Deferred tax assets	2,945	4,805
Deferred tax liabilities	-19	-471
Deferred taxes (net)	**2,926**	**4,334**

	31.12.14 KEUR	12/31/13 KEUR
Holdings of deferred tax assets and liabilities:		
Deferred tax assets		
Liabilities from leasing transactions	260	285
Personnel reserves IAS 19	148	36
Other	191	95
Loss carry forwards	6,236	7,258
	6,836	**7,674**
Deferred tax liabilities		
Other	0	609
Temporary differences in capital assets	3,211	2,567
Temporary differences in the foreign currency evaluation	636	0
Employee benefits	63	69
	3,910	**3,245**
Deferred taxes (net)	**2,926**	**4,429**
Of which non-current	2,756	4,630

Due to currently valid tax regulations it can be assumed that differences from retained profits between the fiscal participation amount and the pro rata equity of subsidiaries included in the consolidated financial statements shall mainly be exempt from taxation. No deferred tax has therefore been established in this regard.

Deferred taxes on the loss carried forward of 19,544 KEUR (31st 12. 2013: 13,094 KEUR) have been classified, as on the basis of existing plans it is probable their use will be offset with future fiscal profits. Regarding the loss carried forward of 9,049 KEUR (31st 12. 2013: 8,013 KEUR) no deferred taxes have been classified, as it is unlikely from the current perspective that they will be offset on the reporting date with future fiscal profits from individual companies. Losses carried forward can be carried forward without restriction.

A change of future results will have the following impacts regarding deferred taxes +/- :

	+10 %	-10 %
Deferred tax liabilities	3,432	2,420

A tax allocation contract in accordance with Section 9 paragraph 8 KStG (Corporation Tax Law) 1988 (Group provider Rath AG – Group member Chamottewaren- und Thonöfenfabrik Aug. Rath jun. GmbH) exists for Group taxation purposes.

The causes of the difference between the expected tax burden in accordance with the Austrian corporation tax rate of 25 % and the income tax expense breaks down as follows:

	2014 *KEUR*	2013 *KEUR*
Pre-tax earnings	5,022	-249
Expected tax burden	25 %	25 %
	1,256	**-62**
Tax rate differences	230	-60
Non-deductible expenses	74	89
Tax relief and tax-free earnings	-68	-97
Tax corrections from prior periods	-185	0
Unrecognized deferred tax	847	0
Effective tax charge	**2,153**	**-130**

(13) Liabilities from deliveries and services

	31.12.14 *KEUR*	31.12.13 *KEUR*
Liabilities from deliveries and services	4,833	5,363
	4,833	**5,363**
Of which non-current	0	0

(14) Other liabilities

Other liabilities break down as follows:

	31.12.14 KEUR	31.12.13 KEUR
Other liabilities	669	1,050
derivatives	655	676
other financial liabilities	**1,324**	**1,726**
Of which non-current	180	121
Liabilities Tax	509	406
Liabilities Social Security Contributions	354	212
Advance payments	479	144
Miscellaneous other liabilities	230	269
Other liabilities	**1,572**	**1,031**
Of which non-current	230	269
Accruals	**509**	**475**
from vacation entitlements	419	415
from overtime hours	90	60
	3,405	**3,232**
Of which non-current	**410**	**390**

(15) Derivative financial instruments

The derivative financial instruments involve an interest swap serving the hedging of a variable-interest liability economically to which Hedge Accounting according to IAS 39 is not applied. The swap is in effect until 2018.

	31.12.14			31.12.13		
	NOMINAL VALUE KEUR	REFERENCE VALUE %	FAIR VALUE KEUR	NOMINAL VALUE KEUR	REFERENCE VALUE %	FAIR VALUE KEUR
Interest rate swap	4,500	4.35	-655	4,500	4.35	-675
Of which non-current			-180			-120

(16) Sales revenue and segment reporting

Business segments are shown by region. The business segmentation by regions corresponds to the Group's internal reporting system which is regularly presented to the chief operating decision-maker, the Rath Aktiengesellschaft's Executive Board. Assets and liabilities as well as revenues and costs are allocated to the individual business segments only if they are attributable to the respective business segments directly or on the basis of a reasonable methodology. Allocations between individual segments are performed using the arm's length principle. Business segment information is subject to the same accounting and evaluation methods as the annual report.

Segmentation includes the following regions:

Austria	Rath Aktiengesellschaft, Aug.Rath jun. GmbH
Germany	Rath GmbH
Hungary	Rath Hungaria Kft.
USA	Rath USA Inc.
Rest of world	Rath Zarotechnika, Rath Polska, Rath SAS, Rath Ukraina TOW, Rath Group srl., Mexico, Argentina, Brazil

Segmentation by region is performed by customer location for revenue and by the location in which the items are situated for the assets.

Segmentation by region

	AUSTRIA KEUR	GERMANY KEUR	HUNGARY KEUR	USA KEUR	REST OF WORLD KEUR	CONSOLIDATED KEUR	TOTAL KEUR
Year of 2014							
Product orders	21,880	19,242	6,609	11,294	1,392	0	60,418
Projects	4,235	5,747	1,597	345	5,099	0	17,023
Inter-segment sales	9,035	9,053	6,003	15	88	-24,194	0
Total	**35,151**	**34,042**	**14,209**	**11,655**	**6,579**	**-24,194**	**77,441**
Segment result (EBIT)	**2,040**	**1,706**	**597**	**147**	**-5**	**127**	**4,613**
Financial income	1,772	68	722	1,988	66	-1,387	3,228
Financial expenses	-1,069	-112	-1,104	-760	-45	273	-2,818
Financial result	**702**	**-44**	**-383**	**1,228**	**21**	**-1,115**	**410**
Earnings before tax (EBT)	**2,742**	**1,662**	**214**	**1,374**	**17**	**-987**	**5,023**
Income tax	-562	-525	-34	-1,086	-111	165	-2,153
Annual income	**2,180**	**1,138**	**180**	**288**	**-95**	**-822**	**2,868**
Segment assets	38,488	30,726	10,354	21,565	4,038	-27,469	77,702
Segment liabilities	32,392	6,117	7,027	19,802	3,181	-27,298	41,221
Investments	1,211	882	167	540	71	0	2,871
Depreciation	1,131	1,527	325	874	48	0	3,906

	AUSTRIA KEUR	GERMANY KEUR	HUNGARY KEUR	USA KEUR	REST OF WORLD KEUR	CONSOLIDATED KEUR	TOTAL KEUR
Year of 2013							
Product orders	21,140	16,418	6,357	10,577	2,756	0	57,248
Projects	5,882	10,705	1,650	1,229	2,696	0	22,163
Inter-segment sales	8,550	8,513	5,637	24	213	-22,937	0
Total	**35,572**	**35,636**	**13,644**	**11,830**	**5,665**	**-22,937**	**79,410**
Segment result (EBIT)	**-309**	**1,165**	**390**	**310**	**-23**	**-180**	**1,353**
Financial income	493	4	1,324	277	23	-234	1,887
Financial expenses	-587	-115	-1,712	-1,155	-196	275	-3,488
Financial result	**-94**	**-111**	**-388**	**-878**	**-172**	**41**	**-1,601**
Earnings before tax (EBT)	**-403**	**1,055**	**2**	**-568**	**-195**	**-139**	**-248**
Income tax	96	-180	-20	236	-37	35	130
Annual income	**-307**	**875**	**-18**	**-332**	**-232**	**-104**	**-119**
Segment assets	40,301	31,108	11,770	18,695	4,595	-28,391	78,079
Segment liabilities	35,407	6,936	8,422	17,418	3,402	-27,171	44,414
Investments	390	494	248	372	65	0	1,570
Depreciation	1,023	1,480	326	888	63	0	3,779

(17) Cost of materials and purchased services

	2014 KEUR	2013 KEUR
Cost of materials	27,240	23,901
Cost of purchased services	7,761	11,420
	35,002	**35,321**

(18) Personnel expenses

	2014 KEUR	2013 KEUR
Wages and salaries	18,962	21,231
Expenses for statutory taxes and contributions	4,061	4,333
Contribution to staff provision funds	109	111
Expenses for severance and long-service payments	135	778
Other personnel expenses	771	739
	24,038	**27,191**
Average workforce:		
White collar	203	223
Blue collar	346	387
	549	**611**
Staff count on reporting date		
White collar	202	210
Blue collar	338	362
	540	**572**

(19) Other operating income

	2014 KEUR	2013 KEUR
Insurance claims/insurance compensation	132	6
Rental and lease income	43	37
Earnings from sale of capital assets, excluding financial assets	0	0
Expenses charged to third parties	4	0
Classifiedinternal services	238	0
Other	207	298
	625	**341**

(20) Other operating expenses

	2014 KEUR	2013 KEUR
Freight and own vehicle expenses	2,649	2,993
Maintenance and service	2,025	2,176
Legal counseling and other consultations	1,253	1,005
Rent and lease	958	1,124
Travel expenses	925	836
IT and communications expenses	796	828
Other taxes	607	349
Insurance	430	449
Operational costs Building	418	414
Commission payment to third parties	414	250
Advertisement and marketing	396	388
Expenses due to value corrections of receivables	240	159
Costs for monetary transactions	218	190
Office supplies	217	128
Recycling and disposal costs	192	259
Education and training	129	179
Other expenses	1,029	1,004
	12,896	**12,731**

Other expenses mainly include, as in the previous year, costs for Research and Development, expenses for professional representation, expenses from prior periods etc.

(21) Financial result

The financial result categorized according to individual financial instruments and divided into interest rate result, profits and losses from evaluations, results from disposal and others is composed as follows:

		EVALUATION RESULTS FROM					
Earnings +/Expenses -		INTEREST INCOME AND INTEREST EXPENSES	FINANCIAL INSTRUMENTS, EVALUATED ON FAIR VALUE	CURRENCY CONVERSION	REDUCTIONS IN VALUE AND APPRECIATIONS IN VALUE	OTHER PROFITS AND LOSSES	NET FINANCIAL RESULT
Loans and receivables	**2014**	**-17**	**0**	**1,230**	**-115**	**-60**	**1,038**
	2013	-3	0	-494	-78	-83	-658
Available for disposal Available assets	**2014**	**38**	**0**	**0**	**0**	**0**	**38**
	2013	17	0	0	0	0	17
Financial instruments: Which have been evaluated on the Fair value, affecting net income	**2014**	**-182**	**20**	**0**	**0**	**0**	**-162**
	2013	-184	202	0	0	0	18
Financial liabilities on continued acquisition costs	**2014**	**-817**	**0**	**212**	**0**	**0**	**-605**
	2013	-839	0	-215	0	0	-1,054
Means of payment and equivalents	**2014**	**-2**	**0**	**-11**	**0**	**0**	**-13**
	2013	-1	0	0	0	0	-1
total	**2014**	**-980**	**20**	**1,431**	**-115**	**-60**	**296**
	2013	-1,010	202	-709	-78	-83	-1,678

Reductions in value and appreciations in value for loans and receivables involve receivables from deliveries and services and are recorded in the operational result.

(22) Research and development expenses

Expenses include the following research and development expenses:

	2014 KEUR	2013 KEUR
Personnel costs	588	650
Technical audit costs	93	349
	680	998

4. OTHER INFORMATION

4.1. FINANCIAL INSTRUMENTS

Financial instruments include non-derivative and derivative financial instruments. Non-derivative financial instruments available within the Group mainly include financial investments, trade receivables and services, bank credits, financial liabilities and trade payables.

Derivative financial instruments are used exclusively to secure inherent interest risk for loans. The reference amount is made up of the reference basis of derivative instruments open as of the reporting date. The actual amounts accruing represent only a fraction of these amounts. The fair value has been established on the basis of market prices and is included in a separate item.

Market risk
The main market risks for the Rath Group are the foreign currency risk, interest rate fluctuation and price variations of raw materials and energy. In this respect, the objective of risk management is to minimize potential losses by monitoring and controlling these risks.

Interest rate fluctuation risk
Risks inherent to interest rate fluctuations mainly occur only in the context of long-term debt financing. A list of all important interest-bearing assets and liabilities as well as impacts of an interest rate change are included in the following table.

The following sensitivity analysis shows the impact of interest rate changes regarding interest-bearing instruments on the Rath Group'speriod result. The analysis assumes that all other variables, especially exchange rates, remain constant. The Rath Group does not report any fixed-rate financial assets or liabilities in the financial statements at fair value, and, as of the reporting date, has no derivatives as hedge instruments for fair value hedges. A change to the interest rate regarding fixed-rate instruments would have no effect on the Group's income and loss statement.

			FINANCIAL INSTRUMENTS THEREOF			PROFIT/LOSS	
		BOOK VALUE *KEUR*	NOT INTEREST-BEARING *KEUR*	FIXED INTEREST PAID ON *KEUR*	VARIABLE INTEREST PAID ON *KEUR*	PLUS 100 BASIC POINTS *KEUR*	MINUS 100 BASIC POINTS *KEUR*
Interest-bearing liabilities							
Liabilities from Deliveries and services	**2014**	**4,833**	**4,833**	**0**	**0**	**0**	**0**
	2013	5,363	5,363	0	0	0	0
Other financial liabilities	**2014**	**1,144**	**669**	**0**	**0**	**0**	**0**
	2013	1,605	1,050	0	0	0	0
Short-termbank liabilities	**2014**	**24,861**	**0**	**552**	**24,309**	**244**	**-244**
	2013	24,308	0	552	23,757	238	-238
Long-term bank liabilities	**2014**	**2,203**	**0**	**1,092**	**1,110**	**11**	**-11**
	2013	3,469	0	1,644	1,825	18	-18
Leasing liabilities	**2014**	**1,761**	**0**	**474**	**980**	**10**	**-10**
	2013	1,900	0	757	1,142	11	-11

			Financial instruments thereof			Profit/Loss	
		Book value KEUR	Not interest-bearing KEUR	Fixed interest paid on KEUR	Variable interest paid on KEUR	Plus 100 basic points KEUR	Minus 100 basic points KEUR
Interest-bearing assets							
Means of payment and payment equivalents	**2014**	**3,864**	**16**	**0**	**3,847**	**38**	**-2**
	2013	3,234	13	0	3,221	32	-32
Short-term financial assets	**2014**	**0**	**0**	**0**	**0**	**0**	**0**
	2013	0	0	0	0	0	0
Trade receivables	**2014**	**12,763**	**12,763**	**0**	**0**	**0**	**0**
	2013	12,967	12,967	0	0	0	0
Other short-term financial receivables	**2014**	**103**	**103**	**0**	**0**	**0**	**0**
	2013	476	476	0	0	0	0
Long-term financial assets	**2014**	**698**	**698**	**0**	**0**	**0**	**0**
	2013	681	681	0	0	0	0

Foreign exchange risk

The Rath Group operates internationally and is therefore exposed to foreign exchange risks, especially for the USD and HUF. These risks are currently not secured by financial derivatives, which may lead to gains or losses from transactions in foreign currency.

	31.12.14				31.12.13			
	EUR KEUR	USD KEUR	HUF KEUR	OTHER KEUR	EUR KEUR	USD KEUR	HUF KEUR	OTHER KEUR
Financial assets								
Trade receivables	4,653	4,740	1,357	2,013	5,797	3,048	1,943	2,179
Financial liabilities								
Bank borrowings	-23,024	-1,748	-2,601	0	-24,653	-2,173	-2,850	0
Liabilities from financial leasing	-980	-474	0	0	-1,249	-757	0	0
Liabilities from deliveries and services	-3,659	-153	-747	-275	-4,148	-301	-982	-76
Net exposure	**-23,009**	**2,365**	**-1,990**	**1,738**	**-24,253**	**-183**	**-1,889**	**2,104**

Conversion rates are given in section 2.5. The following sensitivity analysis shows the effects of exchange fluctuations on the Rath Group results for the period. The analysis assumes that all other variables, especially interest rates, remain constant. The analysis was prepared on the same basis for the financial year 2013, although the actual trend deviates from the assumptions made at the time.

	USD KEUR	HUF KEUR	OTHER KEUR	TOTAL KEUR
31.12.14				
10 % strengthening of the EUR				
Effect on result for the period	-29	-18	9	-37
Effect on equity	-176	-333	-822	-1,331
10 % weakening of the EUR				
Effect on result for the period	29	18	-9	37
Effect on equity	176	333	822	1,331

	USD KEUR	HUF KEUR	OTHER KEUR	TOTAL KEUR
31.12.13				
10 % strengthening of the EUR				
Effect on result for the period	33	2	62	97
Effect on equity	-127	-335	-117	-579
10 % weakening of the EUR				
Effect on result for the period	-33	-2	-62	-97
Effect on equity	127	335	117	579

Credit risk

Given the absence of offset agreements, reported amounts on the asset side represent both the maximum solvency risk and the maximum loss risk. The risk in relation to receivables from customers can be considered as low, as the solvency of new and existing customers is constantly reviewed. The risk of loss for other non-derivative and derivative financial instruments reported on the asset side is also considered as low given that contract partners are all banks with high solvency ratings. The book value of financial assets also represents the maximum credit risk. Financial assets include the following as of the reporting date:

	BOOK VALUE KEUR	MEANS OF PAYMENT AND PAYMENT EQUIVALENTS KEUR	LOANS AND RECEIVABLES KEUR	FINANCIAL ASSETS AVAILABLE FOR SALE AT ACQUISITION COSTS KEUR
Financial assets				
Means of payment and equivalents 12. 2014	**3,864**	**3,864**	**0**	**0**
Means of payment and equivalents 12. 2013	3,234	3,234	0	0
Short-term financial assets 31st 12. 2014	**0**	**0**	**0**	**0**
Short-term financial assets 31st 12. 2013	0	0	0	0
Receivables from deliveries and services 31st 12. 2014	**12,763**	**0**	**12,763**	**0**
Receivables from Deliveries and services 31st 12. 2013	12,967	0	12,967	0
Other financial receivables 31st 12. 2014	**103**	**0**	**103**	**0**
Other financial receivables 31st 12. 2013	476	0	476	0
Long-term financial assets 31st 12. 2014	**698**	**0**	**0**	**698**
Long-term financial assets 31st 12. 2013	-681	0	19	662

The maximum credit risk of trade receivables relating to customer groups breaks down as follows as of the reporting date:

	31.12.14 KEUR	31.12.13 KEUR
Receivables with large customers, gross	2,319	3,545
Receivables towards others, gross	10,728	9,618
Total receivables from deliveries and services, gross	**13,047**	**13,163**
Adjustments	-284	-196
Total receivables from deliveries and services, net	**12,763**	**12,967**

Around 18 % (previous year: 25 %) of receivables from deliveries and services of the elapsed business year result from trade relations with 10 key customers.

There is no risk concentration regarding other financial assets beyond this scope.

The age structure of the financial assets and the recorded value adjustments are presented as follows:

	31.12.14 KEUR	31.12.13 KEUR
Trade receivables	12,763	12,967
Other financial receivables	103	476
Other long-term financial assets	698	681
	13,564	**14,124**
Amount before value adjustment	13,848	14,320
thereof		
Not due and not reduced in value	4,839	5,894
Not due and reduced in value	0	0
Overdue up to 90 days	5,072	6,310
Overdue 91 to 180 days	1,740	1,715
Overdue 181 to 360 days	2,197	480
Overdue more than 360 days	0	0
Thereof value-reduced	284	275
Individual value adjustment	174	51
Portfolio value adjustment	110	224

The nominal value of financial assets less any estimated deductions corresponds to the fair value.

Liquidity risk

Liquidity risk is the risk of not being able to raise the required financial resources for the timely balancing of liabilities entered into. Careful liquidity management ensures the availability of cash and cash equivalents and the ability to finance through adequate lines of credit. Owing to the dynamic nature of the transactions in question, an effort is made to facilitate flexible raising of capital through the lines of credit provided.

The following breakdown shows contractual maturity dates and expected interest payments for financial liabilities.

		DUE IN 6 MONTHS		DUE IN 6-12 MONTHS		DUE IN 1-2 YEARS	
	BOOK VALUE *KEUR*	INTEREST *KEUR*	AMORTIZATION *KEUR*	INTEREST *KEUR*	AMORTIZATION *KEUR*	INTEREST *KEUR*	AMORTIZATION *KEUR*
Liabilities from deliveries and services 31st12.2014	**4,833**	**0**	**4,752**	**0**	**81**	**0**	**0**
Liabilities from deliveries and services 31st12.2013	5,363	0	5,363	0	0	0	0
Other financial liabilities 31st12.2014	**1,144**	**-91**	**669**	**-91**	**475**	**0**	**0**
Other financial liabilities 31st12.2013	1,605	-91	1,050	-91	555	0	0
Short-term bank liabilities 31st12.2014	**24,861**	**-316**	**17,524**	**-192**	**7,337**	**0**	**0**
Short-term bank liabilities 31st12.2013	24,308	-373	19,659	-108	4,649	0	0
Long-term bank liabilities 31st12.2014	**2,203**	**0**	**0**	**0**	**0**	**-49**	**1,318**
Long-term bank liabilities 31st12.2013	3,469	0	0	0	0	-75	1,372
Leasing liabilities 31st12.2014	**1,761**	**-75**	**154**	**-74**	**154**	**-107**	**308**
Leasing liabilities 31st12.2013	1,900	-44	150	-39	150	-59	301

		DUE IN 2-5 YEARS		DUE AFTER 5 YEARS	
	BOOK VALUE *KEUR*	INTEREST *KEUR*	AMORTIZATION *KEUR*	INTEREST *KEUR*	AMORTIZATION *KEUR*
Trade Liabilities from deliveries and services 31st12.2014	**4,833**	**0**	**0**	**0**	**0**
Trade Liabilities from deliveries and services 31st12.2013	5,363	0	0	0	0
Other financial liabilities 31st12.2014	**1,144**	**0**	**0**	**0**	**0**
Other financial liabilities 31st12.2013	1,605	0	0	0	0
Short-term bank liabilities 31st12.2014	**24,861**	**0**	**0**	**0**	**0**
Short-term bank liabilities 31st12.2013	24,308	0	0	0	0
Long-term bank liabilities 31st12.2014	**2,203**	**-37**	**885**	**0**	**0**
Long-term bank liabilities 31st12.2013	3,469	-53	2,058	-1	38
Leasing liabilities 31st12.2014	**1,761**	**-322**	**412**	**-691**	**733**
Leasing liabilities 31st12.2013	1,900	-94	464	-24	834

Fair values

The following table shows the fair values of financial assets and liabilities in relation to their book values:

	31.12.14		31.12.13	
	BOOK VALUE KEUR	FAIR VALUE KEUR	BOOK VALUE KEUR	FAIR VALUE KEUR
Means of payment and payment equivalents	3,864	3,864	3,234	3,234
Trade receivables	12,763	12,763	12,967	12,967
Other financial receivables	103	103	476	476
Long-term financial assets	698	698	681	681
Liabilities from deliveries and services	4,833	4,833	5,363	5,363
other financial liabilities	1,144	1,144	1,605	1,605
short-term bank liabilities	25,170	25,170	24,609	24,609
long-term bank liabilities	2,203	2,226	3,469	3,514
Leasing liabilities	1,453	1,502	1,599	1,648

The fair values of the financial assets and liabilities do not deviate significantly from their respective book values. The fair values of derivative financial instruments are shown in the table in section 4.1. The fair value of other non-derivative financial instruments largely corresponds to the book value due to short-term maturity.

Hierarchy for fair value determination

The following table analyzes the financial instruments carried at fair value, by valuation method. Three valuation levels have been defined:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs that are either directly (e.g.as prices) or indirectly (e.g.derived from prices) observable for assets or debts and that do not fall below level 1.

Level 3: Inputs for assets or liabilities that are not based on observable market data.

	LEVEL 1 KEUR	LEVEL 2 KEUR	LEVEL 3 KEUR	TOTAL KEUR
31.12.14				
Financial assets				
Financial assets available for sale	698	0	0	698
	698	**0**	**0**	**698**
Financial liabilities				
Derivative financial liabilities	0	-655	0	-655
Total	**698**	**-655**	**0**	**43**

	LEVEL 1 KEUR	LEVEL 2 KEUR	LEVEL 3 KEUR	TOTAL KEUR
31.12.13				
Financial assets				
Financial assets available for sale	681	0	0	681
	681	**0**	**0**	**681**
Financial liabilities				
Derivative financial liabilities	0	-675	0	-675
Total	**681**	**-675**	**0**	**6**

Capital management

The goal of management is to structure capital in accordance with the requirements of shareholders, banks and creditors so as to ensure the optimal development of the Group. The management makes every effort to achieve a balance between a potentially better result and equity at a lower debt level and operational flexibility provided in part by debt capital. Neither the parent company nor subsidiaries are subject to minimum capital requirements by articles of association or any external influence. The goal of capital management is, on the one hand, to ensure group companies remain going concerns and, on the other hand, to maximize shareholder return through the optimization of equity and debt capital. Capital structure comprises financial debt, cash and equity that is attributable to the parent company's stockholders and nominal capital, capital reserves and retained income. The capital structure is monitored continuously. To this end, capital costs and risks, which are an integral part of all types of capital, are taken into consideration. The overall strategy of the Group has changed compared to 2012. The central factor of the monitoring process is the equity quota; this is continually reviewed by the management and is defined as equity capital in the balance sum according to the balance sheet. The target quota is above 40 %.

4.2. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

Contingent liabilities

The Rath Group has taken on the following contingent liabilities:

	31.12.14 *KEUR*	31.12.13 *KEUR*
Retentions for business partners	2,331	1,925
	2,331	**1,925**

Retentions for business partners mainly involve project business. There are no return obligations that go beyond industry-standard guarantees. The management is currently not aware of any other off-balance sheet opportunities and risks.

Outstanding legal disputes

As in the previous year, there are no major unsettled legal disputes pending as of the reporting date.

4.3. BUSINESS RELATIONS WITH RELATED PARTIES

All transactions with related parties are conducted under standard market conditions. Related parties conducting transactions with the Rath Group include:

› House owner Walfischgasse, Dr.Ernst Rath and co-owner
  Rental expenses incl.Operating costs 2014: 150 KEUR; 2013: 151 [EUR'000]

› Rath Holding GmbH
  no transactions in 2014 and 2013, receivables 2014: 1 KEUR; 2013: 1 [EUR'000]

Executive Board of Rath AG, Vienna

DI Jörg Sitzenfrey, as of 1st 1., 2013

Andreas Pfneiszl as of 10th 6. 2013

Executive Board remunerations amounted to 391 KEUR in 2014 (31st 12. 2013: 627 KEUR), thereof 70 KEUR (31st 12. 2013: 88 KEUR) as parts dependent on the result.

Executive Board remunerations:

		2014 KEUR	2013 KEUR
DI Jörg Sitzenfrey	fixed	159	157
	variable	35	19
		194	**176**
Mr. Andreas Pfneiszl	fixed	162	80
	variable	35	5
		197	**85**
Mag. Georg Rath	fixed	0	139
	variable	0	35
		0	**174**
DI Dr.Matthias Rath	fixed	0	163
	variable	0	29
		0	**192**
Total sum Executive Board remuneration		**391**	**627**

Supervisory board of Rath AG, Vienna

Mag. Stefan Ehrlich-Adám (chairman) as of 25th 6., 2013

Mag. Philipp Rath (Vice chairman) as of 25th 6., 2013

MMag. Christian B.Maier as of 27th 6., 208

Dkfm. Paul Rath as of 14th 9., 1989

Roula Millauer as of 25th 6., 2013

Mag. Dieter Hermann as of 25th 6. 2013

Neither credits nor advances were made to corporate management bodies. Former members received pension payments of 179 KEUR (previous year: 179 KEUR). Salaries for members of the Supervisory Board during the business year amounted to 45 KEUR (previous year: 50 KEUR).

4.4. AUDITING FEES

Expenses for the Group auditor KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft amounted to a sum of 45 KEUR in the business year (previous year: PWC Wirtschaftsprüfung GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft 51 KEUR), thereof 22 KEUR (previous year: 22 KEUR) for the audit of the consolidated accounts (including financial statements of affiliated companies).

4.5. EARNINGS PER SHARE

The basic earnings per share are calculated by dividing the proportion of corporate earnings attributable to parent company shareholders by the weighted number of ordinary shares in circulation during the year.

	2014	2013
the proportion of corporate earnings attributable to parent company shareholders in KEUR	2,862	-117
Weighted number of shares in circulation	1,500,000	1,500,000
Result per share in EUR	1.91	-0.08
Dividend payout per stock for the financial year in EUR	0.00	0.00

The diluted earnings per share correspond to the basic earnings per share, as no financial instruments with a diluting effect are in use.

5. EVENTS AFTER THE BALANCE SHEET DATE

No significant event of particular relevance for the Rath Group occurred after the balance sheet date.

These financial statements were prepared on April 8, 2015 by the company's Executive Board and were submitted to the Supervisory Board on April 21, 2015 for review and approval.

VIENNA, APRIL 08, 2015

The Executive Board

Andreas Pfneiszl

DI Jörg Sitzenfrey

AUDITOR'S CERTIFICATE

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the enclosed consolidated financial statements of the **Rath Aktiengesellschaft, Vienna,** for the **business year from January 1, 2014 until December 31, 2014** These consolidated financial statements comprise the consolidated balance sheet as of December 31st, 2013, the separate consolidated income and loss statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the statement of changes in equity for the business year ending on December 31st, 2014, and the explanatory notes to the consolidated financial statements.

RESPONSIBILITY OF THE LEGAL REPRESENTATIVES FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING

The legal representatives of the company are responsible for the group accounting system and for the preparation of consolidated financial statements that present a true and fair view of the assets, financial and earnings situation of the Group in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, and with the additional requirements of Section 245a of the Austrian Commercial Code. This responsibility includes: designing, implementing and main¬taining of an internal control system, as far as it is relevant to the preparation of consolidated financial statements and conveying a true and fair picture of the asset, financial and revenues situation of the company, so that they are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting and evaluation methods; making accounting estimates that are reasonable under the given circumstances.

AUDITOR'S RESPONSIBILITY AND DESCRIPTION OF TYPE AND SCOPE OF THE STATUTORY AUDIT

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have conducted our audit in accordance with the statutory provisions and principles of proper auditing applicable in Austria, as well as with the International Standards on Auditing (ISA) as issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards mandate compliance with ethical and professional requirements and planning and performance of the audit in such a manner that we can form an opinion with reasonable certainty as to whether the consolidated financial statements are free of any material misrepresentation.

An audit involves application of auditing procedures to obtain audit evidence with regard to the amounts and other disclosures in the consolidated financial statements. The selection of the auditing procedures is at the professional discretion of the auditor, taking into account their assessment of the risk of material misrepresentation, whether intentional or not. In making those risk assessments, the auditors consider the internal control system as far as relevant to the preparation of the consolidated financial statements and the presentation of a true and fair view of the assets and of the financial and earnings situation of

AUDITOR'S CERTIFICATE

the Group in order to define auditing procedures that are appropriate under the given circumstances, but not to deliver an opinion on the effectiveness of the internal controls of the Group. The audit also includes evaluation of the appropriateness of the accounting and valuation methods applied by the legal representatives and of the material estimates made by the legal representatives, as well as an appraisal of the essence of the consolidated financial statements. We believe that we have obtained sufficient and appropriate audit evidence for our audit to provide a reasonable basis for our opinion.

OPINION

Our audit has not led to any objections. Based on the findings of our audit, the consolidated financial statements in our opinion comply with the legal requirements and give a true and fair view of the assets and the financial position of the Group as per Wednesday, December 31, 2014, as well as of the Group's results of operations and cash flows for the business year from January to December 31, 2014, in accordance with the International Financial Reporting Standards (IFRS) as adopted in the EU.

COMMENTS ON THE CONSOLIDATED MANAGEMENT REPORT

The consolidated management report shall be audited based on the statutory provisions as to whether it is consistent with the consolidated financial statements and as to whether other disclosures in the status report do not suggest an incorrect idea of Group's situation. The auditor's certificate shall also comprise a statement as to whether the status report is consistent with the annual report and whether the disclosures comply with Section 243a UGB.

The consolidated management report is, in our opinion, consistent with the annual report. The disclosures pursuant to § 243a of the Austrian Commercial Code are correct.

Vienna, April 08, 2015

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (audit and tax consultancy firm)

Signed:
Mag. Yann-Georg Hansa, auditor
pp. Samuel Marinus Van den Bos, self-employed accountant

The publication or disclosure of this annual report with our audit certificate may only be done after our approval. This audit certificate is only valid for the complete annual report in the German language, including the status report. For differing versions, the regulations of Sec. 281 paragraph 2 UGB apply.

GLOSSARY

Business Management Terms and Key Figures

AGIO	Premium
ACTUARIAL PROFIT/LOSS	Current profit/loss
AVAILABLE FOR SALE	Available for disposal
AVÖ	Aktuarvereinigung Österreichs (AVÖ, Actuarial Association of Austria); a lobby of Austrian actuaries and actuarial experts. The AVÖ publishes the annuity valuation tables according to which the pension and severance-pay liabilities are calculated.
CASH VALUE	The cash value corresponds to the value that a future series of payments has at the present time. In other words, it is the value of all payments at the beginning of the term (at point zero in time).
CASH GENERATING UNIT	Cash-generating unit
CORPORATE GOVERNANCE	The code of conduct for the responsible management and control of companies, recorded in the Austrian Corporate Governance Code. The content represents a voluntary body of rules and regulations.
DBO (DEFINED BENEFIT OBLIGATION)	Cash value of all forfeitable and non-forfeitable entitlements earned on the basis of the estimated salary level at pension age. The sole actuarial procedure that can be used to calculate the DBO is the projected unit credit method. The DBO corresponds to the PBO (projected benefit obligation).
DISCOUNT	The difference between the issue and repayment amount of a liability.
D&O VERSICHERUNG –"DIRECTORS' & OFFICERS' LIABILITY INSURANCE"	The D&O Insurance (also called directors' & officers' liability insurance or in general: Financial losses liability insurance for organs of legal entities (stock corporations, LLCs, associations, foundations, registered societies) is usually concluded as insurance to the benefit of third parties. The company (policyholder) insures its organ members (Executive Boards, Managing Directors, Supervisory Boards, Advisory Boards) against the risk of personal liability in connection with actions of the Boards.
EBIT (EARNINGS BEFORE INTEREST AND TAX)	Earnings before interest and tax; operating result
EBIT MARGIN	Percentage share of the EBIT in turnover
EBT (EARNINGS BEFORE TAX)	Pre-tax earnings
EQUITY RATIO	Equity divided by total capital
EQUITY CAPITAL RETURN	Profit divided by equity
FAIR VALUE	Valuation of financial instruments including derivative financial instruments with the current value to be attributed

GLOSSARY

FINANCE LEASING	In finance leasing, the asset is surrendered against a fixed leasing rate for a certain base lease period. During the base lease period, the agreement cannot be terminated. The lessee must bear the object-related risks, including the risks of destruction and theft. For finance leasing, a down-payment or an increased first leasing rate is usually agreed. Based on the contract design, a differentiation is made between full and partial amortization agreements.
IAASB (INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD)	International Auditing and Assurance Standards Board
IAS	International Accounting Standards (see IFRS)
IASB (INTERNATIONAL ACCOUNTING STANDARDS BOARD)	International board for the definition of accounting standards
IFAC	International Federation of Accountants
IFRIC (INTERNATIONAL FINANCIAL REPORTING INTERPRETATIONS COMMITTEE)	International committee for the interpretation of accounting standards
IFRS (INTERNATIONAL FINANCIAL REPORTING STANDARDS)	International accounting standards (formerly IAS)
ISA	International Standards on Auditing
PERCENTAGE OF COMPLETION	The degree of completion of a project
PUC (PROJECTED UNIT CREDIT METHOD)	Actuarial evaluation method
ROCE (RETURN ON CAPITAL EMPLOYED)	Interest on the capital employed. Quotient from EBIT and capital employed
SENSITIVITY ANALYSIS	The sensitivity analysis is designed to identify correlations between input data for model calculations and target values of alternatives.
WACC (WEIGHTED AVERAGE COST OF CAPITAL)	Weighted average cost of capital; refers to an approach associated with the discounted cash-flow approach of company evaluation. The weighted average cost of capital is used to determine the minimum return for investment projects.
WORKING CAPITAL RATIO	Reveals which share of short-term liabilities can be financed by circulating capital. Inventories and receivables less liabilities from deliveries and services are put into perspective to revenues.
INTEREST RATE SWAP	Agreement on the exchange of differently designed cash flows for a defined period. The cash flows are based on fixed and variable interest rates; for hedging purposes against interest-rate changes.

DISCLAIMER

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THE TERM 'EMPLOYEE' IS USED IN GENDER-NEUTRAL

FORM FOR THE PURPOSE OF READABILITY.