AVAG·Holding

SOCIETAS EUROPAEA

A European Automotive Trade Group

2014 2015 ANNUAL REPORT

AVAG·Holding

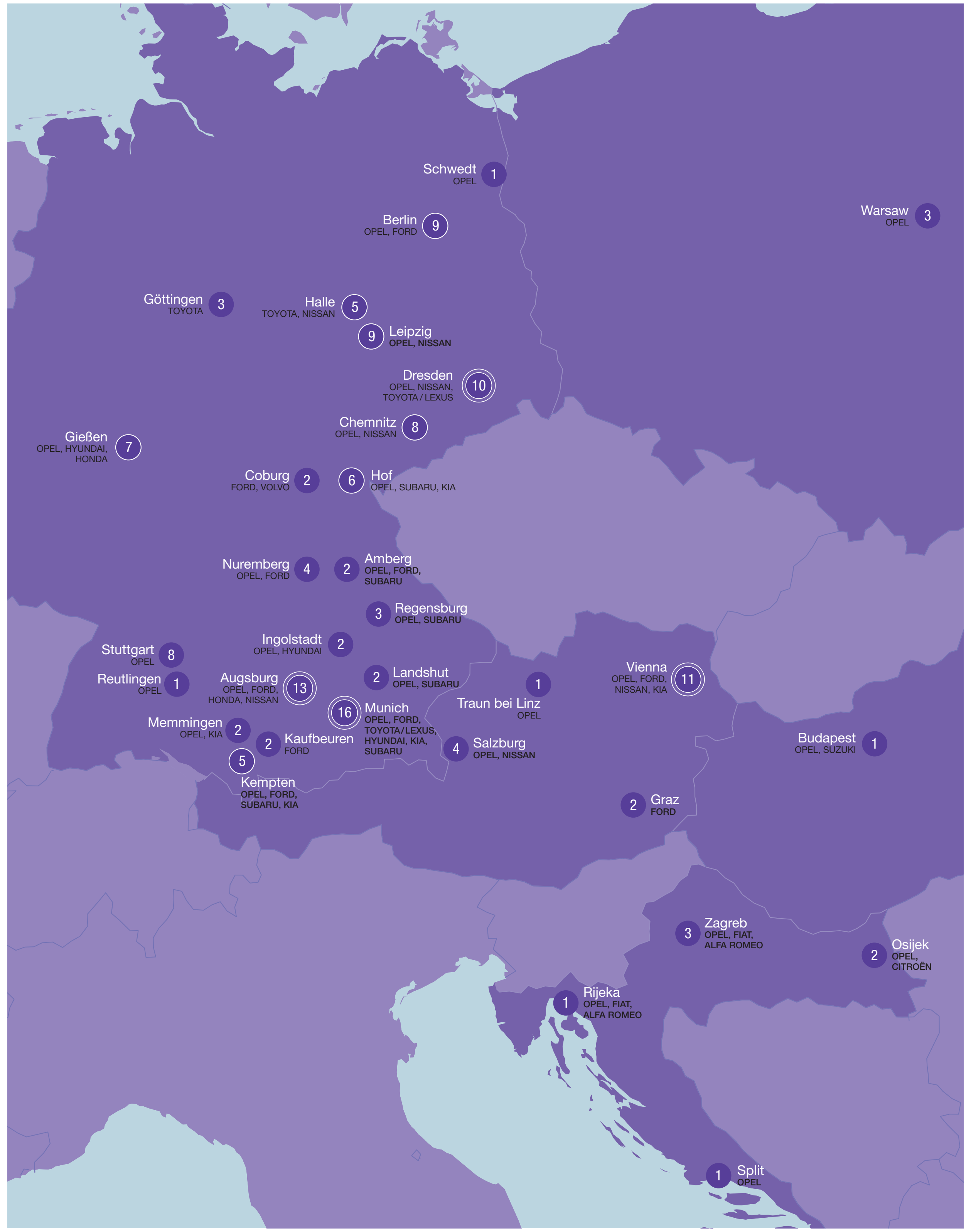
SOCIETAS EUROPAEA

Independent Motor Vehicle Trading Group

AVAG Holding SE is one of the leading independent motor vehicle trading groups in Germany. As of August 31, 2015, there were a total of 37 domestic and 14 international commercial operations operating in 147 locations throughout Europe, all under the umbrella of the operational management and financial holding company based at our Augsburg headquarters. The three intermediate holding companies DIO, DIA and AVI, which are divided according to manufacturer and region, coordinate the commercial activities. AVAG has a majority stake in automotive trading operations in Germany, Austria, Croatia, Poland and Hungary. In addition, with its numerous experts AVAG Holding SE supports the commercial operations on site in their daily business activities, thus relieving them of the burden of administration and other activities that do not directly add value.

Map of Operating Locations

Europe-wide there are, as of August 31, 2015, a total of 37 domestic and 14 international commercial operations in 147 locations, all under the umbrella of the operational management and financial holding company based at our Augsburg headquarters. Of these, the 37 commercial operations in Germany operate at a total of 118 locations and the 14 international commercial operations operate at 29 locations throughout Europe.



Operating Locations of AVAG Holdings SE as of 08/2015

Group Organisational Chart

AVAG Holding

DIO

Augsburg
- AAC SiGG GmbH
- Branch Augsburg: Sigg-Haunstetten
- Branch Augsburg: Sigg-Donaustraße
- Branch Augsburg: Sigg-Donauwörther Straße
- Branch Meitingen: Sigg-Meitingen

Augsburg
- HAAS AUTOMOBILE GmbH & Co. KG
- Branch Königsbrunn: Haas Automobile-Königsbrunn
- Branch SchwabMunich: Haas Automobile-SchwabMunich

Kempten
- AUTOHAUS HAEBERLEN GmbH
- Branch Füssen: AH Haeberlen-Füssen
- Branch Immenstadt: AH Haeberlen-Immenstadt
- Branch Kaufbeuren: AH Schmitz & Haeberlen
- Branch Landsberg: AH Haeberlen-Landsberg

Gießen
- AUTOHAUS NAU GmbH
- Branch Stadtallendorf: AH Nau-Stadtallendorf
- Branch Gießen: AH Nau-Gießen
- Branch Wetzlar: AH Nau-Wetzlar
- Branch Butzbach: AH Nau-Butzbach

Munich
- WICKENHÄUSER GmbH & Co. KG
- Branch Munichn: Wickenhäuser am Olympiapark
- Branch Munich: Wickenhäuser-Meglinger Straße
- Branch Wolfratshausen: Wickenhäuser im Loisachtal

Munich
- AUTOHAUS KUTTENDREIER GmbH

Memmingen
- AUTOMOBILZENTRUM MEMMINGEN GmbH
- Branch Mindelheim: AMZ Mindelheim

Regensburg
- SIEBER AUTOMOBILE GmbH & Co. KG
- Branch Straubing: Sieber Automobile-Straubing
- Branch Neutraubling: Sieber Automobile-Neutraubling

Landshut and Ingolstadt
- AUTOHAUS SIEBER GmbH
- Branch Dingolfing: AH Sieber-Dingolfing
- AMZ INGOLSTADT

Nuremberg
- KROPF AUTOMOBILE GmbH
- Branch Amberg: AH Schwarzkopf-Amberg

Hof
- AUTO EXNER GmbH & Co. KG
- Branch Naila: Auto Exner-Naila
- Branch Selb: Auto Exner-Selb
- Branch Hof: Auto Exner-Mehrmarken Centrum
- Branch Gera: Auto Exner-Gera
- Branch Hermsdorf: Auto Exner-Hermsdorf

Chemnitz
- AUTO CENTER NORD GmbH
- Branch Chemnitz: Auto Center Süd
- Branch Chemnitz: Auto Center Lange
- Branch Röhrsdorf: Auto Center Röhrsdorf
- ACN ZENTRALLAGER GmbH (RSL)

Dresden
- AUTOHAUS DRESDEN GmbH
- Branch Dresden: AH Dresden-Possendorfer Straße
- Branch Freital: AH Dresden-Freital

Berlin
- KADEA BERLIN GmbH
- Branch Berlin: KADEA-Köpenick
- Branch Berlin: KADEA-Britz
- Branch Berlin: KADEA-Wilmersdorf
- Branch Berlin: KADEA-Neukölln

Leipzig
- AUTOMOBILZENTRUM LEIPZIG GmbH
- Branch Leipzig: AMZ-Grünau
- Branch Leipzig: AMZ-Schönefeld
- Branch Leipzig: AMZ-Johannisplatz
- Branch Leipzig: AMZ-Markkleeberg
- Branch Leipzig: AMZ-Staiger-Waldstraße
- Branch Schkeuditz: AMZ-Schkeuditz

Schwedt
- SCHWEDTER AUTOHAUS GmbH

Stuttgart
- AUTO STAIGER GmbH
- Branch Stuttgart: Staiger Leinfelden-Echterdingen
- Branch Stuttgart: Staiger Waiblingen
- Branch Stuttgart: Staiger Esslingen
- Branch Stuttgart: Staiger Schwäbisch-Gmünd
- Branch Stuttgart: Staiger Göppingen
- Branch Stuttgart: Staiger Abelsbergstraße
- Staiger ZENTRALLAGER GmbH (RSL)

Reutlingen
- AUTOMOBILFORUM Pfullingen-Reutlingen GmbH

DIA

TOYOTA

Dresden
- AIS DRESDEN GmbH
- Branch Dresden: AIS Dresden-Altkaitz
- Branch Freital: AIS Dresden-Freital
- Branch Lexus: Lexus Forum Dresden

Halle
- DIT HALLE GmbH
- Branch Halle-Neustadt: DIT Halle-Angersdorf
- Branch Bernburg: DIT Halle-Bernburg

Munich
- DIT MÜNCHEN GmbH
- Branch Munich: DIT Munich-Berg am Laim
- Branch Munich: DIT Munich-Frankfurter Ring
- Branch Munich: DIT Munich-Landsberger Straße
- Branch Lexus: Lexus Forum Munich

Göttingen
- DIT GÖTTINGEN GmbH
- Branch Goslar: DIT Göttingen-Goslar
- Branch Osterode: DIT Göttingen-Osterode

Dresden
- AUTOCENTER DRESDEN GmbH
- Branch Dresden: AC Dresden-Bremer Straße
- Branch Dresden: AC Dresden-Kaitz

Halle
- AUTOCENTER HALLE GmbH
- Branch Angersdorf: AC Halle-Angersdorf

Augsburg
- AUTOCENTER HAAS GmbH

Chemnitz
- AUTO CENTER CHEMNITZ GmbH
- Branch Chemnitz: AC Chemnitz
- Branch Röhrsdorf: AC Chemnitz-Röhrsdorf

Leipzig
- AUTOCENTER LEIPZIG GmbH
- Branch Leipzig: AC Leipzig-Grünau

HYUNDAI

Munich
- AUTOARENA MÜNCHEN GmbH
- Branch Ingolstadt: Autoarena Goethestraße

Gießen
- AUTOARENA NAU GmbH
- Branch Marburg: Autoarena Nau - Gisselberger Straße

HONDA

Augsburg
- AUTOHAUS ALBERT STILL GmbH
- Branch Augsburg: AH Still-Augsburg

Augsburg
- AUTOMOBILFORUM SIGG & STILL GmbH
- Branch Augsburg: AMF Sigg & Still am Kobelweg

Kaufbeuren
- AUTOMOBILFORUM KAUFBEUREN GmbH
- Branch Landsberg: AMF Landsberg

Munich
- AUTOMOBILFORUM KUTTENDREIER GmbH
- Branch Munich: AMF Kuttendreier-AHG
- Branch Munich: AMF Kuttendreier-Olympiapark
- Branch Munich: AMF Kuttendreier-Meglinger Straße
- Branch Wolfratshausen: AMF Kuttendreier im Loisachtal

Nuremberg
- AUTOMOBILFORUM KROPF GmbH
- Branch Amberg: AMF Schwarzkopf

Berlin
- AUTOMOBILFORUM KADEA GmbH
- Branch Berlin: AMF KADEA-Goerzallee
- Branch Berlin: AMF KADEA-Bessemerstraße
- Branch Berlin: AMF KADEA-Seesener Straße

Coburg
- HOMMERT Auto Zentrum GmbH
- Branch Sonneberg: Auto Zentrum Sonneberg

AV-International

Croatia

Zagreb
- PSC ZAGREB d.o.o.
- Branch Zagreb: PSC Zagreb-Dubrava
- Branch Zagreb: PSC Zagreb-Velika Gorica

Rijeka
- PSC PRIMORJE d.o.o.

Split
- PSC DALMACIJA d.o.o.

Osijek
- PSC OSIJEK d.o.o.

Osijek
- PSC SLAVONIJA d.o.o.

Poland

Warsaw
- AUTO ZOLIBORZ Sp. zo.o.
- Branch Warsaw: Auto Praga
- Branch Piaseczno: Auto Piaseczno

Hungary

Budapest
- AUTOSZALON DUNA Kft.

Austria

Vienna
- OPEL & BEYSCHLAG GmbH
- Branch Vienna 21: Beyschlag-Leopoldau
- Branch Vienna 22: Beyschlag-Donaustadt
- Branch Klosterneuburg: Beyschlag-Klosterneuburg
- LOGISTIK PARK 19 GmbH (RSL)

Vienna
- BERNHARD KANDL GmbH
- Branch Vienna 3: Kandl-Rennweg
- Branch Vienna 10: Kandl-Favoriten
- Branch Vienna 13: Kandl-Speising

Salzburg
- ÖFAG GmbH
- Branch St. Johann: ÖFAG-Pongau
- Branch Zell am See: ÖFAG-Pinzgau
- Branch Straßwalchen: ÖFAG-Flachgau

Traun bei Linz
- AUTOHAUS SULZBACHER GmbH & Co. KG

Graz
- AUTOMOBILFORUM REISINGER GmbH
- Branch Bärnbach: AMF Reisinger-Bärnbach

Vienna
- AUTOMOBILFORUM BEYSCHLAG GmbH
- Branch Wien 22: AMF Beyschlag-Donaustadt

Centralised Services

- Vehicle Distribution Centre
- Departmental Consultation
- Financial Services
- Car Fit Service GmbH
- Car Fit Auto-Teile-Zubehör GmbH, Augsburg
- VH DAC AUTOMOBILCENTER GmbH
- Car Fit Österreich GmbH
- Autofutura d.o.o., Zagreb
- AVAG Investments Sp. z o.o., Warschau
- Duna Immobilien Kft., Budapest
- DIA Dienst am Auto GmbH, Traun

As of: 08/2015

Contents

The Management Board of AVAG Holding SE

Roman Still
Management Board Spokesman

Albert C. Still
Management Board Spokesman

Markus Kruis
Chief Financial Officer

Ulf Pfeiffer
Member of the Management Board

Foreword by the Management Board

The fiscal year 2014/15 was a very successful one for our automotive trading group. We succeeded in further developing our business divisions according to plan and successfully implement our strategic initiatives. The markets in Europe and the German market in particular benefitted, among other things, from the positive developments in the general economic situation, for example low oil prices and the monetary policy of the European Central Bank (ECB). For the most part, our most high-volume manufacturers also developed positively in this environment of growth, which meant that we too were able to share in this development.

Adjusted to reflect AVAG's fiscal year, performance on the German automobile market as a whole was, with around 3.15 million new vehicle registrations, approx. 4.87 % up on the previous year. The majority of the brands which we represent performed better than the market average. Our biggest-selling brand Opel performed significantly better than the market, with a growth in sales of 7.1%. The key drivers behind this market growth were above all the models Adam and Mokka, the fifth generation of the Corsa, the reboot of the Astra and the small car KARL. With 6.77% growth, Ford were able to confirm their strong trend of recent years. Ford were able to operate this year without any impediment, scoring successes with the new products Fiesta and Focus. We have successfully integrated the new models in our sales processes. Unfortunately, Toyota performed less well than the market as a whole As regards AVAG, we have seen the number of new vehicle registrations stabilise. The restructuring of the dealer network did not have any major impact on our operating locations. Toyota plan to sell the same number of vehicles with fewer dealerships in order to make the dealer network more profitable. The Japanese manufacturer will continue to pursue its hybrid strategy in the future and has promised to supply a greater quantity of products, so we can hope to see an upwards trend here. In contrast, Nissan continue to perform successfully, above all as a result of the top-selling model the Qashqai, which offers an outstanding price-performance ratio, followed by the Micra. A new addition to our portfolio is also the brand Hyundai, with which we have achieved initial successes.

In the first year without Chevrolet, we managed to more than compensate for the lost volumes as a result of various measures. On the one hand, we succeeded in shifting Chevrolet customers over to Opel vehicles, on the other hand – this applies to all AVAG locations – with the introduction of an improved used vehicles management we have managed to sustainably strengthen our earning power in this segment. As a result of an active purchasing policy, an improvement in our procedures and an effective stock management system, we significantly improved sales with an increase of 3,800 nearly-new cars and around 5,000 used cars. Also, we successfully integrated KIA and Dacia in some dealerships which had been affected by the withdrawal of the brand Chevrolet.

As a result, optimal use was made of the resulting free spaces in the dealerships and qualified personnel were encouraged to enter into a long-term commitment to the locations. Not only the pull-out of the brand Chevrolet, but also the positive development of our major project Auto Staiger shows that we are capable of recognising and coping with difficult situations in good time - after almost one year of operation in Stuttgart, we have already managed to surpass our performance targets.

Over all our brands, in 2014/15 too we have succeeded in further expanding our presence within the market. During this fiscal year we once again achieved a market share of over 1% in Germany.

As in the last fiscal year, this year too the Austrian motor vehicle market saw a decline in sales, viewed over AVAG's fiscal year. Nonetheless, despite a difficult market situation AVAG proved its stability, achieving a national market share of 2.32 per cent of the new vehicles market. Whereas our main partner Opel performed better than the market and managed to increase their market share, Ford and KIA performed less well in relation to the market. Nissan managed to buck the trend.

Our eastern European interests in Poland, Hungary and Croatia developed positively, without exception. Our third-biggest market Poland was around 13% up on the previous year. With an increase of 7.8%, we too were able to profit from this growth.

"The strategy of optimisation is a recipe for success"

The Croatian economy is showing stable development tendencies, creating a more friendly overall picture. The market grew by +4.3%. Due to our strong commitment to Chevrolet in previous years and the slight fall in sales of Opel, we suffered slight losses here. The economic situation in Hungary remains stable. The Hungarian market continues to recover, expanding for the third year in a row with a growth of 16.7%. At our location in Budapest we managed to increase our sales figures for Suzuki to over 180 %.

The overall positive development of the markets and of our manufacturer brands as well as the consistent implementation of our consolidation strategy have helped our group to move further forwards during the past fiscal year. With a total of 48,754 new cars we have clearly strengthened our presence within the markets. With 47,922 units, sales of used vehicles are also well up on the previous year. We also managed to further improve the level of after-sales services, despite the fierce competition from the fast-fit groups.

It is clear that our new strategic focus has proved successful. The systematic optimisation of service and sales procedures in the dealerships as well the continual training of our employees made a contribution to our positive results. In addition, the strict separation between brands in the dealerships which we initiated were further key factors behind our success. The combination of brand separation with our area concept helped us to concentrate our focus on the exploitation of all market and brand potentials within an area. This, and our orientation around medium-sized enterprises with a decentralised structure and local managing partners are particular USPs of our company. Flat hierarchies allow us to implement measures rapidly and, working together with our managing partners, respond quickly to negative market trends and adverse economic developments. Conversely, we are immediately able to introduce new ideas and exploit potential opportunities. Thus, we once again surpassed our performance target of at least 1% return on sales.

"Strict separation of brands was consistently implemented"

We are optimistic about future prospects for the coming year. From our viewpoint, the general economic situation is expected to develop in a stable way. Our manufacturers are also well positioned. Right at the beginning of our fiscal year 2015/16 Opel introduced the new Opel Astra, which succeeded in positioning itself well in relation to the Golf. The new Astra also won the Goldene Lenkrad 2015 – Germany's most prestigious automotive industry prize, awarded by the publishers Axel-Springer Verlag - in the compact car category. The Astra also was also voted "European Car of the Year", the most important European industry award. At the end of September, Ford launched the new S-Max, the new Galaxy and the ever-prestigious Mustang. In 2016 these will be joined by the new Edge, a large SUV above the Kuga class. All of these products are being well received by customers and strengthen our sales activities. As a consequence, we expect the new fiscal year to develop on an encouraging and stable level, like the previous one. The implementation of our new orientation towards a strategy of optimisation has helped us make each individual area a little bit better and thus stabilise the group as a whole and develop it going forwards. During the new fiscal year the emphasis will be on cost awareness and strict inventory management. With our proven range of instruments such as our in-house used car market, our new car distribution centre as well as our excellent controlling systems, dealership comparisons and best practice examples we are ideally equipped to face the challenges presented by the market.

Of course, we could not have achieved our record of success without our outstanding employees. At this point, we would therefore like to express our gratitude to all employees and of course our managing partners, who have shown high levels of motivation and outstanding personal commitment towards our company over the past year, thereby making a unique contribution to the success enjoyed by AVAG.

Augsburg, February 2016

The Management Board

Roman Still | Albert C. Still | Markus Kruis | Ulf Pfeiffer

Supervisory Board Report

The Supervisory Board regularly monitored the Company's Management Board during the fiscal year. At joint meetings, the Management Board informed the Supervisory Board in writing and orally of the Company's economic and financial position.

The accounting procedures, the 2014/2015 annual financial statements and the status report of AVAG Holding SE, as well as the consolidated annual financial statements, have been audited by

KPMG Bayerische Treuhandgesellschaft
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft,
Steuerberatungsgesellschaft, Munich,

and have been issued an unqualified auditor's opinion. The Supervisory Board duly noted and agreed with the results of said audit.

The Supervisory Board has reviewed and approved at its meeting on 27.01.2016 the annual financial statements of AVAG Holding SE and the consolidated annual financial statements as at 31 August 2015, as well as the status report and group status report prepared by the Management Board; they have thus been adopted.

The Supervisory Board, from left to right:
Dr. Guido Schacht, Johannes Hall, Albert K. Still (Supervisory Board Chairman),
Erhard Paulat, Dr. Walter Eschle, Prof. Dr. Heinz-Dieter Assmann

The report prepared by the Management Board on relationships with affiliated companies for the fiscal year 2014/2015 (dependence report) has also been audited by KPMG Bayerische Treuhandgesellschaft Aktiengesellschaft, Wirtschaftsprüfungsgesellschaft,

Steuerberatungsgesellschaft, Munich, and has been issued an unqualified auditor's opinion. The dependence report and the auditor's report prepared by KPMG Bayerische Treuhandgesellschaft Aktiengesellschaft have been reviewed by the Supervisory Board, in particular with respect to the companies included in the scope of the report and the legal transactions subject to reporting. In accordance with the final result of the audit of the dependence report by the Supervisory Board as approved at the Supervisory Board meeting of 27.01.2016, there are no objections to be made to the Management Board's closing statement pursuant to § 312 para. 3 of the German Stock Corporation Act [AktG]. The Supervisory Board concurs with the opinion of the auditor, who has issued the following auditor's opinion for said report:

"Following our dutiful audit and assessment, we confirm that

(1) the factual information in the report is accurate,
(2) with respect to the legal transactions set forth in the report, the Company's performance was not inappropriately high or disadvantages have been compensated for."

The Management Board proposes that the net income for 2014/2015 of Euro 12,858,623.28 be initially added to the profit brought forward from the previous year of Euro 14,208,141.10; following this, an amount of Euro ./. 642,931.16 should be allocated to legal reserves and an amount of EUR 1,533,653.85. allocated to the nominal amount of treasury stock. The Supervisory Board concurs with this proposal. The unappropriated earnings of Euro 27,957,487.07 are to be allocated as follows:

1. Payment of a dividend of EUR 0.51 per share with dividend entitlement, total	Euro 1.958.910,00
2. Allocation to profit reserves	Euro 10.000.000,00
3. Carried forward to new account	Euro 15.998.577,07
	Euro 27.947.487,07

Augsburg, January 2016

The Supervisory Board

Goals and strategies

Picture: Opel

Picture: Opel & Beyschlag, Vienna

Goals and Strategies of AVAG Holding SE

AVAG's marketing: Professional cultivation of the markets

Nowadays, the possibilities for market cultivation are more diverse and specifically targeted than ever. Moreover, our target groups and their media behaviour are becoming increasingly inhomogeneous. Accordingly, in order to exploit the full potential all the different channels have to be "played against" one another in a balanced way. To do this it is necessary to understand the different media and their particular impact, but above all to have an exact knowledge of the target groups and the way they tend to use these media.

As a service provider for our dealerships we see it as our task to define the balanced marketing mix for each make. In consultation with the respective manufacturers and importers, we transform the national campaigns into local marketing. In doing so we always make sure that we place our own strengths clearly in the foreground, thereby differentiating ourselves from the competition, because on a local level a campaign is ultimately only successful if it boosts sales.

In detail, the marketing mix can look very different depending on the make, the region and in some cases also on the sales team. Our task is to meet the expectations of all as far as possible.

In cultivating the market we have for years supported our dealerships with our own call centre. Both in sales and in service, we have specialised in identifying customers and potential customers. As a further service provider, our Lettershop places our dealerships in the comfortable situation of not having to deal with carrying out in some case very time-consuming mailing campaigns.

Not only is the new and used vehicle warranty which we offer a USP, it represents one of our most important customer loyalty instruments. As a dealer warranty, we now offer these with warranty periods of five to seven years. Our warranty is available, exclusively to our customers, at all AVAG dealerships throughout Europe. The resounding success of our warranty has once again been confirmed impressively during the past fiscal year.

After-sales strategies

Having optimised the furnishings and visual appearance of the direct receptions and made the processes more transparent, our focus is now on the actual sales conversation which takes place in the direct reception. In order to adhere to and manage a controlled process during the sales conversation, we have decided to develop our own tablet version and bring this into service. This is currently being rolled out. During the next step, together with our employees we will be filtering out the best-practice processes and making these available to everybody.

Along with this, intensive support and training of the employees will take place at the dealerships. Together with the employees we will go through the individual processes, from booking-in a vehicle to handing it back to the the customer, optimise these and better coordinate the individual items. It has been found that this approach leads to a higher level of employee satisfaction. This leads to a more efficient and service-oriented interaction with the customer, which leads to higher turnover.

Another new introduction was the central provision of advice on billing for accident repairs. In order to avoid conflicts with the insurance companies and process the payment flow as quickly as possible, the accident repair invoices are forwarded via cloud to head office, where they are examined, if necessary corrected and returned for submission.

Process of transition within the corporate and commercial customers business

The corporate and commercial customers business is the second mainstay of the automotive trade and, with a share of around 25 per cent of relevant fleet vehicle registrations, a core area of business.

The framework conditions in the corporate and commercial customers sector have changed fundamentally in recent years. AVAG Holding SE has therefore strategically reoriented the corporate and commercial customers business in virtually all dealerships.

Within the dynamic corporate and commercial customers business, selling involves not only selling the product, but providing a service tailored to the customer's needs. This requires particular personal and professional qualifications on the part of the sales advisor, as well as salesmanship skills. The service aspect must also be professionally implemented in the commercial sector in order to offer customers a perfect service and mobility solution.

In order to ensure that this proactive approach is implemented today, in view of the increasingly tough competition, the dealerships are provided with all the important instruments, for example a CRM tool (set up for b2b), effective sales force support, marketing campaigns, internal training and a professional call-centre.

Corporate communication

The key purpose of corporate communication is to establish and improve the internal and external communication of AVAG Holding SE as well as the individual dealerships. Communication should be authentic, credible and relevant at all times. The intention is, on this basis, to create a positive image and build up a long-term relationship of trust with customers and employees.

As regards internal communication, a relaunch of the employee magazine "AVAG Inside" took place in order to provide employees in the dealerships and within AVAG Holding with comprehensive regular updates on news relating to the automotive industry as well as internal topics.

In terms of external communication, the department has in the past fiscal year greatly improved relationships with and gained the trust of regional, local and business journalists as well as specialist trade journalists covering the automotive industry on a national level, and has in total seen over 1,000 press articles relating to the dealerships published. Also, as part of the 100th anniversary, a book was produced describing the history of the family-owned company (Sigg / AVAG), which was also the subject of a ten-episode series of films. In addition, a trade fair concept was developed in order to ensure that the dealerships and AVAG Holding SE are represented professionally at trade fairs and vocational training fairs with a view to recruiting new employees.

Further developments in the IT system environment

In April 2015 we were contacted by Microsoft in connection with a planned licence audit. At considerable effort, we recorded the software products being used in all national and international companies of the AVAG group and compared these with the existing licences. In comparison with the last audit in the year 2011 the expenditure on supplementary licensing was significantly less, even though the audit was more extensive and complex. The use of dedicated asset management software as well as our efforts invested in the standardisation of the IT infrastructure are starting to pay off here.

In addition, we have piloted our own online video platform. This will make it possible in future for the salesperson or service adviser to send our customers a personal video message. We believe that this innovative software will improve our penetration in the used vehicle and after-sales sectors as well as representing a further feature which makes AVAG stand out from its competitors.

In the area of hardware, the team has successfully implemented numerous projects over the past fiscal year. Among other things, they changed approx. 3,100 PCs and notebooks over to Windows 7 and migrated all Austrian dealerships to a new VPN provider. In addition, eight new AVAG dealership locations were equipped with 160 PC workplaces, nine servers and 91 printers.

Along with the integration of the new locations and the improvement of the integration of the brands Dacia/Hyundai/KIA/Volvo into the Dealer Management System, the software team's focus was on the further development of the eASC (electronic direct reception).

Professional treasury and cash management

"Cash is fact, profit is opinion!" – the professional treasury management of AVAG Holding SE should be seen in precisely this light. Tight margins and high capital requirements on the one hand and sales-oriented managers who, as complete professionals within the trade, cannot let any opportunity pass, demand cost-optimised daily availability of liquidity.

It is the responsibility of AVAG Holding SE to secure the group's financing, to provide the operational companies with liquidity and to monitor its use.

In order to secure the financing of working capital, also in difficult times, we have in the past fiscal year driven forward the fixing of our working capital credit lines with commercial banks for two years. The target was a volume of approx. 50% of our credit lines. We achieved just under 60%. This measure was primarily aimed at those banks which had to date exclusively provided us with financing on a short-term basis. Now that all of the important banks either have a long-term commitment towards us in any case or are committed to a longer-term cooperation with us through the 2-year fixing of the credit lines, we believe that this provides us with the highest degree of security in terms of working capital financing. The two-year lines are all secured by means of an equity covenant, so that this financing module is also clean and uniform in its structure.

Consequently, during the further course of the past fiscal year we were able, in a first step, to devote ourselves increasingly to the optimisation of expenditure on interest and bank charges in our relationships with commercial banks in Germany and Austria, achieving significant improvements in both areas.

One consequence of these measures was that, in Austria, we actually separated from our principal bank of many years, Bank Austria, as well from BAWAG PSK, and completely reorganised payment transactions. Here, at the same time as the changeover to SEPA card payments with effect from 1 February, the main communication standard MBS will be switched over to the German standard EBICS during the coming year. The technical prerequisites within our systems have already been fulfilled for some time. It will be interesting to see whether/how the Austrian banks are able to supply all the necessary data in the new standard.

The next step, during the fiscal year 2015-16, will be the optimisation of the non-German-speaking "AVAG countries".

Since, as a result of the financing measures of recent years, we possess an outstanding liquidity position, in some cases we cannot make appropriate use of the working capital credit lines provided by our commercial banks.

One important task during the next fiscal year will therefore be to create a range of instruments by means of which the availment of these credit lines can where necessary be influenced in a controlled way through the transfer of appropriate tranches from those captive/non-captive lines of which significantly greater use is usually made.

Personnel management

AVAG Holding SE's personnel management experts are the contact partners for all personnel-relevant questions for the management at the head office in Augsburg and for the managers of the local dealerships.

The main focus of the personnel department lies on the recruitment of managers and specialists. Consequently, the issue of personnel development and the qualification of future management is a key concern and will be further expanded and perfected in 2016. The coaching of high-potentials on the local level is also increasing in importance. The training and coaching are carried out by in-house managers.

A further function of the personnel department is to provide support to local personnel officers, in particular in relation to payroll accounting matters, but also in connection with general personnel management issues.

The core responsibilities of personnel management also include support and advice in relation to matters involving employment law. One important task involves guaranteeing defined processes in day-to-day personnel work. These have an impact on the correctness of the payroll accounting and personnel controlling in particular. Compliance with standards and the continuous review of these processes is therefore of key importance, among other things for the efficiency of the personnel department.

Our aim is to support the people in the dealerships in their day-to-day work and push forward the further development of personnel management.

Project development / property management

Through continuous maintenance and investment, we keep our property portfolio within Germany and abroad attractive, in this way guaranteeing our customers an enjoyable shopping experience at our modern dealerships.

During the course of the fiscal year we acquired a new plot of land in Stuttgart-Zuffenhausen on which a new dealership will be built during the following year. In addition, a multi-brand dealership was established in Nuremberg. At the same time we sold a dealership in Budapest which was no longer being used as well as a branch location in Leipzig, which we will continue to operate without any change as a lessee.

One important responsibility of the department lies in the maintenance of the existing properties as well as a forward-looking property development programme.

A big part of the focus over the past fiscal year was on the further implementation of the new CI specifications by the manufacturer Opel. We assume that implementation – also in the newly added locations – will be completed in the following fiscal year.

The brand KIA introduced during the previous year was also integrated in Kempten and Memmingen during the fiscal year. The brand Dacia was introduced for the first time at the locations in Nuremberg and Ingolstadt during the fiscal year. In addition, Hyundai dealerships were opened in Munich and also in Ingolstadt.

Key tasks in the coming fiscal year are the new build projects in Stuttgart and Munich; various other property acquisitions are being planned or are already at the concrete negotiation stage.

Specifically, we are considering setting up a new department with the focus on finding new locations and the development of possible locations and appointing high quality personnel to work there.

Insurance business

The fact that we exploit insurance policies as a source of revenue on a long-term and consistent basis through our central AVAG department focusing exclusively on the insurance business, as well as with specialised employees and advisers on a local level, has once again borne fruit over the past year. We have succeeded in pushing forward consistently and successfully the continuous expansion of the volume of insurance business conducted with our respective business partners.

For example, during the past fiscal year 2014/2015 a total of 17,785 motor insurance policies were concluded (previous year: 18,265), of which 8,153 (previous year: 7,834) are attributable to our international affiliated companies and 9,632 (previous year: 10,431) to domestic companies. This means that it has been possible to increase domestic penetration to 31.5 % (previous year: 29.3 %) resulting in a portfolio volume of 46,847 policies (previous year: 45,322) with a premiums volume of £ 23.9 EUR million (previous year: £ 21.8 EUR million).

Financial services

For years it has been the declared philosophy of AVAG Holding SE that all the brands which we represent should bring their own manufacturer's bank or their chosen banking partner into the business relationship with AVAG. In the financing of purchasing and sales, AVAG Holding SE is thus affiliated as a partner with the Opel, Toyota, Ford, Nissan and Honda banks, the so-called captive banks. We conduct the majority of the used vehicle business with the non-captive banks.

During the last fiscal year, the volume of sales passed on to our automotive banks in Germany amounted to 360.9 EUR million. A volume of 32.1 EUR million was passed on in Austria.

We pay particular attention to the balance between the aforementioned purchasing and sales financing. Here, banking partners offering powerful and affordable credit are prioritised. This makes it possible for us to continue to pursue the tried and tested strategy of risk diversification in order to take on the challenges on the market with the necessary flexibility and drive forward the development of the financial services division.

Over the past four years, the sales instrument leasing has once again developed into an important customer loyalty instrument. The Opel locations of AVAG Holding SE thus make use of and support the sales strategy of Adam Opel AG, which was established on 01.07.14.

Financing/leasing Germany

Period FJ	Leasing and financing applications (number)	Volume (EUR million)
Germany		
2010/11	24.165	312,0
2011/12	24.588	326,0
2012/13	23.605	307,1
2013/14	25.495	343,0
2014/15 *	26.589	360,9

Financing/leasing Austria

2014/15 **	3.084	32,1

All partners (captive & non-captive), Germany & Austria.
* As from FY 2014/15 Germany shown separately.
** As from FY 2014/15 Austria shown separately.

Controlling and transparency

With the group increasing in size and with increasing internationalisation, a meaningful and efficient system of controlling has become a key factor for success. From the planning to the target/performance comparison, it is important to be able to gather, analyse and process specific information in condensed form to serve as a basis for both operational and strategic corporate decisions.

Our controlling and evaluation platform "Infoportal" has proved indispensable. This tool is linked to our Dealer Management Systems and creates unprecedented transparency in virtually all areas and departments of the dealership. Irrespective of whether this involves contribution margins of a sales adviser over a particular period, unsettled workshop orders, an evaluation of stored winter tyres or processed accident claims, divided according to insurance companies, the Infoportal always supplies the right answers. Another reason why the Infoportal has developed into a true USP in the AVAG locations is the user-friendliness of the system.

The Infoportal is supplemented through our AVAG dealership comparison, which concentrates on the comparative representation of key figures. This can be done on area level, but also down to the comparison of selected locations. Strengths and potentials of departments, locations and whole areas can be identified in no time.

Our focus in the past fiscal year was for example on the improvement of the used vehicles business. The Infoportal and dealership comparison provided valuable information in this respect.

These tools bring a high degree of transparency to our business and provide a clear objective basis for many management level discussions.

One of our key success factors is the continuous presence of our controlling team in the business locations. In this way we guarantee continual further training of our accounting and financial managers within the dealerships. In addition, this allows weak points to be identified and eliminated at short notice. This also guarantees a close relationship with day-to-day business operations within AVAG.

Economies of scale and stock management

A central networking of our stocks of new cars in Germany, Austria and Croatia for the brands Opel, Ford, Toyota, Nissan, KIA, Hyundai and Subaru means that the sales advisers at our locations in these countries have real-time access to approx. 5,000 new vehicles available for sale. This means that virtually any customer wish can be realised within a very short time. Additionally, there are at any given time approx. 5,500 new vehicles passing through the system as demonstration vehicles, hire vehicles or vehicles awaiting delivery to customers. A continuing process of optimisation means we can keep the delivery time for a requested vehicle down to two to three working days, thus also reducing our capital commitment.

In addition, from their workplace the salespersons can access the entire stock of used vehicles within the group of companies. The wide selection of used vehicles – on average we have approx. 5,800 to 6,800 used cars in stock - and an attractive price-performance ratio help us to meet virtually all of our customers' requirements and wishes. An intelligent IT application makes it possible for each of our locations to manage its stock of vehicles, with photos, and automatically distribute these to predefined online markets. The same system captures and monitors the processing of incoming enquiries from potential customers as far as the contract of sale. Various filter functions and plausibility checks are used to identify vehicles which are incorrectly positioned in terms of price. All in all, this tool has developed into a key control instrument within our used vehicle business.

In Germany and Austria, AVAG operates regional support centre warehouses for the manufacturer Opel. We are also growing jointly with the manufacturer Ford, with whom we are parts dealing partners in Chemnitz, Berlin and Vienna. We aim in future to further expand the experience and reliability which we demonstrate daily as a competent logistics specialist in the area of parts and accessories for Opel, Ford, Toyota, Nissan and KIA. The central spare parts warehouses have developed into a guarantee of high deliverability and thus play a crucial part in ensuring that customers' vehicles only remain within our workshops for a short period of time.

Our logistics centres are distinguished by a high level of competence and technical know-how. This makes them attractive logistics partners. We will also continue to actively expand the concepts developed in cooperation with insurance companies for supplying approved workshops with economical replacement parts for repairing referred cases of damage.

Status Report

Picture: Opel

Picture: Autohaus Exner, Hof

Status Report and Group Status Report of AVAG Holding Societas Europeea, Augsburg as on 31 August 2015

A. Basis of the group

The following changes took place during the fiscal year 2014/2015:

On 01.04.2015 the two locations in Pfullingen and Stuttgart were taken over from Automobilforum Reutlingen GmbH and Automobilzentrum Stuttgart GmbH by means of an asset deal. The Opel dealership in Pfullingen was taken over by Gesellschaft Automobilforum Pfullingen-Reutlingen GmbH, which was newly founded during the fiscal year. The Opel dealership in Stuttgart affiliated with Autohaus Steiger GmbH.

In addition, on 01.05.2015 the two locations in Mindelheim and Memmingen were taken over from the insolvent Autohaus Hofmann KG with the aim of continuing to provide customers within the region with a reliable partner for the brands Opel and KIA. The takeover was conducted, in the form of an asset deal, by the subsidiary Automobilzentrum Memmingen GmbH, which was newly founded during the fiscal year.

During the fiscal year 2014/2015 AVAG included the following brands in their portfolio for the first time:

Since mid-November 2014, AVAG has sold vehicles by Hyundai Motor Company at locations in Munich, Ingolstadt, Gießen and Marburg. AVAG look forward to a successful and long-term cooperation and plan to make better and more effective use of the capacities at the dealerships in question.

In addition, since the end of 2014 vehicles of the brand Dacia have been sold at selected locations in Nuremberg, Amberg and Ingolstadt.

Also, the brand KIA, which has already been sold at a number of other locations, was introduced at the location in Kempten operated by Autohaus Haeberlen GmbH in June 2015.

Abroad, the company P.S.C. SPLIT d.o.o. was founded during the fiscal year, commencing operations at the beginning of the fiscal year 2015/2016.

B. Economic report

1. General economic framework conditions

Economic growth within the euro zone grew slowly but steadily during the first half of 2015. The influence of low oil prices, the devaluation of the euro and the loose monetary policy are clearly aiding the recovery of the patient “Europe”. Not all member states are benefitting from the positive stimuli. While economic recovery is proceeding very well in the United Kingdom and Spain, and eastern Europe in general can show positive growth, economic activity in the countries of Western Europe - in particular in France, the Netherlands and Italy - is continuing at the stable level of the previous year.

Consequently, the European Commission and the OECD confirmed a moderate economic upturn of 1.5 % in the euro zone in the first half of 2015.

In Germany, an increase of 1.6 % in the gross domestic product was recorded in the first half of 2015. According to the Institute for the World Economy (IfW) the forecast for the year 2015 as a whole is 1.8 %. Overall, we assess the general economic conditions as being very stable, with positive expectations.

2. Sector-related framework conditions

The international automobile markets developed very positively overall in the first eight months of the year 2015. This means that the automobile market is continuing its recovery which began two years ago.

With 9.4 million new car registrations in Europe, the first eight months of the year 2015 saw an increase of 8.5 % in comparison with the same period in the previous year. In almost all countries, a robust positive underlying trend in new vehicle registrations continues to be seen. The new vehicle registration figures for the individual countries confirm this development.

In the single month August 2015, the German automobile market grew surprisingly in comparison with the previous year, with 226,314 new cars registered (+6.2 %). The figures for August were similarly positive in Spain (+23.3 %), Italy (+10.6 %) and in the United Kingdom (+9.6 %) in comparison with the corresponding month in the previous year. France also recorded a clear increase of 10 % in comparison with the corresponding month in the previous year.

Overall there remains a sustained positive trend in all western European markets for the first eight months of the year 2015. In view of the increased demand in European countries over the past months, the forecast for the year 2015 as a whole has been raised to over 13 million new registrations – an increase of 7.8 % in comparison with the previous year.

2,135,459 new registrations were registered, cumulatively, for the German market from January to August 2015 (previous year: 2,021,609), representing an increase of around 5.6 %. Of all new vehicle registrations, around 65.2 % were of a commercial nature, 11.5 % more than in the comparison month. The growth in the German market thus results for the most part from new commercial vehicle registrations while, as in the past years, the private market is developing sluggishly in comparison with the pre-crisis years 2000 – 2007. Looking at the individual segments, the compact class accounted for the largest share, with 28.1 %, followed by the middle class (13.6 %). Registrations of vans (-11.9 %), small cars (-8.2 %) and vehicles of the upper middle class (-0.9 %) are down.

The following table shows the new vehicle market, adjusted to AVAG's financial year. The new vehicle market saw a continuous improvement over this fiscal year. Thus, with 3,150,623 (previous year: 3,004,220) newly registered vehicles nationwide, our fiscal year saw an increase of approx. 4.9 % in comparison with the previous year.

Germany

	Sept. 14 to Aug. 15		in%	Sept. 13 to Aug. 14	
	Number of registrations	Market share in%	comp. with 2013/14	Number of registrations	Market share in%
Volkswagen	683.914	21,71	4,79	652.656	21,72
Mercedes	282.965	8,98	5,16	269.081	8,96
BMW	281.104	8,92	5,70	265.935	8,85
Audi	268.745	8,53	4,96	256.041	8,52
Opel	223.208	7,08	2,87	216.979	7,22
Ford	213.321	6,77	1,60	209.956	6,99
Renault	107.344	3,41	5,14	102.092	3,40
Hyundai	103.533	3,29	4,10	99.451	3,31
Fiat (incl. Alfa + Lancia)	74.356	2,36	2,82	72.314	2,41
Nissan	69.133	2,19	11,18	62.180	2,07
Toyota/Lexus	68.501	2,17	-6,34	73.138	2,43
Peugeot	53.702	1,70	-1,89	54.736	1,82
Kia	53.647	1,70	1,22	52.998	1,76
Mazda	53.469	1,70	4,34	51.243	1,71
Dacia	46.611	1,48	-2,71	47.910	1,59
Volvo	34.207	1,09	14,89	29.774	0,99
Suzuki	31.321	0,99	14,25	27.415	0,91
Honda	20.976	0,67	-1,79	21.359	0,71
Subaru	6.414	0,20	9,66	5.849	0,19
TOTAL REGISTRATIONS	3.150.623	100,00	4,87	3.004.220	100,00

Overall, in relation to AVAG's fiscal year, on the German market our manufacturer **Opel** has continued to stabilise. The share of the market as a whole is 7.08 %. Despite pulling out of Russia, Opel sold significantly more new vehicles in Europe than in the previous year. In August 2015 the manufacturer saw their their sales increase by 12.8 % to around 64,500 new vehicle registrations. From January to August the brand with the lightning flash badge sold around 735,000 vehicles in Europe, 4 % more than the same period in the previous year. 151,274 vehicles were sold in Germany during this period. The basis for this development is the new models, said head of sales Christian Küspert. Above all the SUV Mokka (+21.7 %), the Adam (+10.5 %) and the Opel Vivaro (+25.6 %) are selling well.

At this year's presentation of the "Plus X Award", Opel won the award for most innovative brand for the fourth time in a row. The newcomer model, the Opel KARL, was directly voted "City car of the year 2015/2016", the Vivaro is "Commercial vehicle of the year" and the Zafira Tourer "Van of the year". And there are already more than 40,000 pre-orders for the next generation of the Astra – our most important high-volume model. The new Astra has been in our dealerships since October, and only six weeks later the new generation won the "Golden Steering Wheel 2015" in the compact class. This award is the Oscar among automotive industry awards and is presented by the publishers Axel-Springer-Verlag. With the Astra, a completely new vehicle is available which is the first on the German market to be equipped with the modern communications system OnStar.

In terms of model policy, there have been a few positive changes in addition to the new Astra. The updated Corsa made a timely arrival on the market in January, the Opel KARL was introduced in June. The KARL is a vehicle in a class below the Corsa and represents competition for the VW up or the Hyundai i10. It outmatched both competitors in the first comparison test in Auto Bild. With the KARL we are covering an additional vehicle segment and we assume that this will strengthen our market position.

Following an increase in new vehicle registrations during the previous year, Ford sales increased again during this fiscal year (+1.6 %). The market share has already reached the level of 2011/2012 again during the fiscal year.

Sports car fans in Germany and Europe love the Ford Mustang. During the period from January to August 2015 just under 600 cars were ordered in Germany; over 8,000 have been sold throughout Europe. Sales in Germany and thus in our Ford Stores in Munich and Berlin started with great success on 12 September 2015. With the emotional revival of the classic, Ford have hit the bullseye and thus further improved their brand image.

We are looking forward to the new Edge, a large SUV positioned above the Kuga, which in the case of Ford too opens up for us a further and also profitable segment. The new Edge was officially presented at the International Automobile Show in September 2015. Together with the EcoSport and the Kuga, the new Edge completes an attractive trio, with which Ford is providing the right answers to the increasing demand for SUVs in Europe.

With over 13,000 sales, the new Ford Mondeo, which has been in our Ford dealerships since the beginning of February 2015, has made a positive entry onto the market. The manufacturer's SUV strategy has also proved a success: sales of the Ford EcoSport increased by 166.4 % over this period, sales of the Kuga increased by 11 %. The C-Max also showed good sales figures over AVAG's fiscal year, with an increase of 45.5 %. In addition, the Ford Fiesta was one of the biggest-selling compact cars in the first half of the year, with over 174,000 units sold Europe-wide. "That the Ford Focus is so popular is attributable to the numerous innovative technologies and particularly fuel-efficient and powerful engines which are available for this successful model", says Wolfgang Kopplin, marketing and sales director of Ford-Werke GmbH.

The results from car sales were strengthened by the encouraging figures in the commercial vehicles sector. In this segment, the Ford Transit Connect stands out with an increase of 131 % in the first eight months of 2015. If one considers AVAG's fiscal year, then with 3,194 vehicles sold the new Transit Courier can celebrate an encouraging success in terms of sales. Ford's commercial vehicle business has grown once again (26.6 %), thus further cementing their success in this business sector too in the long term.

Ford's share of the market as a whole (cars and commercial vehicles) in Germany now amounts as of August 2015 to 7.6 % (previous year: 7.4 %). The commercial vehicles business is particularly important to Ford. The product offensive conducted throughout Europe over the past months with the four separate model series – Courier, Connect, Custom and Transit – is being very well received by customers, as is confirmed by the above sales figures.

Nationwide, new vehicle registrations of **Toyotas** fell from 73,138 to 68,501 over the course of the fiscal year 2014/2015. However, the brand is picking up new momentum, because the new Avensis and the special model AYGO x-cite have been available since mid-June 2015 and promise great market potential. The new Avensis is also the first Toyota model to be equipped with Toyota Safety Sense, which bundles different systems such as an emergency braking assistant with autonomous emergency braking function, increasing the safety of the occupants.

And the new Auris, which promises great potential, came onto the market in autumn 2015. In the first eight months of the year 2015 the models Avensis (+12.1 %) and Aygo (+24.2 %) showed significant growth in comparison with the previous year. The middle class flagship model Avensis was given a thorough facelift which was also reflected in sales figures.

The Japanese manufacturer's biggest sellers in the first eight months of the year were the Toyota Aygo (+24.2 %), the Prius Plus (+30.6 %) and the SUV RAV 4 with an increase of 31.2 %. In addition, with the Toyota RAV 4 hybrid the next model is on the starting block. With their consistent hybrid strategy, the manufacturer, with their brands Toyota and Lexus had up to 31 July 2015 sold eight million hybrid vehicles worldwide - within only ten months. Six hybrid models are currently on sale in Germany, Lexus has eight models in its range. This shows how viable hybrid technology already is today, and that Toyota have successfully positioned themselves within this market sector through their increased supply of hybrid models.

The "Auto Trophy 2015" went to the Toyota Mirai. The brand's first fuel cell vehicle won the special prize for "Innovation" in this readers' poll conducted by "Auto Zeitung" and 25 other specialist magazines published by Bauer-Verlag. Accordingly, the most innovative model of 2015 is the Toyota Mirai. In its fuel cell, hydrogen is converted into electrical energy which in turn drives the 113 kW/154 HP electric motor. The only emission produced is water. After the United Kingdom and Denmark, Germany is the third biggest market for the Toyota Mirai in Europe.

Following an upgrade of its complete model range, **Nissan** started the year with fresh impetus. This is also reflected in the number of new vehicle registrations. Following a significant recovery in 2013/2014 (+16.11 %) the manufacturer managed to increase sales further in the past fiscal year (+11.2 %). In August 2015, with 4,804 new car registrations, the company recorded a growth of 21.6 % in comparison with the corresponding month in the previous year, maintaining their lead in comparison with their competitors. The market share increased by 0.1 percentage points to 2.2 %.

The Nissan Qashqai continues to remain highly popular among buyers of new vehicles. Around 2,000 of the SUVs were registered in August 2015. Taking the first eight months of the year, sales rose by 10.4 % to 18,074 vehicles. The compact model Pulsar also developed into another important mainstay, selling 5,360 units during this period. 3,746 new vehicle registrations were recorded for the X-Trail. Over the course of the year to date registrations of new vehicles produced by the Japanese car manufacturer totalled 46,325 units.

With 5,655,451 (previous year: 5,444,926) registered changes of ownership from January to August 2015, the used vehicle business managed to surpass its level of the previous year with a rise of 3.8 %. In the view of the German Federation for Motor Trades and Repairs (ZDK) the used vehicle business is expected to exceed the previous year's level in 2015 and end the year with more than seven million registered changes of ownership.

Over the past fiscal year, the vehicle service business and workshop capacity utilisation developed nationwide at slightly above the previous year's level. As regards the further demand for repair and maintenance work in the year 2015, this will depend very much on how the number of vehicles on the road in Germany develops. Generally, the German Federation for Motor Trades and Repairs (ZDK) anticipates a reasonable development in demand over the rest of the calendar year and expects the after-sales business overall to develop in the calendar year 2015 at the previous year's level. We go along with this view.

a) Austria

Focusing on Opel, the manufacturer is well represented in Austria and is actually performing better than the market as a whole. Opel managed to increase its sales in Austria by 9.11 % in the past fiscal year 2014/2015, whereas the market as a whole was down by 2.16 %. Expressed in figures: Opel achieved 22,215 new vehicle registrations (previous year: 20,360) whereas the market as a whole saw a reduction in units from 308,725 (2013/2014) to 302,045 (2014/2015).

The following table shows the new vehicle market, adjusted to AVAG's fiscal year.

Austria

	Sept. 14 to Aug. 15		in%	Sept. 13 to Aug. 14	
	Number of registrations	Market share in%	comp. with 2013/14	Number of registrations	Market share in%
Volkswagen	53.304	17,65	-4,11	55.591	18,01
Opel	22.215	7,35	9,11	20.360	6,59
Skoda	20.417	6,76	-5,87	21.690	7,03
Ford	17.808	5,90	-7,83	19.320	6,26
Audi	17.446	5,78	-8,36	19.038	6,17
Renault	15.866	5,25	-3,13	16.379	5,31
BMW	15.294	5,06	-5,10	16.116	5,22
Mercedes	12.315	4,08	10,01	11.194	3,63
Peugeot	10.127	3,35	-4,58	10.613	3,44
Kia	8.294	2,75	-7,27	8.944	2,90
Nissan	7.080	2,34	8,82	6.506	2,11
Toyota	6.333	2,10	-18,07	7.730	2,50
Suzuki	5.196	1,72	3,42	5.024	1,63
TOTAL REGISTRATIONS	302.045	100,00	-2,16	308.725	100,00

From January to August 2015 a total of 211,227 (previous year: 212,500) new vehicle registrations were recorded for the Austrian market, corresponding to a fall of only 0.6 %.

Opel's biggest sellers during the period 09/2014 to 08/2015 were the Corsa, Astra and the Mokka (4,858 / 4,351 / 4,195 sold), followed by the Zafira with 2,540 units.

With 552,663 (previous year: 551,208) registered changes of ownership from January to August 2015, the used vehicle business remained stable. With 36,078 changes of ownership, Opel accounted for a share of 6.5 %. By comparison, Opel's market share in terms of new vehicle registrations was 6.8 % over the afore-mentioned period (previous year: 6.1 %). The classic used vehicle business is, as before, strongly influenced by the above-average supply of "nearly new" vehicles in the form of vehicles registered by dealers and manufacturers themselves.

b) Croatia

Economic development in Croatia is showing stable development tendencies, creating a somewhat more positive overall picture. The sales market for new vehicles continued its recovery with an estimated growth of 4.3 % from September 2014 to August 2015. With slightly falling sales, the brand Opel stabilised its position within the market. The Opel-AVAG dealerships were also affected during the period under review and sales were down slightly. We are satisfied with Toyota's sales over the short period it has been distributed by AVAG.

Croatia

	Sept. 14 to Aug. 15		in%	Sept. 13 to Aug. 14	
	Number of registrations	Market share in%	comp. with 2013/14	Number of registrations	Market share in%
Volkswagen	5.467	15,70	1,11	5.407	16,19
Opel	3.653	10,49	-0,84	3.684	11,03
Skoda	2.984	8,57	-10,61	3.338	10,00
Renault	2.816	8,09	38,17	2.038	6,10
Kia	1.744	5,01	34,57	1.296	3,88
Citroen	1.581	4,54	-21,23	2.007	6,01
Toyota	1.321	3,79	-9,15	1.454	4,35
Fiat/Alfa	550	1,58	-8,94	604	1,81
TOTAL REGISTRATIONS	34.824	100,00	4,28	33.395	100,00

The local used vehicle market shows a stable demand, although the supply of used vehicles still leaves something to be desired. As a result, private individual imports are increasingly being supplemented through offers by commercial importers, which has led to a certain pressure on prices.

Despite the withdrawal of the brand Chevrolet, turnovers in the service business are encouragingly stable and in combination with the optimisation programmes which we implemented last year it was possible to further increase the average returns in all dealerships through falling costs.

c) Poland

General economic development in Poland is – in comparison with the surrounding countries – to be assessed as clearly positive. The market for new vehicles therefore showed an increase of 5.3 % in the past fiscal year. In figures this amounts to 334,843 new vehicle registrations (previous year: 318,076). Under these positive framework conditions, Opel managed to increase their market share in Poland significantly to 8.6 % (previous year: 7.3 %).

The loss of Chevrolet was compensated through the good sales figures (28,701 new vehicle registrations) for Opel (previous year: 23,096). AVAG's share in Opel amounts to a good 8.8 %, with which we are very satisfied. In the Warsaw area, AVAG hold a market share of around 30 %.

Poland

	Sept. 14 to Aug. 15		in%	Sept. 13 to Aug. 14	
	Number of registrations	Market share in%	comp. with 2013/14	Number of registrations	Market share in%
Skoda	42.563	12,71	-1,94	43.407	13,65
Volkswagen	31.908	9,53	9,10	29.246	9,19
Opel	28.701	8,57	24,27	23.096	7,26
Ford	22.704	6,78	-0,91	22.913	7,20
Renault	17.428	5,20	9,42	15.927	5,01
Fiat	7.623	2,28	-10,26	8.495	2,67
TOTAL REGISTRATIONS	334.843	100,00	5,27	318.076	100,00

The earnings situation in the service business continues to be good. Restructuring measures carried out to date as well as the associated cost reductions continue to make their effect felt and, with the turnover development described above, guarantee a continuing positive profit situation for the company.

d) Hungary

The economic situation in Hungary remains stable, despite the refugee crisis. In terms of the automobile sector this is associated with a clear increase of 16.7 % in the sales figures in the market as a whole.

The market participants assume a similar tendency for the rest of the year. The market continues to be dominated by fleet sales, which account for 75 % of the total number of new cars sold. The leasing companies continue to play an important role on the market. On average, one in ten registered cars is taken abroad.

This year, of the brands we stock, despite losing just under 1.3 % points in market share in comparison with the previous year, Opel continues to hold a market share of more than 10 %. The registration figures for Suzuki rose significantly, by more than 19.5 %, further increasing the market share to just under 8.0 %.

Following the record sales achieved in the previous year, the new vehicles business of our dealership business made a mixed impression in the last fiscal year. While the Opel sales figures fell significantly, both for large customers and also for private customers, Suzuki sales saw a dynamic upturn.

Hungary

	Sept. 14 to Aug. 15		in%	Sept. 13 to Aug. 14	
	Number of registrations	Market share in%	comp. with 2013/14	Number of registrations	Market share in%
Opel	8.558	11,81	5,04	8.147	13,12
Ford	8.063	11,13	34,56	5.992	9,65
Volkswagen	5.853	8,08	13,28	5.167	8,32
Suzuki	5.639	7,78	19,52	4.718	7,60
Renault	2.807	3,87	7,96	2.600	4,19
Fiat	2.408	3,32	83,40	1.313	2,11
TOTAL REGISTRATIONS	72.443	100,00	16,65	62.101	100,00

Status Report

Picture: Nissan

Picture: AC Dresden, Dresden

3. Development of business of the AVAG Group

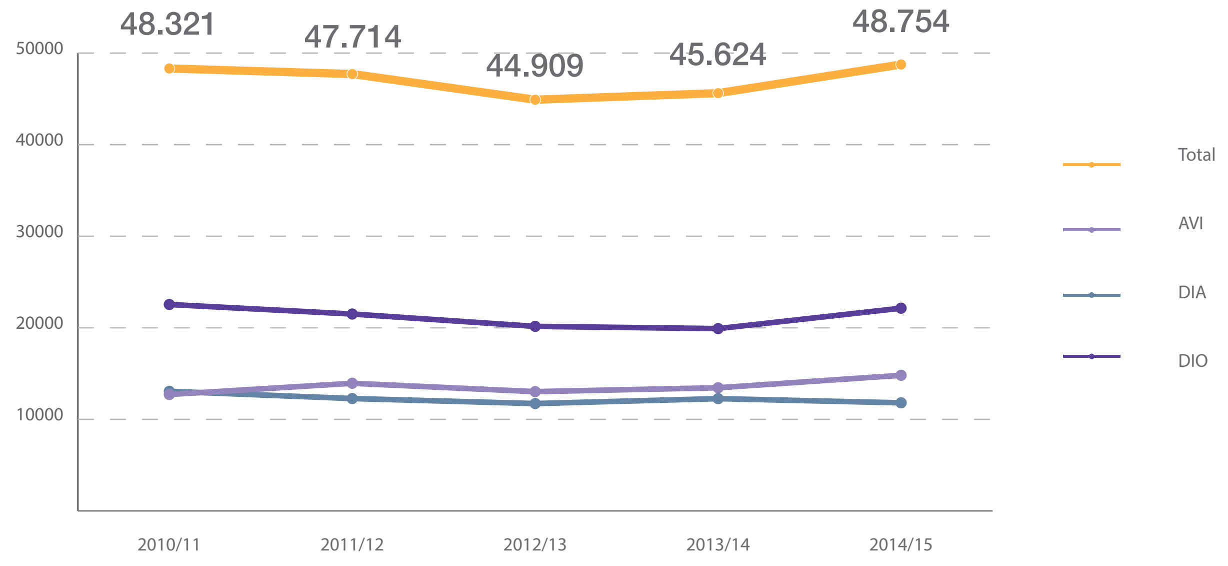
3.1. Sales

With its 37 German and 15 international affiliated companies engaged in sales at a total of 156 locations (previous year: 140), AVAG Holding SE sold 96,676 (previous year: 85,687) new and used vehicles in the past fiscal year 2014/2015. Sales revenues in the vehicle business further increased to TEUR 1,195,215 in the fiscal year (previous year: TEUR 1,036,168). The increase results both from sales in the new vehicles segment and in the used vehicle segment, whereby the used vehicle segment in particular experienced very clear growth in the two-digit per cent range. Despite the discontinuation of sales activities for the brand Chevrolet at the end of March 2014, sales in the new vehicles segment increased in all of our regions.

3.1.1. Sales of new cars

AVAG Holding SE's dealerships in Germany and abroad sold a total of 48,754 new vehicles in the past fiscal year 2014/2015 (previous year: 45,624). The sales figures of our 37 domestic businesses engaged in sales activities increased by almost 11.0 % in the new cars business with 36,948 new vehicle registrations (previous year: 33,362). Both the DIO dealerships, with 22,138 vehicle sales (previous year: 19,911), and DIA with 14,810 vehicle sales (previous year: 13,451) improved on last year's sales figures to the same extent.

Collectively, our 15 business interests engaged in sales activities in other European countries, which are represented in a total of 29 sales locations in the countries Austria, Croatia, Poland and Hungary, managed to market a total of 11,806 new vehicles (previous year: 12,262), marking a return to the level of the fiscal year before last.

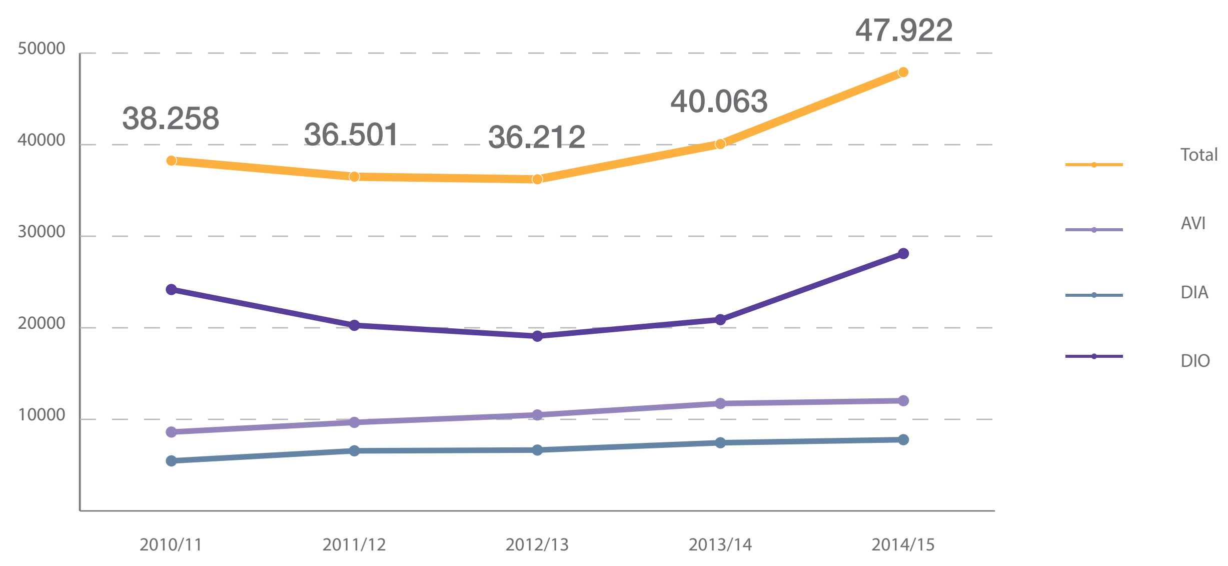


3.1.2. Sales of used vehicles

With 47,922 used vehicles sold in total (previous year: 40,063), our dealerships managed to surpass the previous year's figure comfortably during the during the past fiscal year. Taking into consideration the development of the market as a whole, this increase can be seen as being very positive.

Both the dealerships operated by DIO GmbH, with 28,108 used vehicles sold (previous year: 20,889), and the companies controlled by DIA Albert Still GmbH and AV Holding International GmbH/AV International GmbH managed to further increase used vehicles sales in comparison with the previous year. In particular, an increase of over 30.0 % was achieved by DIO in this fiscal year. This is largely attributable to the “Young Opel” programme promoted by Opel, which was received extremely well by customers and has been successfully extended.

In particular, the dealerships operated by DIA Albert Still GmbH managed to further increase used vehicle sales through an active purchasing policy. Abroad, the on-target growth resulted from the intensification of independent purchasing. With 12,034 registered used vehicle sales (previous year: 11,729) the DIA dealerships surpassed last year's performance by around 305 units; together, the companies controlled by AVI sold 7,780 units (previous year: 7,445), again exceeding the previous year's figures.



3.2. After-sales

The after-sales sector is the second mainstay of the automotive trade. However, there is considerable competitive pressure from fast-fit groups such as ATU or Pit-Stop, which in this fiscal year too we withstood comparatively successfully. Very high quality products, the resulting extended maintenance intervals of the vehicles and the reduction in the number of warranty claims oblige us to stabilise or improve the utilisation of our workshop capacity through active after-sales marketing. Nonetheless we succeeded in increasing after-sales turnover significantly in the past year to a total of EUR 349.5 million (previous year: EUR 311.2 million). This was achieved above all through significantly expanded marketing activities and customer contact programmes. A smaller part of the growth is attributable to the newly acquired companies.

Turnover in the parts and accessories business and in the service business is significantly up on the previous year's level. The increase in the parts and accessories business is attributable to growth in the existing locations as well as through newly acquired businesses.

4. Earnings, Assets and Financial Position of the AVAG Group and AVAG Holding SE

4.1. The AVAG Group

4.1.1. Earnings situation

Sales revenues increased by 14.7 % during the past fiscal year from of EUR 1.37 billion to EUR 1.57 billion, whereas the result from ordinary activities rose significantly from EUR 20.1 million to EUR 22.7 million. This corresponds to a percentage improvement of 13.2 %. Taking into consideration the development of the overall market, the AVAG group's result can be regarded as a success. This is this attributable, among other things, to the synergy effects resulting from the structures created within the AVAG Group. Also, the improvement of the financial results had a very positive impact on the result from ordinary activities.

Whereas sales revenues increased by 14.7 %, the gross profit showed a two-digit increase of 12.8 % to EUR 280.1 million. This is largely attributable to the service and parts business. The slight deterioration in the cost-of-materials ratio of 82.2 % (previous year: 81.9 %) is largely attributable to the significant increase in vehicle sales in relation to earnings in the after-sales sector. On the other hand, other operating income fell again in the past fiscal year after profits had been achieved in the previous year through sales of property.

The operating result rose by 3.8 % from EUR 28.1 million to EUR 29.2 million. The result was affected by cost increases in the area of personnel expenses, essentially due to the new operating locations, which are still in the start-up phase. However, the personnel expenses ratio is, at 9.5 %, virtually unchanged in comparison with the previous year.

Personnel expenses increased by 12.8 % in the fiscal year 2014/15, above all because of the companies newly acquired during the second half of the year. These include usual wage and salary increases of approx. 2 to 3 % p.a.. This salary adjustment as well as the expansion involving various new business locations have led to an increase in personnel costs. Overall, personnel expenses have increased from EUR 133.1 million to EUR 150.1 million.

The financial result improved, above all due to improved vehicle stock management and due to improved interest terms for the working capital financing and the taking out of new loans, from EUR -8.0 million to EUR -6.4 million.

The balance of operating result and financial result leads to an operating profit of EUR 22.7 million (previous year: EUR 20.1 million), that is to say EUR 2.6 million above the previous year's level.

A slightly higher tax burden in comparison with the previous year of EUR 7.9 million (previous year: EUR 7.1 million), which is essentially attributable to the further improved performance of the operational subsidiaries, together with the profit share due to partners outside of the group, amounting to EUR 2.9 million (previous year: EUR 2.3 million), leads to a consolidated net income in the amount of EUR 12.0 million (previous year: EUR 10.7 million).

At roughly 1.5 %, the profit on sales, in relation to the earnings before income taxes, remained virtually unchanged in the past fiscal year, exceeding our target of a minimum return on sales of 1.0 %.

4.1.2. Assets situation

The consolidated balance sheet total amounted, as at balance sheet date, to EUR 383.4 million (previous year: EUR 371.8 million), EUR 11.6 million above the previous year's level. On the assets side, the fixed assets increased by EUR 3.5 million in comparison with the previous year to EUR 178.6 million (previous year: EUR 175.1 million) and the current assets increased by EUR 8.0 million from EUR 195.1 million to EUR 203.1 million.

The change in the fixed assets is essentially attributable to the acquisition of land and buildings properties as well as the construction of new dealerships in German cities. On the other hand, a loan with a nominal value of EUR 5.1 million fell due for repayment in the fiscal year.

In the current assets, inventories increased by EUR 7.6 million to EUR 140.3 million and other assets of EUR 21.5 million were increased to EUR 24.5 million. The increase in inventories is essentially attributable to an increase in stocks of new vehicles. The stock turnover rate has remained virtually unchanged. The trade accounts receivable reduced slightly as per the reporting date, by EUR 1.9 million to EUR 34.9 million. In other assets, increased receivables from manufacturers are responsible for the increase.

The equity ratio provides an indication of the Group's capital structure. Including equity-related financing, it stood at 20.3 % (previous year: 18.3 %). The equity as shown on the balance sheet amounts to EUR 70.8 million and the equity surrogates amount to EUR 7.0 million as per reporting date. At the Shareholders' Meeting on 17.03.2015 it was decided that, out of AVAG Holding SE's net income as per 31.08.2014 of EUR 15.8 million, a dividend of EUR 0.41 per share with dividend entitlement will be distributed, in total EUR 1.6 million. The net income remaining after the distribution of the dividend was carried forward to new account. Of the retained earnings, EUR 10.0 million was converted into subscribed capital. The conversion of the retained earnings is intended to strengthen the company in the long term. As of 31.08.15 the legal reserve changed by EUR 0.6 million due to the increase required by law.

On the reporting date, equity-related funds comprised EUR 7.0 million in participation rights held by a bank consortium.

Provisions increased by EUR 7.9 million to EUR 50.6 million. The increase is essentially attributable to the increase in provisions for customer loyalty instruments, tax provisions, personnel provisions and pension provisions. The customer loyalty programmes were pushed forward during the fiscal year 2014/15 and should, in the coming years, lead to positive effects in the service business. The personnel provisions have essentially risen due to the good fiscal year.

Total liabilities (excluding subordinated liabilities) of the AVAG Group were reduced by EUR 4.2 million to EUR 251.1 million. The liabilities towards banks fell from EUR 205.3 million to EUR 203.3 million, which is essentially attributable to the scheduled repayment of long-term loans. The liquid funds used for this purpose come from the positive cash flow of the operational business

Trade accounts payable fell from 21.0 EUR million to 17.2 EUR million due to the reporting date.

The increase in other liabilities is attributable to increased tax liabilities, which essentially include loan and wage tax liabilities.

Deferred income and accrued expenses fell by EUR 1.7 million due to the scheduled collection of payments relating to coming fiscal years

4.1.3. Financial Situation

Analysing the cash flow statement gives an indication of the Group's financial position. At the end of the fiscal year the cash and cash equivalents of the AVAG Group amounted to EUR 3.3 million (previous year: EUR 4.2 million). At EUR 38.2 million, the annual cash flow was EUR 8.5 million up on the previous year's level (EUR 29.7 million).

The cash flow from current business activities stood at EUR 32.4 million (previous year: EUR 15.4 million). This is attributable, in particular, to the slight increase in new and used vehicles and trade accounts receivable.

The cash flow from investment activities was EUR -26.5 million (previous year: EUR 21.1 million). The cash flow from financing activities was EUR 6.9 million (previous year: EUR 4.3 million).

4.2. AVAG Holding SE

4.2.1. Earnings situation

AVAG Holding SE is an operational management and financial holding company that supports all automotive-related areas of business. It frees the operating companies from activities that do not add value directly, since it bundles certain areas of expertise (e.g. in the areas of marketing, IT, treasury, quality and environmental management etc.) at headquarters and through the placement of its specialists makes them available as a service to all operating companies. Bundling these functions allows us to achieve substantial synergy effects. This professional assistance allows the dealerships to focus their main efforts on active sales and individual customer care. AVAG Holding SE plays a supporting role here. By deploying specialists in, for example, the specialty areas of after-sales, key customer care, insurance, etc. it offers the operating units additional direct support in their day-to-day business. This effect is enhanced by the dealerships' ability to access our central vehicle distribution centre, which gives us a further edge over our competitors.

Given the underlying economic conditions in the fiscal year 2014/15, the management is very satisfied with the net income of EUR 12.9 million which was achieved (previous year: 12.6 EUR million). The sales revenues, consisting of distribution centre activities, rental incomes and intragroup allocations, increased during the year under review from EUR 263.1 million in the previous year to EUR 312.5 million. This is above all due to the significant increase in sales revenues in the area of the vehicle distribution centre function, which is essentially attributable to the higher volume of units sold within the Group. The other operating income fell from EUR 6.4 million to EUR 2.6 million after having been positively influenced in the previous year through the sale of land and buildings.

The cost of materials in relation to turnover was slightly up on the previous year and is predominantly affected by the central distribution centre's purchase and sale of new vehicles.

Following the good fiscal year 2014/15, personnel expenses increased by EUR 1.2 million to EUR 9.1 million as a result of additional employees, particularly for the improvement of the service sector, and performance-related remuneration.

Other operating expenses are largely influenced through legal and advice costs. Overall, other operating expenses increased from EUR 4.6 million to EUR 4.8 million. In view of the developments described, the operating result of AVAG Holding SE was reduced by EUR 3.4 million to EUR 2.3 million.

The financial result for the period under review grew significantly, by EUR 2.9 million to EUR 11.4 million. On the one hand, interest expenses fell due to lower internal interest rates, on the other hand income from participating interests increased by EUR 2.9 million to EUR 11.4 million during the past fiscal year as a result of the positive development of the participating interests in the operational business.

The result from ordinary operating activities thus amounted to EUR 13.7 million on the reporting date, in comparison with 14.2 million in the previous year. The net income amounts to EUR 12.9 million (previous year: EUR 12.6 million).

4.2.2. Assets

The balance sheet total of AVAG Holding SE fell by EUR 3.1 million to EUR 212.5 million (previous year: 215.6 EUR million) within of the last fiscal year.

On the assets side, this development is attributable to several factors. Property, plant and equipment increased by 2.8 EUR million, from 57.9 EUR million to 60.7 EUR million due to recent purchases of land and buildings and new build projects, while at the same time the lendings to affiliated companies were reduced by EUR 2.6 million due to the repayment of loans to affiliated companies. Moreover, current assets are, at EUR 95.6 million (previous year: EUR 94.7 million) above the previous year's level. Under current assets, accounts receivable and other assets amounted to EUR 70.9 million as per the reporting date (previous year: 72.5 EUR million) and inventories amounted in total to EUR 24.7 million (previous year: EUR 22.2 million). The inventories thus increased by EUR 2.5 million in the fiscal year. The amounts owed by affiliated companies essentially consist of receivables from the cash management of the AVAG Group and income from participating interests.

On the liabilities side, the balance sheet equity increased due to the good results over the past two fiscal years by EUR 11.3 million to EUR 78.6 million (previous year: EUR 67.3 million). At the Shareholders' Meeting on 17.03.2015 it was decided that, out of the net income of EUR 15.8 million, a dividend of EUR 0.41 per share with dividend entitlement will be distributed. The net income of EUR 14.2 million remaining after the distribution of the dividend was carried forward to new account. Of the retained earnings, EUR 10.0 million was converted into subscribed capital. The conversion of the retained earnings is intended to strengthen the company's equity. As of 31.08.15 the legal reserve changed by EUR 0.6 million due to the increase required by law.

Equity-related funds comprised EUR 7.0 million in participation rights held by a bank consortium. The effective equity thus amounts in total to EUR 85.6 million (previous year: EUR 75.3 million) and our effective capital ratio rose to 40.3 % due to the net income. Total liabilities are, at EUR 133.9 million, well below the previous year's level (previous year: EUR 148.2 million), after AVAG Holding SE made scheduled repayments of amounts owed to banks during the fiscal year and trade accounts payable fell significantly due to the reporting date

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4.2.3. Financial situation

The cash and cash equivalents of AVAG Holding SE amounted to EUR 8.3 million at the end of the reporting period, in comparison with EUR – 2.5 million in the previous year. A cash flow from current operating activities of EUR 15.3 million (previous year: EUR 12.7 million) was set against a cash flow from investment activities amounting in total to 2.8 EUR million (previous year: 2.1 EUR million). The cash flow from financing activities changed from -7.4 EUR million, above all due to the repayment of euro loans.

4.3. Financial instruments

One of AVAG Holding SE's most important tasks as a management and holding company is the structuring and management of financial instruments within the group. With respect to operating funds, financing basically comprises two components:

The largest component in terms of volume is the financing of our stocks of inventory vehicles. Available to us as partners for the financing of our inventories of new and used vehicles are, on the one hand, manufacturers' banks, so-called captives, as well as providers of vehicle financing that are not linked to manufacturers, so-called non-captives.

The financing of the other business operations takes the form of credit lines provided by commercial banks. For this purpose, the German and Austrian operations are linked to AVAG Holding SE through cash pool structures.

During the course of the fiscal year and as on balance sheet date, adequate credit lines were available to the group in both areas of business; availment of these credit lines is subject to pronounced seasonal fluctuations.

Both parts of the inventory vehicle financing and the financing of operating funds via commercial banks are subject to the risk of interest rate changes which we have hedged through interest rate swaps with different terms as well as CAP agreements scaled according to maturity and strike rate. Interest rates have been at an historical low since the end of 2009. Given the current overall economic situation, we do not expect any sharp rises in interest rates over the medium term.

Our short-term current account financing via commercial banks is in principle unsecured. In order to secure/stabilise our operating funds financing we have since agreed a two-year term with automatic extension option for more than half of our credit lines.

In the field of medium to long-term outside financing, we differentiate between traditional long-term outside capital from bank loans and items with an equity-like character. In the past fiscal year we have repaid a lombard loan secured through a bond (from our saving deposit for repayment of the mezzanine funds) as well as a smaller loan, following expiry of the fixed interest period, and replaced these with a new property-secured loan. The relatively pronounced fall in our loan portfolio thus results almost exclusively from regular repayments. Our current bank loan portfolio consists largely of fixed positions that are not subject to any significant risk of interest rate changes. Profit participation rights with a subordinate character are now only of secondary importance.

4.4. General assessment of the Group's earnings, assets and financial situation

For years we have successfully pursued a strategy of risk diversification. In other words, we spread the risk for the AVAG Group by participating in different markets, and also with different brands. As is known, we operate in five European countries, marketing a total of 14 brands. This approach enables us to spread risk across various shoulders. We believe this method of reducing risk has proved to be the right approach for us over the long-term. It means that even in difficult market situations in individual regions and/or where special influences affect an individual brand, we succeed in posting satisfactory/good results.

For example, last year we posted consolidated sales of EUR 1.57 billion and an operating result of EUR 22.7 million. Given the current situation and the continuing need to adapt to the changes on the European automobile market, we are very satisfied with our return on sales of almost 1.5 %. We are also on a very sound footing in financial terms. We have (balance-sheet) equity of EUR 70.8 million along with EUR 7.0 million of equity-related resources, giving us an economic equity ratio of 20.3 % of our balance-sheet total. Over the coming years we plan to further strengthen our equity basis. The medium-term goal of the AVAG Group is an equity ratio of more than 20%. In taking this measure, AVAG Holding SE's shareholders wish to affirm their confidence in their company's future prospects.

Above all, the stable development of the market and the optimisation measures which have been implemented contributed to an improvement in the result in comparison with the previous year's forecasts.

5. Financial and non-financial performance indicators

The company controls its operational business on the basis of the sales revenues, the annual result and the return on sales. Another important performance indicator is the number of persons employed by the company.

The number of employees of the AVAG Group increased during the fiscal year from 3,508 to 3,767. The key influencing factor here is the newly acquired companies.

Our employees are the most important resource contributing to the success of the AVAG Group. This is why internal training events are held regularly within the different departments in order to promote the continuing vocational training of our employees. The vocational training provided to the employees is supplemented with external advance training measures provided by manufacturers or other providers.

C. Supplementary Report (§ 289 para. 2 no. 1 HGB)

No events of particular importance occurred after the balance sheet date.

D. Forecast, Opportunities, Risk Report

1. Risk report and risk management system

The AVAG Group has installed a central risk management system which is implemented in all of the AVAG Group's dealerships. The purpose of this is to allow risks to be identified at an early stage, their impact reduced by means of appropriate measures and any threat to the company's existence averted. It makes an important contribution to the achievement of the strategic, operational and financial goals of the AVAG Group and the individual dealerships and is intended to contribute to a sustained increase in the value of the company. It involves a comprehensive system of reporting, including a daily analysis which allows changes in the sales market to be identified quickly. It also involves daily management of vehicle stocks and sales figures. In the service business, a daily analysis of capacity utilisation and added value takes place.

The performance of the individual dealerships and the distributed brands are analysed on brand level in regular meetings between the senior management and divisional management and further action and future developments are discussed.

General economic risks can have various different causes. Economic risks can arise from an unfavourable development of global or regional markets, for example from a possible intensification of the political crises in the Ukraine and in the Near East which could have major impacts on the German economy and the prospects for economic recovery.

The global economic risks are limited by our presence within the local German market. This means that the company's development depends very closely on the development of the economy within Germany. The materialisation of such risks can have a serious impact on the sales achieved by the company.

Market risks

Changes in the sector-specific environment can also have a negative impact on the earnings, financial and assets situation.

The drivers behind the assessment of risks within the automotive trade are the development of domestic demand in general, the performance of the brand marketed by the dealership and its positioning within the regional market. In addition, an essentially saturated automotive market in Germany, exacerbated by the flows of products channelled by the manufacturers, leads to a further intensification in competition and ultimately to an attrition of dealerships. A daily analysis is therefore implemented within the AVAG Group which allows changes within the sales market to be identified rapidly.

The same applies to our international sphere of operations, namely the markets in Austria, Croatia, Poland and Hungary. As is well known, AVAG has for years pursued a strategy of risk diversification, i.e. we operate in different European markets, with a number of different brands – the heavyweight within our overall portfolio remains the Opel brand.

The lack of profitability on the part of the car manufacturer Opel is, as before, the main uncertainty. However, Opel has been performing very encouragingly since 2013. The number of new vehicle registrations and the market share are rising steadily. The company is expected to be back in the profit zone by the middle of the decade, and Opel are aiming for a return on sales of five per cent in Europe by 2022.

With a market share of 2.1 %, the brand Toyota has failed to live up to its expectations on the German market. AVAG is also monitoring this development, and the manufacturer continues to see the German market as an important mark and intends to focus on the further expansion and strengthening of the dealer and distribution network.

On Group level, in addition to Opel, the brands Toyota and Nissan have, in particular, already become established, and the most recent high-volume brand Ford already occupies second position in our brands ranking, even though not all subsidiaries have yet achieved their planned size.

One important risk factor in the automotive trade is the management of stocks of new and used vehicles. Within the AVAG Group, this is managed centrally for each vehicle brand, exploiting the advantages of a centrally controlled inventory management which allows each individual dealership access to all of the vehicles. This means that customers can be presented with a wide range of new and nearly-new vehicles. Each month, inventories are systematically cleared of used vehicles that have been on sale for some time through an intra-group auction, the so-called "Motorbay".

In principle, the obligation to take back leased vehicles also involves risks for AVAG. With leasing, we essentially distinguish between contracts based on residual value and mileage-based contracts. Leasing contracts involving buy-back obligations for pre-determined buy-back values do not generally present a risk, whereas buy-back obligations for mileage-based contracts generally harbour risks. AVAG favours leasing transactions with fixed residual values and concentrates on a 50 : 50 division of the total number between both contract types. In operational terms, the leasing buy-back obligations do not currently represent a significant risk for us. We control the residual value risk of returned leased vehicles through careful calculation at the time of concluding the contract and through regular monitoring of residual values. In addition, we form a provision to cover any risks not taken into calculation.

The financing of purchasing and sales is a key success factor nowadays within the automotive trade. The financing of the dealerships as well as sales financing within the AVAG Group are controlled via AVAG Holding SE. The new car inventory financing and new car end customer financing, involving various different arrangements, is essentially based on the manufacturer's banks. In the used vehicles business, we work together with several financial partners, both in purchasing and sales financing

Legal Risks
Legal risks can essentially arise from legal disputes, complaints or warranty claims.

Provisions have been formed in appropriate amounts for proceedings which are currently pending. No individual risks exist which could have a serious impact on the company's business and thus its result.

Financial risks
Financial risks primarily involve liquidity, interest, bad debt and tax risks.

AVAG Holding SE is also responsible for providing and controlling liquidity within the Group. The availability of liquidity and the stability of the overall financing take first priority. Some of these financing positions are exposed to an interest rate risk, part of which is fixed or capped groupwide through the conclusion of corresponding interest rate hedging agreements on the level of AVAG Holding SE.

Our professional cash management system provides us with same-day liquidity management across all countries and banking relationships. For years, AVAG Holding SE's stated philosophy has been for all brands that we represent to include their own manufacturer's bank/their chosen banking partner in the business relationship with AVAG. Consequently, AVAG Holding SE has sales financing relationships with Opel, Toyota, Ford, Nissan and Honda banks. The new business relations entered into since the end of 2008 with the non-captives BDK, S-Kreditpartner, Santander-Bank, Getin Bank and akf-Bank have since become an established part of our inventory vehicle financing. Short-term interest rates have been at a constant low level since the end of 2009. Given the current overall economic situation, we again expect a similar level of interest rates for 2016.

In view of the risk of default in payment by commercial customers, the dealerships enjoy protection in the event of default in payment under the service and advice agreement concluded with AVAG Holding SE and in addition through the trade credit insurance taken out with Euler/Hermes. Consequently, this does not represent any significant risk to dealership operations.

Tax risks essentially arise through the export of vehicles and spare parts to other countries within and outside of Europe. This risk is countered by following standard procedures for exports within the entire AVAG Group which are intended to minimise the risk.

General assessment of the company's risk situation
The assessment of the overall risk situation is the result of the consolidated consideration of all the significant individual risks. We are not aware at present of any risks which could constitute a threat to the continuing existence of the company.

2. Opportunities and forecast

2.1. Wider framework conditions

We see the German economy facing challenging developments. In September 2014 the OECD downgraded its growth forecast for Germany for 2014 from 1.9 % to 1.5 % and for 2015 from 2.1 % again to 1.5 %. This is also reflected in the ifo business climate index which, in September 2015, rose slightly to 108.5 points (August 2015: 108.4 points). The companies assess their position as being somewhat less good than in August. However, looking at the further development of business, optimism increases. The German economy is proving to be robust. "The German economic motor is no longer running quite as smoothly as it did", explained ifo president Hans-Werner Sinn. Growing concern about international political crises in the Ukraine and the Near East also have a dampening effect on the mood within the German economy.

The global economy is set to continue its slow recovery in 2015. The international organisations such as the IWF and OECD anticipate a slight increase in global economic growth by around a quarter of a percentage point of GDP to around 3.5 % during the current year. The background to this positive development are the encouraging economic data from the USA and the fall in oil prices and the prices of raw materials generally. If the prices of oil and the raw materials do not rise again significantly above the current level during the course of the year, then above all the USA, Japan, India and the euro zone countries will benefit, while Canada, Russia, Brazil and a number of the net oil exporting countries in Latin America, Africa and the Gulf region will suffer losses.

2.2. Outlook for 2015/2016

Despite the sluggish demand on the part of its important trading partners Russia and China, current economic forecasts for Germany are quite positive. A robust employment market, wage increases and private consumption have all boosted economic activity in Germany.

The future of the automotive sector depends very much on the further development of the general economic situation. The interplay of the European markets will play a key role here. In this respect it is difficult to offer precise forecasts. Nonetheless, an upswing has been noticeable over the past twelve months which leads us to look optimistically towards the future. Based on the estimates of the ZDK, a volume of three million new vehicle registrations by the end of the current calendar year is realistic. Industry expectations for the year 2015/2016 are equally positive. This is shown by the figures of the ZDK's business climate index, with the value for the fourth quarter of 2015 rising by 11.1 points to 113.2 points in comparison with the third quarter. In comparison with the previous year too, the index rose by 8.2 points. We also assume that the market will develop constantly at a level of approx. 3.1 million new vehicle registrations. Our volume planning for the coming fiscal year also rests on this basis.

Opel's management team of Dr. Karl-Thomas Neumann, new Sales Director Peter Christian Küspert, Marketing Director Tina Müller and the Head of Sales in Germany Jürgen Keller have shown that they have put the Opel brand back on the right track. The company is expected to be back in the profit zone by the middle of the decade. According to Dr. Karl-Thomas Neumann, Chairman of the Management Board of Adam Opel AG, Opel hope to achieve a return on sales of five per cent in Europe by 2022 and increase market share to 8 %. In Germany, the plan is to increase the market share year by year with new products, segments and engines. In eight years Opel plans once again to be the second-biggest car brand in Europe.

The new Opel Astra is the champion in the compact class. The new generation is based on a lightweight construction architecture and in terms of efficiency and networking represents a quantum leap within the compact class. The lightweight model, developed from scratch, is exclusively equipped with the latest generation of engines. It comes with numerous safety and assistance systems which are unmatched within this class, including some completely new innovations – such as the dazzle-free "intelliLux LED matrix headlights system". A longer and wider cone of light ensures safe, stress-free driving at night, without dazzling other road users.

At the same time the Astra was, from the time of its launch, the first in Opel's current series of models to be equipped with the Opel OnStar safety system. The personal service assistant provides drivers with a direct contact partner which makes driving safer, 365 days a year. The entire portfolio of services, such as automatic accident assistance, 24-hour emergency call service, breakdown assistance, emergency theft service and the powerful 4G/LTE-WLAN hotspot with faster and more stable mobile connection, are available to the customer – the first twelve months from first registration are free of charge. This combines top-class innovations with unparalleled connectivity.

The models produced by **Ford** are becoming increasingly popular. The strategy of bringing 15 new models onto the market in Europe by 2015 has proved successful.

In Europe, Ford are expanding their range of Sport Utility Vehicles (SUV). As a result, the group intends to further expand its sales in this dynamically growing vehicle segment. The beginning of this SUV and AWD offensive is marked by the new Edge. Ford presented the European version of this large SUV in September 2015 at the International Automobile Show (IAA). Following this, things will be happening at a rapid pace: within the next three years Ford plan to introduce five completely newly developed or at least thoroughly updated models for the SUV and crossover segments.

The new EcoSport, which has been on the market since 2014, stands out as a lifestyle SUV above all due to its technical highlights. The compact all-rounder is based on the modern, global B-segment architecture, which also forms the basis of the Ford Fiesta. With 5,070 vehicles sold (+280 %), the Ford EcoSport has boosted sales significantly over the past fiscal year.

The new Ford Focus RS is expected to go into production at the end of 2015. Its innovative technologies include the Ford Performance all-wheel drive and Dynamic Torque Vectoring Control. Nor does the new Ford Focus RS fall short when it comes to power: The specially matched 2.3 litre EcoBoost petrol engine delivers over 235 kW (320 HP). With the new Ford Vignale Mondeo, Ford are catering for a premium segment. With exclusive luxury features, first-class craftsmanship and unique service package, the manufacturer is trying to create a complete customer experience.

The new Ford Ranger will be available as from the beginning of 2016. With a payload and towing capacity unmatched in its class, it is both versatile and reliable, even under the most extreme conditions. The new Ford Ranger impresses with a range of optimised engines which combine outstanding performance with reduced fuel consumption and low emissions.

Toyota are restructuring their dealer network and returning to the single-step network. To this end, agreements with distribution partners were terminated with due notice with effect from 31 May 2016. We welcome the restructuring of the dealer network in order to make it more efficient in the right locations. The restructuring will bring us, as dealers, more efficiency and increased profitability.

The new fiscal year starts with the official introduction onto the market of the compact class model Auris. With a view to the development of the competition and changing customer needs, Toyota focused on five priorities when updating the Auris: the design, the evident quality, the hybrid drive, the safety features and the range of available engines. All engines fulfil the exhaust emissions standard Euro 6. Toyota is one of the most environmentally friendly brands in 2015. In the “Best Brands” readers' poll conducted by the specialist magazine “Firmenauto” the Japanese car manufacturer convinced readers with its wide range of efficient engines and alternative drives – so securing the prestigious award.

The Toyota Yaris will be available in 2016 with new strong colours and a high quality interior concept. The two striking and particularly dynamic new equipment levels “Lounge” and “Style” are for the first time also available for the Yaris hybrid. The sales figures for the Yaris in Europe have been increasing steadily since the market launch of the current generation in 2011. For 2015, Toyota expects over 200,000 buyers. This would correspond to a market share of 6.6 % in compact cars.

The **Lexus** RX 450 h had its European premiere at the International Automobile Show on 15 September 2015. With its dynamic bodywork lines the new RX represents evolution in terms of styling. The new comfort and technical features in this highly developed premium SUV include for example a head-up display, the Lexus Premium navigation system with 12.3 inch screen and the latest Remote Touch control element, a 360° camera as well as a cable-free charging device for smartphones and other mobile devices. Production of the new RX, which will be available for sale in Germany as from January 2016, began in October 2015. In this way, Toyota are proving that they continue to be very active in the German market, also in terms of model policy, and offer their customers a wide range of attractive vehicles.

It is above all the successful crossovers which are making a big contribution to Nissan's continuing growth in Europe. However, it is not just the crossover market which shows record sales and strong demand; Nissan have further extended their leading position in the electric mobility market.

The Nissan Gripz Concept is packed full of innovative ideas, introducing a striking new design language. It combines the practicality of a compact crossover model with the performance and driving enjoyment of a classic sports car. Not only does the Nissan Gripz Concept illustrate the brand's design approach, it also shows Nissan's technical potential. The Gripz is equipped with a serial hybrid drive and thus features the prototype of hybrid drive based on the technologies which Nissan have developed for their electric vehicles.

In terms of model policy, the main focus remains above all on the high-volume models – the Qashqai, Micra and Juke – and the new Leaf electric car. Since 2014 Nissan have introduced nine new models. This product offensive and the concentration on new segments and growth-intensive markets are further boosting European sales figures. In the first eight months of 2015 the brand sold 501,150 units, a growth of 9 % in comparison with the same period of the previous year.

Nissan offer one of the widest ranges of light commercial vehicles in Europe, including the Transporter NV200 and NV400 as well as the light trucks NT400 Cabstar and NT500 and the current Navara pick-up, the new version of which will be presented at the IAA in Frankfurt and launched at the beginning of 2016. In this segment, Nissan plan further growth throughout Europe and have set ambitious targets. The manufacturer wishes to strengthen the brand, increase selling power, improve quality and become market leader in emission-free vehicles.

Nissan confirm their sales forecast for the fiscal year 2016. The company expects a worldwide increase in sales of 4.4 % to 5.55 million units. In order to achieve this target in 2016 Nissan will in the future continue to endeavour to support us in supplying high quality vehicles and provide customers with attractive offers and terms.

The Japanese car maker is entering their second year as official automotive sponsor of the UEFA Champions League. From now on, Nissan will be showing their colours in more than 40 other countries, including in Brazil, China, Japan and the USA, for example accompanying the TV transmissions of the football matches in these countries with advertising.

Basically, we view future prospects optimistically, with a firm belief in our own strengths. Our strategy is essentially aimed at operating profitably in the long term within the market of 3.1 million new vehicle registrations which we expect in 2016.

Given constant market development, within the Group we are planning to achieve generally increasing sales revenues in the mid-single-digit percentage range in the new fiscal year. In combination with the measures which we initiated on the costs side during the last fiscal year, and which we are continuing, we anticipate a pre-tax result on the previous year's level. In the new and following fiscal years we thus expect a slight decline in the return on sales.

For AVAG Holding SE we are expecting a net income in the high single-digit millions range for 2015/2016. This will essentially be driven by the income from participating interests in the subsidiaries.

All in all, we believe that while we are still facing a challenging environment, we are well equipped for the tasks that lie ahead and expect that with our strategy of optimisation, our cost-awareness and our overall more cautious direction we are on the right track.

We would like to point out that, as a result of any
1) severe fluctuations on the overall market
2) substantial fluctuations in market shares of the marketed brands or
3) unforeseen restructurings within the entire Group such as changes in the number of locations
4) measures taken by or the development of our main suppliers
5) changes in the underlying economic conditions, actual results might well deviate from expected future developments.

E. Shareholder Structure and Relationships with Affiliated Companies

Still Vermögensverwaltungs GmbH & Co. KG, Augsburg, has held a majority interest in AVAG Holding Societas Europaea since 2006. In accordance with § 17 of the German Stock Corporation Act [Aktiengesetz], AVAG Holding SE, Augsburg, is deemed to be a controlled business of Still Vermögensverwaltungs GmbH & Co. KG, Augsburg.

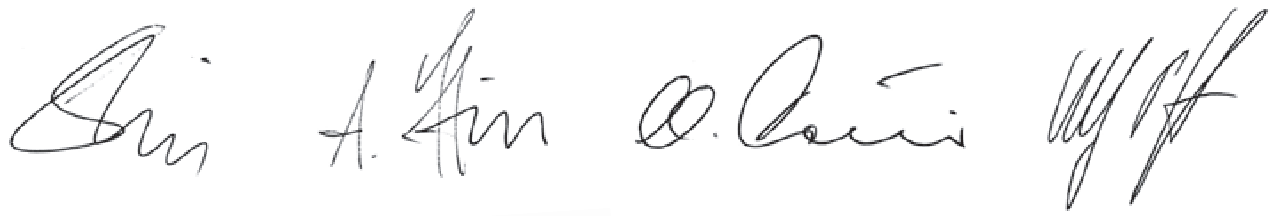
Accordingly, we have prepared a report on our company's relationships to affiliated companies. This report contains a closing statement to the effect that, according to circumstances known to us at the time when the legal transaction was effected, the company received the appropriate consideration for each transaction and that no other measures in the interest of or at the instigation of affiliated companies were either taken or omitted.

Augsburg, December 21, 2015

AVAG Holding Societas Europaea

The Management Board

Roman Still Albert C. Still Markus Kruis Ulf Pfeiffer



Annual Financial Statements of the AVAG Group

Picture: Ford

Picture: Ford Store Kadea, Berlin

Assets

Assets	31.8.2015 EUR	31.8.2015 EUR	31.8.2014 EUR	31.8.2014 EUR
A. FIXED ASSETS				
I. Intangible Assets				
1. Industrial property rights and similar rights and assets acquired for a consideration and licenses thereto	554.404,55		742.024,35	
2. Goodwill	2.454.475,99	3.008.880,54	2.383.411,02	3.125.435,37
II. Tangible assets				
1. Land, land rights and buildings, including buildings on third-party land	112.718.230,49		111.568.852,27	
2. Other fixtures and fittings, tools and equipment	53.619.118,37		47.646.949,90	
3. Payments on account and fixed assets under construction	2.508.628,34	168.845.977,20	1.578.166,92	160.793.969,09
III. Financial assets				
1. Investments	155.259,72		151.849,35	
2. Loans to companies with which the company is affiliated by virtue of participation	5.636.499,86		4.609.917,42	
3. Securities held as fixed assets	0,00		5.115.500,00	
4. Other loans	958.713,53	6.750.473,11	1.254.769,19	11.132.035,96
		178.605.330,85		175.051.440,42
B. CURRENT ASSETS				
I. Inventories				
1. Supplies	294.257,99		357.294,48	
2. Merchandise	143.810.488,37		135.166.625,45	
3. Payments on account	209.261,11		42.408,00	
4. Payments on account received on orders	-3.968.025,09	140.345.982,38	-2.878.216,82	132.688.111,11
II. Accounts receivable and other assets				
1. Trade accounts receivable	34.932.421,32		36.777.741,53	
2. Other assets	24.542.627,30	59.475.048,62	21.451.420,94	58.229.162,47
III. Cash on hand, credit balances at banks and cheques		3.250.239,84		4.229.155,16
		203.071.270,84		195.146.428,74
C. PREPAYMENTS AND ACCRUED INCOME		1.750.864,98		1.576.538,30
		383.427.466,67		**371.774.407,46**

Shareholders' Equity and Liabilities

Shareholders' Equity and Liabilities	31.8.2015 EUR	31.8.2014 EUR
A. SHAREHOLDERS' EQUITY		
I. Subscribed capital	50.000.000,00	40.000.000,00
Nominal amount, own shares	-3.834.134,62	-2.300.480,77
Issued capital	46.165.865,38	37.699.519,23
II. Revenue Reserves		
1. Legal reserve	4.489.290,05	3.846.358,89
2. Other revenue reserves	0,00	10.000.000,00
III. Equity difference from currency conversion	27.678,00	-78.201,00
IV. Retained earnings	12.724.935,38	1.473.526,66
V. Shares held by third parties	7.385.416,92	7.239.310,48
	70.793.185,73	60.180.514,26
B. PROVISIONS		
1. Provisions for pensions and similar obligations	6.596.326,19	6.178.315,64
2. Provisions for taxation	5.578.482,98	4.462.792,34
3. Other provisions	38.396.871,57	32.021.172,78
	50.571.680,74	42.662.280,76
C. LIABILITIES		
1. Profit participation rights and subordinated liabilities	7.000.000,00	8.000.000,00
2. Liabilities to banks	203.265.318,79	205.286.394,92
3. Trade accounts payable	17.244.504,70	20.992.528,68
4. Other liabilities – thereof from taxes TEUR 22,848 (prev. year TEUR 21,870) – thereof in respect of social security TEUR 912 (prev. year. TEUR 747) –	30.629.758,49	28.997.294,06
	258.139.581,98	263.276.217,66
D. DEFERRED INCOME	3.923.018,22	5.655.394,78
	383.427.466,67	**371.774.407,46**

AVAG Holding Societas Europaea, Augsburg Profit and Loss Statement for AVAG Group for the period from September 1, 2014 to August 31, 2015

	2014/2015		2013/2014	
	EUR	EUR	EUR	EUR
1. Sales revenues	1.573.963.742,26		1.372.278.867,32	
2. Capitalised costs of self-constructed assets	80.000,00		12.000,00	
3. Other operating income	3.686.901,31	1.577.730.643,57	8.051.735,17	1.380.342.602,49
4. Cost of materials				
a) Cost of raw materials, consumables and supplies and of purchased merchandise	1.274.357.258,99		1.103.943.131,23	
b) Cost of purchased services	19.520.195,14	1.293.877.454,13	20.089.849,84	1.124.032.981,07
5. Personnel expenses				
a) Wages and salaries	124.712.291,75		110.293.264,04	
b) Social security and other pension costs – in respect of old age pensions EUR 640.229,21 (prev. year. EUR 982,315.10) –	25.381.382,86	150.093.674,61	22.776.694,87	133.069.958,91
6. Amortisation/depreciation of fixed intangible and tangible assets		23.647.175,29		21.338.027,34
7. Other operating expenses		80.935.737,44		73.781.135,06
		29.176.602,10		**28.120.500,11**
8. Income from participating interests	271.936,69		221.514,16	
9. Income from other securities and loans of financial assets	287.730,66		320.330,02	
10. Other interest and similar income	354.583,63		427.662,50	
11. Write-downs of financial assets	49.000,00		98.000,00	
12. Interest and similar expenses	7.291.996,86	**-6.426.745,88**	8.887.458,36	**-8.015.951,68**
13. Result from ordinary activities		22.749.856,22		20.104.548,43
14. Income taxes		7.941.265,75		7.111.565,41
15 Net income for the year before third party interests		14.808.590,47		12.992.983,02
16. Portion of profit due to third parties		2.857.926,26		2.294.867,87
17. Consolidated net income		11.950.664,21		10.698.115,15
18. Loss carryforward (prev. year: profit carryforward)		-116.451,52		1.404.967.25
19. Allocation to revenue reserves on account of own shares		1.533.653,85		0,00
20. Allocation to other revenue reserves		0,00		-10.000.000,00
21. Allocation to legal reserve		-642.931,16		-629.555,74
22. Retained earnings		12.724.935,38		1.473.526,66

Explanatory Notes to the Consolidated Financial Statements of AVAG Holding SE

The consolidated financial statements have been set forth in abridged form, i.e. the balance sheet, profit and loss statement and status report are reproduced in this report. The notes to the consolidated financial statements, cash flow statement and statement of shareholders' equity have not been reproduced. The complete version of the consolidated financial statements of AVAG Holding SE will be published in the electronic Federal Bulletin at www.ebundesanzeiger.de.

On 08.01.2016, the auditing firm KPMG Bayerische Treuhandgesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft issued the following unqualified auditor's opinion with respect to the complete consolidated financial statements.

Auditor’s Opinion

We have audited the consolidated financial statements prepared by AVAG Holding SE, Augsburg – consisting of a balance sheet, profit and loss statement, notes thereto, statement of cash flows and statement of shareholders’ equity – and the status report on the position of the company and the Group for the fiscal year beginning September 1, 2014 through August 31, 2015. The preparation of the consolidated financial statements and Group status report pursuant to German commercial regulations is the responsibility of the Management Board of the company. Our task is to express an opinion on the consolidated financial statements and the Group status report based on the audit we conducted.

We conducted our audit of the consolidated financial statements in accordance with § 317 of the German Commercial Code in compliance with generally accepted German auditing standards set forth by the Institut der Wirtschaftsprüfer (IDW). In accordance with the foregoing, the audit is to be planned and conducted such that inaccuracies and infringements that materially affect the representation of the asset, financial and earnings position of the company provided by the consolidated financial statements prepared in accordance with generally accepted accounting principles and by the consolidated status report can be recognized with sufficient certainty. When establishing the auditing procedures, knowledge of the business activities and the economic and legal environment of the Group, as well as expectations as to possible errors, are taken into consideration. As part of the audit, the effectiveness of internal accounting control systems as well as evidence for the information contained in the consolidated financial statements and consolidated status report are assessed predominantly by means of random sampling. The audit comprises an assessment of the annual financial statements of the businesses included in the consolidated financial statements, the delimitation of the consolidated Group, the related accounting and consolidation principles and the material estimations of the Management Board, as well as a valuation of the overall presentation of the consolidated financial statements and the Group status report. We are of the opinion that our audit provides a sufficiently certain basis for our assessment.

Our audit has not given rise to any reservations.

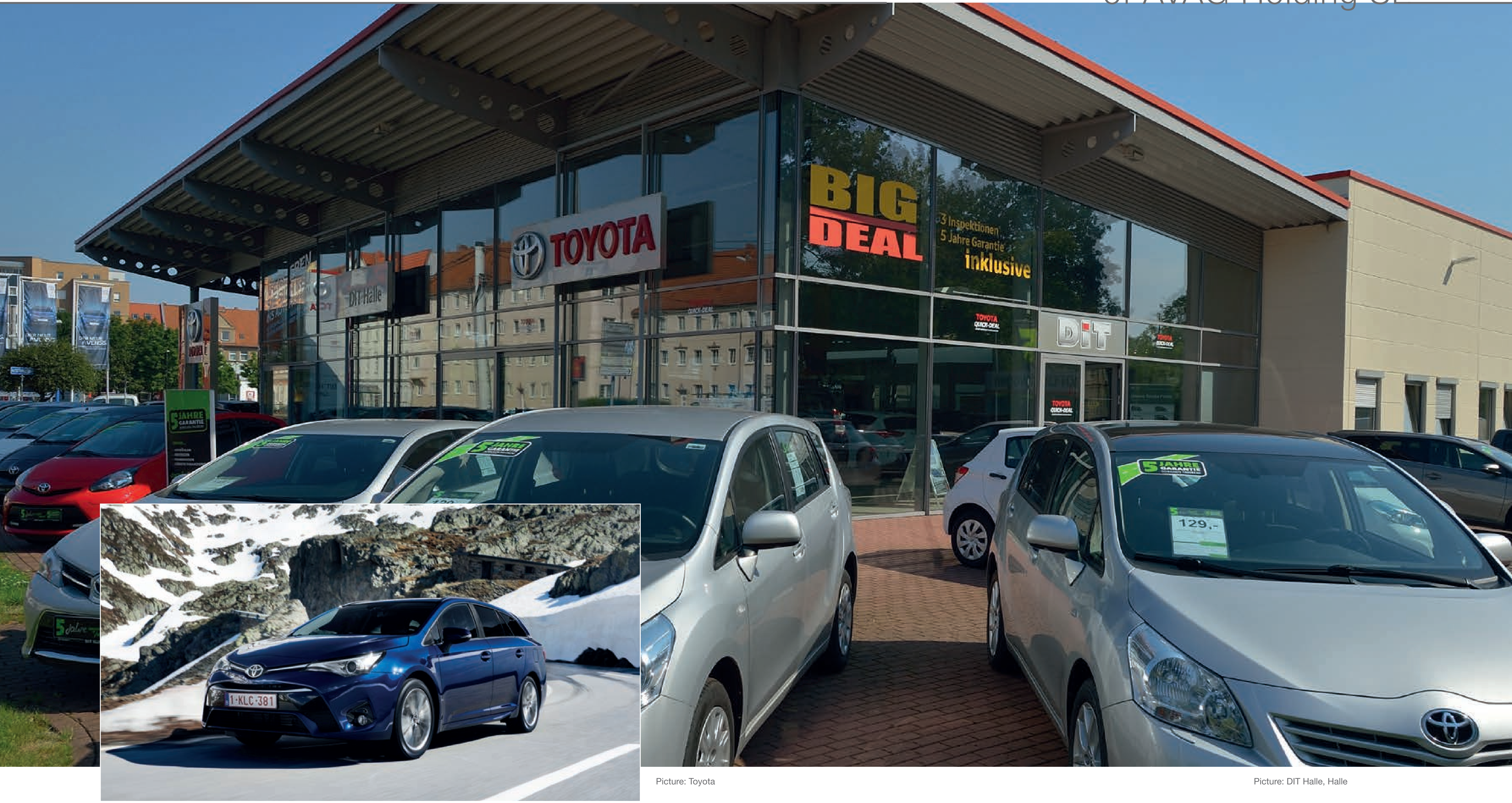
In our opinion based on the knowledge gained during the audit, the consolidated financial statements are in accordance with legal regulations and provide a representation of the asset, financial and earnings position of the Group in accordance with generally accepted accounting principles that corresponds to actual circumstances. The Group status report concurs with the consolidated financial statements and provides an accurate representation of the position of the Group and accurately depicts the opportunities and risks of its future development.

Augsburg, January 8, 2016

KPMG Bayerische Treuhandgesellschaft
Aktiengesellschaft Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Querfurth	Krucker
Auditor	Auditor

Annual Financial Statements of AVAG Holding SE



Picture: Toyota

Picture: DIT Halle, Halle

AVAG Holding Societas Europaea, Augsburg
Balance sheet as at 31 August 2015

Assets

	31.8.20145		31.8.2014	
	EUR	EUR	EUR	EUR
A. FIXED ASSETS				
I. Intangible Assets				
1. Industrial property rights and similar rights and assets acquired for a consideration and licenses thereto	243.852,00		256.628,00	
2. Payments on account	20.735,00	264.587,00	0,00	256.628,00
II. Tangible assets				
1. Land, land rights and buildings, including buildings on third-party land	58.230.313,44		56.314.001,01	
2. Other fixtures and fittings, tools and equipment	882.932,00		1.033.327,00	
3. Payments on account and fixed assets under construction	1.612.875,70	60.726.121,14	536.851,05	57.884.179,06
III. Financial assets				
1. Shares in affiliated undertakings	21.563.453,31		21.533.453,31	
2. Loans to affiliated undertakings	27.337.869,47		29.930.865,30	
3. Investments	85.025,18		85.025,18	
4. Loans to undertakings with which the company is affiliated by virtue of participation	5.636.499,74		4.609.917,42	
5. Securities held as fixed assets	0,00		5.115.500,00	
6. Other loans	895.823,04	55.518.670,74	1.046.884,02	62.321.645,23
		116.509.378,88		120.462.452,29
B. CURRENT ASSETS				
I. Inventories				
1. Supplies	7.300,00		15.700,00	
2. Merchandise	24.736.773,82	24.744.073,82	22.229.769,54	22.245.469,54
II. Accounts receivable and other assets				
1. Trade accounts receivable	36.570,97		77.772,26	
2. Accounts receivable from affiliated undertakings	69.473.601,71		70.228.387,82	
3. Other assets	1.340.002,75	70.850.175,43	2.155.688,10	72.461.848,18
III. Cash on hand		2.719,13		3.126,37
		95.596.968,38		94.710.444,09
C. PREPAYMENTS AND ACCRUED INCOME		377.789,50		401.903,47
		212.484.136,76		**215.574.799,85**

Shareholders' Equity and Liabilities

	31.8.20145	31.8.2014
	EUR	EUR
A. SHAREHOLDERS' EQUITY		
I. Subscribed capital	50.000.000,00	40.000.000,00
Nominal amount, own shares	-3.834.134,62	-2.300.480,77
Issued capitall	46.165.865,38	37.699.519,23
II. Revenue Reserves		
1. Legal reserve	4.489.290,05	3.846,358,89
2. Other revenue reserves	0,00	10.000.000,00
III. Retained earnings	27.957.487,07	15.782.951,10
	78.612.642,50	67.328.829,22
B. PROVISIONS		
1. Provisions for taxation	1.474.886,66	624.076,00
2. Other provisions	2.831.060,00	2.622.442,50
	4.305.946,66	3.246.518,50
C. LIABILITIES		
1. Profit participation rights and subordinated liabilities	7.000.000,00	8.000.000,00
2. Liabilities to banks	63.306.647,87	70.898.398,28
3. Trade accounts payable	751.639,21	6.129.477,70
4. Liabilities to affiliated companies	43.569.536,59	45.296.958,12
5. Other liabilities – thereof from taxes EUR 13,332,042.87 (prev. Year EUR 13,140,214.49) –	14.772.762,66	14.396.548,96
	129.400.586,33	144.721.374,06
D. DEFERRED INCOME	164.961,27	278.078,07
	212.484.136,76	**215.574.799,85**

AVAG Holding Societas Europaea, Augsburg Profit and Loss Statement for the period from September 1, 2014 to August 31, 2015

	2014/2015		2013/2014	
	EUR	EUR	EUR	EUR
1. Sales revenues	312.504.011,32		263.094.345,54	
2. Capitalised costs of self-constructed assets	80.000,00		12.000,00	
3. Other operating income	2.632.744,97	315.216.756,29	6.405.559,66	269.511.905,20
4. Cost of materials				
a) Cost of purchased merchandise	292.505.579,31		244.638.685,37	
b) Cost of purchased services	4.312.115,03	296.817.694,34	4.640.367,84	249.279.053,21
5. Personnel expenses				
a) Wages and salaries	8.408.105,68		7.281.992,64	
b) Social security	707.293,38	9.115.399,06	631.971,25	7.913.963,89
6. Amortisation/depreciation of fixed intangible and tangible assets		2.184.105,25		1.978.360,91
7. Other operating expenses		4.837.192,26		4.595.325.13
		2.262.365,38		**5.745.202,06**
8. Income from participating interests – from affiliated companies EUR 11.149.203,26 (i. Vj. EUR 8.290.000,00) –	11.408.233,07		8.508.186,97	
9. Income from other securities and loans of financial assets – from affiliated companies EUR 1.590.534,81 (i. Vj. EUR 1.781.276,26) –	1.876.837,47		2.211.664,75	
10. Other interest and similar income – from affiliated companies EUR 2.304.733,29 (i. Vj. EUR 2.965.117,99) –	2.463.485,17		3.177.848,26	
11. Write-ups of financial assets	825.000,00		566.000,00	
12. Write-downs of financial assets	549.000,00		848.000,00	
13. Interest and similar expenses – of which to affiliated companies EUR 609.065,60 (i. Vj. EUR 1.363.766,58) –	4.635.069,00	**11.389.486,71**	5.172.595,19	**8.443.104,79**
14. Result from ordinary activities		13.651.852,09		14.188.306,85
15. Income taxes		-793.228,81		-1.597.192,00
16. Net income for the year		12.858.623,28		12.591.114,85
17. Profit carryforward		14.208.141,10		3.821.391,99
18. Allocation to revenue reserves on account of own shares		1.533.653,85		0,00
19. Allocation to legal reserve		-642.931,16		-629.555,74
20. Retained earnings		27.957.487,07		15.782.951,10

Explanatory Notes to the Annual Financial Statements of AVAG Holding SE

The annual financial statements have been set forth in abridged form, i.e. the balance sheet, profit and loss statement and status report are reproduced in this report. The notes to the financial statements have not been reproduced. The complete version of the annual financial statements of AVAG Holding SE will be published in the electronic Federal Bulletin at www.ebundesanzeiger.de.

On January 08, 2015, the auditing firm KPMG Bayerische Treuhandgesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft issued the following unqualified auditor’s opinion with respect to the complete annual financial statements.

Auditor’s Opinion

We have audited the annual financial statements – consisting of a balance sheet, profit and loss statement, as well as notes thereto – with a view to the accounting of AVAG Holding Societas Europaea, Augsburg, and its status report on the position of the company and the group for the fiscal year beginning September 1, 2013 through August 31, 2014. The accounting and the preparation of the annual financial statements and status report pursuant to German commercial regulations are the responsibility of the Management Board of the company. Our task is to express an opinion on the annual financial statements, including accounting methods, and on the status report based on the audit we conducted.

We conducted our audit of the annual financial statements in accordance with § 317 of the German Commercial Code in compliance with generally accepted German auditing standards set forth by the Institut der Wirtschaftsprüfer (IDW). In accordance with the foregoing, the audit is to be planned and conducted such that inaccuracies and infringements that materially affect the representation of the asset, financial and earnings position of the company provided by the annual financial statements prepared in accordance with generally accepted accounting principles and by the status report can be recognized with sufficient certainty. When establishing the auditing procedures, knowledge of the business activities and the economic and legal environment of the company, as well as expectations as to possible errors, are taken into consideration. As part of the audit, the effectiveness of internal accounting control systems as well as evidence for the information contained in the books of account, the annual financial statements and status report are assessed predominantly by means of random sampling. The audit comprises an assessment of the related accounting principles and the material estimations of the Management Board, as well as a valuation of the overall presentation of the annual financial statements and the status report. We are of the opinion that our audit provides a sufficiently certain basis for our assessment.

Our audit has not given rise to any reservations.

In our opinion based on the knowledge gained during the audit, the annual financial statements are in accordance with legal regulations and provide a representation of the asset, financial and earnings position of the company in accordance with generally accepted accounting principles that corresponds to actual circumstances. The status report concurs with the annual financial statements and provides an accurate representation of the position of the company and accurately depicts the opportunities and risks of its future development.

Augsburg, January 8, 2016

KPMG Bayerische Treuhandgesellschaft
Aktiengesellschaft Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Querfurth	Krucker
Auditor	Auditor

Governing Bodies of the Company

Management Board

Ulf Pfeifer
Businessman
Member of the
Management Board
Munich

Roman Still
Business Graduate
Spokesman
Augsburg

Albert C. Still
Businessman
Spokesman
Neusäß

Markus Kruis
Businessman
Member of the
Management Board
Diedorf

Supervisory Board

Albert K. Still
Businessman
Chairman
Stadtbergen

Prof. Dr. Heinz-Dieter Assmann LL.M.
University Lecturer at the University of Tübingen
Deputy Chairman
Tübingen

Dr. Walter Eschle
Board Member of Stadtsparkasse Augsburg
Augsburg

Dr. Guido Schacht
Director
Senior Advisor Automotive
HypoVereinsbank, Member of Unicredit
Munich

Erhard Paulat
Chairman of GMAC Bank GmbH
Potsdam

Johannes Hall
Entrepreneur
Vienna

Financial Calendar

2016

20 January 2016
First Quarterly Report for the fiscal year 2015/16 (as of November 2015)

27 January 2016
Regular Supervisory Board Meeting of AVAG Holding SE

15 March 2016
Regular Shareholders' Meeting of AVAG Holding SE
Regular Supervisory Board Meeting of AVAG Holding SE

20 April 2016
2nd Quarterly Report for the fiscal year 2015/16 (as of February 2016)

20 June 2016
3rd Quarterly Report for the fiscal year 2015/16 (as of May 2016)

21 June 2016
Regular Supervisory Board Meeting of AVAG Holding SE

20 October 2016
4th Quarterly Report for the fiscal year 2015/16 (as of August 2016)

20 October 2016
Regular Supervisory Board Meeting of AVAG Holding SE

Imprint

Publisher:
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Design and layout:
creationell® – die Werbeagentur

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