



FINANCIAL REPORT 2014

WESTAG & GETALIT AG AT A GLANCE

	2014	2013	2012	2011	2010
Sales (in € '000)	223,111	224,160	227,401	227,062	216,626
Change over the previous year in percent	- 0.5 %	- 1.4 %	0.1 %	4.8 %	7.6 %
Export sales (in € '000)	44,740	46,158	48,851	48,715	42,802
Change over the previous year in percent	- 3.2 %	- 5.5 %	0.3 %	13.8 %	9.1 %
Export share	20.1 %	20.6 %	21.5 %	21.5 %	19.8 %
Investments (in € '000) ¹⁾	15,914	12,416	10,521	11,066	9,375
Change over the previous year in percent	28.2 %	18.0 %	- 4.9 %	18.0 %	- 4.3 %
Depreciation (in € '000)	9,988	10,066	9,746	9,325	9,477
Change over the previous year in percent	- 0.8 %	3.3 %	4.5 %	-1.6 %	0.9 %
Cost of materials ratio	49.1 %	48.7 %	50.5 %	51.1 %	49.0 %
Staff cost ratio	31.8 %	31.4 %	30.5 %	29.5 %	30.2 %
Number of employees as of December 31 ²⁾	1,301	1,284	1,287	1,282	1,244
Change over the previous year in percent	1.3 %	- 0.2 %	0.4 %	3.1 %	1.5 %
EBITDA (in € '000)	18,549	18,852	20,080	20,873	24,151
Change over the previous year in percent	- 1.6 %	- 6.1 %	-3.8 %	- 13.6 %	1.0 %
EBIT (in € '000)	8,561	8,786	10,334	11,548	14,674
Change over the previous year in percent	- 2.6 %	- 15.0 %	- 10.5 %	- 21.3 %	1.1 %
EBT (earnings before tax. in € '000)	8,858	9,111	10,766	11,760	15,060
Change over the previous year in percent	- 2.8 %	- 15.4 %	- 8.5 %	-21.9 %	0.9 %
Net profit (in € '000)	6,377	6,437	7,465	8,208	10,660
Change over the previous year in percent	- 0.9 %	- 13.8 %	- 9.1 %	-23.0 %	1.4 %
Return on sales before taxes	4.0 %	4.1 %	4.7 %	5.2 %	7.0 %
ROCE	7.6 %	8.2 %	9.3 %	10.4 %	14.5 %
Operating cash flow (in € '000) ³⁾	16,612	22,905	17,392	9,824	16,529
Change over the previous year in percent	- 27.5 %	31.7 %	77.0 %	- 40.6 %	-17.3 %
Equity ratio	66.8 %	68.2 %	69.2 %	70.9 %	69.6 %
Return on equity	6.1 %	6.0 %	7.1 %	7.7 %	10.2 %
Number of shares ⁴⁾	5,720,000	5,720,000	5,720,000	5,720,000	5,720,000
Earnings per ordinary share (EPS. in €)	1.15	1.16	1.35	1.48	1.92
Change over the previous year in percent	- 0.9 %	- 14.1 %	- 8.8 %	- 22.9 %	4.3 %
Earnings per preference share (EPS. in €)	1.21	1.22	1.41	1.54	1.98
Change over the previous year in percent	- 0.8 %	- 13.5 %	- 8.4 %	- 22.2 %	7.6 %
Book value per share (in €) ⁵⁾	19.29	19.79	19.51	19.72	19.16
Change over the previous year in percent	- 2.5 %	1.5 %	- 1.1 %	2.9 %	5.8 %
Dividend per ordinary share (in €) ⁶⁾	0.94	0.94	0.94	0.94	0.94
Change over the previous year in percent	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Dividend per preference share (in €) ⁶⁾	1.00	1.00	1.00	1.00	1.00
Change over the previous year in percent	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

¹⁾ Including intangible assets

²⁾ Including trainees

³⁾ Equivalent to operating cash flow excl. investments held as current assets

⁴⁾ 50% ordinary shares and 50% preference shares each (2,860,000 shares each)

⁵⁾ The book value per share is calculated taking into account the portfolio of own shares

⁶⁾ For 2014 subject to the resolution of the Annual General Meeting on August 18, 2015

CORPORATE STRUCTURE

Divisions	Surfaces/Elements	
Products	Formwork panels Vehicle panels Industry floors Stage floors Sandwich panels	High pressure laminates (HPL) Kitchen worktops Window sills Interior construction products Solid surface material Polymer glass
Sales focus	Construction industry Automotive industry Wagon building Plant engineering	Timber traders DIY stores Interior construction Furniture industry Architects
Export focus	Europe	
Sales	€ 98,0 million	
Export share	27.6 %	
Locations	Rheda-Wiedenbrück	Rheda-Wiedenbrück/Wadersloh



Supersize panels for diverse uses - from high-quality fair-faced concrete applications to technical solutions.



A wide variety of materials for interior construction: the GetaLit high-pressure laminate, the GetaCore solid surface material and digitally printed materials offer the right solution for any interior construction project

Doors/Frames	Headquarters
Technical/high-performance doors/frames Fire/smoke protection Acoustic door sets Burglar-resistant systems Living space doors/frames Lattice walls Special doors	HR management Purchasing Technical services Marketing communications Finance IT Shipping Cogeneration plant
Timber traders Builders' merchants DIY stores Builders' hardware distributors Dry liners	Internal customers Utilities
Europe	
€ 118,2 million	€ 6.9 million
15.0 %	
Rheda-Wiedenbrück	Rheda-Wiedenbrück



Diversity, technology and design are the hallmarks of our doors and frames range - from classic variants to modern designer series.

CONTENTS

2	Letter to Shareholders
5	Supervisory Board Report
10	The Company
10	Management Board
11	Westag & Getalit AG
12	Surfaces/Elements Division
16	Doors/Frames Division
20	Corporate structure
24	The Westag Share
26	Employees
28	Management Report
	Financial Statements
50	Balance Sheet (IFRS)
52	Statement of Comprehensive Income (IFRS)
53	Cash Flow Statement (IFRS)
54	Statement of Changes in Equity (IFRS)
55	Notes (IFRS)
62	Notes to the Statement of Comprehensive Income
66	Notes to the Balance Sheet
78	Additional Notes to the Balance Sheet
86	Auditor's Report (IFRS)
88	Balance Sheet (HGB)
90	Profit and Loss Account (HGB)
91	Auditor's Report (HGB)

LETTER TO SHAREHOLDERS

Dear Readers,

2014 was yet another politically critical and economically eventful year. The news was dominated by geopolitical crises such as the war in Ukraine and the brutal onslaught of terrorist groups in the Middle East and Africa as well as by the massive monetary measures taken by the central banks and the sharp drop in the oil price in the final quarter. The effects on the world economy were quite diverse. The sanctions against Russia had an immediate negative impact on the European economy, e.g. because of import bans and the massive depreciation of the Russian currency, while other crises tended to increase the general uncertainty in the European markets. Accordingly, the economic trends in the individual sectors and regions differed quite substantially.

Notwithstanding some individual signs of recovery, economic momentum in the eurozone remained subdued. This was due, among other things, to continued low public spending because of the ongoing sovereign debt crisis as well as to persistent uncertainty and the resulting spending restraint among consumers in many European countries.

By contrast, the German economy performed relatively well. The dynamic first half of the year was followed by a notable slowdown in the second half, however. This is not least reflected in the order intake of the construction sector. Compared to the previous year, residential construction remained positive on a full-year basis but slowed down as of mid-2014 compared to the prior year period. The situation in the non-residential construction sector, which comprises public and commercial construction, remained weak and cooled down markedly in the course of the year.

Against the background of this very inconsistent economic scenario, sales revenues of Westag & Getalit AG also showed a mixed trend. While we had a good start to the year and reported higher sales than in the previous year in the first two quarters of 2014, sales slowed down in the second half of the year – especially in the final quarter – with full-year sales eventually down by a moderate 0.5% on the previous year. At € 223.1 million, sales revenues thus fell short of our expectations. The decline in total sales revenues is primarily attributable to the continued difficult export business, which was down by 3.2% on the previous year; at 7.2%, the decline in export sales was particularly pronounced in the final quarter, especially because of the declining business with Russian customers.

Against this background, our divisions, which are positioned differently in their respective markets, did not perform consistently. The situation in the Doors/Frames Division was positive. Sales revenues in this division, which primarily serves the housing construction sector, increased once again, this time to € 118 million, although demand in our markets cooled down towards the end of the year. Accordingly, sales revenues in the final quarter dropped by 4.7%.

The sales situation in the Surfaces/Elements Division, which emerged from the amalgamation of the “Plywood/Formwork” Division and the “Laminates/Elements” Division in the past year, was more difficult. Sales revenues declined by 4.8% to close to € 98 million. This reduction is primarily due to the tight export situation, especially our exports to Russia.

In this economic environment, we generated earnings before taxes of € 8.9 million in 2014, down by a moderate 2.8% on the previous year. The slowdown in sales revenues in the course of the year, especially in the final quarter, had a commensurate effect on earnings, which showed a positive trend until the end of the third quarter, which could not be maintained until the end of the year, though.

By contrast, the organisational implementation of the amalgamation of the two divisions went ahead positively. The merger of the two previously independent product divisions into the new Surfaces/Laminates Division helped to optimise internal processes and cut costs as a result.

Also with a view to increasing our efficiency as well as our capacity, we made investments of € 16 million in both plants in the past year. The two large-scale investment projects initiated in 2013 - a new lock and hinge processing plant for the manufacture of doors and a new double belt press for HPL production – were installed successfully.

Although earnings per preference share and ordinary share declined to € 1.21 and € 1.15, respectively, we want to continue offering an attractive dividend. The Management Board and the Supervisory Board therefore decided to propose an unchanged dividend of € 0.94 per ordinary share and of € 1.00 per preference for the year 2014 share to the Annual General Meeting. The Westag & Getalit shares thus again offer an attractive dividend yield of over 5%.

It is difficult to make a detailed prediction for the current financial year 2015. In view of last year’s experience, which has shown just how fast the global crises influence the situation in our markets, we are reluctant to make forecasts. While we generally expect the European economy to stabilise, the problems of Greece and a slowdown in the Russian economy as well as – in the worst case – even stricter import conditions could have further adverse effects on some regions and industries and, hence, on our exports.

In view of the latest forecasts for the German construction industry for 2015, we are somewhat more optimistic about the domestic market. Experts expect sales in the construction sector to pick up slightly by 2% this year, with disproportionate growth again projected for the housing construction sector. Moderate increases are also expected for public and commercial construction.

Based on the investment projects implemented in the Surfaces/Elements Division, such as the capacity expansion in the form of the second double belt press, new areas of growth

will arise, which will lead to growing revenues in the context of a marketing offensive. We also expect sales to be stimulated by the new Board member in charge of the division, who is an experienced industry insider.

In the Doors/Frames Division, investments in new production plants have reduced capacity bottlenecks, thus laying the basis for further revenue growth.

Based on the macroeconomic environment and the stimulation of sales, we project moderate revenue growth for Westag & Getalit in 2015. Building on the planned revenue growth, continued strict cost management and the current oil price situation, we also see potential for a commensurate increase in earnings.

To achieve this, an important role will be played by our motivated employees, whom we would like to thank for their great performance in the past year. We especially highlight their commitment in the context of the merger of the two divisions, which was successfully implemented and supported by the entire workforce.

Our thanks also go to you, dear shareholders. The confidence you place in our company gives us the support we need to position Westag & Getalit for a successful future.

Rheda-Wiedenbrück, March 24, 2015

The Management Board

REPORT OF THE SUPERVISORY BOARD

Pedro Holzinger
Chairman of the
Supervisory Board



Dear Readers,

A look at the business performance of Westag & Getalit AG in 2014 shows quite a differentiated picture. While the first nine months saw sales revenues increase moderately and earnings pick up strongly, both dropped sharply in the fourth quarter, resulting in a moderate reduction in sales and earnings for the full year. The sales and earnings trends also differed between the two divisions. Whereas the Doors/Frames Division reported growing sales and earnings, the situation in the Surfaces/Elements Division was much weaker, primarily because of declining export orders.

In the fiscal year 2014, the Supervisory Board performed the controlling and advisory tasks imposed on it by law, the statutes, the German Corporate Governance Code and the rules of procedure. The main focus was on regular advice to, and supervision of, the Management Board. We thoroughly discussed all material business events requiring the approval of the Supervisory Board and passed the respective resolutions. The Management Board informed us in a regular, timely and comprehensive manner about sales and earnings, the financial situation of the company, its investments as well as about important individual events and activities. The Management Board provided us with a monthly statement of income. Prior to each Supervisory Board meeting, except for the meeting following the Annual General Meeting, we received a comprehensive written report from the Management Board. These reports as well as deviations of the business performance from the plans and the corresponding counter-measures were explained to us in detail at the Supervisory Board meetings. Fundamental aspects of corporate planning and the strategies of the individual Divisions were discussed with the Management Board. The Chairman of the Supervisory Board was immediately informed of all important events, transactions and developments. Moreover, the Chairman of the Supervisory Board regularly met with the Chairman of the Management Board and with other Management Board members to discuss the latest business trends and special situations. There were no conflicts of interest on the part of the members of the Management Board and the Supervisory Board requiring disclosure to the Supervisory Board.

Meetings of the Supervisory Board

One Supervisory Board meeting was held per quarter in the fiscal year 2014. All meetings were attended by all Supervisory Board members and – save for of the meeting on December 16, 2014 – by all members of the Management Board and by a representative of our auditors. The Supervisory Board meetings were characterised by open, factual and constructive talks.

The main items on the agenda of the Supervisory Board meeting on March 20, 2014 were the audit and the approval of the company's financial statements for the year ended December 31, 2013. In this context, we addressed the question why the result for the year 2013 remained below plan in spite of the good construction activity and the considerable investments made in the past years. We also discussed how the assumptions on which the profitability calculations are based, e.g. revenue assumptions, can be made more realistic. Moreover, we asked the Management Board to explain the improvements achieved in the plywood/formwork segment. Finally, we approved an updated version of the rules of procedure for the Management Board and adopted an extended list of transactions requiring the approval of the Supervisory Board.

At the Supervisory Board meeting on June 24, 2014 we primarily addressed the question how the Surfaces/Elements Division can return to sustainable profit-oriented growth. The Management Board presented its strategies and projects, which were subsequently discussed in detail. In view of further reduced interest rates, we discussed whether we should give up our extremely conservative policy on investing cash and equivalents but agreed to leave this policy unchanged. We also discussed and adopted the agenda for the Annual General Meeting on August 26, 2014.

At the constituent Supervisory Board meeting on August 26, 2014 after the AGM, Mr Holzinger was re-elected Chairman and Mr Pampel was re-elected Vice Chairman of the Supervisory Board. We also defined the composition of the committees of the Supervisory Board. The auditor elected at the previous Annual General Meeting was commissioned to audit the annual accounts for the year 2014. Finally, the Management Board outlined the state of the investments.

At the meeting on December 16, 2014, we talked about the sales and earnings trend in the first nine months of the year, with the main emphasis on the unsatisfactory performance of the Surfaces/Laminates Division. Another focus was placed on sales and earnings projections for the year 2015. We asked the Management Board to explain the details of the projections and the underlying assumptions and discussed individual aspects before approving the plans and projections. We approved the 2015 capital expenditure budget detailed by the Management Board. We also talked about the recruitment of qualified skilled workers and the progress made in searching a new Management Board member for the Surfaces/Elements Division. Finally, we discussed the efficiency review of the Supervisory Board and adopted a new version of the declaration of conformity pursuant to section 161 AktG.

Work of the committees

The work of the Supervisory Board is supported by the three committees it has formed. It is their task to prepare resolutions for the Supervisory Board and topics to be addressed by the Supervisory Board. In individual cases, the Supervisory Board has transferred decision-making powers to the committees. With the exception of the Audit Committee, which is led by the Vice Chairman of the Supervisory Board, Klaus Pampel, the committees are led by the Chairman of the Supervisory Board.

The Audit Committee held three meetings in the past fiscal year. Its work focused on auditing the financial statements and monitoring the accounting process, the company-wide control and risk management system and the internal auditing system. The committee also prepared the election of the auditor, in the context of which it satisfied itself of the independence of the proposed auditor and the compliance with rules on internal rotation. In accordance with the recommendation in clause 7.1.2 of the German Corporate Governance Code, the Audit Committee discussed the half-year report and the quarterly reports for the year 2014 with the Management Board in a telephone conference prior to their publication and approved them for publication. The committee also discussed the inventories and the related write-down mechanisms. We also satisfied ourselves that adequate provisions have been established for potential bad debt risks and discussed the efficiency review of the Supervisory Board, which was concluded with a positive result. We also agreed the focal points of the audit with the auditor.

The Appointments and Compensation Committee held three meetings in the fiscal year, with the main focus on the early termination of the Management Board contract of Mr Sander and the search for a suitable successor.

The Nomination Committee met on June 24, 2014 and decided to recommend to the Supervisory Board to again propose Pedro Holzinger for election to the Supervisory Board to the Annual General Meeting on August 26, 2014.

Changes in the controlling and executive bodies

The term of office of Mr Reinhard Grewe, who had sat on the Supervisory Board as employee representative since August 8, 2006 and did not stand for re-election for reasons of age, ended at the end of the Annual General Meeting on August 26, 2014. The Supervisory Board thanked him for the many years of trusting and constructive cooperation. Mr Heinz-Georg Großerohde was welcomed as his successor at the Supervisory Board meeting on August 26, 2014. Markus Sander, Managing Board member in charge of the Surfaces/Elements Division, left the company by mutual agreement with effect from December 31, 2014. His successor with effect from March 1, 2015 is Mr Franz David, who has long-standing experience in our line of industry.

Financial statements

Peters & Partner GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hannover, who were elected auditors at the ordinary Annual General Meeting on August 26, 2014 and commissioned by the Supervisory Board, audited the financial statements for the fiscal year 2014 prepared by the Management Board to HGB and IFRS as well as the related Management Reports of Westag & Getalit AG. The Management Reports and the financial statements to HGB were given an unqualified audit certificate. The financial statements to IFRS, which were voluntarily prepared by the Management Board, received a qualified audit certificate, with the qualification merely referring to the segment report. We received the financial statements and the auditor's audit reports as well as the Corporate Governance Report, the compensation report and the Management Board's profit appropriation proposal in good time prior to the annual accounts meeting of the Supervisory Board. They were discussed in detail at the Supervisory Board's annual accounts meeting on March 24, 2015, which was attended by two representatives of the auditors. They reported on the main results of the audit as well as the audit of the company's internal control and risk management system, which led to no complaints. We have taken note of and approved the audit reports. We reviewed the financial statements and the Management Reports. We agree with the result of the auditors' audit based on our own findings and endorse the financial statements and the Management Reports prepared by the Management Board. The financial statements have thus been approved. We also approved the corporate governance declaration. Finally, we examined the Management Board's profit appropriation proposal, discussed it with the Management Board and accepted it.

The Supervisory Board also reviewed the related party disclosures of the Management Board. This review and the review of the auditors' report led to no objections. The report of the auditors contains the following audit certificate:

"Based on our duly performed audit and assessment, we confirm that the information provided in the report is accurate."

Due to the final result of our audit, we raise no objections against the final statement by the Management Board.

On behalf of the Supervisory Board, I would like to thank the members of the Management Board and all employees for their commitment and motivation in the past fiscal year.

Rheda-Wiedenbrück, March 24, 2015



The Supervisory Board
Pedro Holzinger
Chairman

Members of the Supervisory Board

Pedro Holzinger
Businessman, Rheda-Wiedenbrück
Chairman

Klaus Pampel
Managing Director of Hüttenes-Albertus Chemische Werke GmbH, Meerbusch
Vice Chairman

Jürgen Heite
Managing Director of Thyssen'schen Handelsgesellschaft mbH, Meerbusch

Dr. Joachim Schönbeck
Member of the Management Board of Andritz AG, Krefeld

Dietmar Lewé*
Industrial Timber Processing Master, Rietberg

Reinhard Grewe* (until August 26, 2014)
Member of the works council freed from work, Rheda-Wiedenbrück

Heinz-Georg Großrohde* (since August 26, 2014)
Printer, Rheda-Wiedenbrück

* employee representative



Wilhelm Beckers

Graduate process engineer
53
Chairman of the Management Board
Doors/Frames Division
Herzebrock-Clarholz

Bernhard Wenninger

Graduate economist
49
Management Board Spokesman
Central Division
Rheda-Wiedenbrück

WESTAG & GETALIT AG

Westag & Getalit AG is a leading European manufacturer of wooden and plastic products. For more than 110 years, we have successfully manufactured and marketed building and interior construction products. Having recognised the advantages provided by the symbiosis of wooden and plastic materials at an early stage, we have established ourselves as the market leader for plastic-coated doors and frames. Our product range moreover comprises everything from formwork panels for fair-faced concrete surfaces to different coating materials and compound elements such as worktops and window sills. All our products are designed and formulated to deliver benefits for customers and we continue to refine both our products and our customer services on an ongoing basis. We can thus offer our customers in various industries short delivery times for both large and small batches and single items as well as a high level of flexibility.

By constantly further developing all our product segments, we have become a surface specialist for the manufacture of technical coatings for concrete formwork panels, industry and stage floors or the production of decorative laminates and solid surface materials. Thanks to our extremely deep value chain, which begins already with the resin formulation for our coatings, we can respond to individual customer and market requirements at any time.

This market-based approach is also reflected in our corporate structure. The product ranges of our Doors/Frames and Surfaces/Elements Divisions are customised to the needs of the respective target markets. Our two product divisions are supported by the Central Division, which pools company-wide tasks from purchasing to marketing to management accounting. Another task of the Central Division is the supply of energy. Its modern power plants supply the electricity and heat required, among other things, to operate our production facilities. Any excess electricity is fed into the public grid.

In the past fiscal year, our some 1,300 employees at our two locations in Rheda-Wiedenbrück and Wadersloh generated sales revenues of a good € 223 million. Our premises at the two locations, which are only about 15 kilometres apart, offer sufficient space for our further growth and are close enough to each other to support our efficient continuous development.



FUNCTION AND DESIGN | THE SURFACES/ELEMENTS DIVISION

Our Surfaces/Elements Division stands for a variety of materials combined with technical know-how and individual design. As a surface expert, we offer the right technical and decorative panels for almost every application in the residential, commercial and industrial sectors. From concrete formwork panels to industry and stage floors to kitchen worktops as well as HPL and solid surface materials, our product range comprises perfect surfaces and compound elements for virtually every field of construction.

Combining wood and synthetic materials is one of our core competencies. Our high level of vertical integration and the resulting know-how enable us to flexibly respond to customer requirements. We can thus offer material solutions and products which precisely meet our customers' needs.

Contemporary design of the materials is an important precondition for the success of our GetaLit-HPL laminates and our GetaCore solid surface materials. A thorough analysis of current trends and the right feel for our customers' wishes therefore plays a key role. Moreover, it is essential that designs can be used for different materials in order to permit their combination. Our well-matched collections thus enable our customers to realise a wider range of individual interior design ideas.

With our GetaCore solid surface materials and our GetaLit high-pressure laminates, we offer modern materials for creative interior designs.

Adela Weiss, Head of Production Management and Design of the Surfaces/Elements Division: "Our highly diverse product range permits an unlimited number of possible decor and surface combinations. To demonstrate to our customers how to make the most of this variety, we propose a selection of exciting and inspiring decor compositions."

As a part of our range development we intensively cope with our customers' requirements and demands.



2015 decor compositions Styles for tomorrow's decors

Understanding customers' wishes is decisive for the successful marketing of interior design products. In addition to current consumer tastes, future trends are also very relevant for us. It must be possible to integrate our kitchen worktops and back-wall systems as well as other interior design products into the residential or public/commercial setting to create a harmonious overall atmosphere.

For us, it is therefore very important to closely follow current colour trends. We continuously develop our collections further, taking future requirements into account. Solutions which can be applied across different materials are particularly relevant in this context. As a manufacturer of both laminates and solid surface materials as well as decorative solutions such as printed glass, we design our decor and surface collections such that they can be combined into well-matched colour schemes. This gives our customers much more room for the realisation of their ideas. In view of the great variety of our creative materials and respective decor and surface collections, it is important to give our customers some guidance. The newly developed "2015 decor compositions" concept reflects this idea and assists our customers' marketing efforts.

The concept comprises four different styles which correspond to the current trends.

They range from an unobtrusive soft "poetry" theme to a colourful young "urban" style to a rustic earthy "nature" and a "classic" design, which create an elegant, high-quality look. Each style uses different decors across all materials, which encourages customers to combine different colours, surface textures and materials.

Moreover, we support our customers by offering various marketing services for this concept. With this strategic approach, we embrace the trend towards a more integrated use of our materials and continue to strengthen our position as a specialist for materials and surfaces.

THE SURFACES/ELEMENTS DIVISION

The Surfaces/Elements Division is the expert for coating materials as well as compound and formwork elements. In view of the continuous further development of surface manufacturing processes, the division takes all demands made on modern materials into account. This permits to offer decorative solutions for interior design projects as well as technical solutions such as large formwork panels and different panel materials for industrial applications and the manufacturing of utility vehicles. Our GetaLit branded laminates and our GetaCore solid surface material create a variety of visual and haptic experiences for the interior design sector.

The division meets individual requirements depending on the area of application and the desired properties. This flexibility gives us the freedom required to match market trends and fulfil complex customer needs.

The requirements to be met are as manifold as the markets we serve with our products. In the interior design sector, the decor design and finish of the materials are key success factors. We serve this industry with our comprehensive range of GetaLit high-pressure laminates and the GetaCore solid surface material. We offer everything from coating materials for processing to compound elements such as worktops and window sills to directly coated panel materials. In addition, we provide panel materials for the realisation of high-quality concrete surfaces as well as industrial and automotive applications, which our custom production service can deliver within very short lead times.



VERSATILITY AND EXPERIENCE | THE DOORS/FRAMES DIVISION

The product range of our Doors/Frames Division is characterised by multi-faceted designs and innovative special solutions. Thanks to decades of experience in the manufacturing of doors coupled with contemporary designs, we can today offer our customers a comprehensive range of different doors and frames. From functional doors used primarily in non-residential settings to high-quality doors for the residential sector, we offer the right solution for every application. Our range of surface finishes is equally varied: We offer everything from doors and frames with genuine wood veneer to varnished and plastic-coated doors and frames.

As the market leader for plastic-coated interior doors, we serve the market with our Dekorit, PortaLit and GetaLit door brands. Under our WestaLack and WestaLife brands, we also market varnished and veneered doors. We thus offer the right door for every quality standard. Our PortaLit doors stand out by combining robust surfaces for everyday applications with a great variety of decor designs. Thanks to our highly diverse designs and technologies, they have become firmly established in the residential and project sectors since their development back in 1974. We continuously adapt the collections of our brands to the latest interior design trends and supply our retail partners with strong marketing arguments. Our decor collections are, for example, among the most varied ranges on the market.

Combined with different glass panels,
"View" designer doors blend perfectly into
every living room.

Alexander Sasse, Deputy Marketing Manager of the Doors/Frames Division: "A current trend is the focus on a door's touch. As the market leader for plastic-coated doors and frames, we have worked on this aspect for some time and can now introduce our new "nature touch" surface finish. It makes the surface feel like freshly sanded wood and emphasises the natural appearance of our decors."

A variety of decors with authentic surface finishes characterises the range of plastic-coated doors and frames.



Variety of natural decors

Recognising and catering to trends is one of our challenges we tackle on a daily basis in the interest of our customers. When it comes to the further development of our product range, we focus on customer benefits. We thus create added values for the use and marketing of our products via our retail partners.

While doors and frames were originally seen as a merely functional product permitting to pass from one room to another, they play a much more important role today. We now take a holistic approach to interior fittings and decoration. As a manufacturer of doors and frames for the residential sector, we therefore offer a range of decors which can be integrated into different interior decoration concepts. This was one of the reasons why we presented a revised and significantly expanded decor collection for our plastic-coated doors at BAU, the world's leading trade fair for architecture, materials and systems, in Munich at the beginning of 2015.

Following the current trend towards more natural interior design, a larger number of timber products, which stand out due to the natural look of their decor, have been included in the range. The great variety of different decors offered ranges from rustic versions to modern timbers, whose percentage of grey reflects the trend towards earthy colours. In addition to different inte-

rior design styles, regional consumer preferences were also taken into account in the selection of decors and covered by the collection.

The new surface textures integrated into the range make the decors even more authentic. Timber decors may, for example, be combined with a wood texture. This gives them a very realistic natural look and feel. Moreover, various decors are available with a particularly warm "soft touch" finish, which creates a velvety feel while maintaining all the benefits of the robust surface.

The revised collection takes up the prevailing trends in a targeted manner and gives our retail partners new marketing momentum because the doors of the new collection can be optimally integrated into different interior designs.

THE DOORS/FRAMES DIVISION

Our Doors/Frames Division offers a complete range of interior doors. It manufactures both domestic doors and functional doors for the residential and public/commercial sectors. Moreover, the division's brands cover all relevant surface variants from varnishes to genuine wood veneers to plastic coatings. With our Portalit and Getalit brands, we have established ourselves as the market leader for plastic-coated doors, which continue to gain in importance due to their robust surfaces.

We strive for joint growth together with our customers. In addition to a comprehensive product range, we therefore offer numerous supporting services, which include both marketing measures and detailed technical assistance. Among other things, our service concept comprises tools such as the online door configurator, which helps select the right door, as well as the additional online information portal, which offers our retail partners numerous aids and functions.

We combine this approach with highly flexible production facilities, which enable us to provide customised solutions that take current market trends and the resulting customer requirements into account. We can thus realise everything from standard doors in large batches to individual special products.



TARGETED COOPERATION | OUR CORPORATE STRUCTURE

Our Surfaces/Elements and Doors/Frames Divisions operate in highly differentiated markets with equally diverse product ranges. Each of the respective markets has its own rules and requirements. Our two divisions enable us to address our customers in a targeted manner and respond flexibly to constantly changing market trends. This applies to both the manufacturing and distribution of our products and their development. The two divisions are supported by our Central Division, which is responsible for all company-wide tasks in order to ensure the effective use of synergies.

Functions pooled in the Central Division include logistics, purchasing, marketing, controlling and accounting. In addition, this division operates a cogeneration plant as well as an integrated CHP unit, which supply the energy for the entire company.

One of these central company-wide tasks is the external presentation of the company. In close cooperation with the product divisions, both individual measures and entire concepts are planned and implemented to ensure more uniform communication of our product range across all markets served by our company. However, the activities in this field are as differentiated as the respective distribution channels and must therefore take the individual needs of the respective customers into account without neglecting company-wide effects and benefits.

The design and realisation of trade fair stands is one of our tasks.

Frank Pielsticker, Head of Central Marketing Communication: "Ranging from the complete external presentation of the company to direct marketing support at the POS, our activities are as varied as the market requirements we have to meet. We use internal synergies in a targeted and economically sound manner for the creative and flexible placing of new ideas. Whether in trade magazines, on the Internet or at trade fairs – our market communication always stays close to the product."

The various media offered support our customers in their day-to-day business.



Customised product presentation

The high level of diversification of our products requires customised marketing solutions. Providing advice and information in advance is especially important for products which end users do not buy every day. We therefore develop measures and concepts for exactly this purpose. Depending on the product and distribution channel, they both support our retail partners and cover the various information needs of our end customers.

The requirements to be met by our products change continuously and sometimes very rapidly, and so does the way in which consumers obtain information. We therefore analyse users' information needs in detail and develop solutions which support their marketing measures. We plan and implement, for example, showroom concepts in cooperation with our retailers.

The realisation of product presentations always focuses on the individual situation of the respective retail partner. All details – from the space available to the showroom lighting to the retailer's geographical location – are recorded in a lean process for the retailer, visualised as an exhibition and realised by us.

But showrooms are not enough when it comes to providing end customers with comprehensive information. The desired information must be made available on

many channels in order to cater for the different information needs. Besides local presentations, we therefore offer a wide range of print media and digital tools for the integration in exhibitions and websites. In addition to advice provided on site, end customers can use our online configurators to display different design variants and obtain more information about our solutions from the comfort of their homes.

The combination of different media offers numerous possibilities to provide customised advice and illustrate the various aspects of our product range. At the same time, the use of different channels meets consumers' information needs. We also use our internal know-how to support the local marketing measures of our partners and thereby create optimum conditions for continued joint growth.

EFFICIENT STRUCTURES FOR CUSTOMER-ORIENTED SOLUTIONS

From the development to the manufacturing and marketing of our products, we are guided by our resolve to offer efficient solutions in the interest of our customers. This approach is also reflected in all other areas of the company – from investments in our production facilities and the resulting improvement of our processes to efficiency increases to our internal corporate structures.

This objective is also achieved by our Central Division. In order to ensure the optimum use of financial and human resources, company-wide tasks are pooled, resulting in additional synergies for our marketing efforts. In addition to experience about consumers’ rapidly changing information behaviour, this includes, for example, the maintenance of our corporate identity as reflected, among other things, in the unified design of our media.

Our internal corporate structure consisting of two product divisions and a central division as well as our high level of vertical integration give us a high degree of flexibility at all levels. As a result, we can always offer our customers the solutions they need.

INVESTOR RELATIONS

The Annual General Meeting is the highlight of our investor relations activities.



	2014	2013	2012	2011	2010
Total number of shares ¹⁾	5,720,000	5,720,000	5,720,000	5,720,000	5,720,000
Portfolio of own shares	310.828	310.828	310.828	309.311	284.807
Book value per share (in €)	19.29	19.79	19.51	19.72	19.16
Ordinary share information					
Number of ordinary shares ¹⁾	2,860,000	2,860,000	2,860,000	2,860,000	2,860,000
Highest price (in €)	22.00	20.00	19.20	22.50	19.50
Lowest price (in €)	17.35	15.95	15.91	15.20	14.22
Year-end price (in €)	18.50	17.31	16.50	17.24	18.21
Net profit per share (in €)	1.15	1.16	1.35	1.48	1.92
Dividend per share (in €) ²⁾	0.94	0.94	0.94	0.94	0.94
Dividend yield (in %) ³⁾	5.1	5.4	5.7	5.5	5.2
PER	16.1	14.9	12.2	11.6	9.5
Preference share information					
Number of preference shares ¹⁾	2,860,000	2,860,000	2,860,000	2,860,000	2,860,000
Portfolio of own shares	310.828	310.828	310.828	309.311	284.807
Highest price(in €)	21.80	19.70	19.80	22.65	19.39
Lowest price (in €)	17.30	15.62	15.62	15.00	14.05
Year-end price (in €)	18.45	17.40	15.62	17.75	18.37
Net profit per share (in €)	1.21	1.22	1.41	1.54	1.98
Dividend per share (in €) ²⁾	1.00	1.00	1.00	1.00	1.00
Dividend yield (in %) ³⁾	5.4	5.8	6.4	5.6	5.4
PER	15.3	14.3	11.1	11.5	9.3

¹⁾ diluted and basic

²⁾ for 2014 subject to the AGM resolution on August 18, 2015

⁴⁾ based on year-end prices



The capital market in 2014

After the successful year 2013, the stock markets failed to continue this positive trend at the beginning of 2014 and initially consolidated at a high level. The Ukraine crisis and weaker economic data coming out of Germany added to investors' uncertainty. By contrast, the decisions taken by the central banks had a positive effect on the markets. The DAX closed the year 2.7% higher.

The shares of Westag & Getalit AG performed well in this volatile market. The shares outperformed the DAX for the better part of the year, with both shares temporarily gaining over 20%. On December 30, 2014, the preference share closed at € 18.45 and the ordinary share at € 18.50, which means that they gained 6.0% and 6.9%, respectively, in the course of the year.

Investor relations activities

Our investors were informed as usual in 2014, with our annual accounts press conference taking place on April 9, 2014. Another highlight of the year is our Annual General Meeting, which was held at the A2-Forum in Rheda-Wiedenbrück on August 26, 2014 and was attended by some 350 interested visitors. To present our company to a larger audience, we again participated in the Small Cap Conference in Frankfurt. As in the previous year, investors and analysts showed great interest in our company.

Dividend

The Management Board and the Supervisory Board will propose an unchanged dividend of € 0.94 per ordinary share and € 1.00 per preference share to the Annual General Meeting on August 18, 2015. This means that the company will continue its solid dividend policy and pay a dividend yield of over 5.1% for the ordinary shares and of 5.4% for the preference shares.

Dirk-Manuel Gehle,
Head of Production
Planning at the Surfaces/
Elements Division,
talking to a production
staff member.



Successful merger of two divisions

Every company opting for a future-oriented approach is subject to continuous change. The merger of the organisations of our Laminates/Elements and Plywood/Formwork Divisions for the purpose of optimising existing processes and structures was such a change for us in the past year. Qualified and committed employees played a key role in this context.

The realisation of improvements and progresses within a company requires a holistic approach. Existing processes must be analysed in detail to identify any potential and utilise it in the interest of the company. This has been achieved, for example, by last year's successful merger of our Laminates/Elements and Plywood/Formwork Divisions into the new Surfaces/Elements Division. Thanks to our committed and qualified staff, we were able to make full use of the potential for optimisation without having to compromise on our social responsibility as one of the biggest employers at our two locations.

The successful merger of the two divisions was primarily achieved by great teamwork across the divisions. Employees from all departments of the company worked hand in hand and analysed all processes to identify potential for improvement and make structural changes within the organisation. One aspect in this context was the pooling of our distribution activities, which enables

us to serve the respective markets more effectively. Another result of the company-wide project teams is the merger of the production planning activities. Today, the previously separate organisations working at different offices benefit from more efficient communication, shorter distances and easier cooperation.

This challenging task brought the high qualification as well as commitment and experience of our staff to the fore. Moreover, the positive team dynamics, which became once again apparent during the merger of the two divisions, encourages us to rely on company-wide cooperation for other corporate development projects in the future. Our employees' diverse know-how and readiness to embrace change will promote the successful further development of Westag & Getalit AG going forward.

EMPLOYEES

Personnel information

As of December 31, 2014, the company employed 1,301 people, i.e. 17 more than in the previous year. 38 of them were part-time employees. 1,104 people worked at our plant in Rheda-Wiedenbrück, while 197 people were employed at the Wadersloh plant. In the year under review, the number of trainees/apprentices increased from 63 to 65, representing 5.0% of the total workforce. 116 and 285, respectively, of the 160 female and 1,141 male employees were white-collar workers. The average age of the workforce was 45 years.

Occupational health and safety

We are constantly working on improving the occupational health and safety of our employees. In the year under review, more than 60 employees attended one-day or multi-day seminars at the training centres of the employer's insurance liability association for the timber and metals industry. In addition, over 50 managers participated in internal occupational health and safety training, and comprehensive occupational health and safety checklists for the plant managers were developed. The latter cover various relevant aspects which help identify and remove potential weak points. As a result of these measures, the number of days away from work due to occupational accidents of blue-collar workers declined by 12% in 2014.

Response to the health days organised in cooperation with AOK Nordwest under the motto "stress and its consequences" was also positive throughout. Employees attending this voluntary event received useful information about health-conscious behaviour.

MANAGEMENT REPORT

GENERAL INFORMATION ABOUT WESTAG & GETALIT AG

Business model

Westag & Getalit AG is a manufacturer of wooden and plastic products operating across Europe. At our two German plants in Rheda-Wiedenbrück and Wadersloh, we use state-of-the-art technology to manufacture a wide range of products from laminated plywood panels to doors and frames to kitchen worktops and window sills to panels as well as laminates and solid surface materials. Our two operating divisions – Doors/Frames and Surfaces/Elements – serve numerous markets and industries. Our product units are supported by the Central Division, which pools company-wide tasks such as controlling, human resources and technical services.

Controlling system

Westag & Getalit AG has a detailed, SAP-based controlling system which forms the basis for all important decisions in the divisions and at the various corporate levels. At Management Board level, the company is essentially controlled on the basis of a reporting system, which outlines and explains the company's results in detail on a monthly basis. Key performance indicators include sales revenues, profit contribution and the result. These results are complemented at Management Board level by more detailed evaluations and performance indicators from the fields of distribution, production, purchasing, human resources and financing.

The related evaluations also form the basis for the Management Board's regular reports to the Supervisory Board.

ECONOMIC REPORT

Macroeconomic and sectoral environment

Uncertainties have a negative impact on Europe's economic development

The world's economies again showed very different trends in the past fiscal year. The global economic environment was dominated by the activities and monetary policies of the central banks as well as the geopolitical crises, e.g. in Ukraine, and the related tight situation of the Russian economy as well as the unrest in the Middle East, which also caused uncertainty in Europe. The resulting consumer spending restraint was reflected in the weak performance of the eurozone economy, which was, however, mitigated somewhat by the cheap central bank money.

By European comparison, the overall economic situation in Germany – in view of the prevailing crises – remained better than in many other European countries. The low interest rates continued to benefit the private construction sector in the past year, which was also reflected in residential housing construction. As in the previous years, this segment was again the main driver of the construction industry. By contrast, public and commercial construction

remained weak. This is also reflected in the construction industry's order intake, which cooled off markedly in the final months of the year.

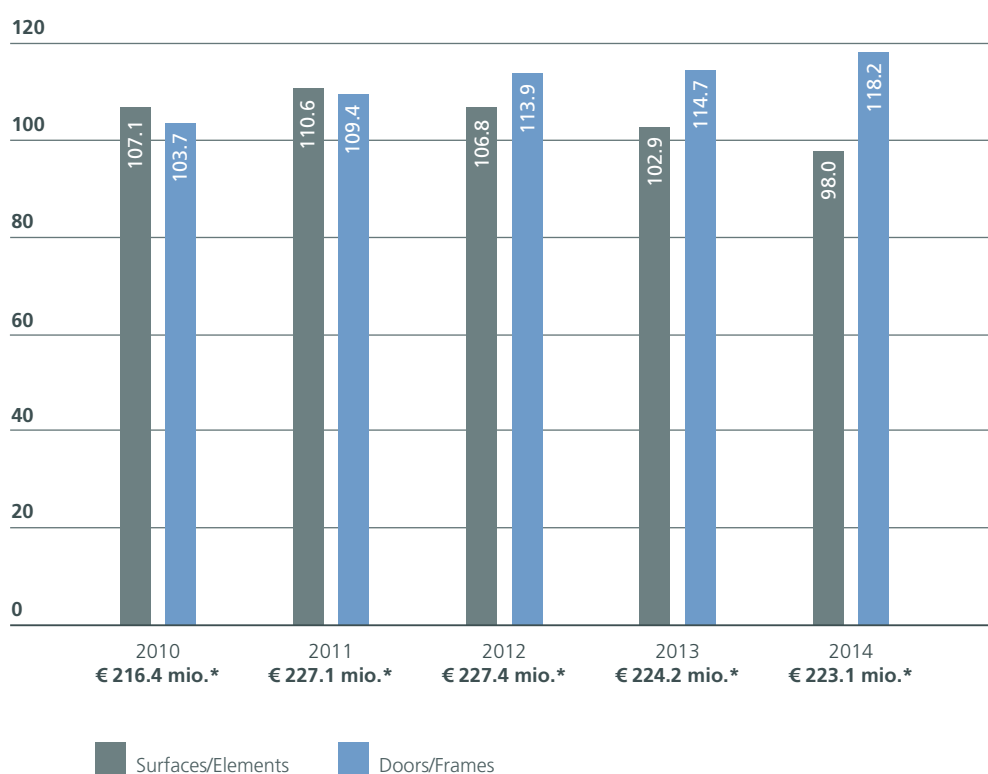
Business in 2014

Moderate decline in sales revenues by 0.5 % in 2014

The inconsistent trend in the construction sector is also reflected in Westag & Getalit AG's business in 2014. Sales revenues declined by a moderate 0.5% to € 223.1 million (previous year: € 224.2 million). This decline and the deviation from our projections, according to which sales revenues were expected to grow moderately, are attributable to the slowdown in the construction sector towards the end of the year, which was reflected in weak sales in the final quarter of the fiscal year. The moderate drop in sales revenues was also due to the generally difficult situation in our relevant export markets.

Sales revenues by divisions

€ million



* Total sales revenues include revenues of € 6.9 million (2013: € 6.7 million) generated by the cogeneration unit, which are not shown as a separate column.

**The Surfaces/
Elements' division
recorded a 4.8 %
decline in revenues**

Surfaces/Elements

The sales situation in the Surfaces/Elements Division, which resulted from last year's merger of the Plywood/Formwork Division and the Laminates/Elements Division, was moderate in the past fiscal year. Because of the relatively high export share, developments in the European markets have a material influence on this division.

Accordingly, the division's sales revenues declined by 4.8% to € 98.0 million in the past fiscal year (previous year: € 102.9 million). As export sales fell by 9.1% to € 27.0 million, the export share declined to 27.6% (previous year: 29.0%).

**Sales revenues in
the Doors/Frames
division slightly
increased by 3.1%**

Doors/Frames

In spite of the generally difficult economic environment, the Doors/Frames Division continued to grow last year and reported an increase in sales revenues, which was supported by continued strong housing construction activity and the well-matched range of domestic doors and frames.

Sales revenues in the Doors/Frames Division climbed by 3.1% in the reporting period to € 118.2 million (previous year: € 114.7 million). In view of the generally difficult sales situation in Europe, the 7.9% increase in the division's export sales to € 17.7 million (previous year: € 16.4 million) is especially encouraging. The export share reached 15.0% (previous year: 14.3%).

**The export share fell
to 20.1 % due to the
weak export business**

Exports

The situation in the company's relevant export markets remained difficult in the past fiscal year. The continued austerity measures in the public sector and the downward trend in commercial construction spending failed to provide stimulation in the past year.

Reflecting the general sentiment in our target markets, exports declined by 3.2% from the previous year's € 46.2 million to € 44.7 million in 2014. Export demand declined sharply in the fourth quarter, primarily due to the difficult Russian business, especially of the Laminates/Elements Division. Accordingly, the export share fell to 20.1% (previous year: 20.6%).

**Earnings before taxes
declined by 2.8 % to
€ 8.9 million**

Position

Earnings position

Based on the above, the company generated earnings before taxes of € 8.9 million in 2014, down by a moderate 2.8% on the previous year's € 9.1 million. The slowdown in sales revenues, especially in the fourth quarter, was also reflected in earnings, which showed a positive trend until the end of the third quarter but dropped sharply thereafter. Accordingly, earnings fell short of the forecast published in the 2013 Annual Report, according to which earnings had been expected to increase notably.

By contrast, the amalgamation of the two divisions turned out positive. The merger of the two formerly independent product units into the new Surfaces/Elements Division has improved our internal operational efficiency as planned. This was not sufficient, however, to offset the unexpectedly strong drop in sales revenues in the fourth quarter of 2014.

The cost of materials as a percentage of total output increased moderately to 49.1% (previous year: 48.7%). Personnel expenses as a percentage of sales also picked up slightly from 31.4% to 31.8%. The moderate increase is mainly attributable to the pay rises in conjunction with the absence of the anticipated sales growth. Depreciation and amortisation declined slightly from € 10.1 million to € 10.0 million in the past year. Other operating expenses rose from € 28.2 million in the previous year to € 29.5 million in the past fiscal year. This notable increase reflected the settlement of an insurance claim for hail damage caused in 2013 in the amount of € 3.2 million. This damage was repaired in the course of the past fiscal year and thus led to an increase in both other operating expenses and other operating income, due to the refund received from the insurer. Adjusted for this effect, other operating expenses amounted to € 26.3 million, which is clearly below the prior year level. The same applies to other operating income. As in the previous years, the energy generation activities made a positive contribution to the result after deduction of the respective costs.

Just like earnings before taxes, net profit for the year declined moderately by 0.9% to € 6.4 million. Earnings per share thus amounted to € 1.15 (previous year: € 1.16) for the ordinary shares and to € 1.21 (previous year: € 1.22) for the preference shares.

Earnings before income tax/Net profit

€ million



Total assets declined
to € 156.1 million

Financial position

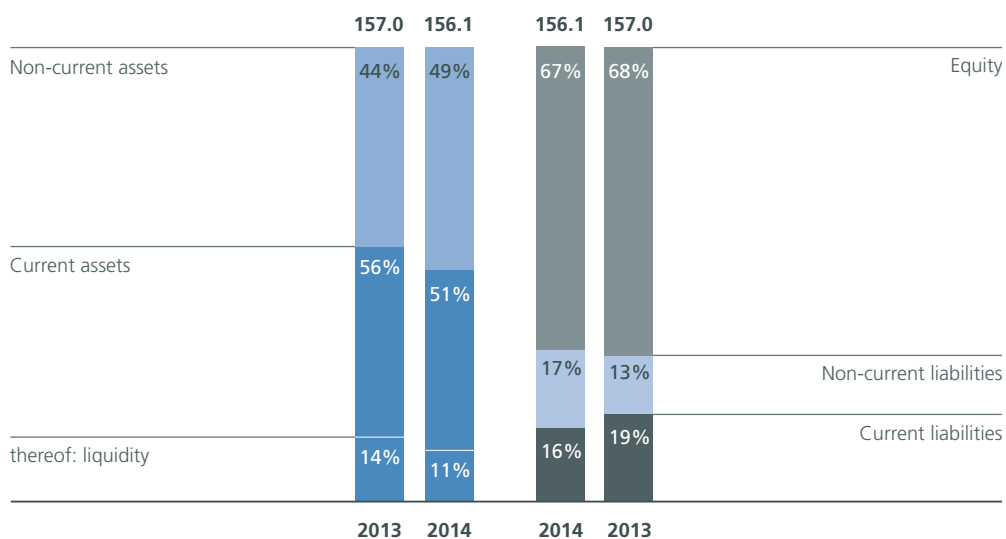
Total assets declined slightly to € 156.1 million as of December 31, 2014 (previous year: € 157.0 million). On the assets side, this is mainly attributable to the decrease in current assets resulting from the reduction in inventories as well as to reduced liquid funds, which dropped by € 4.0 million to € 17.3 million compared to the previous year. The decline in liquid funds is attributable to the increased level of liquid funds at the prior year reporting date on December 31, 2013, when payments for the repair of the hail damage had already been received from the insurance company, as described in the last Annual Report. By contrast, fixed assets increased as a result of our investment activity.

On the liabilities side, equity declined from € 107.1 million to € 104.3 million and now represents 66.8% of total assets. The dividend payment for the year 2013 had a reducing effect. Moreover, the increased debt capital resulting from the revaluation of pension provisions pursuant to IAS 19 led to a reduction of equity capital in the amount of € 3.9 million, net after deferred taxes.

The financial position of Westag & Getalit AG continues to be characterised by the absence of liabilities to banks.

Balance sheet structure

€ million

*Portfolio of own shares*

As in the previous year, the company held 310,828 own shares as of December 31, 2014. All of these shares are preference shares. Pursuant to a resolution adopted by the Annual General Meeting on August 24, 2010, the company is authorised to repurchase more own shares until and including August 23, 2015. In accordance with IFRS, the value of the own shares is not stated in the balance sheet.

Net worth position*Capital expenditure*

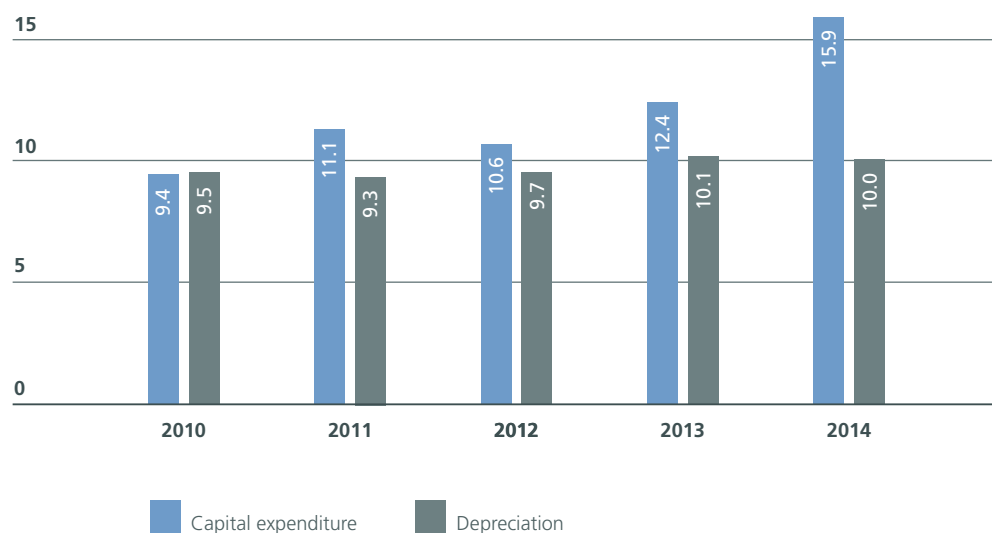
Cash investments in intangible assets and property, plant and equipment amounted to € 15.9 million in the past fiscal year, compared to € 12.4 million in the previous year. They contrast with depreciation/amortisation in the amount of € 10.0 million (previous year: € 10.1 million).

**Capital expenditure
in the amount of € 15.9
million implemented**

Capital expenditures focused on the two large-scale investments in a new lock and hinge processing plant for the manufacture of doors and a new double belt press for HPL production. Both plants were installed successfully last year. We are also building new halls in Rheda-Wiedenbrück, which will increase the frames production capacity of our door manufacturing plant in the long term. This multi-year investment plan responds to the continued strong demand and positions our company for the future.

Capital expenditure and depreciation

€ million

*Equity investments*

Since 2006, we have held a 49% interest in AKP Carat-Arbeitsplatten GmbH in Meiningen/Thuringia, a specialist for cut-to-size worktops made from HPL, solid surface materials, quartz stone, natural stone, solid wood and glass. The company supplies showroom kitchens to kitchen studios, the kitchen industry and large furniture chains. In 2014, the company and its subsidiaries generated sales revenues of € 17.5 million (previous year: € 15.4 million). Net profit for the year increased from € 0.9 million in 2013 to € 1.2 million in 2014. A dividend totalling € 0.5 million was distributed in 2013, in which we participated in accordance with our share in the company.

Current assets

The measures introduced last year with a view to optimising inventories led to a further reduction in inventories by 3.3% to € 34.2 million (previous year: € 35.3 million). Trade receivables dropped to € 24.7 million due to the decline in sales revenues in the final quarter.

Financial and non-financial performance indicators

Sales revenues and earnings are the key performance indicators used to control the company. Capital expenditure, receivables and inventories, which are described above to analyse the situation, are less significant but important side aspects.

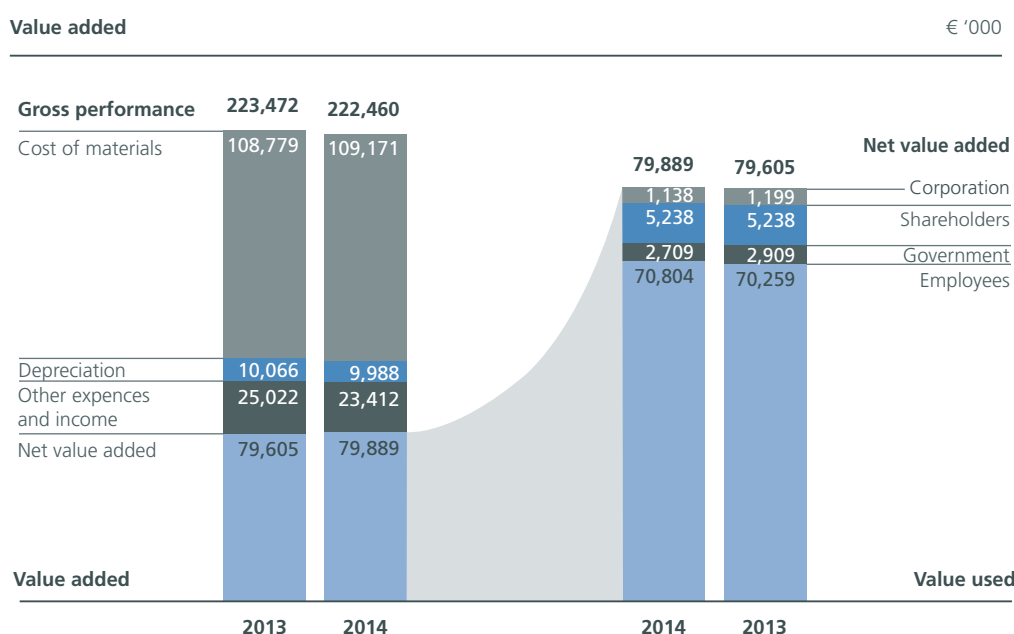
Non-financial performance indicators such as human resources, product development as well as environmental and energy management help to better understand the company's course of business.

At € 79.9 million value added remains almost unchanged from the previous year

Value added

Although total output dropped to € 222.5 million (previous year: € 223.5 million), net value added increased moderately to € 79.9 million in the reporting period (previous year: € 79.6 million). These contrary trends are due to the moderate decline in depreciation/amortisation and the reduction in other operating expenses excluding the hail damage. The cost of materials increased to € 109.2 million in the fiscal year (previous year: € 108.8 million).

The share of the value added that is attributable to the workforce increased to € 70.8 million (previous year: € 70.3 million). While the share attributable to shareholders in the form of the dividend payment remained constant, the share allocated to corporation declined. The amount payable to the government in the form of taxes decreased due to the lower net profit.



Employees

As of December 31, 2014, the company employed 1,301 people (previous year: 1,284), which represents an increase of 1.3%. This includes 65 trainees and apprentices, two more than on the reporting date of the previous year. Trainees and apprentices represent 5.0% of the total workforce. 40 employees left the company. They were replaced by 55 new employees, including trainees/apprentices. Two employees changed from inactive to active employment.

Personnel expenses as a percentage of sales revenues increased moderately from 31.4% in the previous year to 31.8% in the past fiscal year. In addition to our own workforce, we temporarily employed up to 70 external workers in the context of on-site management to cover peak requirements in the past fiscal year. As of December 31, 2014, the number of such external staff was down by 18 on the previous year. 17 temporary employment contracts were converted into permanent employment contracts.

The number of employees increased to 1,301



Product development

Our development activities focus on the continuous further development of our products. In this context, we concentrate on both decorative aspects of the surface finishes and technical aspects of the materials. Great importance is also attached to the development of new functions and product improvements, which make our doors and frames easier to install and use.

Environmental management

Environmentally conscious activity takes many very different forms in a manufacturing company. Raising employees' awareness of this issue and encouraging them to give it some thought is therefore very important. The different information events which we organised in the past two years on this topic resulted in numerous proposals in the year under review. These related, in particular, to the avoidance of unnecessary energy consumption. In addition, our products obtained numerous certifications such as the FSC and PEFC as well as the "Blauer Engel" seal.

The new power plant commissioned in Wadersloh at the beginning of 2014 also had a very positive effect. It permitted to reduce local consumption of natural gas and heating oil by 30% and 75%, respectively, compared to 2013. As at our plant in Rheda-Wiedenbrück, most of the energy generated at this location now also comes from old wood. At our Wadersloh plant, we exclusively use scrap wood from the ongoing production process for this purpose.

In the year under review, our energy management system was re-certified to DIN EN ISO 50001:2011 by an independent institute.

POST BALANCE SHEET EVENTS

No events that require reporting occurred in 2015.

FORECAST, OPPORTUNITY AND RISK REPORT

Forecast report

Economic trend

The current outlook on the year 2015 and the hopes of an economic upswing in Europe as well as in Germany remain difficult. On the one hand, the continued low interest rates mean that there are good chances of a positive trend in the form of increasing spending, both in the private and in the commercial sector but also in the public sector. On the other hand, the prevailing geopolitical crises and the austerity measures in many European countries are having a dampening effect.

A closer look at the forecasts for the German construction sector suggests that the general sentiment in 2015 will be positive. Economists project growth for the sector, which will, however, again be driven by strong housing construction activity. The forecast for our European neighbours remains more difficult. While there are signs of an economic upswing in Europe, there continue to be downside risks to the economy. These relate not only to the Ukraine crisis and the sanctions against Russia but also to developments in Greece, which may also influence the financial and economic situation in the eurozone.

Outlook for Westag & Getalit AG

This economic background suggests that the market environment in 2015 will be difficult, although we also see positive signs for our future. These primarily include strong housing construction activity but also the slowly recovering public and commercial construction sector – provided that the 2% increase in sales revenues projected by experts for the German construction sector as a whole comes true in 2015. Our product portfolio and our flexible production mean that we are well positioned for growing demand to serve the markets as required, which should have a positive impact on our sales revenues assuming a benign economic environment. We therefore project slightly higher total sales revenues for 2015.

In view of the current environment, the export outlook is much more moderate. While the European economy as a whole is generally likely to stabilise, a further slowdown in the Russian economy may have an adverse impact on some regions and industries and, hence, on our exports. As demand picks up, however, we believe that our distribution activities and our product portfolio will open up potential also for growing export sales.

Capital expenditure

Capital expenditures in the fiscal year 2015 are expected to exceed € 10.0 million. Investments will focus on the capacity expansion in the context of the ongoing modernisa-

The macroeconomic environment offers potentials but at the same time uncertainties for 2015

Slight sales revenues increase expected

tion strategy pushed ahead by our company. In view of continued high demand in the housing construction sector, this primarily includes expanding the capacities of the Doors/Frames Division. We will not only build additional halls for this part of the Rheda-Wiedenbrück plant but also plan to purchase a new frames production line this year. We will also invest in the acquisition of a new processing plant for cut-to-size worktops at the Wadersloh plant in response to the high capacity utilisation in this area. We will thus adjust ourselves to market requirements and maintain high technological standards in our plants.

Earnings

Targeting slight rise in earnings

Our earnings in the current fiscal year will be influenced not only by sales revenues but also by raw materials prices, especially the prices of wood and oil-based chemicals. Should the oil price increase sharply within a short period of time, this may have an impact on our bottom line. The demand situation in our export markets also poses a risk to our earnings. Based on the assumption of a stabilising economy, we should be able, however, to grow our earnings going forward – provided that raw materials prices remain stable. In view of the very inconsistent macroeconomic developments, we therefore project moderately higher earnings for 2015.

Opportunity Report

Westag & Getalit AG pursues a value-oriented company philosophy, which entails numerous opportunities for the company. As one of the leading manufacturers of wooden and plastic products, we operate, and are well positioned, in an industry characterised by constant innovation.

A solid foundation

Our activities generally focus on healthy and organic long-term growth. The solid balance sheet, which is characterised by an equity ratio of about 67% and good liquidity, provides safety and room for the future growth of our company. Moreover, it enables us to respond at relatively short notice to market-related changes.

Independence

Our independence is an important characteristic for the development of the company. We have no bank liabilities, and the expansion of our energy generation facilities reduces our dependence on the energy market.

Modern production technology

The high technological standard of our plants depends on continuous investments. To increase our productivity and our flexibility we therefore expand our facilities on an ongoing basis. A key aspect in this context is our commitment to supplying all our products in batch sizes as small as “one” within a short delivery time. As customers’ demand becomes increasingly individualised, this will open up new opportunities for our company.

Market-compliant corporate structure

The operational independence of the two segments ensures that our distribution and development activities are tailored to the respective market. At the same time, the Central Division pools cross-divisional functions and thus forms a service unit for all producing segments of the company. This not only allows us to serve our customers even better but also helps to improve our cost structure.

Product diversity

The high diversification of the product range and the customer structure reduces our dependence on individual markets. This allows us to react flexibly to fluctuations in demand and find the optimum response to changing product demand.

Swift order processing

Reliability, punctuality and short delivery times are but three success factors which we can realise in a cost-optimised manner and in accordance with our customers' wishes thanks to our sophisticated internal and external logistic processes. Proven processes allow us to respond quickly to market-related changes and to serve customers' demands.

High level of vertical integration

Thanks to the high level of vertical integration of our product segments, we are highly responsive to newly emerging market needs. Our relatively short time to market allows us to respond swiftly to product and demand trends without direct dependence on third parties.

Economic opportunities

An increase in European construction activity, especially in the public and commercial construction sectors, will open up opportunities for growing sales revenues thanks to our diverse product portfolio and our distribution activities. This primarily applies to our export activities.

RISK REPORT

Preliminary remark

Like any corporate activity, the business activity of Westag & Getalit AG entails numerous risks and opportunities. Risks may result both from the company's own actions and from external factors. Many risks can be eliminated with the help of an appropriate approach, others can be mitigated, with the help of insurance or other measures, to such an extent that they remain manageable. Successful corporate activity hinges on the exploitation of opportunities and the management of the related risks. The task of our internal risk management and controlling system is to identify risks at an early stage, to assess them and to take appropriate counter-measures. Risks are assessed primarily with a view to the probability of occurrence and the amount of the potential damage. The measures taken depend on the type and amount of each risk.

The right organisation, effective rules and regulations and a systematic reporting process ensure that the Management Board is informed of risks in a timely manner and can take counter-measures at an early stage. The Management Board regularly informs the Supervisory Board about existing material risks and their trends. Risks that are of major importance for the economic performance of Westag & Getalit AG are finally evaluated and the measures to be taken to manage them are agreed with the Supervisory Board. In the context of the audit of the 2014 financial statements, the auditor checked the early risk identification system of Westag & Getalit AG for compliance with the German Stock Corporation Law and concluded that the system used meets all applicable legal requirements. The relevant risks to which Westag & Getalit AG is exposed as well as the respective risk management measures are presented below.

We are of the opinion that the risks outlined above do not jeopardise our company as a whole, neither on their own or collectively. For further details of these risks, see the table below.

Risk summary

Individual risk	Probability of occurrence	Potential financial impact	Year-on-year change
Economic risks	possible	major	↗
Sales risks	possible	major	↗
Default risks	possible	moderate	→
Procurement risks	possible	major	→
Operational risks	possible	major	→
Personnel risks	unlikely	moderate	→
Financial and exchange rate risks	unlikely	moderate	→

↗ increased → unchanged

Economic risks

Due to its product and customer structure, Westag & Getalit AG is very much dependent on economic activity in the construction and kitchen furniture industries as well as in the DIY store sector. We therefore monitor and analyse the respective economic and industry trends on an ongoing basis. Our flexible working hour schemes enable us to respond in an appropriate manner to short-term fluctuations in sales and to significantly reduce negative effects on earnings. Moreover, we have a healthy financial and liquidity structure and sufficient reserves to cope with potential declines in economic activity in the above sectors.

Sales risks

Sales risks are of fundamental importance in our line of business. Due to the fact that our divisions partly operate in different markets, we achieve a certain degree of diversification and are less exposed to trends in individual markets than our competitors. Nevertheless, economic trends, customer acceptance of our products and the appropriate pricing of our products play an important role. We aim to mitigate these risks through ongoing diversifica-

tion of our product portfolio on the one hand and of our output markets on the other hand. This way, we reduce our dependence on individual market segments and our exposure to economic trends in individual countries.

Default risks

Default risks may arise whenever contractual partners do not fulfil their contractual obligations at all or on time. The main reasons for this include a deterioration in liquidity and bankruptcies. We mitigate this risk with the help of a very effective internal receivables management system as well as trade credit insurance protecting our major accounts receivable. In individual cases, we have receivables covered by corresponding guarantees.

Procurement risks

Due to reduced production capacities for certain intermediate products as well as a shortage of certain wood types, procurement risks have become an important factor over the past years. To mitigate the risk of insufficient supplies of raw materials of the required quality we are constantly reviewing our suppliers under our a supplier assessment system and continue to expand our supplier network and to shift the focus of our procurement activities to international markets. However, growing demand and restrictive laws result in an increasing shortage of wood. In view of the strong market position of individual providers of certain raw materials, we only have limited options to address rising raw materials prices. Therefore, it is extremely important to identify imminent price rises quickly and to adapt our sales prices in a timely and appropriate manner. To reduce the risk of unexpected specification changes and defects in intermediate products and raw materials, we rely on corresponding contractual regulations, frequent checks of incoming goods and regular production-related tests.

Operational risks

A major operational challenge is to manufacture products meeting the required quality standards with the best possible cost structure. We are therefore constantly improving our production processes as well as developing new ones and implementing them if they are found to be feasible. Our machines and equipment are kept up-to-date through regular maintenance, repairs and modernisations. In addition, we have taken out appropriate insurance cover against damage by natural forces and the breakdown of especially critical machines. These measures are supported by fire protection and other precautionary measures as well as our quality management system, which has been certified to DIN ISO 9001. Information technology has constantly gained in importance in recent years. Maximum system availability and maximum security for our data are ensured by mirrored hardware for time-critical applications, redundant network components and a modern infrastructure. In addition, data losses are minimised by daily backups of our relevant data, while system downtimes are reduced through the deployment of a well-trained team. In addition, we have taken numerous technical and administrative measures to prevent both unauthorised access to our data as well as attacks from the world wide web.

Personnel risks

The individual skills and professional expertise of our employees make a key contribution to the success of our company. Potential risks for us hence include the loss of specialised and executive staff as well as a lack of suitable job applicants. Effective human resources management, which is aimed at constantly training our employees and winning new competent people, and effective employee motivation activities are therefore of major importance for our success. To mitigate the risks arising from a loss of knowledge and experience resulting from older employees leaving our company, we organise appropriate qualification enhancement measures for younger staff and early succession planning. In view of the anticipated demographic developments, we have stepped up our external efforts to raise students' awareness of Westag & Getalit AG as an attractive employer, which was reflected, for instance, in internships, diploma thesis and increased cooperation with universities and colleges.

Financial and foreign exchange risks regarding the use of financial instruments

In view of our high equity ratio of about 67% and the available liquidity, we currently see no financing risks. To mitigate the effects of exchange rate shifts outside the EU, we invoice almost exclusively in euros. In individual cases, only our sales in the UK in local currency are hedged by foreign exchange transactions in the course of the year. On the procurement side, purchases on a US dollar basis are hedged by simultaneously acquiring the respective US dollar amounts.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM FOR THE ACCOUNTING PROCESS

Our internal control and risk management system for the accounting process is guided by the aim of ensuring proper accounting and the compliance of our financial statements and reports with applicable rules and regulations.

Westag & Getalit AG's accounting processes are clearly structured with respect to the individual areas of responsibility. The functions of the main departments involved in the accounting process, i.e. Finance and Accounting as well as Controlling, in connection with the preparation of the financial statements are clearly separated. An SAP-based, planning-driven information system is our main risk management instrument, which allows us to identify deviations in all our key performance indicators and initiate countermeasures at an early stage. On this basis, all members of the management are involved in the process of avoiding and minimising risks.

The accounting process is based on the SAP platform and the consistent chart of accounts installed on this platform as well as standardised machine-based processes. The employees involved in the process have the required skills and experience. The four-eye principle is applied to all major accounting-relevant processes. The systems used are protected against unauthorised access. Access authorisations are granted on the basis of functions.

Appropriate controls have been implemented for all accounting-relevant processes, taking into account the principle of a separation of functions. Besides automatic controls of the IT systems, analytical tests and manual examinations of individual transactions are carried out. New regulations and amended accounting rules are analysed for their impact in a timely manner and implemented if required. Expert opinions on pension and tax matters are obtained from external service providers.

The clear definition of responsibilities, a clear organisational structure and appropriate control mechanisms as well as competent personnel and equipment ensure the efficiency of the accounting process. The existing controls help to largely avoid mistakes and detect and correct them, if required.

The internal control and risk management system described above does, however, have its limitations. 100% security regarding the identification and management of risks can therefore not be guaranteed.

COMPENSATION OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

The amount and the structure of the compensation of the Management Board members are contractually agreed with each individual member by the Supervisory Board based on a proposal by the Appointments and Compensation Committee. The compensation of the members of the Management Board comprises fixed and variable components. The fixed components are based on the tasks of the respective Board member. The variable components for the Board members responsible for the production divisions depend, on the one hand, on the annual profit of the respective division and, on the other hand, on the annual profit of the company. The variable compensation component received by the Management Board member in charge of the Central Division and by the Management Board Chairman is exclusively based on the company's annual profit. The company's annual profit is its net profit before corporate income taxes less any loss carried forward from the previous year and the amounts to be allocated to open reserves by law and the statutes.

In order to create incentives for a high annual profit, the profit shares increase disproportionately if certain profit levels are exceeded. The percentage of total compensation accounted for by variable components varies with the realised annual profit. In addition, the variable compensation is subject to a sustainability factor. This means that a Management Board member is eligible to only half of the variable compensation for a fiscal year. Whether the Management Board member also receives all or part of the remaining variable compensation depends on whether or not the company's earnings growth continues in the two following years. This is meant to provide an incentive for a sustainable positive earnings performance.

The Supervisory Board has reserved the right to cap the variable compensation in response to extraordinary, unpredicted developments. In addition, all Management Board contracts contain caps for the variable and the total compensation. The fixed compensation component is paid out monthly on a pro-rata basis, while the variable component is paid out annually following the adoption of the financial statements for the previous fiscal year. It has additionally been agreed that the compensation will be paid for a limited time in the event of a Management Board member's inability to work, provided that the member is not responsible for his/her inability to work and that the latter has been confirmed by a doctor. In addition, the members of the Management Board receive non-monetary and other benefits, which primarily include the use of a company car. D&O insurance and accident insurance has been taken out for the members of the Management Board, whose premiums are paid by the company. A pension agreement has been signed with the Chairman of the Management Board.

The company has not concluded any agreements with the members of the Management Board about the granting of shares in the company, share options or similar forms of compensation. The Supervisory Board has reviewed the Management Board compensation and its components and arrived at the conclusion that the compensation structure is in line with the compensation paid by peer companies as well as with the compensation structure within the company and is sufficiently attractive to incentivise good performance on a sustained basis.

The compensation of the members of the Supervisory Board is governed by section 12 of the company's statutes. According to these provisions, the members of the Supervisory Board receive a fixed annual compensation, which is payable after the end of the fiscal year and amounts to € 9,000 for each member; the Chairman receives twice this amount, while the Vice Chairman receives 1.5 times this amount.

This compensation also covers the membership and the chairmanship of the Supervisory Board's committees. In addition, the expenses incurred by the Supervisory Board members in the performance of their tasks are reimbursed. D & O insurance has been taken out for the members of the Supervisory Board.

TAKEOVER-RELEVANT INFORMATION

The share capital of Westag & Getalit AG amounts to € 14,643,200. It is divided into 5,720,000 no-par bearer shares, of which 2,860,000 are ordinary shares and 2,860,000 are preference shares. Each share represents € 2.56 of the share capital.

The rights and duties associated with the shares are governed by the German Stock Corporation Act. According to the company's statutes, preference shareholders receive a preferred dividend of € 0.12 per preference share out of the accumulated profit. If the distributable accumulated profit is not sufficient to pay out a dividend of € 0.12 per prefe-

rence share, the deficit must be paid, without interest, out of the accumulated profit generated during the subsequent years in such a way that the older deficits are paid before the newer ones and the preferred amounts payable for the year out of the same year's profit are paid subsequent to the repayment of all deficits. Subsequent to the distribution of a dividend of € 0.12 per ordinary share, the preference shareholders receive an extra dividend, which may not be paid retroactively, of € 0.06. Both preference and ordinary shareholders participate in a further distribution in the proportion of their prorated shares in the capital stock. The company reserves the right to issue further preference shares which, with respect to a distribution of profit or of company assets, are either of equal rank or take priority over the existing non-voting preference shares. The preference shares carry no voting rights, except for the cases provided for in sections 140 and 141 of the German Stock Corporation Act. In addition, the preference shares grant the rights that arise to each shareholder from the share.

The company held 310,828 preference shares on December 31, 2014. No membership rights arise to the company from these shares.

Gethalia Foundation c/o Prokurationsanstalt, Vaduz, Liechtenstein, holds 2,159,300 voting ordinary shares in the company. These shares represent 75.5% of the voting rights.

The members of the Management Board of Westag & Getalit AG are appointed and dismissed in accordance with sections 84, 85. of the German Stock Corporation Act (AktG) in conjunction with section 4 of the statutes. Amendments to the company's statutes are subject to sections 133 and 179 of the German Stock Corporation Act.

On August 24, 2010, the Annual General Meeting authorised the Management Board to increase, by August 23, 2015 and with the Supervisory Board's approval, the capital stock once or several times, by way of issuing new bearer shares and/or non-voting preference shares by up to € 5,840,000 (approved capital I) in return for cash contributions or by up to € 1,460,000 (approved capital II) in return for cash or non-cash contributions. The authorisation also includes the right to issue further preference shares which, with respect to a distribution of profit or of company assets, are of equal rank with the existing non-voting preference shares.

The company was also authorised by the Annual General Meeting on August 24, 2010 to acquire, sell and possibly redeem ordinary and/or preference shares in the company in an amount of up to 10% of the share capital by August 23, 2015 pursuant to the provisions of section 71 para. 1 No. 8.

Circumstances that go beyond the above and must be disclosed pursuant to section 289 para. 4 of the German Commercial Code (HGB) do not exist or are not known.

RELATIONSHIPS WITH AFFILIATED COMPANIES

According to information supplied by Syntalit AG, Zug/Switzerland, and Gethalia Foundation, Vaduz/Liechtenstein, on December 18, 2006, the share of Syntalit AG in the voting capital of our company amounted to 75.5%. Pursuant to section 22 para. 1 sentence 1 No. 1 of the German Securities Trading Act, these voting shares counted towards Gethalia Foundation. In a letter dated December 23, 2013, the two above companies informed us that the 75.50% of the ordinary shares and, hence, the voting interests in Westag & Getalit AG were transferred to Gethalia Foundation on December 23, 2013. In a letter dated January 16, 2014, Syntalit AG additionally informed us that its voting interest in Westag & Getalit AG has amounted to 0.00% since the transfer on December 23, 2013.

For clarification with regard to relationships with affiliated companies, we point out that no transactions were conducted with Gethalia Foundation. The respective report required under section 312 of the German Stock Corporation Act (AktG) concludes with the following declaration: „Transactions which are subject to reporting requirements did not take place.“

CORPORATE GOVERNANCE DECLARATION

The corporate governance declaration to be issued pursuant to section 289a of the German Commercial Code (HGB) can be found at www.westag-getalit.de/unternehmensfuehrung.

RESPONSIBILITY STATEMENT

To the best of our knowledge, the Management Report includes a fair review of the development and performance of the business and the position of Westag & Getalit AG, together with a description of the principal opportunities and risks associated with the expected development.

Rheda-Wiedenbrück, February 23, 2015
Westag & Getalit Aktiengesellschaft
The Management Board

Beckers Wenninger

FINANCIAL STATEMENTS

50	Balance Sheet (IFRS)
52	Statement of Comprehensive Income (IFRS)
53	Cash Flow Statement (IFRS)
54	Statement of Changes in Equity (IFRS)
55	Notes (IFRS)
62	Notes to the Statement of Comprehensive Income
66	Notes to the Balance Sheet
78	Additional Notes to the Balance Sheet
86	Auditor’s Report (IFRS)
88	Balance Sheet (HGB)
90	Profit and Loss Account (HGB)
91	Auditor’s Report (HGB)

BALANCE SHEET AS OF DECEMBER 31, 2014 (ACCORDING TO IFRS)

Assets	Notes	December 31, 2014 in € '000	December 31, 2013 in € '000
A. Non-current assets			
I. Intangible assets	13		
Software, licences and other industrial property rights		930	934
II. Tangible assets	13		
Land and leasehold rights and buildings		22,453	21,566
Technical equipment and machinery		31,443	27,584
Other fixtures and fittings, plant and office equipment		13,003	12,486
Advance payments and assets under construction		5,261	4,750
		72,160	66,386
III. Financial assets	13		
Shares in associated companies		1,200	1,200
Other loans		70	110
		1,270	1,310
		74,360	68,630
IV. Deferred taxes	13	2,499	638
		76,859	69,268
B. Current assets			
I. Inventories	14		
Raw materials and supplies		16,514	16,295
Work in progress		3,703	4,428
Finished goods and merchandise		13,948	14,616
		34,165	35,339
II. Receivables and other assets	14		
Trade receivables		24,713	27,348
Receivables from companies in which an interest is held		0	9
Other assets		1,494	1,578
Income tax receivables		1,598	2,140
		27,805	31,075
III. Cash and cash equivalents	14		
Cash at banks or on hand		17,316	21,290
		79,286	87,704
Total assets		156,145	156,972

Liabilities	Notes	December 31, 2014 in € '000	December 31, 2013 in € '000
A. Equity			
I. Called-up share capital	15		
Ordinary shares		7,322	7,322
Preference shares		7,322	7,322
		14,644	14,644
II. Capital reserve	15	24,399	24,399
III. Revenue reserves	15		
Legal reserve		596	596
Other revenue reserves		60,115	59,715
		60,711	60,311
IV. Accumulated profit	15	4,565	7,711
		104,319	107,065
B. Non-current liabilities	16		
Provisions for pensions and similar obligations		24,882	19,147
Other non-current provisions		1,443	1,434
		26,325	20,581
C. Current liabilities	17		
Trade payables		7,973	9,801
Other current liabilities		16,917	18,925
Current provisions		611	600
		25,501	29,326
Total equity and liabilities		156,145	156,972

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2014
(ACCORDING TO IFRS)**

	Notes	2014 in € '000	2013 in € '000
Sales	1	223,111	224,160
Changes in inventories of finished goods and work in progress	2	- 1,088	- 931
Other own work capitalised	3	438	243
Total performance		222,461	223,472
Other operating income	4	5,829	2,874
Cost of materials	5	- 109,171	- 108,779
Personnel expenses	6	- 70,804	- 70,259
Depreciation of intangible fixed assets and tangible assets	7	- 9,988	- 10,066
Other operating expenses	8	- 29,538	- 28,220
Other taxes	9	- 228	- 236
Operating result		8,561	8,786
Financial result	10	297	325
Earnings before income taxes		8,858	9,111
Taxes on income	11	- 2,481	- 2,674
Net profit		6,377	6,437
Items not reclassified to profit or loss:			
Actuarial gains/losses on defined benefit plans		- 5,550	487
Deferred taxes on actuarial gains/losses on defined benefit plans		1,665	- 146
Sum total of income and expenses directly recognised in equity		- 3,885	341
Comprehensive income		2,492	6,778

	Notes	2014 in € '000	2013 in € '000
Net profit		6,377	6,437
Net profit attributable to ordinary shares		3,291	3,323
Net profit attributable to preference shares		3,086	3,114
Average holdings of ordinary shares		2,860,000	2,860,000
Average holdings of preference shares		2,549,172	2,549,172
Result per ordinary share in €	12	1,15	1,16
Result per preference share in €	12	1,21	1,22
Dividend per ordinary share in €		0,94	0,94
Dividend per preference share in €		1,00	1,00

Earnings per share as defined in IAS 33 are calculated for both ordinary and preference shares by dividing the net profit attributable to the respective share type by the average number of shares of the respective type. Accordingly, net profit for the year must be divided into the different share types. In the context of this division, the portion of the net profit that will not be distributed is allocated to the respective number of shares. Diluted earnings are equivalent to earnings per share.

CASH FLOW STATEMENT 2014 (ACCORDING TO IFRS)

The cash flow statement shows the origin and use of cash flows in the fiscal years 2014 and 2013. A distinction is made between cash flows from operating activities as well as from investment and financing activities using the indirect method. Cash and cash equivalents shown in the cash flow statement comprise all cash and cash equivalents recognised in the balance sheet.

	2014 in € '000	2013 in € '000
Operating result /EBIT	8,560	8,786
Income tax payments	- 3,115	- 3,140
Depreciation and amortisation	9,988	10,066
Result from asset retirements	- 72	- 92
Change in current assets	4,883	3,853
Change in debt capital	- 3,632	3,432
Cash flow from operating activities	16,612	22,905
Investment in tangible and intangible assets	- 15,914	- 12,416
Income from investments	40	40
Change in financial assets	266	273
Income from asset retirements	229	146
Cash flow from investment activities	- 15,379	- 11,957
Interest income	36	59
Interest expenses	- 5	- 5
Dividend payments	- 5,238	- 5,238
Cash flow from financing activities	- 5,207	- 5,184
Change in cash and cash equivalents	- 3,974	5,764
Cash and cash equivalents as of January 1	21,290	15,526
Cash and cash equivalents as of December 31	17,316	21,290

STATEMENT OF CHANGES IN EQUITY (ACCORDING TO IFRS)

in € '000	Subscribed capital	Capital reserve	Revenue reserve	Accumulated profit	Total
January 1, 2013	14,644	24,399	59,511	6,971	105,525
Dividend				- 5,238	- 5,238
Net profit				6,437	6,437
Addition in accordance with section 58 II AktG			800	- 800	0
Actuarial gains/losses				487	487
Deferred taxes on actuarial gains/losses				- 146	- 146
December 31, 2013	14,644	24,399	60,311	7,711	107,065
January 1, 2014	14,644	24,399	60,311	7,711	107,065
Dividend				- 5,238	- 5,238
Net profit				6,377	6,377
Addition in accordance with section 58 II AktG			400	- 400	0
Actuarial gains/losses				- 5,550	- 5,550
Deferred taxes on actuarial gains/losses				1,665	1,665
December 31, 2014	14,644	24,399	60,711	4,565	104,319

NOTES

General information

Westag & Getalit AG is a manufacturer of wood and plastics products based in Rheda-Wiedenbrück, Westphalia. The stock corporation has been entered in the Commercial Register of Gütersloh under number HRB 5565.

Westag & Getalit AG is listed in the Prime Standard of the Frankfurt Stock Exchange and the official market of the Düsseldorf Stock Exchange.

The separate financial statements of Westag & Getalit AG, Rheda-Wiedenbrück, were prepared to International Financial Reporting Standards (IFRS), such as they are applicable in the European Union (EU), as well as to the complementary provisions of section 324a para. 1 of the German Commercial Code (HGB). The fiscal year corresponds to the calendar year and ended on December 31, 2014. Westag & Getalit AG is not required to establish consolidated financial statements.

IFRS 8 (Operating Segments) was not applied. The disclosure of the segment results under the management approach, also in separate financial statements voluntarily prepared to IFRS, may cause material damage to the company, as sensitive information would be divulged to non-listed competitors who are not obliged to make such disclosures. To facilitate a comparison with prior years, the usual form of the segment report has been retained.

The following adopted standards and amendments/additions to published standards had to be applied for the first time as of the beginning of the fiscal year 2014:

Standard Title/Contents

IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Agreements
IFRS 12	Disclosure of Interests in Other Entities
Various	Transitional provisions regarding IFRS 10, IFRS 11 and IFRS 12
Various	Investment Entities: Amendments to IFRS 10, IFRS 12 and IAS 27
IAS 27	Separate Financial Statements
IAS 28	Investments in Associates and Joint Ventures
IAS 32	Financial Instruments - Presentation: offsetting of financial assets and financial liabilities
IAS 36	Impairment of Assets: Disclosures of recoverable amount for non-financial assets
IAS 39	Financial Instruments: Recognition and Measurement: Novation of derivatives and continued hedge accounting

The newly applicable standards and amendments had no material impact on the financial statements of Westag & Getalit AG.

The following standards and amendments to existing standards as well as interpretations of published standards, which have been issued but are not mandatory yet, are not applied early by Westag & Getalit AG:

Standard/ Interpretation	Title	Effective from
IAS 19	Employee Benefits: Employee contribution to performance oriented pension benefits	July 1, 2014
Various	Annual improvements to IFRS 2010 – 2012: Clarifications regarding IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 38, IAS 24	July 1, 2014
Various	Annual improvements to IFRS 2011 – 2013 Clarifications regarding IFRS 1, IFRS 3, IFRS 13, IAS 40	July 1, 2014
IFRIC 21	Levies	June 17, 2014
IAS 1	Presentation of Financial Statements: Disclosure Initiative	January 1, 2016 *
IAS 16/IAS 38	Property, Plant and Equipment / Intangible Assets: Clarification of acceptable methods of depreciation and amortisation	January 1, 2016 *
IAS 16/IAS 41	Property, Plant and Equipment / Agriculture: Bearer Plants	January 1, 2016 *
IAS 27	Separate Financial Statements: Equity method in separate financial statements	January 1, 2016 *
IFRS 10/IAS 28	Consolidated Financial Statements / Investments in Associates and Joint Ventures: Sale or contribution of assets	January 1, 2016 *
Various	Investment entities: Amendments to IFRS 10, IFRS 12, IAS 28: application of the consolidation exception	January 1, 2016 *
Various	Annual improvements to IFRS 2012 – 2014: Clarifications regarding IAS 19, IAS 34, IFRS 5, IFRS 7	January 1, 2016 *
IFRS 11	Joint Agreements: Accounting for acquisitions of interests in joint operations	January 1, 2016 *
IFRS 14	Regulatory Deferral Accounts	January 1, 2016 *
IFRS 15	Revenue from Contracts with Customers	January 1, 2017 *
IFRS 9	Financial Instruments (replaces former IAS 39 Financial Instruments – classification and valuation)	January 1, 2018 *

* not yet endorsed by the EU Commission

Based on a preliminary assessment, Westag & Getalit AG assumes that the standards, amendments and interpretations that had been issued but were not yet mandatory as of the reporting date will have no material effects on the company's net assets, financial position and results of operations.

The statement of comprehensive income comprises income generated and the expenses incurred in the period, the balance of which represents the result for the year. It also comprises other comprehensive income, which is the balance of income and expenses directly recognised in equity. The expenditure type of presentation continued to be used for the statement of comprehensive income.

A distinction between current and non-current assets and liabilities is made in the balance sheet. Assets and liabilities due within one year are classified as current.

Besides the statement of comprehensive income, the balance sheet and the cash flow statement, the notes include a statement of changes in equity as well as a segment report in unchanged form.

To increase the relevance of the information provided, individual items are combined in the statement of comprehensive income as well as in the balance sheet and are explained in the notes.

Key accounting and valuation principles

The following accounting and valuation principles were applied:

Realisation of earnings and expenses

The following accounting and valuation principles were applied:

Realisation of earnings and expenses

Sales revenues and other operating income are recognised as soon as ownership or risk passes to the customer or at the time when a service is performed. Sales revenues are shown less cash discounts, discounts, price reductions and bonuses.

Changes in inventories of work in progress still in the production process on the balance sheet date are reported at their pro-rata production costs.

Operating expenses are recognised in profit/loss at the time of the use of the respective product or service.

Guarantee expenses are included in conjunction with the realisation of the respective sales revenues. Interest income and interest expenses are recognised on an accrual basis using the effective rate method.

Foreign currency transactions are translated into euros and recorded at the current rate of exchange. Any translation differences are recognised in other operating income or other operating expenses.

Non-current assets

Purchased intangible assets are capitalised at their acquisition costs in accordance with IAS 38. They are depreciated over their estimated useful economic lives of 3 to 8 years using the straight-line method.

Intangible assets as well as property, plant and equipment are written off for impairment if and when the "recoverable amount" of the asset has fallen below the carrying amount. The "recoverable amount" is the higher of the net realisable value and the present value of the anticipated cash flow from the asset.

Tangible assets

Tangible assets are recognised and measured at their acquisition or production costs less scheduled depreciation over their useful lives unless they are subject to non-scheduled depreciation. The straight-line method is used for depreciation over the useful lives.

The useful life of factory, business, residential and other buildings is mostly 25 to 50 years, of technical equipment and machinery up to 15 years and of other fixtures and fittings, plant and office equipment 3 to 10 years. The periods of depreciation and useful lives are reviewed annually.

In addition to the cost of materials, measured at cost, the production costs of self-constructed assets comprise production labour as well as pro-rata production overhead costs including depreciation. Financing costs are not recognised.

Financial assets

Financial assets include shares in associated companies, as well as interest-bearing loans held to maturity. They are valued at their acquisition costs or at their lower fair values in accordance with IAS 27 and IAS 39, respectively.

Deferred tax assets

Deferred tax assets are determined from temporary differences between the carrying amounts and the tax valuations of assets and liabilities in accordance with IAS 12. Deferred tax assets are based on a tax rate of 30%. The company has elected to offset deferred tax assets against deferred tax liabilities.

Current assets

Inventories

As a general rule, raw materials and supplies as well as merchandise are valued at their average acquisition costs. Work in progress and finished goods are shown at their production costs. Production costs comprise all costs directly attributable to the production process as well as appropriate portions of the production-related overhead costs. Financing costs are not included in the acquisition and production costs..

Inventory risks resulting from obsolescence, reduction in quality and other reduced usability are taken into account by means of adequate depreciation. Lower values on the balance sheet date due to reduced proceeds on disposal are shown accordingly.

Receivables and other assets

Receivables and other assets are valued at their acquisition costs. Discernible risks are taken into account by means of adequate value adjustments. The general credit risk is taken into account by means of value adjustments based on past experience.

Existing receivables in foreign currencies are valued at the mean rate on the balance sheet date. Non-interest-bearing receivables including income tax claims from the corporate income tax benefit with a remaining term of more than one year are discounted based on public-sector bonds with comparable remaining terms.

Cash and cash equivalents

Means of payment are shown at their depreciated acquisition costs. Foreign currency assets are valued at the mean rate on the balance sheet date.

Liabilities

Pension provisions

Pension provisions include obligations under a pension scheme for the company's employees. The provisions are calculated based on salary-independent monthly old-age and disability pension payments per full year of staff membership in the company. In addition, there are individual pension commitments which comprise benefit claims as fixed amounts.

Provisions are set up for obligations under rights to future pension payments and current pension payments to active and former employees and their surviving dependants. The company's pension schemes have been closed; new employees are not entitled to company pensions.

Provisions for pensions from defined benefit plans are valued using the projected unit credit method in accordance with IAS 19. This method takes into account not only the pensions and vested rights to future pension payments known on the balance sheet date but also careful estimates of future increases in pensions and salaries. The calculation is based on actuarial expert opinions relying on certain biometric assumptions.

The expected mortality, disability and staff turnover rates are based on the Prof. Dr. Klaus Heubeck 2005 (G) tables. The provisions were calculated on the basis of the new retirement ages stipulated by the German Pension Reform Act. In deviation from the above, the retirement age of some individual pension commitments is the completion of the 65th year of age. The discount factor is based on the current yield of high-quality corporate bonds. Actuarial gains and losses are fully and directly recognised in equity.

Other provisions

Provisions in accordance with IAS 37 are set up to the extent that there are current obligations from past events to third parties which are likely to result in a future outflow of resources that can be reliably estimated.

Provisions for guarantee claims are set up on the basis of past or estimated future claims. Other provisions are also taken into account in accordance with IAS 37 for all discernible risks and uncertain obligations in the amount of their probable occurrence. The amounts shown are a best possible estimate of the funds required to meet the obligations existing on the balance sheet date.

Provisions for obligations which are unlikely to burden resources already in the following year are set up in an amount equalling the present value of the expected outflow of resources. The discount rate used is based on market rates as of the balance sheet date. The valuation of provisions is reviewed on each balance sheet date.

Liabilities

At their first-time inclusion, liabilities are shown at their acquisition costs. In the following years, all liabilities are valued at their depreciated acquisition costs. All foreign currency liabilities are valued at the mean rate on the balance sheet date.

Trade payables as well as other current liabilities are liabilities with a term of no more than twelve months.

Derivatives

In accordance with an internal directive, derivative financial instruments are exclusively used in isolated cases to hedge interest rate and exchange rate risks on the basis of a hedging policy defined by the Management Board and agreed with the Supervisory Board. Pursuant to IAS 39, these financial derivatives are initially recognised at the fair value, usually at cost, and subsequently measured at their fair value. If the financial derivatives used are effective

hedges in the context of a hedging relationship as defined by IAS 39, fluctuations in the fair value have no impact on the result for the period during the term of the derivative.

Estimates and evaluations by the management

When preparing the financial statements, it is necessary to make certain assumptions and estimates, which have an effect on the amount and the recognition of assets and liabilities, income and expenses and contingent liabilities in the reporting period. If the actual development deviates from the assumptions, the actual amounts may deviate from the originally expected estimates.

Inventories and provisions for guarantee claims are the assets and liabilities in the financial statements which are most strongly affected by this risk over a 12-month horizon. The depreciation parameters for inventories and provisions for guarantee claims are based on historical values and future assumptions. All relevant post balance-sheet circumstances known at the time of the preparation of the financial statements were taken into account.

NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

A breakdown of sales revenues by geographic markets is shown below:

1.
Sales

	2014 in € '000	2013 in € '000
Sales		
Domestic	178,371	178,002
Abroad	44,740	46,158
Total	223,111	224,160

2.
Changes in inventories
of finished goods and
work in progress

	2014 in € '000	2013 in € '000
Increase/decrease in inventories of finished goods and work in progress	- 1,088	- 931
Total	- 1,088	- 931

3.
Other own work
capitalised

	2014 in € '000	2013 in € '000
Own work capitalised wages	438	243
Total	438	243

4.
Other operating income

	2014 in € '000	2013 in € '000
Other operating income		
Insurance refund for hail damage	3,250	0
Income unrelated to accounting period	573	686
Bonifications from co-generation plant	444	444
Compensation in kind	330	362
Costs charged	260	199
Energy tax refunds	242	254
Minute reserves	125	209
Foreign currency income	96	59
Scrap revenues	83	123
Other insurance refunds	38	196
Other income	388	342
Total	5,829	2,874

Income from insurance refunds in the amount of € 3,250 thousand essentially relates to expenses for the repair of the properties damaged by hail in the previous year, which are shown under other operating expenses.

5.
Cost of materials

	2014 in € '000	2013 in € '000
Cost of materials		
Raw materials and supplies	84,688	84,870
Merchandise	16,789	16,256
Cost of services	7,694	7,653
Total	109,171	108,779

6.
Personnel expenses

	2014 in € '000	2013 in € '000
Personnel expenses		
Wages and salaries	58,355	57,785
Social security contributions	10,412	10,506
Expenses for pension costs and other benefits	1,028	1,008
Other social expenditure	1,009	960
Total	70,804	70,259

On an annual average, Westag & Getalit AG's staffing levels were as follows:

	2014 in € '000	2013 in € '000
Number of staff (excl. trainees)		
Employees	373	379
Industrial employees	853	852
Total	1,226	1,231

7.
Depreciation and
amortisation of
non-current assets

	2014 in € '000	2013 in € '000
Depreciation and amortisation of non-current assets		
Intangible assets	423	366
Tangible assets	9,565	9,700
Total	9,988	10,066

Depreciation of tangible assets includes write-downs for impairment in the amount of € 0 thousand (previous year: € 194 thousand).

8.
Other operating expenses

	2014 in € '000	2013 in € '000
Other operating expenses		
Freight out	10,627	10,690
External cost of repair and maintenance	4,438	5,524
External production labour and overhead	3,619	3,595
Hail damage repairs	3,186	0
Advertising and trade fair expenses	1,492	1,717
Insurance, contributions and fees	1,309	1,289
Legal and consulting fees including IT consulting	1,226	1,223
Travel and mileage allowance	563	605
Rent, lease, leasing costs	490	516
Car cost	476	577
Other personnel expenses	489	550
Postage, office supplies and telephone	471	542
Other expenditure (individual items under € 500 thousand)	1,152	1,392
Total	29,538	28,220

The external expenses of € 3,186 thousand for the repair of the properties damaged by hail in the previous year are offset by corresponding insurance refunds, which are shown under other operating income.

Other expenditure includes expenditures unrelated to the accounting period in the amount of € 248 thousand (2013: € 216 thousand) and losses from foreign currency translation in the amount of € 6 thousand (2013: € 37 thousand).

9.
Other taxes

	2014 in € '000	2013 in € '000
Other taxes	228	236
Total	228	236

Other taxes mainly comprise real property tax and vehicle license tax.

10.
Financial result

	2014 in € '000	2013 in € '000
Financial result		
Interest income	34	54
Income from long-term financial investments	2	3
Income from the investment in AKP Carat Arbeitsplatten GmbH	266	273
Interest expenses	- 5	- 5
Total	297	325

11.

Taxes on income

	2014 in € '000	% ^{*)}	2013 in € '000	% ^{*)}
Taxes on income				
Expected tax expenditure	2,657	30.0	2,734	30.0
Adjustments for prior years	- 31	- 0.3	- 1	0.0
Offsetting of foreign losses	- 38	- 0.4	0	0.0
Tax-free income from investments	- 76	- 0.9	- 78	- 0.8
Other tax effects	- 31	- 0.4	19	0.2
Total	2,481	28.0	2,674	29.4
^{*)} of net profit before income taxes in an amount of	8,858		9,111	

The above tax rates were estimated on the basis of the applicable tax rates. A corporate income tax rate of 15% plus a solidarity surcharge of 5.5% was assumed. Trade tax is based on local assessment rates of 403% for Wiedenbrück and 411% for Wadersloh.

Tax expenses are comprised as follows:

	2014 in € '000	2013 in € '000
Actual tax expenses	2,676	2,763
Deferred taxes resulting from the creation and reversal of temporary differences:		
Provisions for pensions	26	63
Non-current provisions for personnel	- 3	4
Special item with an equity portion	- 52	- 52
Value adjustment of fixed assets	- 166	- 104
Total	2,481	2,674

Deferred taxes were calculated on the basis of a tax rate of 30%.

12.

Result per share

	2014	2013
Result per share		
Net profit in €	6,376,955,08	6,437,382,48
Average holdings of ordinary shares	2,860,000	2,860,000
Average holdings of preference shares	2,549,172	2,549,172
Result per ordinary share in €	1,15	1,16
Result per preference share in €	1,21	1,22
Ordinary shares entitled to dividend	2,860,000	2,860,000
Preference shares entitled to dividend	2,549,172	2,549,172
Dividend per ordinary share in €	0,94	0,94
Dividend per preference share in €	1,00	1,00

NOTES TO THE BALANCE SHEET

13.
Non-current assets

The breakdown of the non-current asset items summarised in the balance sheet and their development throughout fiscal 2014 have been recorded in the respective notes to the balance sheet.

13.1
Intangible assets,
tangible assets and
financial assets

Tangible assets are encumbered with land charges in an amount of € 6,800 thousand. No actual drawing existed on December 31, 2014.

As of the balance sheet date, the Westag & Getalit AG held 49.0% of the shares in AKP Carat-Arbeitsplatten GmbH (AKP), Meiningen, which is an associated company. AKP has a nominal capital of € 65 thousand (2013: € 65 thousand). The company's equity capital amounted to € 3,369 thousand as of December 31, 2014 (2013: € 2,685 thousand). A net profit of € 1,227 thousand (2013: € 889 thousand) was generated in 2014.

13.2
Deferred tax assets

	2014 in € '000	2013 in € '000
Deferred tax assets		
Provisions	3,903	2,260
Special item with an equity portion	- 145	- 197
Fixed assets	- 1,259	- 1,425
Total	2,499	638

As of the reporting date, deferred tax liabilities of € 1,404 thousand (2013: € 1,622 thousand) were offset against deferred tax assets of € 3,903 thousand (2013: € 2,260 thousand).

14.
Current assets
14.1
Inventories

	2014 in € '000	2013 in € '000
Inventories		
Raw materials and supplies	16,514	16,295
Work in progress	3,703	4,428
Finished goods and merchandise	13,948	14,617
Total	34,165	35,340

In the fiscal year, inventories were written down and recognised in profit/loss in an amount of € 1,467 thousand (2013: € 1,026 thousand) in accordance with IAS 2.34. No impairments made in earlier years were revalued to historical cost in the fiscal year. No inventories were transferred as security by Westag & Getalit AG.

14.2
Receivables and
other assets

	2014 in € '000	2013 in € '000
Receivables and other assets		
Trade receivables	24,713	27,348
Receivables from associated companies	0	8
Other assets	1,494	1,578
Income tax receivables	1,598	2,140
Total	27,805	31,074

Receivables from associated companies result from the business relationships with AKP Carat-Arbeitsplatten GmbH and its subsidiary, WAV Carat-Arbeitsplatten GmbH. Westag has a direct and indirect influence on these companies. In fiscal 2014, goods in an amount of € 1,076 thousand (2013: € 1,039 thousand) were supplied to these companies and no goods were purchased from them as in the previous year.

	2014 in € '000	2013 in € '000
Accounts receivable		
Carrying amount	24,713	27,348
thereof not impaired as of the balance sheet date and due for less than 30 days	1,202	1,441
more than 30 days and less than 60 days	101	618
more than 60 days	398	947

The table below shows the changes in valuation allowances to cover a possible risk of default:

	2014 in € '000	2013 in € '000
Valuation allowances		
As of January 1	1,397	1,415
Addition	3	62
Use/Reversal	- 107	- 80
As of December 31	1,293	1,397

DEVELOPMENT OF NON-CURRENT INTANGIBLE ASSETS, TANGIBLE ASSETS AND FINANCIAL ASSETS

(in € '000)	Intangible assets	Tangible assets		
	Software, licenses and other industrial property rights	Land and leasehold rights and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment
Acquisition and production costs				
January 1, 2013	2,937	57,043	115,676	78,425
Additions	386	1,904	1,925	3,441
Disposals	4	0	207	1,132
Reclassifications	0	13	296	1,598
December 31, 2013	3,319	58,960	117,690	82,332
Additions	404	1,820	5,752	3,859
Disposals	70	38	962	1,382
Reclassifications	16	415	2,958	179
December 31, 2014	3,669	61,157	125,438	84,988
Accumulated depreciation				
January 1, 2013	2,023	35,952	85,546	67,433
Additions	366	1,442	4,767	3,491
Releases	4	0	207	1,078
December 31, 2013	2,385	37,394	90,106	69,846
Additions	424	1,310	4,823	3,431
Releases	70	0	934	1,292
December 31, 2014	2,739	38,704	93,995	71,985
Carrying amounts				
December 31, 2013	934	21,566	27,584	12,486
December 31, 2014	930	22,453	31,443	13,003

		Financial assets			
Payments on account and tangible assets in course of construction	Total	Shares in associated companies	Other loans	Total	Non-current assets Total
1,897	253,041	1,200	150	1,350	257,328
4,760	12,030	0	0	0	12,416
0	1,339	0	40	40	1,383
- 1,907	0	0	0	0	0
4,750	263,732	1,200	110	1,310	268,361
4,079	15,510	0	0	0	15,914
0	2,382	0	40	40	2,492
- 3,568	- 16	0	0	0	0
5,261	276,844	1,200	70	1,270	281,783
0	188,931	0	0	0	190,954
0	9,700	0	0	0	10,066
0	1,285	0	0	0	1,289
0	197,346	0	0	0	199,731
0	9,564	0	0	0	9,988
0	2,226	0	0	0	2,296
0	204,684	0	0	0	207,423
4,750	66,386	1,200	110	1,310	68,630
5,261	72,160	1,200	70	1,270	74,360

Losses of receivables totalled € 62 thousand in the fiscal year (2013: € 199 thousand).

The products shipped by the company are subject to retention of ownership.

Other assets are composed as follows:

	2014 in € '000	2013 in € '000
Other assets		
Suppliers with debit balances	615	799
Energy refunds	269	321
Receivables from supplier bonuses	331	179
Other	279	279
Total	1,494	1,578

Income tax receivables include claims under corporate income tax benefits in an amount of € 1,190 thousand (2013: € 1,584 thousand). These claims are discounted at a rate of 0.3% (2013: 0.5%) and paid out in equal instalments of € 399 thousand over a period of 10 years starting 2008. The corporate income tax benefit has a carrying amount of € 1,197 thousand (2013: € 1,596 thousand).

14.3 Cash and cash equivalents

	2014 in € '000	2013 in € '000
Cash and cash equivalents		
Current account balances	6,816	6,090
Time deposit and money market account balances	10,500	15,200
Total	17,316	21,290

As in the previous year, the company had unused cash credit lines totalling € 5.0 million. An amount of € 38 thousand (2013: € 131 thousand) was drawn against the existing bank guarantees totalling € 3.8 million as of the balance sheet date. No securities or bank balances were pledged or assigned as of the balance sheet date.

15. Equity 15.1 Subscribed share capital

	Number	2014 in € '000	2013 in € '000
Subscribed share capital (bearer shares)			
Ordinary shares	2,860,000	7,322	7,322
Preference shares	2,860,000	7,322	7,322
Total	5,720,000	14,644	14,644

The aim of our capital management efforts is to generate an appropriate return on equity employed on the basis of the existing good equity ratio. In accordance with the provisions of the German Stock Corporation Act (AktG) and the statutes, net profits generated are allocated to reserves or distributed to the shareholders in the form of a dividend.

Changes in equity are shown in the enclosed statement of changes in equity.

All of the company's shares are registered for trade and officially quoted at the Düsseldorf and Frankfurt stock exchanges. The ordinary shares are full voting shares, while the preference shares are non-voting. Preference shareholders receive a preferred dividend of € 0.12 per preference share out of the accumulated profit. If the distributable accumulated profit is not sufficient to pay out a dividend of € 0.12 per preference share, the deficit must be paid, without interest, out of the accumulated profit generated during the subsequent years in such a way that the older deficits are paid before the newer ones and the preferred amounts payable for the year out of the same year's profit are paid subsequent to the repayment of all deficits.

Subsequent to the distribution of a dividend of € 0.12 per ordinary share, the preference shareholders receive an extra dividend, which may not be paid retroactively, of € 0.06. Both preference and ordinary shareholders participate in a further distribution in the proportion of their prorated shares in the capital stock. The company reserves the right to issue further preference shares which, with respect to a distribution of profit or of company assets, are of equal rank over the existing non-voting preference shares.

On August 24, 2010, the Annual General Meeting authorised the Management Board to increase, by August 23, 2015 and with the Supervisory Board's approval, the capital stock once or several times, by way of issuing new bearer shares and/or non-voting preference shares by up to € 5,840,000 (approved capital I) in return for cash contributions or by € 1,460,000 (approved capital II). This authorisation also includes the entitlement to issue preference shares which, with respect to a distribution of profit or of company assets, are equal in rank with the existing non-voting preference shares.

We also state the following with regard to the capital and the statutes:

Gethalia Foundation c/o Prokurationsanstalt, Vaduz, Liechtenstein, has held 2,159,300 voting ordinary shares in the company since December 2013, when it took over the voting interests from Syntalit AG, Zug, Switzerland, a subsidiary of Gethalia Foundation. These shares represent 75.5% of the voting rights. No other direct or indirect shareholdings that exceed 10 % of the voting rights were reported to the company or are known to the Management Board.

Shares with special rights that grant controlling powers do not exist. To the company's knowledge, employees only hold preference shares in the company. The members of the company's Management Board are appointed and dismissed by the Supervisory Board in accordance with section 84 of the German Stock Corporation Act (AktG).

Pursuant to section 179 of the German Stock Corporation Act (AktG), amendments to the statutes require a majority of at least three quarters of the share capital represented at the Annual General Meeting. The statutes do not include any provisions that deviate from this clause.

Based on a resolution adopted by the ordinary Annual General Meeting of August 24, 2010, the Management Board is authorised to repurchase own shares as defined in section 71 para. 1 No. 8 of the German Stock Corporation Act (AktG) until August 23, 2015.

No agreements exist which come under the condition of a change of control due to a takeover bid. Compensation agreements have not been concluded with the members of the Management Board or employees in the event of a takeover bid.

15.2 Capital reserve

	2014 in € '000	2013 in € '000
Capital reserve	24,399	24,399
Total	24,399	24,399

The capital reserve mainly consists of the premiums of earlier capital increases.

15.3 Revenue reserves

	2014 in € '000	2013 in € '000
Revenue reserves		
Legal reserves	596	596
Other revenue reserves	60,115	59,715
Total	60,711	60,311

Revenue reserves contain the past results of Westag & Getalit AG to the extent they have not been distributed. They also include negative changes in equity with no impact on profit or loss, which result from the adoption of IFRS.

In fiscal 2014, € 400 thousand (2013: € 800 thousand) were allocated to the revenue reserves in accordance with section 58 para. 2 of the German Stock Corporation Act (AktG).

15.4
Accumulated profit

	2014 in € '000	2013 in € '000
Development of the balance sheet item		
As of January 1	7,711	6,971
Dividend payout	- 5,238	- 5,238
Net profit	6,377	6,437
Other comprehensive income	- 3,885	341
Addition in accordance with section 58 para, 2 AktG	- 400	- 800
As of December 31	4,565	7,711

Own shares (310,828 shares; 2013: 310,828 shares) in an amount of € 3,844 thousand (2013: € 3,844 thousand) held on the balance sheet date were netted with the accumulated profit without any impact on the operating result.

Other comprehensive income comprises income and expenses directly recognised in equity and represents actuarial gains/losses from defined benefit pension plans in the amount of € -5,550 thousand (previous year: € 487 thousand) taking into account deferred taxes of € 1,665 thousand (previous year: € -146 thousand).

16.
Non-current liabilities
16.1
Pension provisions

	2014 in € '000	2013 in € '000
Changes in the balance sheet item		
As of January 1	19,147	19,426
Current expenditure as detailed below	987	984
Current pension payments	- 802	- 776
Change in actuarial gains/losses	5,550	- 487
As of December 31	24,882	19,147

The present value of the benefit obligations is not fund-financed.

Breakdown of the benefit obligation:

	2014 in € '000	%
Active employees	12,008	48.2
Retired employees with vested entitlements	686	2.8
Pension recipients	12,188	49.0
As of December 31	24,882	100.0

The statement of comprehensive income of fiscal 2014 includes the following expenses for pension obligations as personnel expenses:

	2014 in € '000	2013 in € '000
Current service cost	331	356
Interest expenses	656	628
Total	987	984

The changes in actuarial gains/losses are shown below:

	2014 in € '000	2013 in € '000
As of January 1	4,346	4,833
Changes in financial accounting assumptions	5,282	- 631
Experience adjustments	268	144
As of December 31	9,896	4,346

The changes in actuarial gains/losses are shown in the statement of comprehensive income as other comprehensive income in the sum total of income and expenses directly recognised in equity.

The amount of provisions is calculated using actuarial methods based on the following assumptions:

	2014 in %	2013 in %
Discount factor (p.a.)	2.10	3.50
Anticipated income growth (p.a.)	–	–
Rate of pension progression (p.a.)	2.00	2.00

A change in the above assumptions used to calculate the pension provisions as of the balance sheet date would have the following effects on the obligation:

		Effects in € '000	Effects in € '000
Biometric accounting			
Change in life expectancy	used	- 1 year	+ 1 year
	RT 2005 G	- 758	771
Financial accounting			
Change in the discount factor	used	- 100 bps	+ 100 bps
	2.10 %	5,273	- 3,970
Change in the salary trend	used	- 50 bps	+ 50 bps
	–	–	–
Change in the pension trend	used	- 25 bps	+ 25 bps
	2.00 %	- 775	813

We intend to continue financing the pension obligations via provisions and to make the pension payments from the company's operating cash flow. Investing free cash flow in the company should secure adequate interest income on the capital employed in the medium and long term to cover uncovered pension risks.

We project service costs and interest expenses of € 997 thousand for the fiscal year 2015. The maturity profile from the benefit obligations for future fiscal years is:

2015 in € '000	2016 in € '000	2017 in € '000	2018 in € '000	2019 in € '000	2020–2024 in € '000
842	839	834	835	826	4,233

The pension obligation has a weighted average maturity of approx. 18.8 (2013: 16.6) years.

16.2
Other non-current
provisions

in € '000	Provisions for personnel	Other provisions	Non-current provisions Total
As of January 1, 2013	579	903	1,482
Use	57	594	651
Reversal	0	0	0
Addition	11	592	603
As of December 31, 2013	533	901	1,434
As of January 1, 2014	533	901	1,434
Use	74	659	733
Reversal	0	0	0
Addition	68	674	742
As of December 31, 2014	527	916	1,443

Non-current provisions essentially include the non-current portion of the provisions for complaints and guarantees as well as the provisions for anniversary benefits. The current portion of the anniversary provisions amounts to € 55 thousand (previous year: € 50 thousand).

17.
Current liabilities
17.1
Trade payables

	2014 in € '000	2013 in € '000
Trade payables	7,973	9,801
Total	7,973	9,801

All trade payables are current liabilities, which are subject to the usual retention of ownership of the suppliers. Trade payables are due within one year and non-interest-bearing.

17.2
Other current liabilities

	2014 in € '000	2013 in € '000
Other non-current liabilities		
Bonuses due to customers	9,034	8,350
Liabilities to employees	4,598	4,632
Insurance payments	0	2,626
Income tax on wages and salaries	1,439	1,413
Value-added tax	507	711
Income tax liabilities	266	0
Debtors classed as creditors	129	123
Advance payments received	33	35
Others	911	1,035
Total	16,917	18,925

The insurance payments of the previous year relate to hail damage caused at the Rheda-Wiedenbrück plant in summer 2013 and were made prior to the balance sheet date for the repair of the damage. The insurance payments were used in full.

Other current liabilities are due within one year and non-interest-bearing.

17.3
Current provisions

	Guarantee obligations in € '000
As of January 1, 2013	602
Use	396
Reversal	0
Addition	394
As of December 31, 2013	600
As of January 1, 2014	600
Use	439
Reversal	0
Addition	450
As of December 31, 2014	611

The provision was established for the temporary use of guarantee obligations.

OTHER INFORMATION

18.
Additional notes to
the balance sheet
18.1
Additional disclosures
on financial instruments

As at the balance sheet date, Westag & Getalit AG exclusively held original financial instruments. On the assets side, they relate to financial assets and primarily comprise other non-current loans, receivables and other assets as well as liquid funds and are recognised at amortised cost in accordance with the respective classification (held-to-maturity financial assets or loans and receivables). On the liabilities side, financial instruments relate to financial liabilities measured at amortised cost (trade payables, other current liabilities). The original financial instruments held by the company are stated in the balance sheet; the amount of the financial assets is equivalent to the maximum default risk.

For information on the changes in valuation allowances and maturities, please refer to the explanations provided under the balance sheet item "Receivables and other assets".

For liquid funds and other short-term original financial instruments, the carrying amounts represent an adequate approximation of the fair values.

Net interest income from financial assets amounted to € 24 thousand (2013: € 47 thousand).

Westag & Getalit AG is exposed to moderate financial and currency risks related to purchases and sales in foreign currency. These risks are mitigated in individual cases and on a small scale through the use of exchange rate hedges, while keeping an eye on anticipated exchange rate trends. In the fiscal year 2014, only sales in the UK in local currency were hedged by foreign exchange transactions in the course of the year, while the exchange rate risk on the purchasing side was mitigated by the simultaneous acquisition of US dollars.

In view of the foreign currency business volume, the company currently believes that changes in exchange rates will have no significant impact on the result for the period. In order to eliminate default risks, we have taken out insurance cover for most of our accounts receivable.

As of the balance sheet date, the company held no derivative financial instruments to hedge future payments.

18.2 Segment reporting

The company is divided into individual operating product units (divisions) and a central division, which provides general services and supplies energy. The divisions form the basis for the internal reports used by management to steer the company (management approach). Services provided between the divisions are charged at transfer prices.

Given that a disclosure of the divisional results might put the company at a material competitive disadvantage, the segment results are not broken down into divisions but, as in the previous years, into regions by customers domiciled in Germany and abroad (primary reporting format).

	Domestic in € '000	Abroad in € '000	Westag total in € '000
Fiscal 2014			
Sales	178,371	44,740	223,111
Profit contribution	45,022	11,846	56,868
Fixed cost	37,456	10,554	48,010
Result	7,566	1,292	8,858
Fiscal 2013			
Sales	178,002	46,158	224,160
Profit contribution	45,919	12,265	58,184
Fixed cost	38,492	10,581	49,073
Result	7,427	1,684	9,111

	Domestic in € '000	Abroad in € '000	Westag total in € '000
Fiscal 2014			
Segment assets	135,745	20,400	156,145
Segment liabilities	45,055	6,771	51,826
Segment investments	13,835	2,079	15,914
Segment depreciation	8,683	1,305	9,988
Fiscal 2013			
Segment assets	135,035	21,937	156,972
Segment liabilities	42,933	6,974	49,907
Segment investments	10,681	1,735	12,416
Segment depreciation	8,659	1,407	10,066

Segment assets include all operating assets used by a segment, in particular non-current assets, inventories, receivables as well as cash and cash equivalents. Segment liabilities comprise all operating liabilities and consist primarily of liabilities and provisions. Segment investments include all investments in non-current operating assets.

The breakdown into segments is largely based on the respective shares in total sales, unless a direct allocation is possible.

The following complementary information is provided at divisional level (secondary reporting format):

in € '000	Surfaces/ Elements	Doors/ Frames	Other	Westag total
Fiscal 2014				
Sales	97,957	118,264	6,890	223,111
Segment investments	6,690	8,012	1,212	15,914
Segment assets	68,605	60,786	26,754	156,145
Fiscal 2013				
Sales	102,955	114,691	6,514	224,160
Segment investments	5,927	4,644	1,845	12,416
Segment assets	68,533	61,010	27,429	156,972

As the Laminates/Elements Division and the Plywood/Formwork Division were merged into the Surfaces/Elements Division with effect from the beginning of the fiscal year 2014, the presentation for the previous year has been adjusted.

18.3 Other financial obligations

They are composed as follows:

	2014 in € '000	2013 in € '000
Other financial obligations		
Purchase commitments	751	9,066
Gas purchase contracts	1,074	1,870
Electricity purchase contracts	918	1,684
Rental and lease contracts	697	956
Other financial obligations	85	88
Total	3,525	13,664

Payments in an amount of € 2,414 thousand (2013: € 10,862 thousand) will have to be made under the existing obligations in the next 12 months.

The rental and lease contracts include an "Erbbaurecht" (leasehold) with a remaining term of 59 years in an amount of € 187 thousand (2013: € 187 thousand), which is discounted at a rate of 5%.

18.4**Related party disclosures**

Related parties as defined in IAS 24 are:

- Gethalia Foundation
- Management Board of Westag & Getalit AG
- Supervisory Board of Westag & Getalit AG
- AKP Carat-Arbeitsplatten GmbH as an associated company as well as its subsidiaries
- masline GmbH and WAV Carat-Arbeitsplatten GmbH

According to a notification from Syntalit AG, Zug, Switzerland, and Gethalia Foundation, Vaduz, Liechtenstein, dated December 18, 2006, Syntalit AG's voting interest in our company amounted to 75.5%. These voting rights were attributable to Gethalia Foundation pursuant to section 22 para. 1 sentence 1 No. 1 of the German Securities Trading Act (WpHG). In a letter dated December 23, 2013, the two companies informed us that the 75.5% of the ordinary shares and, hence, the voting interests in Westag & Getalit AG were transferred to Gethalia Foundation on December 23, 2013. In a letter dated January 16, 2014, Syntalit AG additionally informed us that its voting interest in Westag & Getalit AG has amounted to 0.0% since the transfer on December 23, 2013. Since then, we have received no further notifications of a reportable change in shareholdings.

With regard to our relationships with affiliated companies, we would like to point out that we did not conduct any legal transactions with Gethalia Foundation. The respective report required under section 312 of the German Stock Corporation Act (AktG) concludes with the following declaration: „Transactions which are subject to reporting requirements did not take place.“

With regard to the compensation of the Management Board and the Supervisory Board as well as the relationships with AKP Carat-Arbeitsplatten GmbH, please refer to note 14.2 "Receivables and other assets" and note 18.6 "Management Board and Supervisory Board compensation".

18.5

Bodies of the company

MANAGEMENT BOARD**Wilhelm Beckers**

Graduate process engineer
Chairman of the Management Board
Head of the Doors/Frames Division
Herzebrock-Clarholz

Bernhard Wenninger

Graduate economist
Management Board Spokesman
Director Central Divisions
Rheda-Wiedenbrück

Markus Sander

Graduate engineering manager
Director Surfaces/Elements Division
Management Board member (until
December 31, 2014)
Herford

SUPERVISORY BOARD**Pedro Holzinger**

Businessman,
Rheda Wiedenbrück
Chairman

Klaus Pampel

Managing Director of Hüttenes-Albertus
Chemische Werke GmbH, Meerbusch
Vice Chairman

Jürgen Heite

Managing Director of Thyssen'schen
Handelsgesellschaft m.b.H., Meerbusch

Dr. Joachim Schönbeck

Graduate engineer
Management Board member of Andritz AG,
Krefeld

Dietmar Lewe*

Industrial Timber Processing Master
Chairman of the works council, Rietberg

Reinhard Grewe*

Member of the works council freed from
work, Rheda-Wiedenbrück
(until August 26, 2014)

Heinz-Georg Großerothde *

Printer, Rheda-Wiedenbrück
(since August 26, 2014)

* Employee representative

Dr. Joachim Schönbeck is member of the Supervisory Board of the following companies: Jaybee Eng. (Holdings) Pty. Ltd., Australia; ANDRITZ Pty. Ltd., Australia; ANDRITZ Paper Machinery Ltd., Canada; ANDRITZ Oy, Finland; ANDRITZ AB, Sweden; ANDRITZ Inc., USA; ANDRITZ Energy & Environment GmbH, Austria. Inc., USA; ANDRITZ Energy & Environment GmbH, Österreich.

18.6 Management Board and Supervisory Board compensation

	2014 in € '000	2013 in € '000
Total Supervisory Board compensation	68	66
Total Management Board compensation	1,031	1,087
Total compensation received by former Management Board members and their surviving dependants	547	375
Pension provisions for former Management Board members and their surviving dependants as well as for active Management Board members	6,098	5,221
Service cost for the Management Board and the Supervisory Board included in pension provisions	175	0
Consulting services (Supervisory Board members)	64	60

No advances, loans, guarantees or warranties are granted to members of the Supervisory Board and the Management Board.

At the Annual General Meeting on August 24, 2010, a majority of over three quarters of the capital represented decided that the information on the Management Board compensation pursuant to section 285 No. 9a sentence 5 – 8 HGB and sections 315a para. 1, 314 para. 1 N. 6 sentence 5 – 8 HGB for the fiscal years 2010 to 2014 need not be disclosed.

19. Corporate Governance Code

Westag & Getalit AG has issued the Declaration of Conformity regarding the recommendations made by the Government Commission on the German Corporate Governance Code that is required under section 161 of the German Stock Corporation Act (AktG) and has given shareholders access to this declaration via the Internet.

20. Total fee charged by the auditors for the fiscal year

The total fee charged by the auditors for the fiscal year breaks down as follows:

	2014 in € '000	2013 in € '000
Auditor's fee		
Audit	112	112
Tax consulting services	38	38
Other services	33	33
Total	183	183

Expenses amounted to € 24 thousand (2013: € 24 thousand).

21.
Translation to IFRS 1
21.1
Equity reconciliation
HGB-IAS/IFRS

	2014 in € '000	2013 in € '000
Equity reconciliation HGB		
Equity according to HGB	111,047	110,644
Deferred taxes	2,883	1,534
Special item with an equity portion	482	655
Provisions for pensions	- 10,093	- 5,768
Equity according to IAS/IFRS	104,319	107,065

21.2
Net profit reconciliation
HGB-IAS/IFRS

	2014 in € '000	2013 in € '000
Net profit reconciliation HGB		
Net profit according to HGB	5,641	6,087
Other operating income	- 173	- 173
Personnel expenses	287	- 256
Interest expenses	739	731
Extraordinary result	199	199
Taxes on income	- 316	- 151
Net profit according to IAS/IFRS	6,377	6,437

22.
Events after the
balance sheet date

No events affecting the net assets, financial position and results of operations occurred after the balance sheet date.

23.
Proposal regarding the appropriation of the accumulated profit

The 2014 accumulated profit according to HGB amounts to € 11.770 thousand and is composed as follows:

	2014 in € '000
Net profit 2014	5,641
Retained earnings brought forward	6,529
Allocation to other revenue reserves in accordance with section 58 (2) AktG	- 400
Accumulated profit	11,770

We submit to the Annual General Meeting the following proposal regarding the appropriation of the accumulated profit:

	2014 in € '000
Distribution of a dividend of € 0,94 € per ordinary share	2,689
Distribution of a dividend of € 1,00 € per preference share	2,549
	5,238
Residual profit to be brought forward to new account	6,532
Accumulated profit	11,770

Ordinary shares consist of 2,860,000 no par shares and preference shares consist of 2,549,172 no par shares.

For the proposal regarding the appropriation of the accumulated profit, the number of own shares held at the time of preparation of the balance sheet (310,828 share certificates) was deducted from the total number of preference shares.

24.
Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of Westag & Getalit AG.

Rheda-Wiedenbrück, February 20, 2015

Westag & Getalit Aktiengesellschaft
The Management Board

Beckers Wenninger

AUDITORS' REPORT (IFRS)

We have audited the separate financial statements - comprising the balance sheet, statement of comprehensive income, statement of changes in equity, cash flow statement and the notes - together with the bookkeeping system and the management report prepared by Westag & Getalit Aktiengesellschaft, Rheda-Wiedenbrück, for the fiscal year from January 1 to December 31, 2014. The preparation of the financial statements and the management report in accordance with the IFRS as adopted by the EU and the supplementary provisions of German Commercial Law required to be applied under section 324a of the German Commercial Code (HGB) and the supplementary provisions of the company's statutes is the responsibility of the company's management. Our responsibility is to express an opinion on the financial statements and the management report based on our audit.

We conducted our audit of the separate financial statements in accordance with section 317 of the German Commercial Code (HGB) and German generally accepted audit standards for the audit of financial statements promulgated by the „Institut der Wirtschaftsprüfer in Deutschland e.V.“ (IdW). Those standards require that we plan and perform the audit in such a way that misstatements materially affecting the presentation of the net assets, financial position, and results of operation in the financial statements in accordance with the applicable financial reporting standards and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the financial statements and the management report are examined primarily on a test basis as part of the audit. The audit includes an evaluation of the accounting principles applied and the significant estimates made by the management, as well as evaluating the overall presentation of the financial statements and the management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations except for the following: In contrast to the provisions of IFRS 8 “Operating Segments”, the division of the operating segments and the report on the segment results, the segment assets and the segment liabilities in both the separate financial statements to IFRS and the interim report were not made on the basis of the company's internal reporting and control system and the criteria stipulated in IFRS 8, as the company believes that the disclosure of such information would cause material damage compared to its competitors who are not obliged to disclose such information. Insofar, the accounts do not give a true and fair view of the net assets, financial position and results of operation of the segments to be established pursuant to IFRS 8.

On the basis of the knowledge we have gained during the audit, the separate financial statements, save for the above reservation, comply with IFRS as adopted in the EU and the supplementary provisions of German commercial law to be applied in accordance with section 324a of the German Commercial Code (HGB) as well as the supplementary provisions of the company's statutes as well as with IFRS in general and the general accepted accounting principles and give a true and fair view of the net assets, financial position and result of operations of the company in accordance with these requirements. The management report is consistent with the financial statements, provides an appropriate view of the company's position and appropriately presents the opportunities and risks of future development.

Hannover, February 27, 2015

Peters & Partner GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Michael Peters
Auditor

Rolf Roter
Auditor

BALANCE SHEET AS OF DECEMBER 31, 2014 (ACCORDING TO HGB)

Assets	December 31, 2014 in € '000	December 31, 2013 in € '000
A. Assets		
I. Intangible assets		
Purchased software, licenses and other industrial property rights	930	934
II. Tangible assets		
Land and leasehold rights and buildings, including buildings on third-party land	22,453	21,566
Plant and machinery	31,443	27,584
Other fixtures and fittings, tools and equipment	13,003	12,486
Payments on account and tangible assets in course of construction	5,261	4,750
	72,160	66,386
III. Financial assets		
Equity investments	1,200	1,200
Other loans	70	110
	1,270	1,310
	74,360	68,630
B. Current assets		
I. Inventories		
Raw materials and supplies	16,514	16,295
Work in progress	3,703	4,428
Finished goods and merchandise	13,949	14,617
	34,166	35,340
II. Accounts receivable and other assets		
Accounts receivable	24,713	27,348
Receivables from companies in which an interest is held	0	8
Other assets	3,006	3,584
	27,719	30,940
III. Cheques, cash on hand and cash in other bank accounts	17,316	21,290
	79,201	87,570
C. Prepaid expenses	86	134
Total assets	153,647	156,334

Liabilities	December 31, 2014 in € '000	December 31, 2013 in € '000
A. Capital stock		
I. Subscribed capital		
Ordinary shares	7,322	7,322
Preference shares		
Subscribed capital	7,322	7,322
Own shares	- 797	- 797
	6,525	6,525
	13,847	13,847
II. Capital reserve	24,367	24,367
III. Revenue reserve		
Legal reserve	596	596
Other revenue reserves	60,467	60,067
	61,063	60,663
IV. Accumulated profit	11,770	11,767
	111,047	110,644
B. Special item with an equity portion	482	655
C. Provisions		
Provisions for pensions and similar obligations	14,790	13,380
Other provisions	14,262	13,770
	29,052	27,150
D. Liabilities		
Advances from customers	33	35
Accounts payable	7,973	9,801
Other liabilities	4,676	7,154
	12,682	16,990
E. Deferred taxes	384	895
Total liabilities	153,647	156,334

PROFIT AND LOSS ACCOUNT - FINANCIAL YEAR 2014 (ACCORDING TO HGB)

	2014 in € '000	2013 in € '000
Sales revenues	223,111	224,160
Decrease in finished goods, inventories and work in process	- 1,088	- 931
Other own work capitalised	438	243
	222,461	223,472
Other operating income	6,002	3,046
Cost of materials		
Cost of raw materials, consumables and supplies, and of purchased materials	- 101,477	- 101,126
Cost of purchased services	- 7,694	- 7,653
	- 109,171	- 108,779
Personnel expenses		
Wages and salaries	- 58,355	- 57,785
Social security and other pension costs, thereof in respect of old-age pensions	- 12,736	- 12,218
	- 71,091	- 70,003
Depreciation of intangible fixed assets and tangible assets	- 9,988	- 10,066
Other operating expense	- 29,538	- 28,220
Income from equity investments	266	273
Income from other investments and long-term loans	2	3
Other interest and income	34	54
Interest and similar expenses	- 744	- 736
Result from ordinary activities	8,233	9,044
Extraordinary expenses	- 199	- 199
Extraordinary result	- 199	- 199
Taxes on income	- 2,165	- 2,523
Other taxes	- 228	- 235
	- 2,393	- 2,758
Annual net profit	5,641	6,087
Previous year's appropriated retained earnings brought forward	6,529	6,480
Transfer to other revenue reserves	- 400	- 800
Accumulated profit	11,770	11,767

AUDITORS' REPORT (HGB)

Peters & Partner GmbH, Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Hannover have issued an unqualified audit certificate for the full financial statements to HGB of Westag & Getalit AG for the period ended December 31, 2014, which comprise the balance sheet, profit and loss account, notes, cash flow statement and statement of changes in equity, as well as the accounts and the management report for the fiscal year 2014.



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Diverse designs ensure that our doors and frames fit perfectly into any environment.



FINANCIAL CALENDAR**

March 24, 2015	Press release Report on the results of the fiscal year 2014
March 27, 2015	Publication of Financial Report 2014 (on the Internet)
May 12, 2015	Report on the first three months of 2015
August 11, 2015	Interim report on the first six months 2015
August 18, 2015	Annual General Meeting in Rheda-Wiedenbrück
September 1, 2015	Presentation of Westag & Getalit AG at the Small Cap Conference in Frankfurt/Main
November 10, 2015	RReport on the first 9 months of 2015

* For updates refer to:
www.westag-getalit.de/financial-calendar

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