ANNUAL REPORT 2015

OLE, A LIFE STORY

What we stand for

We protect and improve human health all over the world, guided by our values: innovation, efficiency and sustainability. Through a constructive dialogue with our partners and users, we develop effective solutions and trendsetting standards for the healthcare industry.

We work every day with physicians, nurses and hospital administrators with one clear goal:

We are working to improve lives.

After all, health as well as high-quality healthcare mean a high quality of life. For millions of patients in hospitals, medical practices and nursing facilities, for billions of people worldwide, in their personal environments and everyday routines.

For each and every one of us.

That is why, in this annual report, we tell the story of the life of Ole, a story that illustrates how we work with our partners to protect and improve people's health and lives.

OLE + B. BRAUN

For the sake of simplicity, the masculine form will be used exclusively to refer to employees and customers in this annual report. Of course, both genders are intended.

Discover B. Braun's annual report on your PC, tablet or smart phone and view additional informational graphics and videos.

www.bbraun.com/ole

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→ from left

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FOREWORD

FOR LIFE

Dear Reader,

2015 was an eventful year for B. Braun. An important driver was our "Strategy 2020" initiative: As a "System Partner in Healthcare," we want to better our understanding of our customers' issues and collaborate with them to develop appropriate and innovative solutions.

The foundation of this partnership is based upon more than 5,000 products and 120,000 SKUs, as well as services for 18 therapy fields and applications. In other words, the full range of what B. Braun has to offer. Our intentions and goals are quite clear: We seek to develop and implement safe and effective solutions that will simplify the daily routine in hospitals, medical practices, and home care. We innovate and develop more efficient processes to create new standards in protecting and improving human health.

We have several examples to report on from 2015. The acute dialysis machine OMNI not only supports renal function, but also treats other serious illnesses. Our Cyto-Set® facilitates the preparation and administration of cytostatic drugs in chemotherapy, and its intuitive design minimizes the risk of contamination from improper use. Other noteworthy pilot projects include the MRSA decolonization before endoprosthetic procedures in cooperation with hospitals in Kassel and Bremen. The activ® L artificial disc became the first lumbar disc prosthesis approved in the US market with a sophisticated motion system, creating an alternative to spinal fusion.

In its 176-year history, B. Braun has always been preparing for the future by setting the right course early on. This is also how we have approached today's buzzword, "digitization." Ten years ago we introduced a fully IT-supported production with our LIFE factory for standard IV solutions. And we plan to continue to capitalize on synergies and develop new potential by harmonizing global processes.

In 2015 we hosted the "16th Career Day for Family-Owned Businesses" in Germany. We were recognized as "Best Employer" in Hungary and were honored with the "Investor in People Award" in the United Kingdom. We also celebrated the 20th anniversary of the Aesculap Academy and the dedication of the Innovation Factory, the largest investment project in the history of our Aesculap organization. Additionally, our fellow employees, the workers' council, and management provided assistance to victims of natural disasters in Nepal and China, as well as for the refugees in Europe. These are some fine examples of how engaged and committed our employees are, indicating a promising future.

The Management Board of B. Braun Melsungen AG is pleased with the company's financial performance in 2015. B. Braun's revenues increased by 12.9 percent, exceeding our projections. This remarkable performance was only possible through the dedicated efforts of and trustful cooperation with our fellow employees, and for that I would like to extend my sincere gratitude to all 55,719 members of our B. Braun organization.

In the coming year, we will continue to conduct our business as a "system partner" and serve people all over the world by trusting in the principles which have made us successful since 1839: to act responsibly at all times and with our "Sharing Expertise" philosophy to improve healthcare today and tomorrow. We, of course, intend to maintain our successful course. Our goal is to grow our revenues by five to seven percent annually and to exceed sales of 8 billion euros by the year 2020. We are all engaged and committed to this goal.

2015 was definitely an eventful year for each and every one of us. There were personal highlights as well as distressing moments. Life is motivating. It tests us, and even surprises us at times. Life can be challenging, but we are convinced that together and in unity we will thrive. This is exactly what we want to express with Ole's story in this annual report.

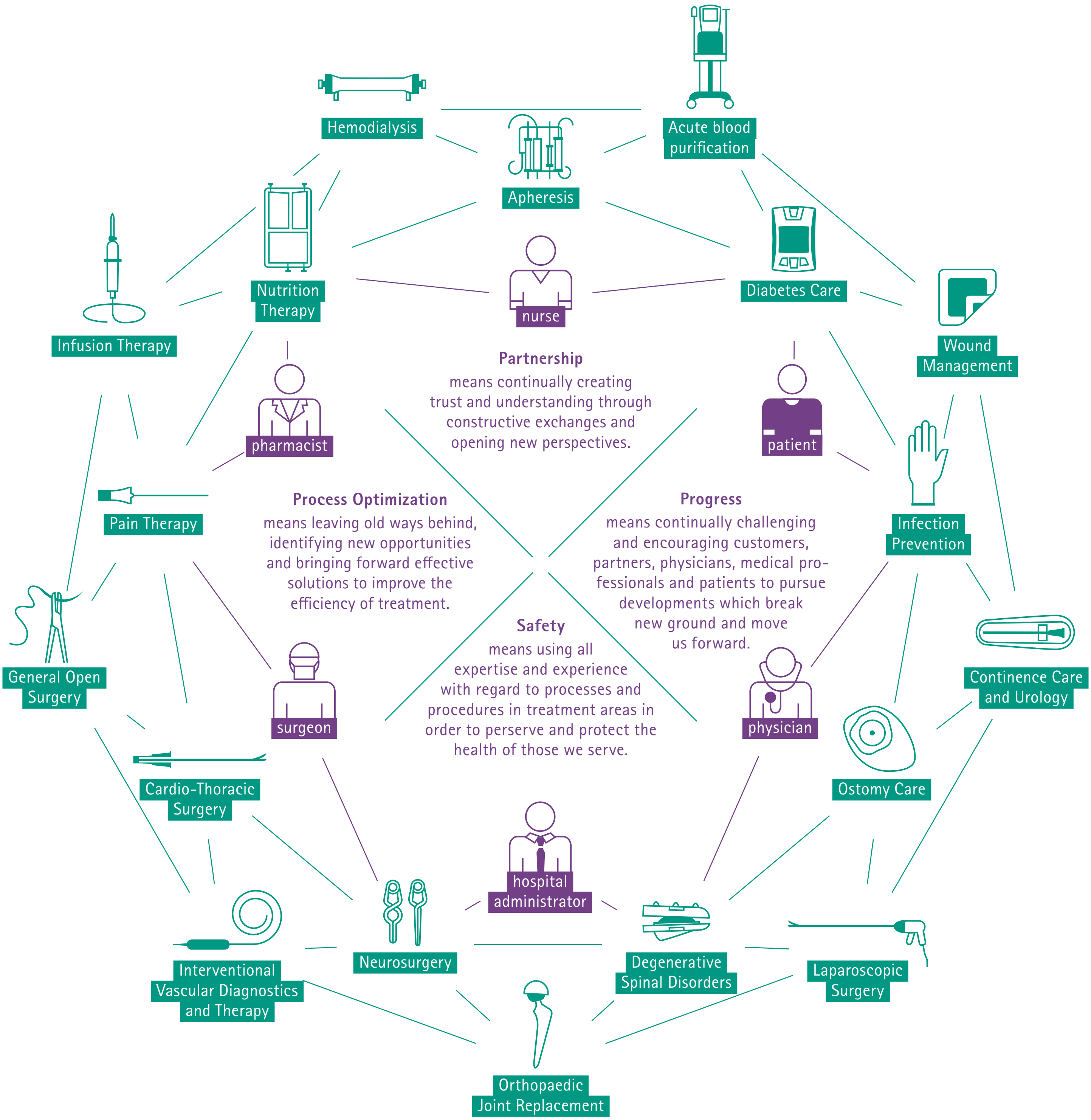
Ole, the central character of this year's annual report, is a family man from Munich who has opened his private photo album to tell us about his life. Ole is not a fictitious character. He is a real person, and he serves as an example of the richness of life that we work for every day at B. Braun. I invite you to discover the many aspects of Ole's life in this annual report, and hope you will find it enjoyable and interesting!

With kind regards,

Prof. Dr. Heinz-Walter Große
Chairman of the Management Board of B. Braun Melsungen AG

SHARING EXPERTISE

CONNECTING PARTNERS AND EXPERTISE



Ole

If someone asks me what I do, I always stammer a bit. I do … a lot of very different things. I'm a journalist and an author, an event manager for a TV station and, in the winter, I organize ski camps. Sound hectic? It is!

There's also a lot going on at home. I have two sons with my wife Maren, she's a gymnastics teacher: Jan is eleven and Till is seven. I'm happy that we live in the suburbs and have a garden. The boys can run around there. When we moved to the suburbs twelve years ago from our home in downtown Munich, I was afraid that I would get bored. But now, I enjoy small-town life. Three old taverns, two good butchers, a baker who still bakes his own bread. And the city isn't far. Maren and I often go downtown to eat at a restaurant or see a movie. Not long ago, we were at the exhibit for the fashion designer Jean-Paul Gaultier.

My wife and I think alike; there's just one area where we have fundamental differences: exercise. For Maren, it always has to be short and sweet: full-speed ahead a while and then done. She's a sprinter, what do you expect? We both played rugby when we were young, but today I'm more interested in the long haul. I like things to be more relaxed, whether I'm swimming, running or cycling. At least I've been able to get Maren interested in cycling more often lately. Maybe we can make exercising together work after all.

At 41, of course, I can no longer lead the wild and exciting life of a student. But there are also advantages to being older. I'm calmer. I know what I want in life. I'm thankful for everything I have: health, a good job, a great family. I know that not everyone has these things.

First name: Ole | **Age:** 41
Family status: Married, two children | **Profession:** Journalist | **Place of residence:** Munich
Hobbies: Travel, skiing, hiking, photography | **Outlook:** Optimistic

The Power of Youth

My parents were crazy about sports, my siblings too. When I think of my childhood, I was never sitting around quietly. I was swimming, doing gymnastics, skiing. I just wanted to push myself to the limit all the time. And I'm still that way to this day.

1991

Free Time

You learn a lot
playing rugby. You learn,
for example, that
you can't just keep
banging your head against
the wall.

Playing sports is the best way to learn about life. It teaches you about team spirit, but also how to improve yourself. And all the while having fun. You may get a few injuries, but no more than that. Maybe it's no coincidence that my wife Maren used to play rugby. I like people who can fight for something.


MÜNCHEN
CLUB

1991 – Into the scuffle

Almost every child in Germany plays soccer. But I've always had different tastes. As a child, I used to swim at the club. It was competitive swimming, training five times a week, later ten times a week, with meets on the weekends. At 17, I got bored and started playing rugby. Heidelberg, the city where I grew up, is a center for rugby. There was a rugby team at my school that was training for a long tour in Scotland. I wanted in.

Rugby is a cool sport: fast, tactically complex and very physically challenging. I would always take it to the limit. You run, throw and fight. Some opponents were a head taller than me and twenty kilograms heavier. Stopping them at top speed takes technique, courage and concentration. The times I was able to do it, I got the feeling after the game that no one can beat me. It's intense, for sure. But it's not a brutal sport. If you foul someone, you apologize immediately. Unlike in football, no one complains to the referee or sulks around. After the game, you go drink a beer with the opposing team and have a good time.

Like any other sport, people sometimes get injured playing rugby. I played in the first and second Bundesliga and there were times when my teammates would suffer torn ligaments or injure their ribs. I myself have never had a serious injury. But of course I used to scrape my knee or my elbow now and then. And I often suffered lacerations. My teammates always used to say: "Ole plays with his head." They didn't mean that I was a tactical genius or anything. Instead, they were making fun of the fact that I used to throw myself into every scuffle without hesitation, take an elbow or a knee to the chin or the back of the head, and just like that I would be bleeding again. Home games were better for me because the hospital was just 150 meters away from the edge of the playing field. The doctors always sewed or stapled me right up. When I was young and stupid, I used to show off my scars like they were trophies. Today, I'm happy that you can barely see them anymore.

Modern wound treatment - faster healing

More exercise, more injuries
The less strenuous work becomes, the more people want to be physically active in their free time. 60 percent of Americans, 67 percent of Chinese and about half of Germans exercise regularly.[1] This makes sense, since a lack of physical activity poses a major health risk: according to World Health Organisation (WHO) data, 3.2 million people die every year worldwide as a result of insufficient exercise.[2] Physical activity strengthens the cardiovascular system, helps immune defense, results in stronger muscles and tendons and is also good for the soul. Because of these great benefits, people are willing to accept the risk that those participating in sports will suffer injuries as a result of falls or collisions with opposing players. Typical wounds include bruises, which heal on their own, as well as minor scrapes, whose treatment requires only a disinfectant ointment and a bandage. Lacerations, broken bones and torn ligaments do require medical treatment.

History of wound care
The history of wound care is as old as mankind itself. At first, wounds were treated with leaves, ground bark and fruit extracts. With the introduction of antiseptic measures in the 19th Century, physicians have been able to clean wounds using solutions with antimicrobial properties. The idea of moist wound healing is relatively new: in 1962, British physician George D. Winter discovered that tissue heals up to 50 percent faster when kept moist under a dressing.[3] Today, innovative dressings and wound pads are used to facilitate the healing process. Chronic wounds are more problematic: these may be the result of underlying diseases such as diabetes, circulatory disorders and vascular problems, but can also arise as a result of bedsores. Four million Germans alone suffer from chronic wounds, of which 80 percent can be treated with wound pads.[4,5] The duration of treatment ranges from a few weeks to several years.

Optimal care
B. Braun has a full range of products designed to clean, protect and heal wounds. Our customers can rely on our experience and our expertise. We have the right treatment option for many different wound secretions and for many stages of wound healing process. Acute everyday wounds like scrapes, cuts and small lacerations, for example, are treated using hypoallergenic first-aid bandages or skin-friendly Askina wound dressings. Particularly suitable for the treatment of chronic wounds, for example, are wound dressings with a layer of soft silicone, creating a moist environment conducive to healing. B. Braun's wound pads do not stick to the wound bed, but instead cling gently to the surrounding skin. A broad range of products, like Prontosan wound irrigation solution and Prontosan Wound Gel, act to clean wounds and keep them moist. They can also be used to remove bacteria, prevent infection and create an environment conducive to healing.[6,7,8]

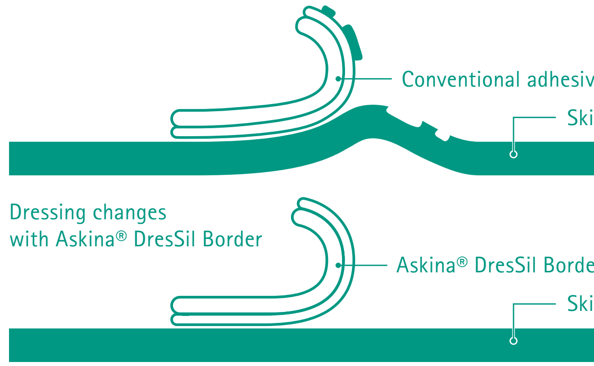
Fighting germs and infections
Of course, every precaution must be taken to ensure that hospital patients do not become infected, as multi-drug-resistant organisms are an especially big problem. The B. Braun infection prevention system is a key aspect of all medical applications. B. Braun offers protective clothing, hand hygiene, surface disinfectants and materials for whole body decontamination. B. Braun is also engaged in the WHO project "World Alliance for Patient Safety" and is a founding member of the WHO's POPS (Private Organizations for Patient Safety) initiative.

Sources: [1] GfK (2015). Global physical health survey [2] WHO (2011). Noncommunicable diseases report [3] Winter, G. D. (1962). Formation of the scab and the rate of epithelialization of superficial wounds in the young domestic pig. Nature 193: 193–294 [4] AWMF working group, „Hygiene in hospitals and medical practices." Guidelines for Hygiene in Clinical Practice [5] AOK: http://www.aokgesundheitspartner.de/bund/arztundpraxis/praxisteam/index_04566.html (viewed on 1 March 2016) [6] Andriessen, A. E., & Eberlein, T. (2008). Assessment of a wound cleansing solution in the treatment of problem wounds. Wounds 20 (6): 171–175 [7] Valenzuela, A., & Perucho, N. (2008). The effectiveness of 0.1% polihexanide gel. Rev Endferm 31: 7–12 [8] Durante, C. M., et al. (2014). Evaluation of the effectiveness of polihexanide and propyl betaine-based gel in the treatment of chronic wounds. Minerva Chir. 69 (5): 283–292

Wound Management

30 %
of hospital beds are occupied by wound patients.[1]

Advantage of silicone-coated wound dressings



Askina® DresSil Border is atraumatic for the wound and the surrounding skin. The silicone adhesive reduces trauma and pain during dressing changes, while the adhesive silicone border enables secure adhesion even in hard-to-dress body parts.

B. Braun – wound management

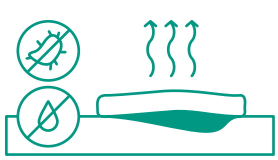
B. Braun's wound treatment products offer the right treatment option for every wound. We have a broad range of dressings for dry wound treatment and state-of-the-art products for moist wound treatment, as well as products for the treatment of chronic wounds.

> "It has been proven that Prontosan® removes biofilms in the wound and promotes the healing process."
>
> **Prof. Anneke E. Andriessen**
> Owner of Andriessen Consultants, Malden, Netherlands, and guest lecturer at various European universities

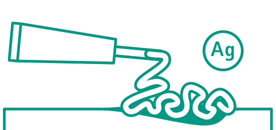
Chronic wounds are
52 %
more likely to heal completely using modern wound dressings.[2]

The B. Braun wound care system

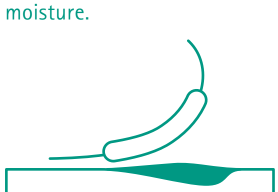
Prontosan® removes biofilms, can prevent infections and create an environment conducive to healing.



Askina® Foam regulates moisture.



Askina® Calgitrol Paste uses ionic silver to remove bacteria.



Askina® DresSil Border for painless dressing changes, ensures secure adhesion of: film, pad, and dressing.

B. Braun wound care products

Prontosan®

Askina® Foam

Askina® Calgitrol Paste

Askina® DresSil Border

Sources: [1]Vowden, K., Vowden, P., & Posnett, J. (2009): The resource costs of wound care in Bradford and Airedale primary care trust in the UK. J Wound Care 18:3, 93–102 [2]HHeyer, K., et al. (2013): Effectiveness of advanced versus conventional wound dressings on healing of chronic wounds: Systematic review and meta-analysis. Dermatology 226: 172–184

Becoming a father, being a father

Of course your life changes when you become a parent. But I like the somewhat calmer family life, and our home in the suburbs. The kids have room to run around, and we have the farmers market, Pasing Viktualienmarkt, for our weekly shopping.






2004

Family

I was insanely
excited to become
a father. But
the birth was
somewhat turbulent.

Many people hesitate when it comes to deciding whether to become parents. I knew immediately that I wanted to have kids with Maren. We just go well together. Jan was born in 2004 and Till in 2007. Both are good boys: quick, good-humored and sometimes wild. Life with the kids is even better than I thought it would be.

2004 – The joy of parenthood

My cell phone rang while I was still asleep. It was Maren: “Ole, you have to come, I’m already having contractions!” I was far from home, in a cabin in the mountains. A friend of mine was having his bachelor’s party there. I went along because the due date was still a ways away. It was late and I was incredibly tired when I drove back home and hugged Maren quickly before we drove together to the birthing center. I thought the delivery would happen right away. In fact, we were at the beginning of a journey that would last 36 hours and which I can remember only in bits and pieces.

I fell asleep repeatedly. On a chair, on the floor. When Maren was taken out for an examination, I nodded off to sleep on her bed. Maren laughed at me, and the midwives kept bringing me coffee the whole time.

At the end of the next day, the midwives decided to transfer Maren to the hospital. The baby had become wedged in Maren’s abdomen, and wasn’t moving forward or backwards. But I wasn’t worried. I have complete trust in Maren. As long as she’s relaxed, so am I.

The doctor at the hospital immediately said, “C-section!” Maren didn’t want spinal anesthesia, she was afraid of the injection in her back. But there wasn’t any time left to worry. My wife was taken to the OR, I was standing by her head and couldn’t see what the doctors were doing. I didn’t even realize my child had been born: I just heard a timid cry. The doctors then immediately performed a few tests. I was completely dazed, and I left the OR and headed towards our room. In the hallway a few children were standing around, siblings of other newborns. They were looking at a baby that was lying in the arms of a nurse. I stood there and thought, “unbelievable, how tiny!” The nurse looked at me and said, “oh, hi! And here’s yours!” I took off my shirt and placed the child on my chest. I had learned in the birth preparation class that physical closeness is important. And that was my first contact with Jan.

Pain therapy – experiencing the miracle of childbirth

The risk of childbirth
For millennia, childbirth was a life-threatening event. As recently as the mid-19th Century, up to a quarter of all women died while giving birth. One in every fourth child was stillborn or failed to survive his or her first year. In industrialized countries, these figures are now at a fraction of one percent. The most important reasons for this change are the availability of medical care before, during and after birth, improved hygiene and better methods for performing Caesarian sections.

The decisive cut
It is said that Julius Caesar was born via Caesarian section, and the procedure owes its name to that myth. However, it is considered impossible that physicians at that time would have mastered such a demanding procedure. Until well into the 19th Century, in fact, Caesarian sections were used only in extreme emergencies, such as in cases when the mother died in childbirth. At that time, the incision was made from the belly button down. The decisive improvement was not made until the year 1881, when German gynecologist Ferdinand Adolf Kehrer had the idea to make the incision across above the pelvic bone, which allowed the wound to heal better. Kehrer's countryman Hermann Johannes Pfannenstiel improved upon this method a few years later with a transverse incision of the connective tissue between the stomach muscles. Further progress came with the Misgav Ladach method, which was developed in the Jerusalem hospital of the same name. In this method, the connective tissue between the muscles is merely stretched out, not cut.

As popular as never before
In Brazil and China, one in every second child is born by Caesarian section, and in countries like the US and Germany, it is one in every third child. However, the World Health Organization estimates that a Caesarian section is actually necessary for medical reasons in just 15 percent of all births.

Precise pain therapy
Performing this surgical procedure requires anesthesia to eliminate the sensation of pain. Spinal anesthesia is the favored method of application for Caesarian sections. The incision is typically made in the area between the third and fourth lumbar vertebrae. The anesthesia pierces the dura matter and injects the anesthetic into the fluid surrounding the spinal cord, where the spinal cord is segmented into individual fibers. The main advantage of spinal anesthesia is that the mother remains conscious throughout the procedure, so that she can share in the wonder of the birth and hold her child right away.

In order to work effectively, the anesthesiologist requires needles that are appropriate for each individual situation. B. Braun offers a broad range of spinal anesthesia options with Spinocan®, Pencan® and Atraucan® needles, with a variety of bevels and needle sizes. Another procedure for administering regional anesthesia is peridural anesthesia (PDA), also known as epidural anesthesia. This is used to alleviate contractions and pain before, during and after birth. In this procedure, the anesthesiologist introduces the needle into the epidural space, where the spinal nerve roots are located, in order to place a catheter and inject into the area between the vertebra and the dura matter. Perican® epidural needles with Tuohy bevel facilitate safe placement of the catheter. Various Perifix® catheters ensure that the anesthetic is dispersed into the epidural space. The anesthetic must be precisely matched to the patient and the patient's needs. This is facilitated by Perfusor® Space, an infusion pump that is easy and safe to use and can be manipulated with precision.[1] With its various hygiene products, medical devices and generic drugs, in addition to the courses it offers physicians and nursing staff at its Aesculap Academy, B. Braun is engaged throughout the pregnancy process, all the way to birth and beyond.

Source: [1]cf. DIN ISO 60601-2-24 and DIN ISO 60601-1

Pain Therapy

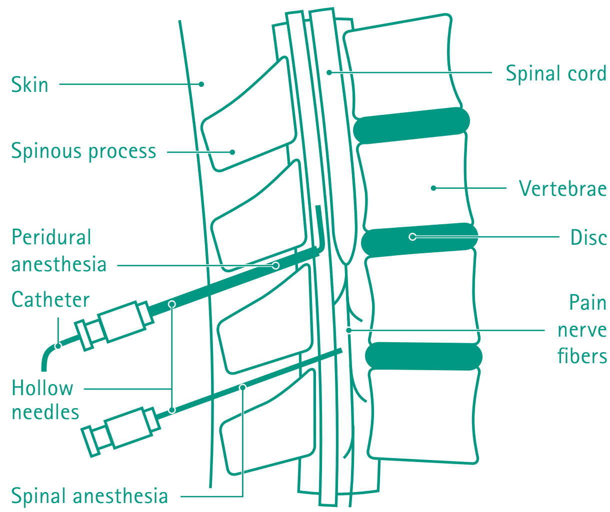
> "Innovations in anesthesia enable very high-quality medical care and a high degree of satisfaction for mothers-to-be."

Prof. Dr. med. Thorsten Steinfeldt
Managing Physician, Department of Anesthesia and Intensive Care, University Hospital of Giessen and Marburg, Marburg site

B. Braun – pain therapy

Adequate pain management is vital for the performance of medical and surgical interventions. In addition to general anesthesia, in which the patient is rendered completely unconscious, there are also various methods for administering regional anesthesia.

Peridural and spinal anesthesia



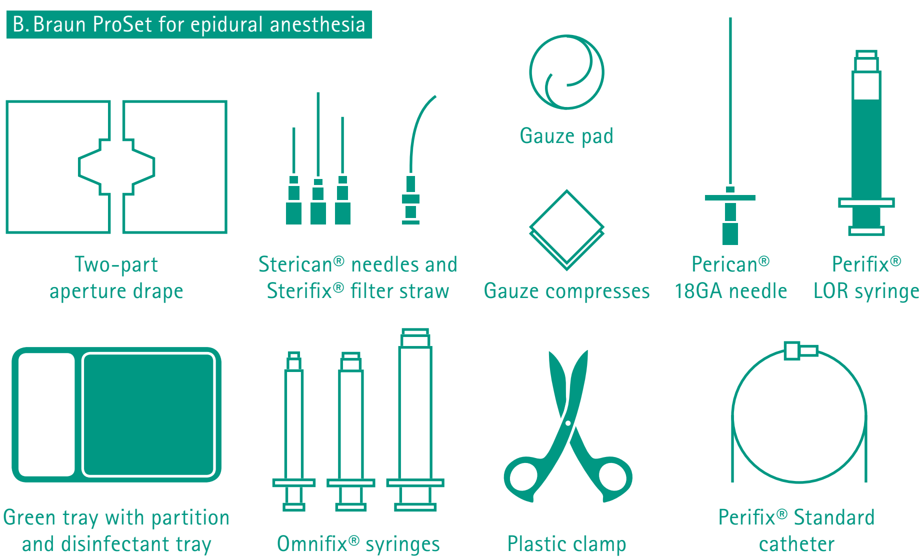
The first regional anesthesia products were introduced by B. Braun in **1974.**

22.9 million

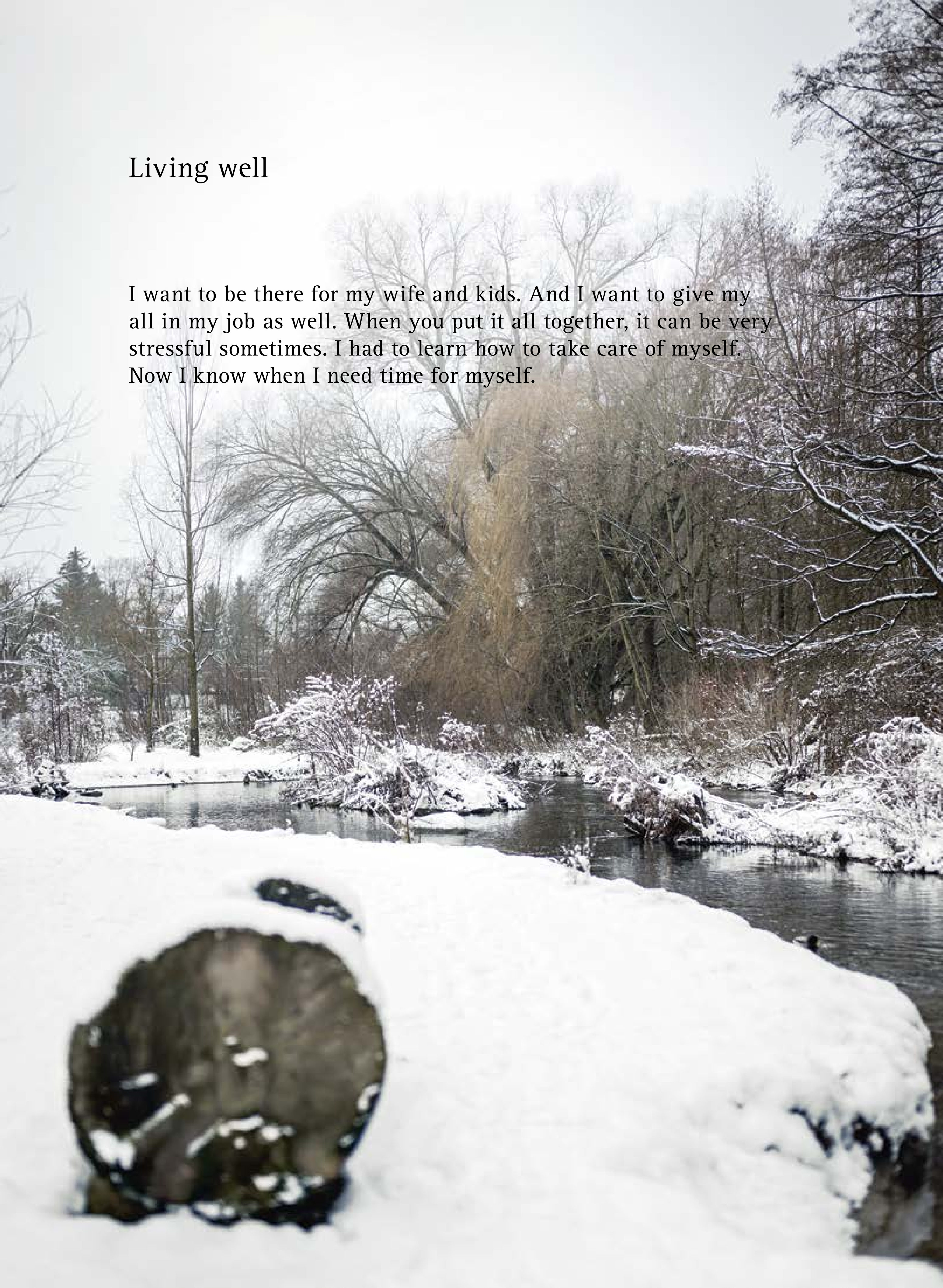
Caeserian sections

were performed worldwide in 2012.[1]

B. Braun ProSet for epidural anesthesia



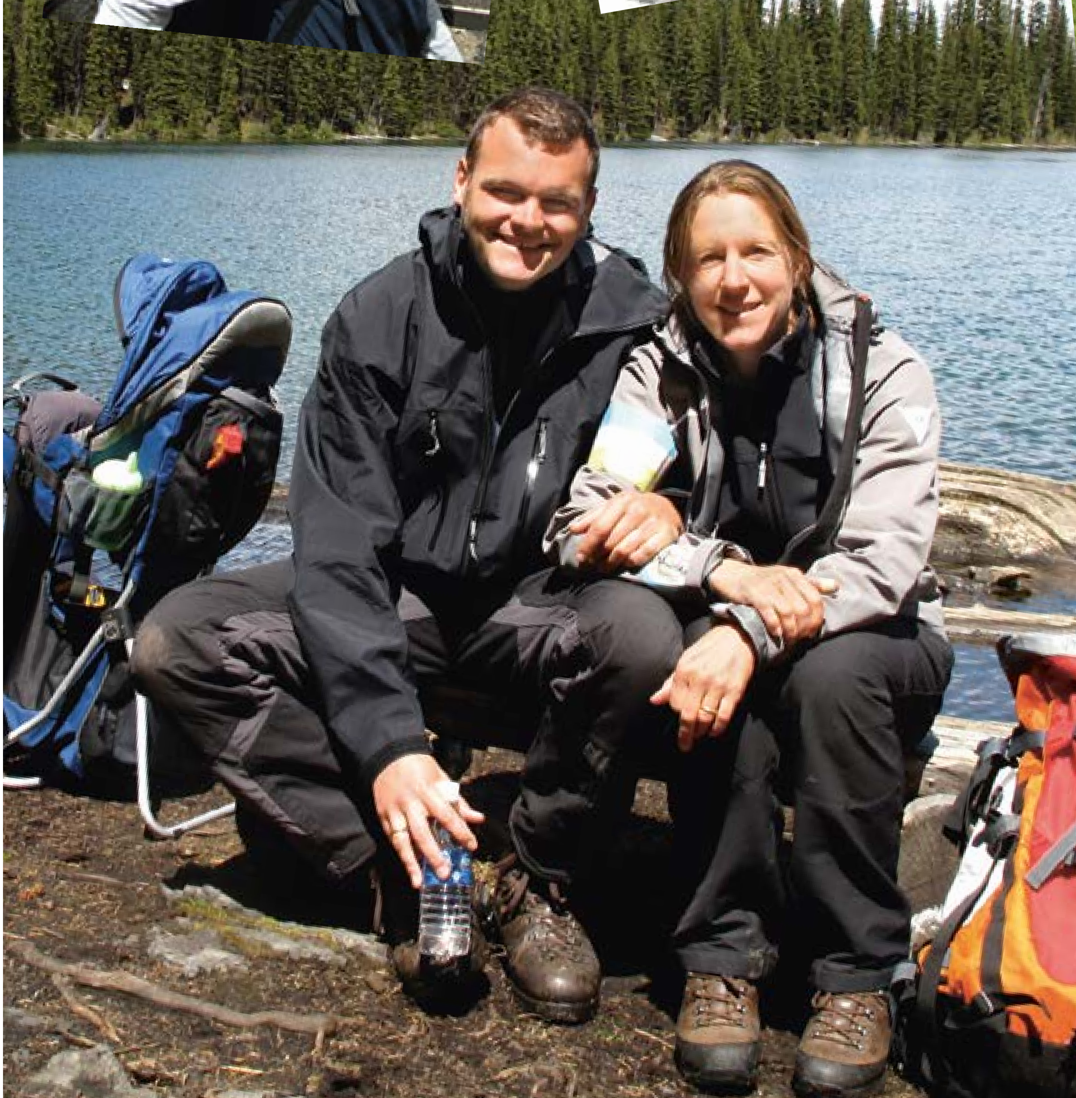
Source: [1]Molina, G. et al. (2015). Relationship between Cesarean delivery rate and maternal and neonatal mortality. JAMA 314 (21): 2263–2270



Living well

I want to be there for my wife and kids. And I want to give my all in my job as well. When you put it all together, it can be very stressful sometimes. I had to learn how to take care of myself. Now I know when I need time for myself.

2009



Work-life balance

I travel a lot.
I want to experience
things. But I could've
done without my
painful adventure
in Canada.

Running around on the beach with my sons, going mountain climbing, camping. I have fun doing all of that and I need it to unwind from my job. I feel young, even though I'm middle-aged. That has its good points. In any case, I've learned to be a little more careful than I was before.

2009 – The back strikes

I'm sure that the stress shot into my back when it happened. I was 34, the children were still very young. I would work fourteen hours a day, sit at my computer on the weekends and talk on the phone late at night. At the time, I was working as an executive for a cycling magazine and I was responsible for organizing all of the magazine's events. It was a lot of fun for me, but I also felt how much the stress was wearing on me. I pulled the ripcord too late.

Maren, the children and I were on vacation in Canada for five weeks, which was somewhere I always wanted to go. It was a complete change of pace: from maximum stress to complete relaxation. We drove through the country in a mobile home, went mountain climbing, hiked through maple forests and grilled trout on the campfire. At the end, we were in Vancouver. I was playing tag on the beach with my older son Jan and suddenly this pain shot into my hip. And the pain didn't go away. Not when I went swimming in the ocean, not when I walked around, and not even when I was driving the car.

Back in Germany, I went to the doctor. The diagnosis came quickly: herniated disc, severe. Two discs in the lumbar spine had slipped out. The pain in my hip came from the pinched nerve. "The best course is to operate right away," said the doctor. "No, no, let's leave it for now," I said. I wanted to try other things first. My back was in good shape, I thought, I could build on that. I got regular injections and I went to physical therapy three times a week. It took some patience, but one day the pain was gone.

I'm sure of one thing: if my condition worsens again, I'll go under the knife. But so far, everything is going very well. There is no pain at all in my back when I go swimming or cycling. Recently I had a bad fall when skiing and, as I was falling, I thought of my back. But even then: nothing. Only when something isn't right in my head, when I'm upset or overworked, I feel it in my back. Then I remember that I have to take care of myself and my back.

Preserving the spine – maintaining mobility

Important and sensitive: the back

The human spine is a wonder of nature. Thanks to its unique double "S" shape, it can cushion all shocks, allowing us to walk upright, move our hands freely and use them as tools. These complex abilities, in turn, stimulate the brain to undergo its enormous development. So you could say that the spine makes us what we are. But at the same time, it causes problems. In Germany, for example, between 32 and 49 percent of all people suffer from back pain, which affects women more frequently than men.[1] 80 percent of all US residents experience back pain at some point in their lives. One frequent cause of back pain occurs when discs and vertebral joints get worn out. Between each of the 24 vertebrae of the backbone there is a disc, consisting of a soft core surrounded by a harder ring of fibers. The disc therefore acts as a flexible yet robust shock absorber. With increasing age, the discs become brittle, and sometimes the ring tears and a gelatinous mass escapes from the core of the disc and presses upon the nerves in the area of the spine. Such a herniated disc can result in pain and even paralysis. The less we exercise, the less the discs will be supplied with nutrients from the surrounding tissue and the faster they will age. Back problems can also be caused by stress. When our back muscles cramp or tense up, it can be very painful: poor postures which are triggered by anxiety or irritation cause one-sided stress to the spinal column, which in turn damages the discs. In other words, back pain is the result of periods of our life when we are under a great deal of stress and don't get enough exercise.

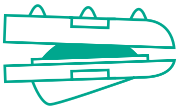
The right treatment

What is needed to alleviate occasional back pain is patience, a hot water bottle and, above all, exercise and physical therapy. In the long run, exercises that target the back and trunk muscles are the best way to prevent back pain. Only rarely is surgery required. In some cases, it is enough for the surgeon to remove the escaped gelatinous mass. But sometimes it may be advisable to remove the defective disc and replace it with an artificial disc. In rare cases, the surgeon will have to fuse the affected segment of the spine, usually with a good result if the indication is suitable.

Useful instruments

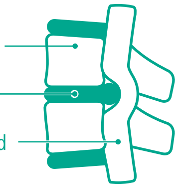
If surgery is required, B. Braun offers lumbar disc prostheses and implants to strengthen the spine and the right instruments for the procedure. A critical role in this process is the removal and handling of diseased tissue using motorized, miniaturized burring, sawing and rasping tools. The ELAN 4 microsurgical motorized system was developed in close coordination with surgeons for this purpose. When performing disc surgery in close proximity to nerves and the spinal cord, the system allows surgeons to remove or alter structures using small burrs and saws. The result is an extremely precise system, which features ergonomically safe handling. Artificial implants and spinal fusion sometimes affect adjacent segments of the spine. That is not the case with the regeneration of damaged discs, which is why regenerative methods will become increasingly important in the coming years. B. Braun TETEC, based in Reutlingen, Germany, is developing just such a visionary treatment option, in which disc cells taken from the patient are cultured under sterile conditions and their regenerative properties are activated, after which they are implanted back into the disc. In this way, the disc is built up, restoring its elasticity and its function as a shock absorber between the vertebrae.[2]

Sources: [1] Robert Koch Institute (2012). Rückenschmerzen. Gesundheitsberichterstattung des Bundes. Vol. 53. RKI [2] Tschugg, A., Michnacs, F., Strowitzki, M., Meisel, H. J., & Thomé, C. (2016). A prospective multicenter phase I/II clinical trial to evaluate safety and efficacy of NOVOCART Disc plus autologous disc chondrocyte transplantation in the treatment of nucleotomized and degenerative lumbar disc to avoid secondary disease: study protocol for a randomized controlled trial. Trials, 17 (1): 108



Degenerative Spinal Disorders

Herniated disc



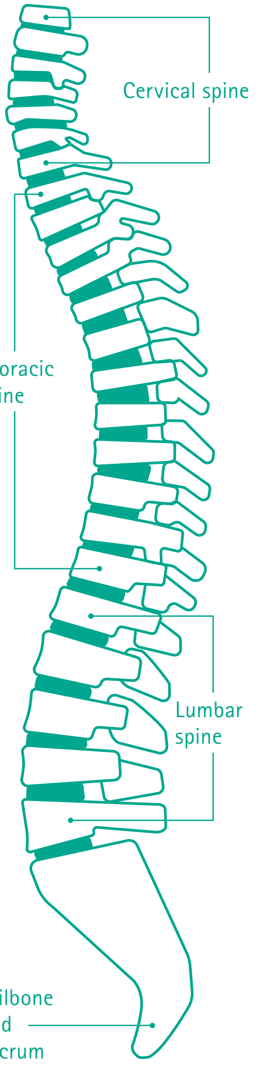
activ® L

Lumbar disc prosthesis for motion-preserving treatment of degenerative disc disease of the lumbar spine.

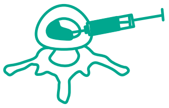
B. Braun – degenerative spinal disorders

Protecting the spine and preserving its mobility is the focus of our efforts. In conjunction with physicians and patients, we are developing innovative implantation systems and instruments to preserve mobility and stabilize the cervical and thoracolumbar spine.

Structure of the spine

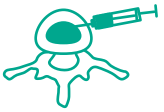


Biological disc reconstruction



Cell material removed

Cells cultivated in a petri dish



Cells embedded in hydrogel and reapplied

Mobility with an activ® L disc prosthesis is

significantly

higher

than with the two other implants studied.[1]

"We have used ELAN 4 for craniotomies, for cutting in the optic canal and internal auditory canal and in spinal surgery. The system won us over completely with its smooth running, even power transfer, easy handling and ergonomic properties."

Prof. Dr. Florian Ebner
Supervising Physician, Tübingen University Hospital, Department of Neurosurgery

Source: [1]Garcia, R. Jr. et al. (2015). Lumbar Total Disc Replacement for Discogenic Low Back Pain: Two-year Outcomes of the activ® L Multicenter Randomized Controlled IDE Clinical Trial. Spine (Phila Pa 1976), 40 (24): 1873–1881

Looking ahead

The future to me is like a blank sheet of paper that is gradually being painted. I look forward to all the experiences I'm going to have with my children. And I hope that I will be able to share this joy with my parents for as long as possible.

2016

Getting older

When you have kids
yourself, your own parents
become even more
important. I'm so happy
that my mom and
dad at 70 plus years old
are still healthy.

We have a strong sense of solidarity in my family. To this day, sports bring us together. It helps that you can still do almost anything with my parents. They're very active, they go cycling a lot; my father still works out and goes to the weight room. But with all of that, they're no health fanatics; they enjoy life.

2016 – Thoughts on aging

My parents bring me a lot of joy. My father was an instructor at the Sports Institute of the University of Heidelberg and my mother was a gym teacher. Not only were they always very loving, but they did a lot with us, especially a lot of sports; which is not surprising considering their professions. We went skiing in the winter and sailing in the summer. My older sister was runner-up world champion in rowing, and my brother played in the first and second Bundesliga in basketball. Among many other things, our parents taught us ambition. In sports, you set a goal, you think about what you have to do to achieve that goal, you overcome the obstacles, and sooner or later you'll achieve it. This attitude is helpful not just in sports but in all sorts of other situations as well.

My parents have enjoyed being active their entire lives. They're now in their mid-seventies and still always on the go. They travel a lot and are always on the move. They really live according to the old saying, "a rolling stone gathers no moss:" that's why they're always in such good shape.

That's not a given. These days, my friends and colleagues talk more about their parents' health problems than those of their children. And of course, their parents' health problems are more serious. My neighbor's mother takes strong kidney medication and will probably have to undergo dialysis soon. But heart surgery is also a topic, as well as hip replacements and dementia.

That my parents have aged is something I only really notice when I look at old photographs. They may not appear as vigorous today as they were before, and their hair has turned gray. But when I'm with them, I'm always impressed by their muscle tone; they have simply remained gymnasts their entire lives. Even when you talk to them, you don't notice their age. They have a positive outlook on life and they're quick-witted. Of course, I know that things can be very different ten years from now. But we'll worry about that when the time comes.

Aging and diabetes – reasons for dialysis

Healthy in old age

The population is living longer, and that is a good thing. Since 1990, global life expectancy has increased by approximately six years, for example, climbing from an average of 78 to 82 years in France and from 58 to 66 in India. At the same time, people are spending their retirement very differently than before: volunteering, exercising and traveling. It is due above all to the benefits of modern medicine that people are not only living longer, they are able to enjoy these additional years as well.

Diabetes often results in kidney ailments

More than 1.9 billion people are overweight, and more than 600 million suffer from obesity. This often results in additional ailments, especially for older people; such as cardiovascular diseases, which are the most common cause of death worldwide. Prevention is therefore important. But of course, medical care must also be provided to those for whom prevention came too late. For example, diabetes may be the consequence of years of unhealthy eating, and 30–40 percent of all people with diabetes develop a kidney ailment and may need dialysis. If the kidney is no longer able to purify the blood, this function needs to be replaced, since otherwise the patient will die. One option is a kidney transplant. However, most patients have to wait several years for a kidney donor. The second option is dialysis, which acts as artificial kidney replacement therapy. The first blood purification was performed in 1924 by the German physician Georg Haas. A breakthrough was achieved by Dutch physician Willem Kolff, who designed a rotating drum dialysis machine in 1945. Since then, physicians and engineers have continuously perfected the procedure. Today, some three million people worldwide undergo dialysis, the majority of them older than 60 years of age.

Painless treatment

B. Braun has been engaged for decades in the fields of diabetes therapy and dialysis. We manufacture, for example, blood glucose measurement systems, single-use hypodermic needles for painless insulin injection and ultra-fine needles so that the puncture is barely visible. B. Braun began supplying some dialysis components in the 1950's, and we have been manufacturing dialysis machines since the late 1960's. Aside from devices and materials for hemodialysis and acute dialysis, our portfolio includes a comprehensive range of specialized blood purification methods, such as for the treatment of dyslipidemia. We offer an integrated system with perfectly matched components. This system consists not only of dialysis machines, dialyzers and consumables, but also treatment options, software solutions, technical support and process consulting, planning, installation and training. In July 2015, B. Braun acquired Lauer Membran Wassertechnik GmbH, a company specializing in water treatment systems for dialysis. This completes B. Braun's product portfolio in hemodialysis therapy, since water treatment is the basis for effective treatment of patients.

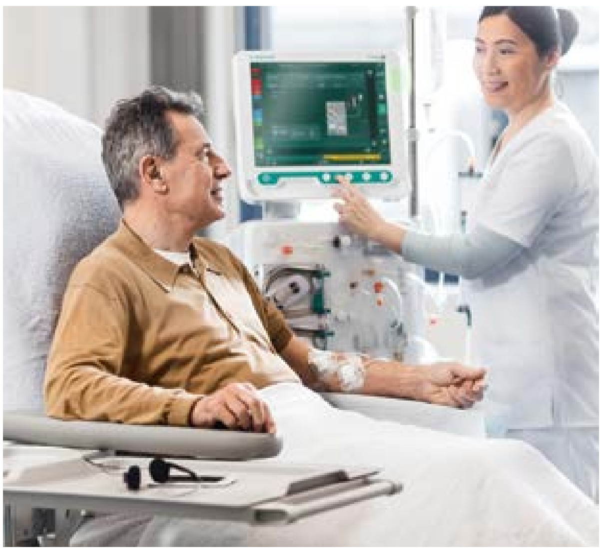
Better care through targeted training

B. Braun also operates as a provider of medical dialysis services: more than 25,000 patients receive high-quality medical care at over 300 dialysis centers in 29 countries. Employees undergo continuous training to ensure that they can empathize with the patients, that their skills are always up-to-date and that they routinely have the opportunity to share expertise. At our centers, physicians and nursing staff are relieved of the burden of general administrative duties, as well as billing and recruiting, allowing them to focus entirely on the patient. We hope to further expand our role as one of the largest provider of medical dialysis services worldwide. It was for this reason that we acquired DTZ Dialyse Trainings-Zentren GmbH in the year 2015. Our broad-based range of products and services, as well as our locally adapted care and treatment concepts, helps us to optimally balance first-class care and affordability, enabling us to provide comprehensive care to an ever growing number of patients with chronic renal insufficiency worldwide.

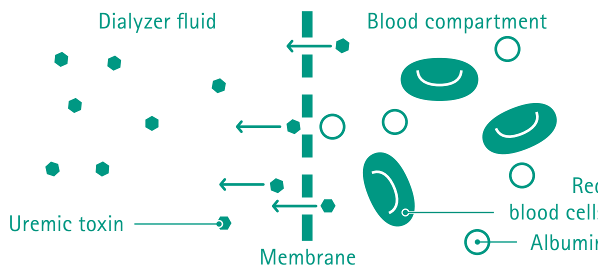
Hemodialysis

B. Braun – hemodialysis

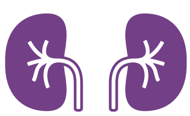
Trust in man and machine is of particular importance in extracorporeal blood treatment. This form of treatment is used to treat a variety of ailments. These treatments are vital in case of dialysis, since it is necessary for them to replace the function of the kidneys. Our goal is to make a contribution to improving the quality of life of our patients by delivering first-class medical care and high-quality products.



Functioning of a dialyzer membrane



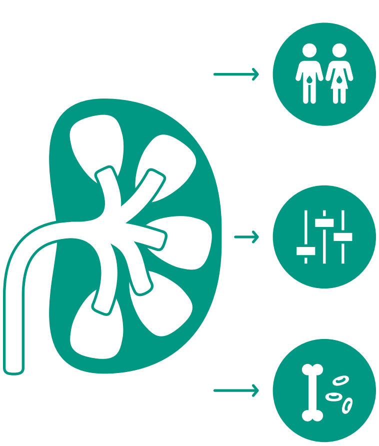
Each dialyzer consists of up to 12,000 hollow fibers, through which the blood flows and is filtered during dialysis. The walls consist of a semi-permeable membrane. The pores in the membrane have a relative size of up to 8 nanometers.[1] Using a variety of physical processes, key components (for example, albumin) are left in the blood while harmful uremic toxins (for example, urea) are filtered out through the pores of the membrane into the dialyzer fluid.



30 % – 40 %

of diabetics also develop a kidney ailment.[2]

Primary functions of a kidney



Excretion function:
Urea, creatinine

Regulatory function:
Electrolytes,
water balance,
acid-base balance,
blood pH value,
blood pressure

Endocrine function:
Production of
hormones for blood
cell and bone growth

> "I believe that human interaction with the patient should be the top priority in our profession.
>
> As the responsible physician at the dialysis center, the safety of our patients is, of course, the most important concern [...]."
>
> **Dr. Nicola Marangon**
> Nephrologist in the dialysis center of MV Sante hospital, Geneva

About

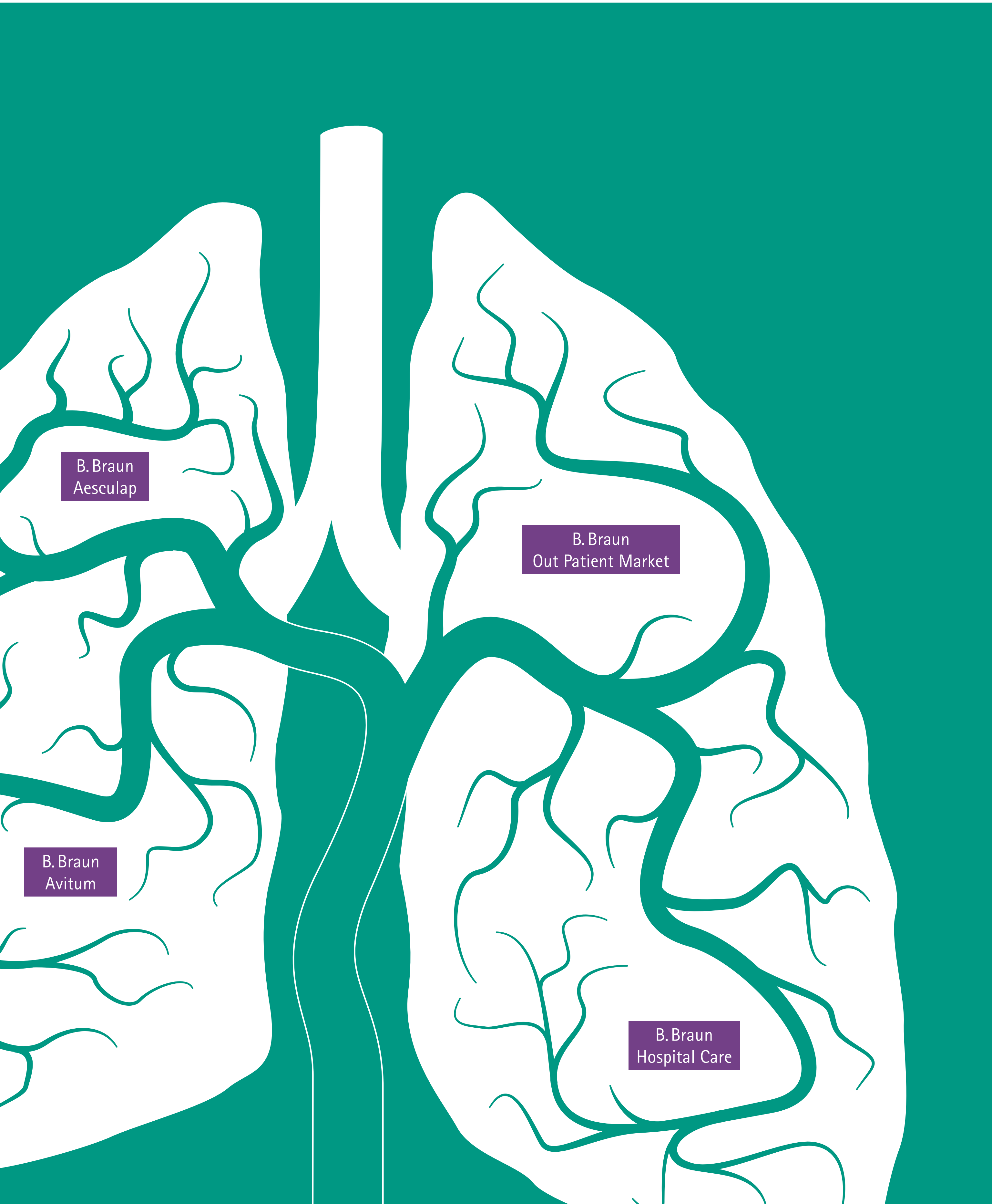
1,500 liters

of blood

per day flows through both kidneys.[3]

Sources: [1]Ronco, C. & Bowry, S. (2001). Nanoscale modulation of the pore dimensions, size distribution and structure of a new polysulfone-based high-fluxdialysis membrane. Int J Artif Organs, 24 (10): 726-735 [2]Guariguata, L., Nolan, T., Beagley, J., Linnenkamp, U., & Jacqmain, O. (ed.) (2013). IDF Diabetes Atlas: sixth edition. International Diabetes Federation [3]Kuhlmann, U., Böhler, J., Luft, F., Alscher, M., & Kunzendorft, U. (2015). Die Nephrologie. George Thieme Verlag, 6th ed.

GROUP MANAGEMENT REPORT



Innovation | Efficiency | Sustainability
Trust | Transparency | Recognition

FIVE-YEAR OVERVIEW

	2011 € million	2012 € million	2013 € million	2014 € million	2015 € million
Sales	**4,609.4**	**5,047.8**	**5,169.5**	**5,429.6**	**6,129.8**
Costs of goods sold	**2,469.7**	**2,752.7**	**2,824.8**	**3,041.6**	**3,432.5**
Functional expenses	**1,686.5**	**1,817.9**	**1,860.0**	**1,950.0**	**2,150.3**
Selling, general and administrative expenses	1,506.9	1,626.5	1,641.4	1,721.2	1,887.9
Research & development expenses	179.6	191.4	218.6	228.8	262.4
Interim profit	**453.1**	**477.2**	**484.8**	**437.9**	**547.0**
Operating profit	**435.0**	**469.2**	**478.5**	**422.7**	**482.9**
Profit before taxes	**363.0**	**403.1**	**422.5**	**407.6**	**445.5**
Consolidated net income	**257.7**	**288.6**	**315.5**	**316.3**	**319.7**
EBIT	**435.4**	**478.3**	**487.8**	**480.3**	**516.9**
EBITDA	**691.3**	**757.5**	**784.9**	**798.4**	**878.1**
Assets	**5,140.5**	**5,483.5**	**6,079.5**	**6,766.8**	**7,266.1**
Intangible assets (incl. goodwill)	268.0	337.5	385.7	514.6	566.6
Property, plant, and equipment	2,541.7	2,736.8	2,896.6	3,302.6	3,642.3
Other financial investments	38.9	45.1	471.6	30.3	46.0
Inventories	833.4	873.6	901.5	1,005.7	1,056.7
Trade receivables	1,016.3	952.2	971.1	993.7	1,034.7
Equity	**2,101.2**	**2,259.2**	**2,445.0**	**2,564.0**	**2,900.4**
Liabilities	**3,039.2**	**3,224.3**	**3,634.5**	**4,202.8**	**4,365.8**
Pension obligations	650.3	816.7	798.5	1,098.5	1,079.7
Financial liabilities	1,401.7	1,368.9	1,773.8	1,870.2	1,923.4
Trade accounts payable	219.7	243.0	273.4	311.9	348.6
Investments in property, plant, and equipment, intangible assets and financial investments incl. business acquisitions	**580.6**	**581.2**	**1,029.4**	**931.3**	**787.0**
Depreciation and amortization of property, plant and equipment and intangible assets	**252.9**	**279.1**	**297.2**	**318.1**	**361.1**
Personnel expenditures	**1,648.9**	**1,834.4**	**1,885.3**	**2,031.3**	**2,259.9**
Employees (annual average)	**42,736**	**45,381**	**48,264**	**52,196**	**54,770**

ABOUT THE B. BRAUN GROUP

BUSINESS MODEL

B. Braun is one of the leading manufacturers of medical technology and pharmaceutical products worldwide, as well as a provider of medical services. The company employs over 55,000 people in 64 countries. B. Braun is active in 18 therapy fields and applications, with a focus on hospitals, medical practices, pharmacies, nursing, emergency services and at-home care. B. Braun is a system provider, developing effective solutions and trend-setting standards for the healthcare industry in close partnership with users and partners. In this way, we make an important contribution to medical progress and to protecting and improving the health of people all over the world. Its products range from infusion solutions to syringe pumps and accessories for infusion therapy, central admixture pharmacy services (CAPS), intensive care and anesthesia, in addition to surgical instruments, surgical sutures, hip and knee arthoplasties, dialysis equipment and accessories and wound care products. Its total assortment includes more than 5,000 products, 95 percent of which are manufactured by B. Braun itself. This is in addition to consulting services, which help hospitals optimize their processes and ensure quality. Other services are directed towards patients and their families, preparing them for at-home care, relieving them of administrative tasks and providing them with transitional care. The company's operations are organized into four divisions – Hospital Care, Aesculap, Out Patient Market, and B. Braun Avitum.

THERAPY FIELDS AND APPLICATIONS

Acute Dialysis	Infusion Therapy
Apheresis	Interventional Vascular Diagnostics & Treatment
Cardio-Thoracic Surgery	Laparoscopy
Degenerative Spine Surgery	Neurosurgery
Diabetes	Nutrition Therapy
General Open Surgery	Orthopedic Joint Replacement
Hemodialysis	Pain Therapy
Incontinence	Stoma
Infection Prevention	Wound Management

B. Braun Hospital Care

The Hospital Care Division views itself as customers' first choice for products and services that offer the best-possible care for hospitalized patients, especially for infusion, nutritional and pain therapy. The Hospital Care Division supplies hospitals, among others, with infusion equipment and supplies, infusion and injection solutions, intravenous catheters, products for clinical nutrition, as well as pumps and their associated systems. In addition, the division offers an extensive range of disposable medical and wound drainage products, as well as pharmaceuticals and products for drug admixture and regional anesthesia. With its infusion therapy and drug admixture product portfolio, Hospital Care provides hospitals with a unique system offering, focusing on continually improving efficiency, safety, and documentation of hospital procedures.

Hospital Care is the worldwide market leader for IV sets and accessories, and regional anesthesia. Globally, we rank second in the field of intravenous catheters. The division is also the European market leader in automated infusion systems and standard IV solutions. We continue to grow our position in the area of primary care products for hospitals and automated infusion systems. We have particularly benefited from the growing market for medical safety products, and therefore continue to increase our presence in this area.

B. Braun Aesculap

The Aesculap Division is the expert in all areas of surgical and interventional patient care. The extensive product range of the B. Braun Group enables the development of comprehensive cost-effective solutions, allowing us to build strategic partnerships as a result. We provide added value to our customers by helping them improve internal efficiency through process optimization. At the center of Aesculap's business activities are general surgery, joint prosthetics in orthopedics, neurosurgery, laparoscopy, interventional vascular diagnostics and treatment, surgery for degenerative spine diseases and cardiac and thoracic surgery.

Aesculap is the global market leader in surgical instruments and sterile container systems and a major global supplier in the fields of neurosurgery and wound closure. For degenerative knee and hip conditions, we have developed advanced product concepts for specific market segments. This includes instruments for minimally invasive procedures, short-stem hip prostheses and abrasion-optimized, anti-friction surfaces for knee implants. With the Einstein Vision® 3-D camera and bipolar "seal and cut" instruments, Aesculap offers innovative products for precise endoscopic procedures. Our key areas of focus in the field of endoscopic surgery include general and visceral surgery, gynecology, urology, thoracic surgery, trauma surgery, arthroscopy, and endoscopic vascular surgery. In the area of spinal surgery, we provide surgeons with innovative surgical solutions based on exclusive treatment concepts. The suture portfolio focuses on sutures for specific applications, such as cardiovascular surgery or monofilament material for abdominal wall closure.

B. Braun Out Patient Market (OPM)

The focus of the Out Patient Market (OPM) Division is on meeting the needs of patients outside the hospital setting and of long-term patients. Our customers include physicians in private practice, outpatient and inpatient care services, and pharmacies. The OPM Division focuses on five strategic treatment areas: hygiene, diabetes, incontinence, stoma and wound management.

Adopting a holistic approach to consulting and care-giving, the division strives to provide patients with a combination of high-quality and cost-effective healthcare. We have techniques for transferring patients from inpatient to outpatient care, and we coordinate outpatient care for patients. In addition to these products, OPM offers a broad range of outpatient services. A major objective is to share expertise across all areas, for example, when transferring parenterally fed patients from inpatient to outpatient care. Our experienced employees relieve patients, relatives, hospitals, private practice physicians, and nursing services of administrative tasks and ensure that the quality and progress of treatment is optimized.

B. Braun Avitum

B. Braun's Avitum Division is one of the world's leading providers of products and services for people with chronic and acute kidney failure. The division treats patients as a provider of nephrology and dialysis services. As a system partner in dialysis, B. Braun Avitum focuses on three treatment areas: hemodialysis, acute dialysis and apheresis, and offers products and services along the entire dialysis value chain. This breadth, combined with the complete B. Braun portfolio and the expertise of all divisions, makes it possible to provide holistic care to patients with renal insufficiency. Locally adapted treatment concepts help us to optimally balance first-class care and affordability, enabling us to make the necessary dialysis treatment available to an ever growing number of people worldwide.

We also operate a network of more than 300 dialysis centers in Europe, Asia, Latin America and South Africa, and provide care for over 25,000 patients. Physicians and nursing staff are available in our clinics to assist and advise dialysis patients with chronic kidney and metabolic disorders.

We set ourselves apart from our competitors through consistent product quality and availability, as well as an extensive range of user training courses, technical support, and IT solutions. We aspire to improve patients' quality of life and to create new and efficient treatment processes.

Aesculap Academy

The goal of Aesculap Academy is to provide advanced training for physicians and specialists in hospitals and medical practices to enable them to keep up with the rapid pace of developments in the healthcare industry and remain professionally qualified both now and in the future. What began in 1995 with the opening of the Aesculapium in Germany has developed over the past 20 years into one of the most in-demand and globally recognized advanced training institutions. In 2015 alone, 70,000 experts in the medical field attended Aesculap Academy's advanced training courses all over the world. More than 750,000 people worldwide have attended Aesculap Academy courses since its formation.

The courses specific to therapy fields and applications at the Aesculap Academy are based on the divisional alignment of the B. Braun Group. The "sharing expertise" philosophy is also integrated into the curriculum – in the sense of a constructive dialogue to find the best-possible solutions and trendsetting standards. Every year Aesculap Academy develops and conducts innovative and interdisciplinary courses, which are standardized in order to ensure deliberate implementation worldwide. Examples include the train-the-trainer workshops in Europe on the subject of "IV Therapy & IV Access," which were first held in Thailand and Mexico and were continued in the Asia and Latin American regions, as well as the accredited courses on the subject of enteral and parenteral nutrition, which were broadcasted to all continents via a webcast. Another milestone, particularly in view of the use of the latest simulation technologies, is the opening of the Aesculap Academy in the B. Braun Dialog Center in Prague, Czech Republic. At that center, physicians and nurses receive training in surgical and treatment methods in a unique environment consisting of dialysis, outpatient and simulation rooms. New and innovative courses have been developed in Germany on the subjects of palliative medicine, modular hip prosthetics and phlebology.

The company will continue in coming years to identify trends and developments in advanced medical training and in the proactive exchange with opinion leaders. To this end, a new focus has been established in Germany on the subject of workshop management which will increasingly integrate digital technologies into the curriculum.

CORPORATE GOVERNANCE AND CONTROLLING

In addition to its operational activities, B. Braun Melsungen AG also provides centralized functions for the Group: aside from Group management, other units are based here that perform Group-wide tasks. These include, in particular, Group accounting and controlling, international human resources, purchasing, IT, logistics, the legal and tax department, the Group treasury and the Group Compliance Office. The company, which is not publicly traded, is 100 percent family-owned. The corporate bodies are the Management Board, the Supervisory Board and the annual Shareholders' Meeting. The Management Board has seven members at present, each with clearly assigned areas of responsibility, who are jointly responsible for the company's success. At its meeting of December 3, 2015, the Supervisory Board appointed Anna Maria Braun (President of the Asia-Pacific Region) as a deputy member of the Management Board effective April 1, 2016. The Supervisory Board consists of 16 members, half of whom are selected by the company's shareholders with the other half elected by the employees. Committees have been established to efficiently support the work of the Supervisory Board. The Personnel Committee is responsible for such matters as the Management Board members' employment contracts and compensation. The Audit Committee monitors the internal controls systems, accounting processes, and financial statement audits.

B. Braun wishes to remain a private and independent family-owned company. The Braun family has made a long-term commitment to achieving this goal. Numerous family members work at B. Braun. Prof. Dr. h. c. Ludwig Georg Braun, who managed the company for 34 years, has served as Chairman of the Supervisory Board since 2011. Barbara Braun-Lüdicke has been a Supervisory Board member since 1992. The sixth generation of the founding family has numerous representatives in leading positions at various locations all over the world.

Sustainable handling of economic, environmental and social resources is a decisive issue for us, in that it promotes a value-based corporate culture, one which is cognizant of our responsibility for current and future generations. We are convinced that sustainable practices strengthen our company's organization, stimulate growth and play a key role in ensuring that we can remain an independent family business in the future as well.

We see ourselves as corporate citizen and act responsibly with future generations in mind.

Key performance indicators for management purposes include EBITDA and defined balance sheet ratios. The key performance indicators interim profit and EBIT are used primarily to manage operations. In addition, we evaluate the development of working capital based on Days Sales Outstanding (DSO), Days Payables Outstanding (DPO) and Coverage in Weeks (CIW).

Our divisional organizations, integrated into Centers of Excellence (CoE), enable a rapid response to changes in the market and ensure that know-how can be exchanged in a short period of time. As a provider of complete systems, B. Braun intends to add value for customers by combining products and services. We are conscious of our obligations to our customers, patients, employees and ultimately we take these obligations into account in our decision-making.

B. Braun's commitment to the principles of responsible corporate governance and control is reflected by its adherence to recognized standards. The ultimate objective is the long-term success of B. Braun as a family-owned company. Our "Code of Conduct" has defined how we conduct ourselves toward customers since it was established 1996. For us, corporate governance and compliance are not merely obligations, but a self-evident prerequisite for sustainable management. The legal and ethical conduct of our employees is central to our value system. Compliance with national and international regulations regarding product registration, production validation and product safety is an important obligation. B. Braun has a global compliance management system that, in addition to compliance with statutory requirements, also includes ethical values such as fairness, integrity, openness and sustainability. An overarching Group Compliance Office and local compliance officers ensure that all employees conduct themselves in accordance with consistent standards.

Through its subsidiaries and holdings, B. Braun operates in 64 countries. The B. Braun Group includes 262 (previous year: 252) fully consolidated companies. 22 (previous year: 21) holdings are consolidated using the equity method of accounting.

Major manufacturing sites are located in Melsungen (Germany), Tuttlingen (Germany), Radeberg (Germany), São Gonçalo (Brazil), Suzhou (China), Boulogne (France), Mumbai (India), New Delhi (India), Penang (Malaysia), Nowy Tomysl (Poland), Sempach (Switzerland), Rubí (Spain), Gyöngyös (Hungary), Allentown (USA), Dallas (USA), Irvine (USA), Santo Domingo (Dominican Republic) and Hanoi (Vietnam).

GROUP STRATEGY

A new strategic period will begin for B. Braun as of the reporting year. It includes the period through 2020. System partnerships, collaboration and profitability are the core themes which are to be pursued in all divisions and regions, with the support of the centralized units and departments. The goal is to grow together in order to ensure that our company will be able to operate independently in the current strategic period. This will allow us in the future to continue to make our contribution to protecting and improving the health of people all over the world.

As a system partner, we aim to provide our customers with the best-possible service. In many cases, added value for our customers is created through the synergies of several different B. Braun products and services. This is due to our broad portfolio and the resulting combinations of products and services, which is a particular strength of ours. We are convinced that high quality at fair prices, products which are customized to align with treatment methods and customer processes as well as reliable ability to supply offer the added value which is required today. By aligning our products and services based on the goals and processes of our customers, we increase the beneficial value of our work, reduce costs and help our customers succeed. Collaboration within the company and with patients, users, suppliers and society are characterized by transparency, trust and respect.

We have set the goal of increasing sales annually by up to seven percent per year through 2020. As a result, annual sales can be increased to about eight billion euros at the end of the strategic period. We expect B. Braun Avitum to achieve very strong growth. Asia-Pacific and Latin America are also important growth regions. The EBITDA margin should climb to at least 16 percent in 2020. We plan to further improve structures and processes, as well as standardizing processes, in order to improve the efficiency and effectiveness of our administrative and production activities, and therefore profitability as well. We expect key contributions in this regard from all divisions and regions.

Developing the best solution together is our most important mindset and is the foundation for a system partnership.

In the current strategic period as well, our target equity ratio remains at 45 percent. Through increased profitability and controlled development of working capital, we can fund major investments from our own resources. We will support B. Braun's growth within the strategic period through investments of approximately four billion euros.

SECURING THE FUTURE

In 2015 as well, we have invested more than one billion euros in new production sites and in research and development projects in order to expand and maintain our business activities. 48.7 percent of this amount was invested in our German sites.

We spent € 262.4 million on research and development activities (previous year: € 228.8 million). Additions to financial assets and property, plant and equipment based on Group-wide investment activity in the reporting year amounted to € 787.0 million (previous year: € 931.3 million).

RESEARCH AND DEVELOPMENT

Research and development activities within the B. Braun Group are concentrated in multiple Centers of Excellence (CoEs), where research, development, production and marketing activities for specific product groups are combined and closely coordinated. Each CoE has global responsibility for its product group. Key CoEs are located in Melsungen (Germany), Tuttlingen (Germany), Boulogne (France), Penang (Malaysia), Sempach (Switzerland), Rubí (Spain) and Allentown (USA).

Research and development activities at the Hospital Care Division focus on enhancing safety for patients and users and improving hospital processes. In the infusion therapy segment, we focus on the integrated development of products and technologies, a new generation of infusion solution containers, closed infusion systems and infusion needles. Networking intelligent infusion systems with hospital IT systems is a key focus area. In addition, Hospital Care is developing products for clinical nutrition in flexible single and multi-chamber bags. New marking and sensor technologies facilitate the precise placement of cannulae for peripheral nerve blocks. In 2015, we obtained approval in the US for a new Space infusion pump software generation, which makes wireless communication to each individual pump possible. In addition, we have introduced one-chamber bags with nutritional solutions, as well as Meropenem in the DUPLEX® drug delivery system in the North American market.

The research and development activities of the Aesculap Division focus on endoscopy, orthopedics, spinal surgery, vascular systems, and modern wound closure technologies, as well as general surgical instruments. In 2015, the Vascular Systems area introduced a self-expanding VascuFlex® stent made of nitinol. This vascular support is capable of withstanding the enormous physical challenges in the legs, and can sustainably broaden blood vessels to ensure blood supply to the legs. ELAN 4 offers a new generation of electrical and pneumatic micromotors for neuro- and spinal surgery. The new technical design provides intuitive handling, and fulfills surgeons' requirements for all of the areas involved in their processes. Novosyn® Quick has expanded our portfolio of resorbable suture materials. The intervertebral implant TSPACE ® XP became available as a third-generation product in 2015. In addition to the implant, improvements have been made to all insertion instruments. These now provide a function, which allows the implant to uncoil, making it possible to intuitively and simply place it into the intervertebral space.

The OPM Division is developing a new rinsing pump for stoma and incontinence care. In addition, preparations are underway for the launch of a new blood glucose measurement system. An additional area of focus for the OPM Division is the continuous optimization of urological, hand disinfection and wound care products.

The aim of research and development within the B. Braun Avitum Division is to improve treatment quality and efficiency for dialysis. In 2015, the division's product portfolio was rounded out with a basic version of the established Dialog+ dialysis machine in the area of hemodialysis. This ensures safe, reliable, efficient and economical dialysis treatment. We have also developed a new acute dialysis machine which, with the appropriate consumables, meets the unique requirements of acute treatment. Our development efforts with regard to consumables have focused on user-friendliness and improving efficiency.

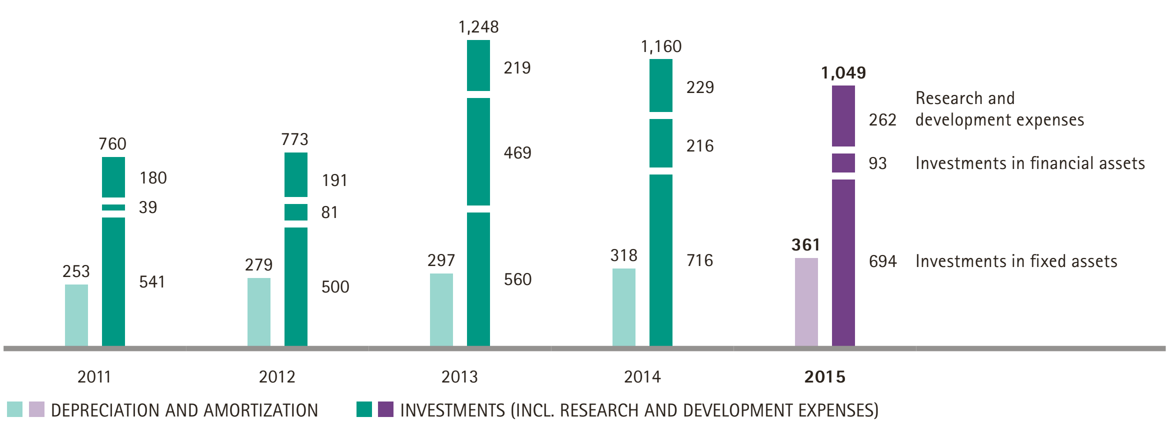
Investments

Investments in fiscal 2015 focused on increasing our production capacity and on new products and processes. We were also able to secure market share in strategically important business areas through selected acquisitions. Total additions to property, plant and equipment, intangible assets, and financial assets, as well as additions to investments in associates and acquisitions of fully consolidated companies, amounted to € 787.0 million (previous year: € 931.3 million). At the same time, depreciation expense totaled € 361.1 million (previous year: € 318.1 million).

The Hospital Care Division is expanding its global capacities for large volume infusion solutions in Spain, Indonesia, Malaysia and the US. This was accompanied by expanding the production of intravenous sets and additional accessories at various locations in order to meet growing demand. Investments were made in the production expansion of containers for small volume injection solutions in Berlin. A new production facility in Japan will create additional capacity for regional anesthesia, as well as improve earthquake safety. In Spain, the Aesculap Division acquired an additional building in order to meet its growing need for space. The renovation of the division's headquarters in Tuttlingen is progressing through additional investments. The Out Patient Market (OPM) Division is expanding its production capacity, adding a third production line for pen needles and making investments in France. Construction of a new building for patient-specific nutritional solutions in Melsungen, Germany is well underway. B. Braun Avitum is adding market share through the acquisition of Dialyse Trainings-Zentren GmbH (DTZ) in Germany and additional dialysis centers in selected countries. The acquisition of a building in Penang, Malaysia will provide additional production space, while the expansion of the site across multiple divisions continues to progress. In addition to extensive investments in our headquarters in Melsungen, Germany we are continuing to expand our production sites in Spain, France and Switzerland.

Investment commitments in the amount of € 171.2 million were already made as of the reporting date. These investments are mainly attributable to ongoing replacement and expansion investments at our locations in Malaysia, Germany, Spain, the US and Brazil.

INVESTMENTS / DEPRECIATION AND AMORTIZATION
In € million



ECONOMIC REPORT

MACROECONOMIC AND INDUSTRY-SPECIFIC ENVIRONMENT

Performance of the global economy[1]

Although the economies in industrialized countries recovered somewhat, overall economic growth was down by 0.3 percent from the year before to 3.1 percent. In developing and emerging economies in particular, there has been a slowdown in growth as a result of the decline in commodities prices, the limited flow of capital into developing economies and rising volatility in the financial markets. The uncertainty for the time being as to whether Greece will remain in the eurozone affected the economic climate in Europe. The slump in the Chinese stock market and the initially weaker economic performance in the US at the beginning of the year also held back global growth.

Growth in Germany remained at the same level as last year. The strength of domestic demand and the construction sector had a stabilizing effect. The unemployment rate was well below average for the eurozone.

The overall economic situation in the eurozone improved slightly over the year before. This was attributable to the decline in the value of the euro against the US dollar, as well as low crude oil prices. Spain was on the path to recovery, thanks to the low interest rates in Europe. Gross capital investments and industrial production increased in Poland, the Czech Republic and Hungary as those countries have increasingly been able to compete on price. However, growth in Italy and France has been hindered by the absence of reforms to address structural problems.

CHANGE IN GROSS DOMESTIC PRODUCT

in %

	2014	2015
Europe	**1.6**	**1.9**
Germany	1.6	1.5
France	0.2	1.2
Greece	0.8	– 2.3
Italy	– 0.4	0.8
Poland	3.4	3.5
Russia	0.6	– 3.8
Spain	1.4	3.1
Czech Republic	2.0	3.9
Turkey	2.9	3.0
Hungary	3.6	3.0
North America	**2.4**	**2.4**
USA	2.4	2.6
Asia-Pacific	**5.6**	**5.4**
Australia	2.7	2.4
China	7.3	6.8
India	7.3	7.3
Indonesia	5.0	4.7
Japan	– 0.1	0.6
Malaysia	6.0	4.7
Latin America	**0.7**	**– 1.5**
Argentina	0.5	0.4
Brazil	0.1	– 3.0
Chile	1.9	2.3
Mexico	2.1	2.3

Greece's GDP fell sharply in 2015 after posting positive growth the year before. This downward trend was influenced by the government's possible insolvency and the holding of two parliamentary elections. The uncertainty as to whether Greece will remain the eurozone resulted in a massive flight of capital. Only at the end of year was par-

[1] International Monetary Fund: World Economic Outlook, October 2015 and ifo Institute: ifo Growth Forecast 2015–2017, December 2015

liament able to adopt the reforms prescribed by the EU.

In Russia, low oil prices, rising unemployment, falling real wages and unfavorable financing conditions led to a worsening in the economic situation. The Ukraine crisis resulted in the imposition of sanctions by the EU and the US. These sanctions made it more difficult for Russia to access international capital markets, and accelerated the flight of capital. Inflation climbed significantly in connection with the substantial decline in the value of the Russian ruble.

Economic growth in the US was slightly higher than the year before. Exports were down in the first quarter as the US dollar exchange rate climbed. A dock workers' strike had a negative impact on exports and industrial production. Private consumer spending was down as the savings rate of US consumers increased. Private consumption recovered over the course of the year due to falling unemployment, rising wages, falling gas prices and advantageous financing conditions. This growth was weakened when the US Federal Reserve indicated that it was changing course. This was followed by a moderate increase in interest rates at the end of the year.

Growth in Asia weakened slightly in 2015. In China, slower growth in investments contributed to a decline in the growth rate to 6.8 percent. On the other hand, net exports and private consumption were up in China. The latter resulted from an increase in real income. Japan posted a positive growth rate in 2015 following a decline in GDP in 2014. This growth was driven by the increase in inventories and investments. India has experienced a sustained period of strong growth, which can be attributed to structural reforms by the Indian government, as well as an increase in investments and private consumption.

Latin American GDP fell in 2015. Lower commodities prices accelerated this downtrend. In addition, Latin American currencies lost at least ten percent of their value against the US dollar. This led to increasing rates of inflation. In Brazil, this negative trend was reinforced by the government's restrictive fiscal and monetary policy. The Argentinean government adopted fiscal and monetary policy actions designed to stimulate demand in advance of the presidential elections in October 2015. However, economic growth has been limited by the shortage of foreign currency. Mexico and Chile achieved positive growth rates. This growth was the result of the expansive fiscal and monetary policies of their respective governments, as well as their trade relations with the US.

Performance of the healthcare market

The global healthcare industry posted positive growth once again in 2015, due above all to the lessening impact of the sovereign debt crisis on public finances. In addition, many countries are confronting the challenge of dealing with the rising cost of healthcare. Healthcare spending was up slightly in Germany as well. However the medical device market has been characterized by strong competitive and price pressure. While sales volume is on the rise, profit margins in the German market are declining.

Now that the general economic situation in Western Europe has improved, the pressure to reduce healthcare spending has subsided. However, the necessity of reducing debt affected healthcare spending in the countries that were hardest hit by the euro crisis. The governments of Greece, Portugal and Spain have called for replacing their healthcare sectors with a central health fund.

The Russian healthcare market was also affected by external political events in 2015. Pharmaceutical and medical technology products are provided largely through government bids. Foreign companies are frequently not considered when it comes to awarding contracts in these procedures.

Healthcare spending in the US increased in 2015. This growth was boosted by the expansion of insurance coverage as a means of reforming the healthcare system ("Affordable Care Act"). On the other hand, the reform resulted in the introduction of a special tax on medical devices (the "Medical Device Excise Tax"). This tax imposed an additional burden on companies in the healthcare sector in 2015. At the end of the year, the US

Congress voted to suspend the tax for 2016 and 2017.

The uptrend in China's healthcare market in recent years continued, with double-digit growth. The Chinese government continued to invest in the reform and expansion of its healthcare system. The Chinese healthcare market has been increasingly opened to foreign investors in order to encourage investment in the construction and operation of hospitals. Conversely, the ability of foreign suppliers of medical technology products to access the market was hindered by the adoption of new regulations. The domestic industry, on the other hand, is the recipient of government aid. The modernization of the Indian healthcare industry has been driven by the private sector. This has resulted in growing demand for medical technology, which is strongly dependent on imports. The healthcare system in Japan is facing strong pressure from high costs due to the aging of the country's population. In response, the Japanese government has adopted reforms, which will raise the cost of healthcare for more affluent patients.

The Latin American healthcare markets continue to grow. Despite budget cuts in many countries, governments are striving to improve their governmental healthcare systems. In Brazil, on the other hand, the demand for medical technology was down because of the weak general economy and the resulting cuts in government spending.

The strong wave of consolidation among suppliers of pharmaceutical products and medical technology in 2014 continued in 2015, albeit to a lesser extent. Larger manufacturers continue to focus on individual treatment areas. In doing so, they hope to stabilize and increase their profit margins despite the competitive and price pressure.

PERFORMANCE AND FINANCIAL POSITION

Business performance

The B. Braun Group's business performance in the 2015 reporting year was satisfactory. With sales growth of 7.3 percent at constant exchange rates, we are above our projected growth target of four to six percent. We have also benefited from changes in exchange rates, which have boosted sales by 12.9 percent to € 6.1 billion (previous year: € 5.4 billion). As expected, B. Braun's Avitum Division achieved very strong growth. The other divisions also reported strong sales growth at constant exchange rates. All divisions achieved double-digit growth in euros, a pace which exceeds our long-term strategic expectations. As predicted last year, the Latin America and Asia-Pacific regions posted strong growth in local currencies. However, exchange rate changes have presented a significant burden for the Latin American market, while the Asia-Pacific region has benefited substantially from the change in exchange rates. Europe (including Germany) has achieved stable growth. North America's growth in the reporting year has been highly satisfactory, with strong sales growth in both US dollars and euros.

The development of the EBITDA measure within the reporting year is in line with our expectations. We generated an EBITDA of € 836.5 million at constant exchange rates. Therefore, EBITDA was 4.8 percent above the previous year and reached the target range of between € 810 and 840 million. With exchange rate effects, EBITDA actually exceeded our target, at € 878.1 million. The key performance indicators used to manage operations, interim profit and EBIT, were above the projected target range between € 450 and 480 million. At constant exchange rates, these performance indicators are

€ 520.4 million and € 487.8 million respectively, and were therefore 18.8 percent and 1.6 percent above the previous year respectively.

Through the continuous expansion of our production capacity, we were able to meet the growing demand for disposable and capital goods in the healthcare market and achieve strong volume growth. Price competition in the healthcare market remains high and is increasingly weighing down our earnings. For this reason, we have not been able to fully achieve our targeted level of profitablity. Measures were taken last year to reduce costs and increase internal efficiency in an effort to boost earnings. These measures enabled us to limit the growth in selling and administrative expenses in the reporting year.

Growth from our own resources continues to be an important goal for us. It enables us to develop innovations and solutions to important problems in the global healthcare market.

Overall, the B. Braun Group is in good, stable financial condition. At the present time, we are not aware of any factors that could significantly impact the Group's position.

KEY PERFORMANCE INDICATORS

	2014	2015	Change in %
Sales (in € million)	5,429.6	6,129.8	12.9
Gross margin (in %)	44.0	44.0	
Net margin after taxes (in %)	5.8	5.2	
Interim profit (in € million)	437.9	547.0	24.9
EBIT (in € million)	480.3	516.9	7.6
EBITDA (in € million)	798.4	878.1	10.0
EBITDA margin (in %)	14.7	14.3	
Equity ratio (in %)	37.9	39.9	
Equity ratio including loans from shareholders (in %)	38.4	40.8	
Equity ratio net of effects of IAS 19 (in %)	43.2	44.1	
Net financial debt (in € million)	1,762.3	1,834.0	4.1
Net financial debt/EBITDA	2.2	2.1	
Research and development expenses (in € million)	228.8	262.4	14.7
Investments in property, plant, and equipment, intangible assets and financial investments (in € million)	931.3	787.0	– 15.5
Depreciation of property, plant, and equipment and intangible assets (in € million)	318.1	361.1	13.5
Net working capital (in € million)	1,667.7	1,722.6	3.3
Personnel expenditures (in € million)	2,031.3	2,259.9	11.3
Employees (as of December 31)	54,017	55,719	3.2

Earnings

B. Braun Group's sales growth

In fiscal year 2015, sales of the B. Braun Group amounted to € 6,129.8 million (previous year: € 5,429.6 million), representing year-on-year growth of 12.9 percent.

All divisions contributed to this strong result. The OPM and B. Braun Avitum Divisions achieved very strong growth rates of 15.0 percent and 14.7 percent respectively. But the Hospital Care Division, with a gain of 13.0 percent, and the Aesculap Division, with an increase in 11.0 percent, also achieved significant sales growth.

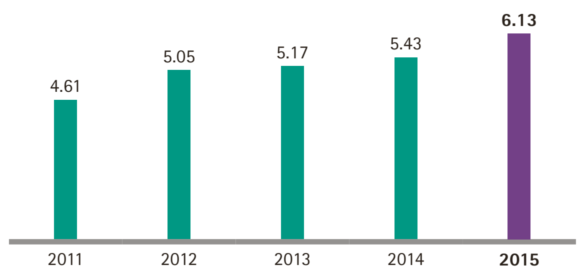
The Asia-Pacific (10.6 percent) and Latin American (10.2 percent) regions achieved strong sales growth in local currencies. Given the, in some cases, substantial decline of its local currencies against the euro, the Latin American region posted no more than a moderate 4.8 percent growth rate in the Group currency, euros. The Asia-Pacific region benefited from changes in exchange rates, with sales in euros up 23.4 percent. The North American region achieved very strong 9.6 percent growth over the year before in US dollars. A strong US dollar resulted in 31.0 percent sales growth in euros. The Africa and Middle East regions continued their strong performance with 15.2 percent growth. Europe (exluding Germany) posted strong 4.1 percent growth in sales. Germany was, once again, stable with 3.6 percent sales growth.

Business performance of the B. Braun Hospital Care Division

The Hospital Care Division increased sales by 13.0 percent (6.7 percent at constant exchange rates) to € 2,855.9 million (previous year: € 2,527.8 million). Strong growth was posted with regard to clinical nutrition and infusion devices. In contrast, demand for volume replacement and regional anesthesia products was stagnant. The development of business in the US in the reporting year was very positive. In particular, the DUPLEX® drug delivery system, as well as patient-specific drug admixtures (CAPS) had the effect of boosting sales and earnings growth. Double-digit growth rates were posted in the Africa and Middle East regions. The strong growth in local currencies in Latin America and Eastern Europe was reduced substantially by the decline of those currencies against the euro. There is strong price pressure in the European market for pharmaceutical products and infusion pumps, which consequently weighed down earnings.

SALES DEVELOPMENT

In € billion



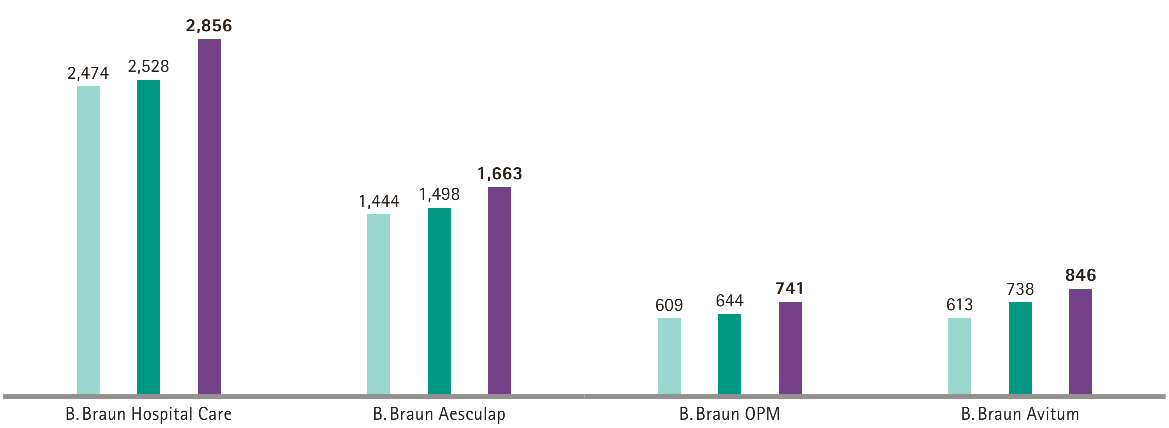
Business performance of the B. Braun Aesculap Division

In the reporting year, the Aesculap Division reported sales of € 1,662.9 million (previous year: € 1,497.7 million), up 11.0 percent (5.8 percent at constant exchange rates) from the year before. The major growth drivers included China, the US, Russia, Germany and Poland. Surgical instruments and endoscopy products achieved particularly strong sales growth. In Germany, strong sales growth was reported despite the continuing decline in prices for implants and stents. Due to the worsening economic situation in Brazil, sales in that country were down in local currency. In addition, reductions in reimbursements and delayed product launches in Japan kept the division from achieving even stronger results.

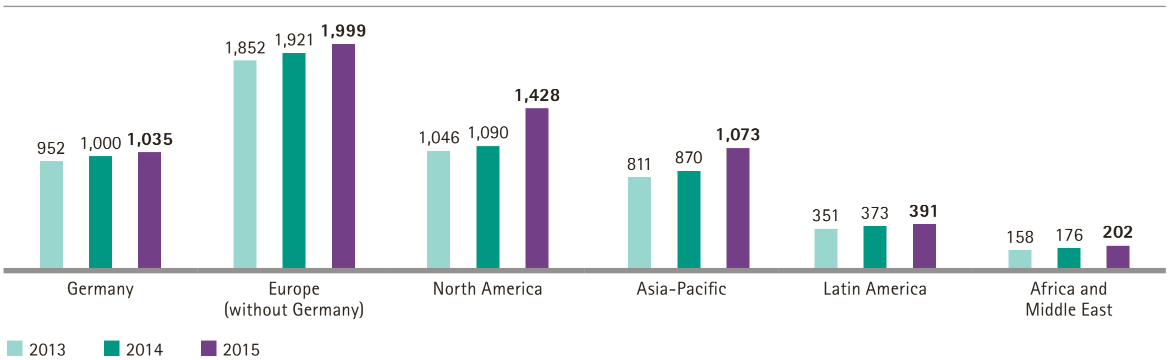
Business performance of the B. Braun Out Patient Market (OPM) Division
The OPM Division achieved sales of € 740.6 million (previous year: € 643.9 million), up 15.0 percent (at constant exchange rates: 7.7 percent) over the previous year. The wound care and disinfection product segments posted strong growth. Growth was especially strong for infusion therapy products in the US. However, sales were also strong in the reporting year in the Europe, Asia-Pacific and Latin America regions. The division's results are weighed down by the imposition of additional sterilization requirements by the French health authorities.

Business performance of the B. Braun Avitum Division
The B. Braun Avitum Division grew by 14.7 percent in the reporting year (at constant exchange rates: 12.3 percent) and sales increased to € 846.3 million (previous year: € 737.9 million). The product business segment achieved a good sales performance. The key growth drivers were China, Russia, the US and Mexico. In contrast, results in Germany, Italy and Brazil were below our expectations. The B. Braun dialysis centers have achieved very good performance worldwide. This business segment has expanded through

SALES BY DIVISION
In € million



SALES BY REGION
In € million



the acquisition of additional dialysis centers, which had a positive impact on sales in the reporting year. However, earnings in the year 2015 were weighed down by the cost of integrating the newly acquired centers.

Development of gross profit

Gross profit increased by 13.0 percent to € 2,697.3 million in the reporting year (previous year: € 2,388.0 million). At the same time, gross profit margin was 44.0 percent, in line with last year's margin (44.0 percent). Startup costs for new production sites, cuts in reimbursements and very intense price competition in some cases prevented an improvement in the gross margin. The medical device excise tax in the US, which was introduced in 2013, also affected us in the reporting year with an additional cost of approximately 11.2 million US dollars (previous year: 9.1 million US dollars).

Development of functional expenses

Selling expenses climbed by 9.9 percent to € 1,579.0 million (previous year: € 1,437.0 million). This development was attributable to an increase of sales resources in growth markets, as well as higher volume. Administrative expenses in the fiscal year totaled € 308.9 million (previous year: € 284.2 million), up 8.7 percent from the year before. This was primarily due to the change in exchange rates, as well as consulting expenses in connection with acquisitions and higher IT project expenses. All in all, however, we were able to keep the increase in selling and administrative expenses below the growth rate in gross profit. In doing so, we have achieved a key strategic goal.

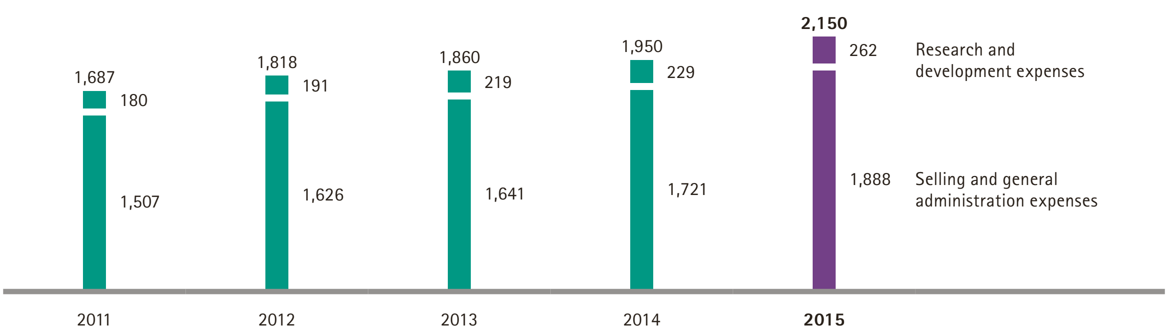
In addition, research and development spending rose again in 2015. Uncapitalized research and development expenses increased by 14.7 percent, to € 262.4 million (previous year: € 228.8 million). Furthermore, development expenditures totaling € 13.0 million (previous year: € 13.8 million) were capitalized as self-created intangible assets.

Development of other net income

The balance of operating income and expenses changed by € 48.9 million in the reporting year to € – 64.1 million (previous year: € – 15.2 million). This included a € 17.7 million increase in currency translation losses, which stood at € – 37.1 million (previous year: € – 19.4 million). Other operating income was lower than the previous year due to the absence of an item in the reporting period comparable to the dividend-like income from put options in connection with our investment in Rhön-Klinikum AG.

FUNCTIONAL EXPENSES

In € million



Development of net financial income

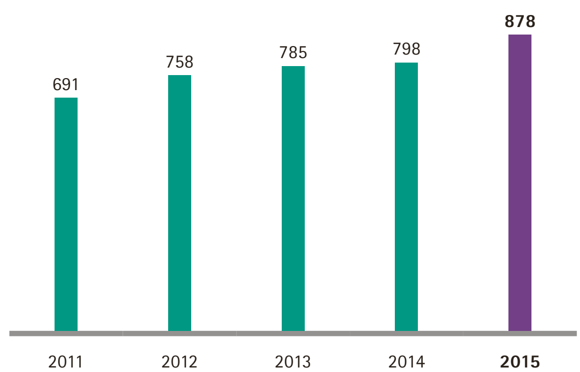
Net financial income, including investment income, was down by € 22.3 million in the 2015 financial year, to € – 37.3 million (previous year: € – 15.1 million). Interest expenses amounted to € 50.0 million, up by € 4.6 million over the previous year (€ 45.4 million). Interest income increased by € 2.1 million, to € 5.2 million (previous year: € 3.1 million). In addition, investment income (including earnings from financial assets measured at equity) fell by € 23.5 million, to € 34.1 million (previous year: € 57.6 million). Income was earned in the year 2014 in connection with the capital decrease at our investment, Rhön-Klinikum AG, and there was no comparable item in the reporting year.

Development of EBIT and EBITDA

Interim profit was € 547.0 million in the fiscal year, compared to € 437.9 million in the previous year. EBIT reached to € 516.9 million in the reporting year, up 7.6 percent from the previous year (€ 480.3 million). However, gross margin was weighed down by increased production costs which we were unable to pass on to consumers, as well as falling prices in some markets due to more intense competition and cuts in reimbursements. In addition, increasing regulatory requirements for the production and marketing of medical technology products have had the effect of increasing costs. Due to the existence of strict regulations on sales markets in some cases, the higher costs cannot be passed on to consumers. Because of the measures we initiated in the year 2014 to optimize processes and cut costs, and the implementation of these measures in the reporting year, we have been able to limit the increase in selling and general administrative expenses. Depreciation increased by 13.5 percent, to € 361.1 million (previous year: € 318.1 million), resulting in an EBITDA measurement of € 878.1 million. EBITDA was up 10.0 percent from the previous year (€ 798.4 million). The EBITDA margin was down by 0.4 percent, to 14.3 percent (previous year: 14.7 percent).

Income before taxes increased 9.3 percent, to € 445.5 million (previous year: € 407.6 million). Income taxes in the fiscal year amounted to € 125.8 million, up € 34.5 million from the year before (€ 91.3 million). The effective tax rate was at 28.2 percent in 2015 (previous year: 22.4 percent). Consolidated net income amounted to € 319.7 million, up 1.1 percent from the year before (€ 316.3 million).

EBITDA
In € million



Financial Position

Liquidity

Operating cash flow increased to € 687.5 million (previous year: € 520.7 million), up € 166.8 million from the year before. Cash outflow for investment activities[2] increased by € 197.3 million in the reporting period, to € 712.9 million (previous year: € 515.6 million), resulting in a negative free cash flow of € – 25.4 million (previous year: positive free cash flow of € 5.1 million). Accordingly, cash outflow for investments in plant, property and equipment and intangible assets totaled € 695.6 million (previous year: € 662.9 million) and cash outflow for investments in financial assets and company acquisitions was € 61.9 million (previous year: € 185.9 million). At the same time, we received dividends and dividend-like income in the amount of € 29.4 million (previous year: € 315.5 million). Net borrowing in the reporting year was € 36.7 million (previous year: € 74.8 million). In all, cash and cash equivalents fell by € 21.3 million as of the reporting date, to € 63.0 million (previous year: € 84.3 million).

Asset structure
Total assets of the B. Braun Group increased as of December 31, 2015, to € 7,266.1 million (previous year: € 6,766.8 million). This represents an increase of 7.4 percent and reflects the fact that investments in property, plant and equipment exceeded depreciation.

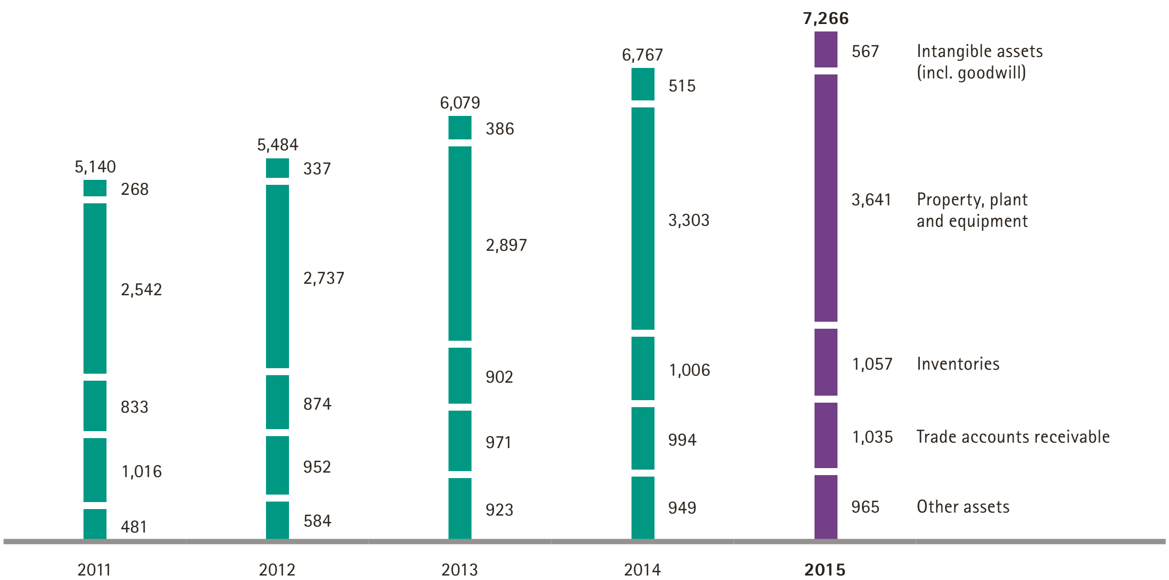
Non-current assets increased by 9.3 percent to € 4,847.5 million (previous year: € 4,436.9 million). Due to continuing high levels of investment, property, plant and equipment once again increased in the reporting year, rising 10.3 percent (10.2 percent at constant exchange rates) to € 3,642.3 million (previous year: € 3,302.6 million). Inventories as of the reporting date totaled € 1,056.7 million, up 5.1 percent (4.1 percent at constant exchange rates) over the year before (€ 1,005.7 million). Inventory coverage as of the reporting date was 16.0 weeks (previous year: 17.2 weeks) and reached our target range. Trade accounts receivables increased by 4.1 percent (4.2 percent at constant exchange rates) to € 1,034.7 million (previous year: € 993.7 million). Trade receivables DSO fell by four days to 67 days (previous year: 71 days). Thus, we met our strategic target of 75 days. However, trade receivables in Slovakia increased by 10.3 percent in the reporting year to € 37.0 million (previous year: € 33.3 million). Of this total, 61 percent (previous year: 69 percent) were overdue. The Slovakian government has announced that it will not be able to allocate additional funding into healthcare sector in advance of the parliamentary elections in 2016. We have reduced this risk position through the sale of receivables (factoring).

Financing structure
Shareholders' equity increased by 13.1 percent (12.2 percent at constant exchange rates) to € 2,900.4 million (previous year: € 2,564.0 million). The equity ratio was 39.9 percent (39.7 percent at constant exchange rates), up 2.0 percent from the previous year (37.9 percent). Low interest rates have necessitated an increase in pension provisions in recent years. Adjusted for the effects in the period from 2011 to 2015 from the revaluation of pension obligations, shareholders' equity totals € 3,203.6 million. Taking into account shareholder loans, this corresponds to an equity ratio of 45.0 percent, thus meeting our target from the previous year of a ratio greater than 40 percent as well as our strategic target of 45 percent. In the reporting year, the actuarial interest rate for pension provisions increased to 2.7 percent (previous year: 2.5 percent). This led to a reduction in actuarial losses by around € 69 million. Total provisions for pensions and similar obligations decreased by 1.7 percent to € 1,079.7 million (previous year: € 1,098.5 million). Financial liabilities increased by 2.8 percent to € 1,923.4 million (previous year: € 1,870.2 million). Non-current financial liabilities fell by 10.1 percent, to € 1,155.0 million (previous year: € 1,284.4 million). Current financial liabilities amounted to € 768.4 million as of the reporting date, up from after € 585.7 million in the previous year. Most loans are denominated in euros and US dollars. However, there are also small loans in various foreign currencies. As of the reporting date date, 53.4 percent (previous year: 59.6 percent) of financial liabilities to banks carry a fixed interest rate and 46.6 percent (previous year: 40.4 percent) had variable interest rates. As a result of the increase in financial liabilities and the somewhat constant cash and cash equivalents, net financial debt increased by € 71.7 million to € 1,834.0 million (previous year: € 1,762.3 million).

[2] The difference between additions to fixed assets and cash outflow from investing activities is attributable to cash relevant investments and currency translation effects.

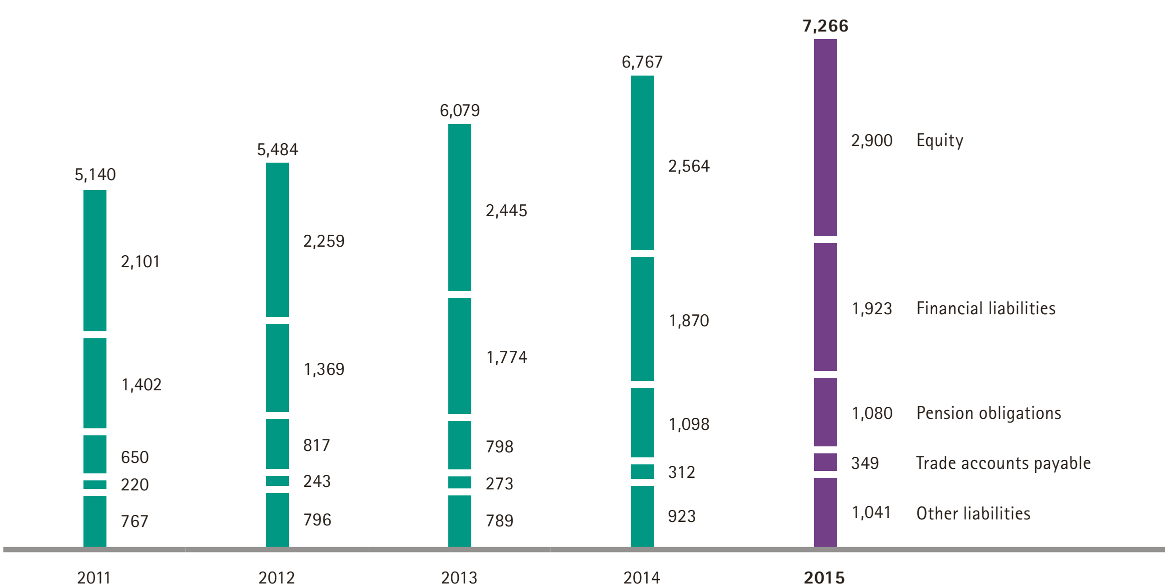
STRUCTURE OF STATEMENT OF FINANCIAL POSITION: ASSETS

In € million



STRUCTURE OF STATEMENT OF FINANCIAL POSITION: EQUITY AND LIABILITIES

In € million



DPO increased by 11.8 percent, to € 348.6 million (previous year: € 311.9 million) and amounted to 38 days, the same as in the previous year (38 days).

In 2015, we were able to place the planned financing instruments without a problem. Outside financing is obtained exclusively from banks, which we deem reliable and the range of financing measures includes syndicated and bilateral credit lines, promissory notes, and an asset-backed securities program. As of the reporting date, B. Braun has available lines of credit amounting to € 1,011.7 million (previous year: € 1,164.6 million). We have met all of the required financial performance benchmarks agreed upon with our banks.

The financing measures for the reporting year included the issuance of promissory notes with a total volume of € 100 million. The promissory notes have maturities of five, seven and nine years. The funds raised will serve to finance existing obligations within the context of maturity management. In addition, the syndicated loan (current volume: € 400 million) has been extended by one more year to 2020, at a volume of € 367.5 million.

The asset-backed securities program was largely financed by the back-up line of credit in the reporting year.

Personnel report

Our employees are ambassadors for our company. Their knowledge and passion are prerequisites for success, in addition to our greatest strength. Transparency in personal dealings, as well as mutual trust and respect, are the basis of our interactions. A family-friendly work environment continues to be a key component of our corporate culture. With flexible working time models and preventive health protection, we strive to meet employees' requirements in various stages of life. The cultural and social diversity of our employees is reflected at all levels of the company. We are convinced that congenial interactions within and outside the company strengthens our organization. For this reason, we cultivate harmonious relationships with our social partners, as well as an open and lively culture of collaboration.

> At B. Braun, we combine the values of a family with the opportunities of a globally successful corporation.

We have further digitalized personnel processes in the B. Braun Group in the reporting year and made them more efficient. We use a standardized system for management of employee data, time management, training, organizational and qualifications management in more and more of our companies, as well as for the calculation of compensation. Various "Employee Self Services" and "Manager Self Services" are used to facilitate and simplify processes. A global system was developed in 2015 to standardize the various country-specific systems, and it will be available Group-wide in 2016. The global job market was optimized in the reporting year for the use of mobile devices.

A key component of our HR efforts is individual employee development. B. Braun promotes the career of each and every employee with a diverse array of training and educational opportunities based on international standards. We also promote national and international exchanges across all sites.

B. Braun Avitum was recognized as best employer in Hungary in the category of "companies with 250 – 1,000 employees" in the reporting year. In addition, our UK subsidiary was awarded the Gold medal of the well-known "Investors in People" award, which recognizes high standards in personnel development, for the second time in a row. In Germany, B. Braun was recognized as one of the best employers in the "chemicals and pharmaceuticals" and "electronics, electrical engineering and medical equipment" industries in 2015, according to a survey in "Focus," a news magazine. On November 13, 2015, the "16th Career Day for Family-Owned Businesses" took place for 650 previously selected graduates and young professionals on the grounds of the B. Braun facility in Melsungen, featuring presentations from 38 companies.

Number of employees

The B. Braun Group had 55,719 employees as of December 31, 2015. This is up 3.2 percent from the previous year, in which the number of employees was 54,017. The main reason for this increase was the continued expansion in production, research and development activities, as well as in administration and engineering. The Group also added new distribution companies, in addition to the acquisition and foundation of new companies. Adjusted for the effect of acquisitions and the foundation of new companies, the number of employees increased by 2.3 percent.

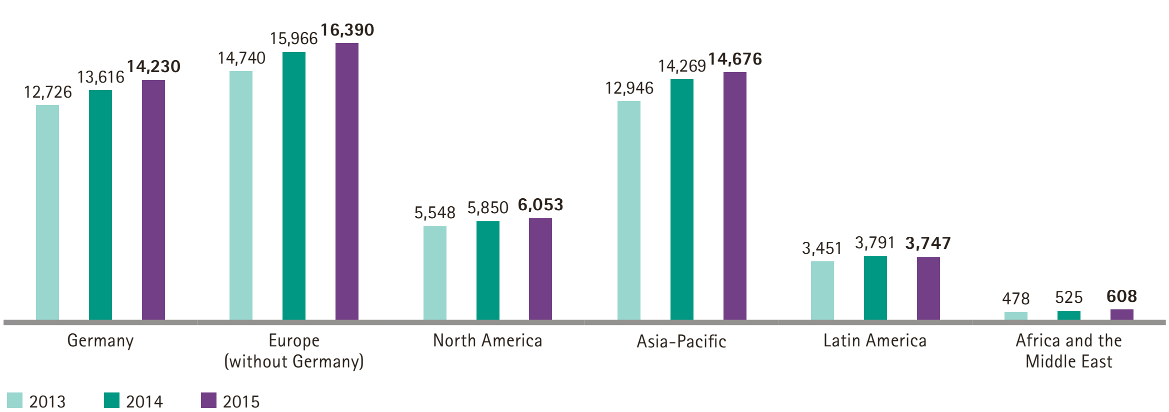
In Germany, the number of employees rose by 4.5 percent to 14,230 (previous year: 13,616). In addition to the further increase in production capacity and the hiring of new employees in the research and development and administration and engineering departments, this growth is attributable to the acquisition of a manufacturer of dialysis products and acquisition of multiple dialysis centers.

In Europe, the number of employees rose by 2.7 percent to 16,390 (previous year: 15,966). The main reason for this increase was the hiring of employees at production sites in Hungary, Poland, Italy and Switzerland. The opening of additional dialysis centers in Russia also contributed to the growth in the number of employees.

North America had 6,053 employees at the end of the reporting year (previous year: 5,850) working for B. Braun. Thus the number of employees increased by 3.5 percent as compared to 2014. This is the result of a further increase in production capacity in the Hospital Care division.

The expansion of sales activities in China and production activities in India through the addition of two new production lines resulted in an increase in the number of employees in the Asia-Pacific region. This number was up 2.9 percent, to 14,676 (previous year: 14,269).

EMPLOYEES BY REGION



The number of employees in Latin America decreased by 1.2 percent, to 3,747 (previous year: 3,791). This development is primarily attributable to a reduction in the number of production employees in Brazil and Peru. The number of employees in sales and logistics was reduced in Chile, Columbia and Mexico.

The number of employees in Africa and the Middle East increased to 608 (previous year: 525). This represents an increase of 15.8 percent compared to the previous year. In addition to increasing capacity in the B. Braun Avitum Division in South Africa, additional employees were hired by the newly-formed companies in the United Arab Emirates as well as in Kenya.

Participation of men and women in leadership positions

In connection with the "Act for the Equal Participation of Women and Men in Leadership Positions in the Private and Public Sectors", which took effect in 2015, the Supervisory Board has voluntarily adopted the statutory value of 30.0 percent for publicly-traded companies with co-determination as the target for the percentage of female membership in the Supervisory Board. At present, the share of female members is 18.8 percent. This target should be met in the upcoming 2016 Supervisory Board elections. At the same time, the Supervisory Board has resolved to maintain the current female membership share in the Management Board of B. Braun Melsungen AG (14.2 percent) and to appoint another female Management Board member in the medium term. This was accomplished with the appointment of Anna Maria Braun to the Management Board, so that as of April 2016, the female membership share in the Management Board will be 25.0 percent. At the international level, the female share of leadership positions at B. Braun is 15.1 percent. The goal is to at least maintain this share. We plan to increase the percentage of women in leadership positions in the medium term by improving work-family balance, and particularly by allowing employees to serve in leadership positions on a part-time basis, as well as through the targeted advancement of talented female employees.

Location retention

Since 2004, agreements have existed between B. Braun and its social partners to protect jobs and secure the future of the Melsungen, Tuttlingen and Berlin sites. All agreements exclude dismissals for operational reasons and allow employees to share in B. Braun's earnings.

New agreements were concluded in the year 2015 for the Melsungen and Berlin sites (pharmaceuticals unit) in order to protect jobs and improve competitiveness. The agreements took effect on January 1, 2015 and apply for a term of six years, through 2020.

The agreement for the Vascular Systems unit in Berlin, which is designed to protect jobs and ensure competitiveness, has been in effect since 2014 and will remain in effect through the end of 2018. B. Braun Group company Aesculap AG (Tuttlingen) concluded a new agreement in the reporting year with a term through 2020. The agreement excludes dismissals for operational reasons during that period and includes an agreement by the company to invest more than € 100 million at the Tuttlingen site in the coming years. Profit-sharing payouts depend on the number of hours worked by the individual employee; the number of eligible hours has been reduced in recent agreements. For fiscal year 2015, profit-sharing payouts were capped at € 567 (previous year: up to € 1,136).

Vocational training

For many years, B. Braun has had a strong commitment to vocational training, as evidenced by a range of innovative approaches in this area and the growing number of trainee positions provided. This is a central component of our HR strategy. Guaranteeing robust training for our junior staff is our most important obligation in the coming years.

332 (previous year: 300) trainees successfully completed their training at our locations in Brazil, Germany, Malaysia, Poland, Switzerland and Vietnam. In the reporting year, the company accepted 261 new trainees (previous year: 224).

In Brazil, Germany, Malaysia, Poland, Switzerland and Vietnam, there are currently 1,092 (previous year: 1,149) young people in training with us. For many young people, combining vocational training with university studies or studies at a vocational academy is an attractive option. 115 (previous year: 111) trainees in Germany are currently pursuing the dual system for vocational education. B. Braun also supports the development and implementation of innovative training approaches at a number of its international locations. These are aligned with the dual system for vocational education, but are adapted to meet local requirements. Electricians and mechanics for industrial maintenance, mechatronic specialists, metalworkers, experts in plastic processing, as well as those in administration and logistics are participating in professional education.

Performance-related remuneration

Under the B. Braun Incentive Scheme, a series of profit participation rights are offered to members of the Management Board and eligible managers. The value of the profit participation rights depends on the development of the Group's equity. In financial year 2015, 64,761 profit-sharing rights were issued (previous year: 62,481). 53 percent (previous year: 47 percent) of the profit participation rights offered to eligible employees were subscribed. As of December 31, 2015, a total of 690,351 profit-sharing rights had been issued (previous year: 699,893). The term for the B. Braun Incentive Scheme was extended by five years in 2015, to 2020, by resolution of the shareholders at the Shareholders' Meeting.

Thank you to our employees

Our strong performance in the reporting year was made possible above all by the work and trust of our employees, and by their knowledge and commitment. We would like to convey our sincere thanks to our employees for all of their work. We are convinced that the abilities and energy of our employees will allow B. Braun Group to continue to succeed in the future. We would also like to thank the employee representatives and labor unions for their cooperation, which has always been fair and constructive.

Our employees ensure B. Braun maintains its successful course.

Non-financial performance indicators

Quality and environmental management

As a developer and manufacturer of medical and pharmaceutical products, B. Braun operates in highly regulated markets. Therefore, the quality and environmental management system we implement must comply with stringent statutory and regulatory requirements. In addition, we have established our own standards in the fields of environmental protection and health and safety in the workplace, which we subject to regular internal audits. By paying close attention to customers' needs, we have identified and standardized key processes to ensure uniformly high standards of quality. All procedures, products, and IT-related documentation are subject to a continuous improvement process, taking into account environmental sustainability and productivity.

As a member of the German Chemical Industries Association (Verband der Chemischen Industrie, VCI), B. Braun adheres to the Association's guidelines on "Responsible Care" and takes responsibility for improving the protection of the environment, as well as health and safety in the workplace under the global "Responsible Care" initiative.

In Europe, 20 locations of the B. Braun Group are EN ISO 14001 certified. In addition, environmental management in Rubí (Spain) has received certification under the EU's Eco-Management and Audit Scheme (EMAS). Our occupational health and safety management system at our locations in Germany (Melsungen, Tuttlingen and Bad Arolsen), France (Nogent-le-Rotrou, Chaumont, and Boulogne), Spain (Rubí and Jaén), Switzerland, Romania (Timisoara), Russia (Tver), Malaysia and Brazil, as well as B. Braun Avitum in Italy, is certified for compliance with the international OHSAS 18001 standard. The Melsungen site has also obtained the "Seal of Approval – Systematic Safety" (German: "Sicher mit System") mark from the BG RCI (statutory accident insurer for the commodities and chemicals industry). A number of the European dialysis centers of our B. Braun Avitum Division are certified to EN ISO 9001 and in accordance with the IEC/TR 62653 "Guideline for safe operation of medical devices used for hemodialysis treatments." Dialysis centers qualified under these standards are authorized to use the "Good Dialysis Practice" certificate.

All B. Braun medical devices conform to the Essential Requirements of the European Council Directive on Medical Devices and the German Medical Devices Act (Medizinproduktegesetz, MPG). In the US, we adhere to the guidelines in Title 21 of the Code of Federal Regulations, which detail the requirements of the FDA (Food and Drug Administration) for pharmaceuticals and medical devices. In addition, all of our divisions comply with the specific requirements of, for example, ISO or eco-audit directives and a large number of national laws and regulations.

Customer and product responsibility

We develop, manufacture and distribute high-quality, safe and reliable products and services. Our actions are directed towards the safety of patients and medical professionals: B. Braun's treatment systems are designed to help medical professionals treat their patients in a medically sound manner, and with maximum efficiency and minimum risk. As a result, our products meet the highest quality standards and satisfy all statutory and official requirements, as well as our internal safety and quality requirements. Each B. Braun company ensures that national and international quality assurance requirements are implemented and that all complaints are received and fully addressed in a timely manner. We comply with our product surveillance obligations fully and thoroughly. In line with our "Sharing Expertise" philosophy, new B. Braun products are developed in close cooperation with customers to enable optimal use in clinical practice. In addition to the therapeutic benefit of its products, B. Braun attaches great value to user-friendliness and user safety. Even during the development stage, the use of substances and materials that are hazardous to human health and/or harmful to the environment is subjected to critical scrutiny in the form of risk analyses, and risks are eliminated or minimized whenever possible. Because of its broad line of products, B. Braun is in a position to cover entire treatment areas and processes, and to reduce potential risks in the process of use. The design and functionalities of our products improve the safety of users as well as patients.

We are passionate about improving treatments, reducing risks and making processes in healthcare more effective and efficient.

We protect the data of our customers, patients, employees and applicants from unauthorized access by third parties, handling this data with care and in accordance with the applicable regulations. We take special precautionary measures to protect personal data. The data protection team also organizes routine employee training sessions, provides advice in connection with the drafting of contracts and marketing activities, for example, and offers extensive information on data protection.

B. Braun manufactures primarily single-use products in large quantities. The development, production and market surveillance of our medicinal products and medical devices conform to international material and product standards, as well as standards for quality assurance systems, environmental protection and worker safety. At B. Braun, these standards are incorporated into an "integrated management system" (quality, environmental protection, worker safety) with harmonized processes for development, production, testing and market surveillance. Constant risk management ensures that all relevant information is collected and evaluated, and that action is taken when necessary. If, despite all of these preventive measures, a problem with our products or services arises, we can quickly respond to customer complaints. A centralized complaint database ensures a link to our global distribution organization. As a result, a qualified and medically sound assessment of the circumstances of the case can be made by experts in centralized fashion, regardless of the production site, and the appropriate action can be taken if necessary.

Corporate social responsibility

To B. Braun, assuming social responsibility means sharing knowledge and creating opportunities. As a corporate citizen, the company is involved around the world in activities that extend beyond its own core business in regions in which B. Braun conducts business. In all, we sponsored 177 social projects in 34 countries in the year 2015. In particular, B. Braun supports projects in the fields of education, health and generations.

Almost 50 years ago, an initiative was created, the B. Braun Foundation, to support the continuing education and training of nurses and physicians in clinical practice. The Foundation awards grants and organizes symposiums and colloquiums. Since that time, the company has invested more than € 9 million in the future of science. The B. Braun Prize is awarded to students of social sciences and health at schools in Germany, Austria and Switzerland. Braun also invites study groups at universities and other educational institutions to investigate subjects in the area of healthcare, with the subject rotating every two years, and to submit papers, which are then evaluated and recognized by an expert jury. In addition, the B. Braun Prize for Social Innovation is awarded each year by the Aesculap Division in Tuttlingen. The prize is awarded to initiatives that distinguish themselves through their special innovative character, effectiveness, sustainability and applicability.

The company's relationship with the University of Kassel has a long tradition and has produced many initiatives. UNIpace, for example, stands for "Polymer Application Center," and is a partnership between the Institute for Materials Engineering und B. Braun with the object of identifying research questions with practical relevance and assisting scientists in making new findings. Other elements of the strategic partnership include the Otto Braun Fund, which primarily supports research work in the natural sciences, and the North Hessen Innovation Society (GINo), which works to patent university inventions, and support for foundation professors.

To us, expanding knowledge also means making children and adolescents excited about science. Activities of this kind took place at nearly all major B. Braun locations in the year 2015.

We want to strengthen people in the regions where we maintain locations and where we have been a part of society for many years. Aside from educational projects, our activities in this regard focus above all on investment, health, cultural and athletic activities.

B. Braun assumes social responsibilities in the regions where we operate.

Since 2014, B. Braun has been providing support for the renovation of the Melsungen Comprehensive School, where open and barrier-free spaces will be created for joint learning. In the "B. Healthy – B. Braun" campaign in the United Kingdom, more than 11,000 children since 2008 have learned why a healthy lifestyle is important, including prevention offerings and sports and dance workshops. In the Philippines, B. Braun employees advise families in all matters relating to healthy nutrition as part of the "Busog-Lusog Nutrition Support Program." In Australia, B. Braun finances a car service to take leukemia patients from their homes to the hospital. We also provide assistance for cultural projects, as well as for large and small athletic clubs at B. Braun sites.

As a "corporate citizen," B. Braun is particularly interested in giving those in need of help hope for a better life. This is why B. Braun created the "B. Braun for Children" initiative in 2004. The goal of the initiative is to give children and young adults perspectives for the future. We implemented 101 "B. Braun for Children" projects in the year 2015, benefiting 43,000 children. Three examples: Since 2015, we have been providing assistance for the "Siamo tutti Cittadin del Mondo" integration project ("We are all citizens of the world") in Milan, Italy. The project has taught the value of cultural differences to 200 third and fourth grade students from immigrant families as well as strengthening mutal understanding and self-confidence. In Bañado Norte, Paraguay, B. Braun works with the organization called "Girls, Boys and Adolescents Protection in Vulnerable Situations." In this way, 50 children per year receive medical and psychological care, as well as material support. At a kids camp in the Swiss Paraplegic Centre in Nottwil, Switzerland, 20 paraplegic children are given the opportunity to play games with their siblings and parents something they would otherwise be excluded from. B. Braun hosts the camp in conjunction with the Swiss Paraplegic Association.

B. Braun provides assistance not only for long-term projects, but also in cases where help is acutely needed. B. Braun established an employee donation account for the victims of the earthquake in Nepal in April and May 2015, which killed more than 7,900 people and resulted in catastrophic damage. B. Braun doubled the amount donated, to € 70,000, and handed this sum over to the Global Care organization in July 2015. They used the money for the reconstruction and furnishing of the Janakalyan Higher Secondary School in the Kaski District in central Nepal. The children also received new school uniforms and backpacks.

Two explosions in a container storage facility in the city of Tianjin, in northern China, resulted in the death of more than 170 people in August 2015. Nearly 800 people were injured, many severely. Immediately after the accident, B. Braun employees in China collected aid packages for four hospitals and the Red Cross. The packages, some of which were delivered in person in Tianjin, consisted primarily of B. Braun wound care products.

In the second half of 2015, millions of refugees came to European countries to seek refuge from war and persecution. The B. Braun Management Board voted in September to allocate € 50,000 in immediate assistance for aid organizations. Further activities are planned to help refugees: For example, B. Braun has established a donation account, which already includes some € 30,000 in employee donations. B. Braun is also planning internship and vocational training programs in order to facilitate the integration of refugees into German society.

SUBSEQUENT EVENTS

No events occurred between the end of the reporting period and the date on which the consolidated financial statements were prepared that had a material effect on the results of operations, financial position or net assets for the fiscal year 2015.

RISK AND OPPORTUNITIES REPORT

RISK MANAGEMENT AND CONTROLLING

All key strategic and operational decisions at B. Braun are made taking into account the associated risks and opportunities. We have a fundamentally cautious corporate strategy and avoid any uncontrollable potential risks. Risk management and controlling are key management tasks and an essential part of Group management. The B. Braun Group's comprehensive risk management ensures that risks can be identified, documented, assessed, monitored, and managed. Risks resulting directly from business operations are quickly identified and assessed using our systematic controlling processes, which are implemented in all business areas, companies, and regions. We also identify and manage risks that do not result directly from business operations. The divisional and Group risk committees assess these risks and document appropriate countermeasures. Our risk management is complemented by an internal audit department and ultimately by the annual audit of financial statements.

B. Braun stands on a solid foundation and will seize its opportunities also in the future.

RISKS

The risks described below, which could have an impact on B. Braun, do not represent an exhaustive list of all the risks to which B. Braun is exposed or may be exposed. Risks that are not known or that are considered to be insignificant at the time of preparation of this annual report may also impact the earnings and financial position of the B. Braun Group.

Macroeconomic risk[3]

Geopolitical tensions in the Middle East pose a material risk to the global economy. Further escalation could further unsettle consumers, manufacturers and investors and cause a noticeable slowdown in economic growth. The risk of global terrorist attacks has increased due to the conflict in the Middle East. This could also have a negative impact on consumer spending and investments. In addition, risk premiums in the capital markets may increase, resulting in worsening financing conditions, which would affect B. Braun as well. If oil prices remain depressed for a sustained period of time, this will have the effect of destabilizing the oil-exporting economies. On the other hand, a significant increase in oil prices would result in a general slowdown in economic growth. Flagging growth in emerging markets (particularly in China) continues to pose a risk to the performance of the global economy.

Following an initial interest rate hike by the US Federal Reserve at the end of 2015, the central bank is expected to continue to move away from an expansive monetary policy. This will increase the relative attractiveness of the US to investors, which may lead to the withdrawal of capital from emerging economies. This could lead to significant distortions in the financial and foreign exchange markets. The extent to which further interest rate hikes will affect the performance of the US economy is difficult to assess at the moment. Given the robust state of the US economy and the

[3] Ifo Institute: ifo Growth Forecasts 2015–2017, December 2015

announcement that interest rates will be raised in small increments, the risk to US economic growth appears to be minor, but cannot be ruled out entirely.

The European Central Bank continues to pursue an expansive monetary policy. This could result in asset price bubbles and create false incentives for fiscal policy in some European countries. The ability to issue government bonds with favorable terms, in some cases with negative interest rates, may deter governments from seeking permanent solutions to structural problems for political reasons. In addition, there may be a significant and lasting expansion in government debt. The vulnerability of European economies to adverse shocks is increased due to the fact that the freedom of action for fiscal intervention is significantly diminished.

A further worsening of the economic situation in Brazil is likely. Given the high national debt and the significant decline in the country's currency, fiscal and monetary policy will continue to be restrictive. An end to the recession does not appear possible without government support. Moreover, the corruption cases are unsettling potential investors.

Industry risk

The healthcare market remains largely immune to economic fluctuations. Consequently, the development of our disposable goods business is generally not greatly dependent on macroeconomic trends. In contrast, the capital goods produced by B. Braun are cyclical. A dependence on economic trends generally exists even where patients must pay for healthcare services themselves. Far-reaching austerity measures in some countries have resulted in cuts to public healthcare budgets, which may have a negative impact on demand for our entire range of products and services. This is compounded by the fact that some countries are also extending payment periods and introducing or increasing compulsory discounts and other levies.

In some markets, it is becoming evident that foreign manufacturers will have no or only limited opportunity to participate in the bidding process if domestic manufacturers offer comparable products. This is the case, for example, in Russia. Bidding and import regulations for German manufacturers in that country continue to be characterized by protectionist policies. We are intensifying our relationships with local manufacturers and continuing to expand our regional presence in order to maintain lasting access to growth markets all over the world.

Increased formalization of the international product approval process is evident, and this entails higher costs for B. Braun. Longer processing times and more extensive requirements for documentation and study submissions can delay and drive up the cost of product launches and increase the overall research and development risk. On the demand side, the creation of group purchasing organizations for high volume purchasing is strengthening the market power of customers, in turn increasing the risk of further price pressure and our dependence on individual customers. Aggressive price competition has also been observed in some markets. The complete vertical integration of hospitals or other customers by pharmaceutical or medical technology companies presents an additional risk, which could impact market access for other companies.

Overall, the structural risks for businesses operating within the healthcare market remain at an elevated level. We expect that these risks will continue in the medium term, and that this may impact the financial performance of B. Braun.

Procurement risk

Risks generally result from commodity price changes and supply shortages in the procurement markets. The occurrence of these potential risks could have an effect on our ability to produce and deliver and, ultimately, on B. Braun's sales and earnings.

Potential supply shortages repeatedly arose during the reporting year. In the plastics market in particular, we were confronted with multiple "force majeure" declarations from our suppliers. We were able to avert disruptions in supply in all cases. Thanks to the procurement processes we have implemented, as well as our global purchasing organization, timely countermeasures and strategies have been developed so that production is never delayed or interrupted. Our longstanding, trusting and collaborative supplier relationships are another pillar of our strategy for ensuring consistent supply. We will strive for greater integration with our suppliers in coming years.

Wherever possible, we use strategies for long-term price hedging in the context of active price management. For example, globally pooling our demand, entering into long-term supply contracts in connection with hedging commodity prices on intermediate goods, and master agreements with a term of at least one year. The goal is to reduce price and supply risks while maintaining consistently high quality. We were able to benefit from the decrease in commodities prices in the year 2015. To minimize the risk of supplier defaults, we routinely perform risk assessments of our suppliers. If a supplier is identified as a high default risk, we have a range of processes and instruments in place to ensure continuous supply. These include disaster recovery plans, holding inventory either at B. Braun or at the supplier's location, second and dual sourcing, as well as the notarial preservation of documents about production processes and formulations. Although the risk situation in the procurement markets has worsened in some cases, our purchasing organization has been able to further minimize risks with processes to secure price and supply.

Product risk

We counter the risk of interactions and side effects in infusion therapy, drug admixture, and orthopedics using quality management systems at our production facilities. These are modeled on international standards and assure that all regulatory requirements are observed. Regular reviews of our quality management systems utilizing internal and external audits, together with continuous employee training, complement our quality management activities. There are no risks arising from ongoing procedures that could jeopardize the company's continued existence.

HR risk

The main risks facing HR relate to demographic changes and a lack of sufficiently qualified skilled workers and managers at a regional level. B. Braun is pursuing a number of measures to counter these trends and optimize its perceived attractiveness as an employer. As a result, no significant negative effects from HR risks have been identified in the medium term. B. Braun's German training model has been implemented in Vietnam and Malaysia as well in an effort to protect against the shortage of skilled workers abroad. The dual training system has been extended in both countries.

Personnel development programs are being continuously expanded. The goal of these programs is to encourage employee loyalty from an early stage and promote identification with the company in order to minimize the risks posed by staff turnover and 'brain drain.' In the course of the company's talent management and international executive development activities, a new module of B. Braun's Executive Development Program was developed and implemented in the reporting year. In this module, participants from various countries are trained in subjects such as strategic management, financial management and decision-making. Succession planning is another integral element of B. Braun's HR strategy, its purpose being to ensure that vacant managerial positions are swiftly filled by suitable candidates from within the company. Key aspects of our HR strategy to position B. Braun as an attractive employer include, for example, initiatives to improve the work-family balance of employees, a strong commitment to staff training and continuing education, performance-based remuneration, and flexible working time models.

IT risk

Important business processes rely on IT systems. A failure of essential IT systems or a large-scale loss of data could lead to a serious disruption of business operations, including in manufacturing. Our continued investment in IT infrastructure and a redundant system architecture help to minimize this risk. Other measures to reduce risk include regular data backups and employee training. A coordinated user permissions policy helps to safeguard against data misuse and compliance is assured through the internal audit department and data security officers. Our systems are also protected by robust anti-malware programs. Due to these measures, we do not anticipate any significant negative effects from IT risks.

Financial risk

B. Braun operates internationally and is therefore exposed to currency risk, which it hedges using derivative financial instruments. We pursue a rules-based strategy known as "layered hedging," which allows us to achieve coverage of average prices for the period of our hedging horizon and reduce the effects of currency translation on the consolidated net income. However, these risks could arise in the event of lasting shifts in exchange rate parities, insofar as price adjustments are not enforceable under market conditions. Trading and management of derivative financial instruments are regulated by internal guidelines and are subject to continuous risk control.

Payer swaps are at times used for variable-rate bank loans to minimize interest rate risk.

To manage liquidity risk, we maintain sufficient reserves of short and long-term committed credit lines including in particular a syndicated loan with a volume of € 400 million. We extended this loan agreement by an additional year in the reporting period, with a volume of € 367.5 million.

There is also the risk of a possible deterioration in the payment performance of our customers or public sector purchasers. Limited financing options can have a negative impact on liquidity and individual customers' ability to pay. There is also a risk that our suppliers' liquidity position could become strained that it could, in the worst case scenario, threaten their viability.

OPPORTUNITIES

In addition to risk, B. Braun regularly identifies and assesses opportunities for the company. Opportunities can generally arise from the refinement of medical standards or the launch of new products. Through close dialogue with the users of our products, and thanks to the integrated research and development activities at our Centers of Excellence (CoEs), we will continue to quickly exploit opportunities and create new sales opportunities.

Opportunities arising from positive economic development

Economic conditions affect the development of B. Braun's business. Our statements with regard to the future development of the Group are based on the anticipated macroeconomic environment as described in the outlook report. Should the global economy perform better than currently expected, our sales, earnings and financial position may exceed our forecasts.

Opportunities arising from the growth strategy

Increased capacity enables us to participate in the growing demand for healthcare and medical technology products. New, ultra-modern production processes further improve our competitiveness. In addition, our comprehensive product range and our extensive experience enable us to offer efficient solutions for our customers. Should the international healthcare markets develop at a faster rate than currently expected, this could have a positive impact on our sales, earnings and cash flow.

Opportunities arising from research and development

Our growth strategy is founded on product and process innovations. In close partnership with our customers and users, we work tirelessly to bring new and improved products to market. If we are able to achieve a quicker time-to-market for our research and development projects than is currently expected, this too could positively affect our sales, earnings and cash flow.

Opportunities arising from our international presence

The opening of additional healthcare markets (for example, in Asia, Africa and the Middle East) to international medical technology companies, together with the trend towards privatization in the field of dialysis services, could present additional opportunities for B. Braun. Our international presence allows us to participate in these developments. This would lead to a sustained improvement in B. Braun Group's future sales and earnings.

Opportunities arising from employees

Our employees are the driving force behind our innovations and, through close exchange with customers, users and patients, they create added value for B. Braun. Employees' strong identification with the company increases motivation and promotes individual responsibility. We aim to encourage this even further by providing employee development opportunities. Should the associated measures and methods result in faster and better progress than expected, this could further strengthen our competitive position and have a positive impact on B. Braun's sales, earnings and cash flow.

OVERALL STATEMENT ON THE GROUP'S RISK AND OPPORTUNITY SITUATION

From today's viewpoint, no risks or dependencies are identifiable that could threaten the viability of the B. Braun Group for the foreseeable future. There were no material changes in the Group's net risk position relative to the previous year and, once again, no risks were identified that could jeopardize the company's continued existence. However, we have observed increasing volatility in some areas. Examples include the continuing distortions on the foreign exchange markets and, in some cases, heightened procurement risks.

To the extent possible and appropriate, we are insured against liability risks and natural hazards, as well as other risks. Despite our extensive insurance coverage, obtaining full coverage for potential product liability risks is not feasible. In general, however, we are convinced that the continuing market risks will not have a substantial negative impact on the B. Braun Group's performance. Alongside these market risks are significant opportunities, which may enable successful business performance.

OUTLOOK

The statements made here on economic and company performance are forward-looking statements. Actual results may therefore be materially different (positively or negatively) from the expectations as they relate to future developments. Our forecasts contain all material events that were known at the time the Group Management Report was drafted and that could impact the business development of the B. Braun Group. Expectations are based in part on the macroeconomic and industry-specific developments described.

EXPECTED MACROECONOMIC AND INDUSTRY-SPECIFIC ENVIRONMENT

Expected development of the global economy[4]

After a slight decline in economic growth in 2015, the International Monetary Fund (IMF) projects 3.6 percent growth in 2016 (2015: 3.1 percent). This rate of growth would be slightly higher than the 2014 level (3.4 percent). Industrialized countries as well as emerging and developing countries will contribute to this growth. Growth will continue to be weak or negative in Russia and Latin America. The pace of expansion is expected to quicken in the first half of 2016 in Europe, the US and Asia due to the decline in oil prices. The global economy will once again be characterized by shifting exchange rates. Further declines in the euro and the Japanese yen would result in growing international demand for products from the EU and Japan.

Growth in Germany is expected to remain at the previous year's level with expected GDP growth of 1.6 percent. The expansion in the service sector and trade will have a positive impact on the performance of the economy. We continue to expect favorable financing conditions, which will have a positive effect on corporate and construction investments. Government consumption expenditures and transfers will increase significantly in 2016 in connection with the immigration of refugees.

CHANGE IN GROSS DOMESTIC PRODUCT
in %

	2015	2016
Europe	**1.9**	**2.0**
Germany	1.5	1.6
France	1.2	1.5
Greece	– 2.3	– 1.3
Italy	0.8	1.3
Poland	3.5	3.5
Russia	– 3.8	– 0.6
Spain	3.1	2.5
Czech Republic	3.9	2.6
Turkey	3.0	2.9
Hungary	3.0	2.5
North America	**2.4**	**2.7**
USA	2.6	2.8
Asia-Pacific	**5.4**	**5.4**
Australia	2.4	2.9
China	6.8	6.3
India	7.3	7.5
Indonesia	4.7	5.1
Japan	0.6	1.0
Malaysia	4.7	4.5
Latin America	**– 1.5**	**– 0.3**
Argentina	0.4	– 0.7
Brazil	– 3.0	– 1.0
Chile	2.3	2.5
Mexico	2.3	2.8

[4] International Monetary Fund: World Economic Outlook, October 2015 and ifo Institut: ifo Economic Growth Forecast 2015–2017, December 2015

Moderate 2.0 percent economic growth is expected for the eurozone. The growth of the European economies will receive a boost from the decline in the value of the euro and the low interest rates on savings and credit, as well as low oil prices. The highest growth rates are expected in Spain. The Spanish banking sector will continue to recover from the crisis. Structural problems exist in Italy and France. Despite the adoption of reforms, both countries will be able to achieve only slight growth in 2016. The forecasts for Greece are again beset by considerable uncertainty despite the decision to remain in the eurozone for the time being and the adoption of the new austerity and reform package. A further decline in GDP is expected. Moreover, the country's unemployment rate continues to rank among the highest in Europe.

The Central and Eastern European economies will achieve moderate growth of up to 3.0 percent. The low oil prices and the economic recovery in the eurozone will have a positive impact on the economy in these countries. Russia's weak economic performance will, on the other hand, have a negative impact on the region.

The IMF forecasts declining growth in the Russian economy. Purchasing power has been significantly reduced due to rising unemployment, the decline in real wages and high inflation. As a result, the economy will be slow to recover. Its further performance in the year 2016 will also be heavily dependent on the international situation and the future development in oil prices.

US GDP will grow once again in 2016. Low energy prices, a stabilized budget policy and improvements in the real estate market contribute to this growth. These factors will more than make up for the decrease in net exports as a result of the increase in value of the US dollar. Unemployment is expected to decrease by 0.4 percent, to 4.9 percent. No negative impact is expected from the Federal Reserve's move to raise interest rates, as long as future interest rate hikes are small and incremental. The planned Transatlantic Trade and Investment Partnership (TTIP) between the US and the EU will further increase the exchange of goods between these countries. The conclusion of this agreement and the resulting impact on world trade are to be expected in 2017 at the earliest.

Growth in the Asia-Pacific region will remain at the previous year's level. Growth expectations for China are at 6.3 percent. The government's structural reforms, as well as the low price of oil and commodities, will have a positive impact on consumer spending. Volatility on the financial markets will subside without major macroeconomic interventions. The growth rate of the Indian economy in 2016 will be slightly higher than the previous year. Past reforms, the growth in investments and lower commodity prices will contribute to the expected growth. Positive growth is also expected for Japan. Growth in real wages and the weak yen will result in growing domestic and foreign demand for Japanese products.

The IMF forecasts a GDP decline of 0.3 percent in 2016 for Latin America. The recession in Brazil is expected to continue next year. The country's economy is affected by its restrictive monetary and fiscal policies and the loss of confidence on the part of consumers and manufacturers as a result of the numerous cases of corruption. As a result, we have strengthened the capital base of B. Braun's Brazilian subsidiary. A change of government in Argentina at the end of the year resulted in the lifting of foreign exchange controls. This led to a significant reduction in the value of the Argentine peso. In addition, export taxes were reduced. These measures were designed to attract international investors and increase exports. The inflation rate will continue to climb. Mexican economic performance will be affected in particular by the upswing in the US economy.

OUTLOOK FOR THE HEALTHCARE MARKET

Positive growth rates are once again expected for the global healthcare industry. Spending for healthcare services will increase only slightly in industrialized countries. Demand for healthcare services in industrialized countries is growing, due primarily to the increase in chronic diseases, demographic changes and the increase in life expectancy, as well as an associated increase in morbidity. The positive global trend is supported above all by emerging and developing countries. Population growth, increasing affluence and the expansion of healthcare systems are contributing to this growth. As incomes rise, demand for higher-quality care in these countries is growing.

Sales growth is possible for B. Braun not only for its existing product portfolio, but also through product innovations and differentiation. This will have a positive impact on many of our product segments. The dialysis market is also expected to continue to grow. This is due to the rising number of diabetes cases in recent years. Since these can result in chronic renal failure, the need for dialysis will continue to increase. Due to low population growth, the rate of increase in industrialized countries will be lower than in the rest of the world.

Companies whose products have the potential to improve process efficiency for customers will have a particularly strong competitive advantage in the future. Subjects such as user safety, ease of use and targeted product improvements will become more important. In addition, digital innovations will continue to help physicians make diagnoses and choose the right treatment. New technologies create better links between the individual players in the healthcare sector, resulting in more efficient processes and lower costs. As the trend towards globalization continues, more transparent pricing is to be expected which, along with the increasing professionalization of purchasing, may result in a decline in prices and, therefore, margins.

Growth rates in European healthcare markets are expected to be moderate. Positive growth rates are expected in Northern European countries, including Great Britain and Germany. Further reforms are to be implemented in those countries in an effort to curb spending growth in healthcare markets and promote competition among providers. Weak growth is expected in the healthcare markets in Portugal, Spain and Greece due to budget cuts.

Healthcare spending is Russia is expected to decrease once again in the year 2016. Weak economic performance as a consequence of foreign policy conflicts and the decline in the value of the ruble significantly affects this forecast. Budget cuts are planned for the year 2016. Import restrictions on medical devices from western countries remain in place due to the tense political situation. Products from domestic suppliers will likely continue to be favored in government tenders. The trend towards hospital closures and drawdowns in personnel will continue in Moscow and other large cities in Russia, so that the money can be used to equip the hospitals that remain.

The US healthcare market will continue to expand. The growth results in particular from the extension of insurance coverage as a component of the "Patient Protection and Affordable Care Act" (ACA). Further growth drivers include the increase in "lifestyle diseases", as well as the aging of the affluent generation. A high pressure on costs will continue to prevail in the public healthcare sector in the future. The US Congress decided in December 2015 to suspend the medical device excise tax for 2016 and 2017. The implementation of this decision will eliminate this additional burden on companies in the healthcare sector.

Significant growth is expected in the healthcare market in the Asia-Pacific region. The growing affluence of the population as well as the expansion of government healthcare programs will contribute to this growth. The strongest growth rates are expected in India and China. There are plans to build more hospitals and healthcare centers in India. This is expected to create additional demand for medical equipment. In addition, conditions for foreign direct investment (FDI) have improved. We expect a weak rate of growth in Japan. The Japanese healthcare market is weighed down by the tense condition of public finances. The aging of the population offers new growth opportunities for foreign manufacturers in the medical device industry.

Positive growth is expected in the Latin American healthcare market. Despite budget cuts, many Latin American governments are striving to further improve their healthcare systems. In the future, government healthcare benefits in Mexico are to be integrated into general social services. The medical device industry in Mexico is supported by the rising number of insured persons, the high need for modernization and population growth. Only in Brazil is healthcare spending expected to stagnate.

BUSINESS AND EARNINGS OUTLOOK

We expect the B. Braun Group to achieve sales and earnings growth in the 2016 fiscal year. Sales growth will be between four and six percent assuming exchange rates remain constant (2015: € 6,129.8 million). We expect that the growth rate in euros will be lower. The dialysis division, B. Braun Avitum, will once again achieve stronger growth than the rest of the Group. The global healthcare market will continue to be divided in two parts. We expect an increasing volume in developing and emerging markets. We will be able to share in the growing demand thanks to our increased capacity and international presence. Operating results in the Asia-Pacific region should continue to improve. We expect strong sales growth in Latin America, particularly in Argentina, in local currencies. Given the expected exchange rate trend, sales in euros must be expected to be in line with last year's levels. In the established markets of Europe, including Germany, we expect demand to remain constant, with products that take into account both safety and efficiency aspects becoming more relevant. Innovations and continuous product enhancements will benfit from growth opportunities in these markets as well. We expect strong growth in 2016 in North America, which will boost Group growth.

On the earnings side, we expect our key performance indicators, interim profit and EBIT, to close within a range of € 530 to € 570 million in 2016, assuming constant exchange rates. If exchange rates remain constant, we expect EBITDA to increase to between € 920 and € 960 million (2015: € 878.1 million). An improvement in the EBITDA margin is the target. All divisions will contribute to the improved results, and we expect to see particularly strong effects in the Hospital Care Division. The increase in earnings stems, in part, from the completion of major investment projects, as well as increases in volume, which will drive improved utilization of production capacity. The launch of new products will also have a positive impact on earnings. The strategic goal in connection with our proactive working capital management, at constant exchange rates, is to keep DSO less than 75 days (2015: 67 days) and CIW less than 17.0 weeks (2015: 16.0 weeks).

Risks are posed by the political hotspots in the Middle East. In addition, increasing volatility is to be expected in the global financial and currency markets. The US Federal Reserve's decision to abandon its expansive monetary policy could weaken global economic performance. Due to the efforts of various governments to reform the healthcare sector and make it more efficient, as well as the intense price competition in some cases, sales prices in the healthcare market may come under increased pressure.

EXPECTED FINANCIAL POSITION

B. Braun will continue its solid financial policy of the last few years in the future as well. We are striving for an equity ratio of more than 40 percent for the year 2016. At the same time, we will maintain our current dividend policy.

The refinancing volume for long-term maturities will be € 192 million for the coming year, and € 183 million in 2017. Because of our financing activities in the reporting year, we are well-prepared to realize these financing volumes in the next two years. Due to our longstanding banking relationships and the sustained earnings power of B. Braun, we do not expect any significant risks in connection with the upcoming financing measures. Slightly higher interest rates are to be expected if central banks move away from an expansive monetary policy. If geopolitical conflicts worsen, there may be an increase in uncertainty in the capital markets, resulting in higher risk premiums. On the whole, this may make it more difficult and more expensive, for B. Braun to obtain financing. However, we do not regard this as a substantial risk to B. Braun at this time. The planned investments in plant, property and equipment in the coming years will be financed primarily from operating cash flow.

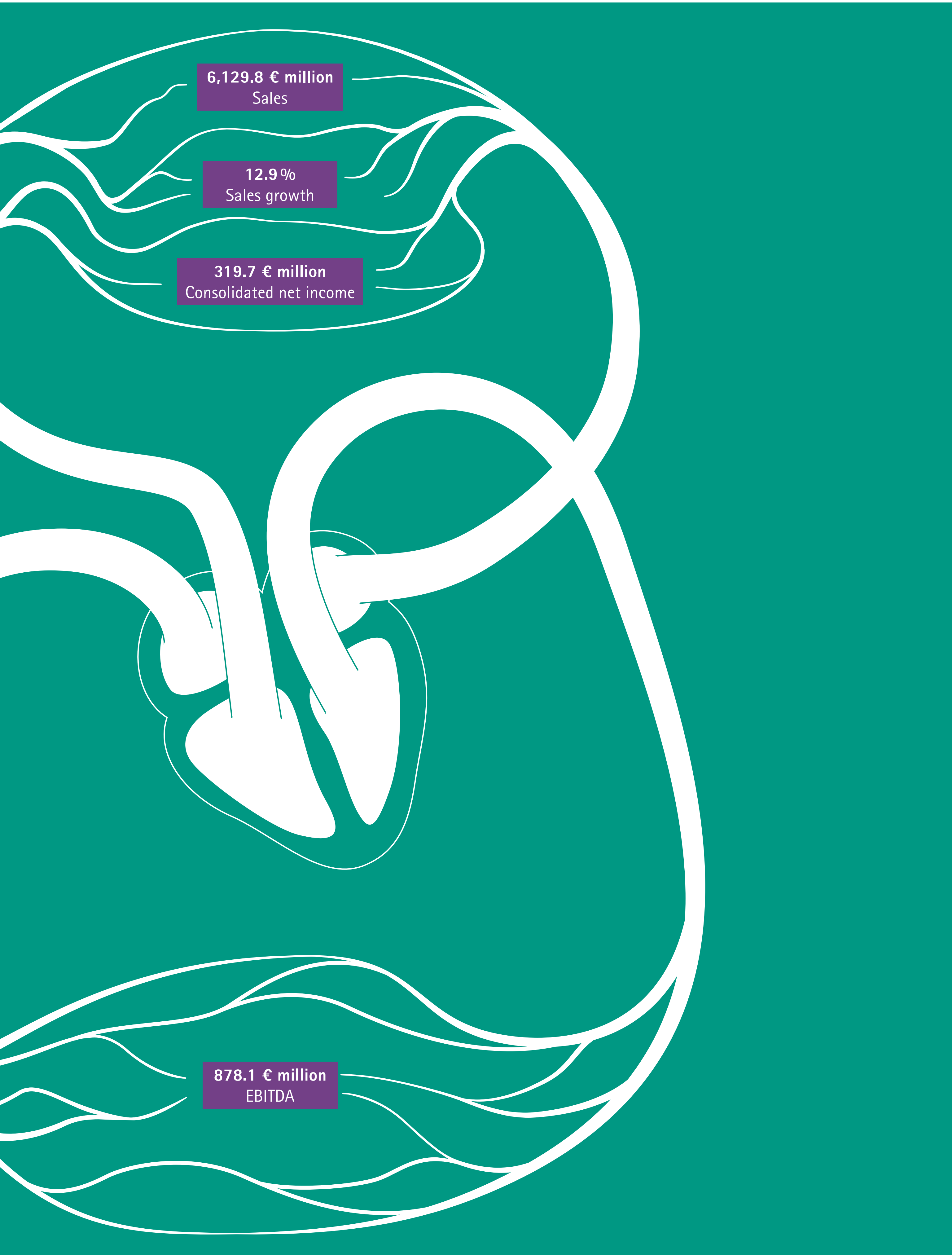
By executing the Group-wide cash pooling system, we will ensure optimal distribution of cash within the Group in the future as well. Furthermore, Group-wide inventory and receivable management projects permanently limit the need for financing.

OVERALL STATEMENT ON THE OUTLOOK FOR THE GROUP

Based on the assumptions presented with regard to the performance of the global economy and the healthcare market, we expect another year of positive results, driven by sales growth of four to six percent. We anticipate continued sales growth in fiscal 2016. A sustainable improvement in B. Braun Group's earnings through the investment projects and measures initiated for internal process optimization is our goal. In doing so, we will protect and improve the health of people all over the world, as well as helping users ensure optimal patient care.

Melsungen, March 2, 2016
The Management Board

CONSOLIDATED FINANCIAL STATEMENTS


6,129.8 € million
Sales
12.9 %
Sales growth
319.7 € million
Consolidated net income
878.1 € million
EBITDA

CONSOLIDATED STATEMENT OF INCOME

	Notes	2015 € '000	2014 € '000
Sales	1)	6,129,770	5,429,574
Cost of goods sold	2)	– 3,432,473	– 3,041,622
Gross profit		**2,697,297**	**2,387,952**
Selling expenses	3)	– 1,579,030	– 1,437,010
General and administrative expenses		– 308,890	– 284,194
Research and development expenses	4)	– 262,395	– 228,822
Interim profit		**546,982**	**437,926**
Other operating income	5)	396,287	245,616
Other operating expenses	6)	– 460,409	– 260,816
Operating profit		**482,860**	**422,726**
Profit from financial investments/equity method	7)	18,913	7,294
Financial income		5,198	3,099
Financial expenses		– 76,625	– 75,780
Net financial income (loss)	8)	– 71,427	– 72,681
Other financial income (loss)	9)	15,173	50,300
Profit before taxes		**445,519**	**407,639**
Income taxes	10)	– 125,802	– 91,326
Consolidated net income		**319,717**	**316,313**
Attributable to: B. Braun Melsungen AG Shareholders		305,410	295,144
Non-controlling interests		14,307	21,169
		319,717	**316,313**
Earnings per share (in €) for B. Braun Melsungen AG shareholders in the fiscal year (diluted and undiluted)	11)	15.74	15.21

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2015 € '000	2014 € '000
Consolidated net income	**319,717**	**316,313**
Items not reclassified as profits or losses		
Revaluation of pension obligations	71,500	– 269,340
Income taxes	– 18,555	73,623
Changes in amount recognized in equity	**52,945**	**– 195,717**
Items potentially reclassified as profits or losses		
Changes in fair value of securities	– 258	– 18,277
Income taxes	0	0
Changes in amount recognized in equity	**– 258**	**– 18,277**
Changes in fair value of financial derivatives	– 138	– 3,907
Income taxes	120	948
Changes in amount recognized in equity	**– 18**	**– 2,959**
Changes due to currency translation	10,481	72,827
Income taxes	0	0
Changes in amount recognized in equity	**10,481**	**72,827**
Changes recognized directly in equity (after taxes)	63,150	– 144,126
Comprehensive income in the reporting year	**382,867**	**172,187**
Attributable to: B. Braun Melsungen AG shareholders	357,353	157,962
Non-controlling interests	25,514	14,225

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	Dec. 31, 2015 € '000	Dec. 31, 2014 € '000
Assets			
Non-current assets			
Intangible assets	14) 16)	566,648	514,626
Property, plant, and equipment	15) 16)	3,642,325	3,302,552
Financial investments (equity method)	17)	338,942	331,483
Other financial investments	17)	45,984	30,319
of which financial assets		(45,984)	(30,319)
Trade receivables	18)	20,186	19,836
Other assets	19)	28,144	25,309
of which financial assets		(23,853)	(20,587)
Income tax receivables		1,873	2,216
Deferred tax assets		203,439	210,523
		4,847,541	**4,436,864**
Current assets			
Inventories	20)	1,056,725	1,005,716
Trade receivables	18)	1,014,515	973,853
Other assets	19)	238,300	227,795
of which financial assets		(126,733)	(130,100)
Income tax receivables		46,093	38,226
Cash and cash equivalents	21)	62,958	84,332
		2,418,591	**2,329,922**
Total assets		**7,266,132**	**6,766,786**
Equity			
Subscribed capital	22)	800,000	800,000
Capital reserves and retained earnings	23)	1,996,404	1,667,528
Effects of foreign currency translation		– 86,408	– 83,947
Equity attributable to B. Braun Melsungen AG shareholders		**2,709,996**	**2,383,581**
Non-controlling interests	24)	190,380	180,436
Total equity		**2,900,376**	**2,564,017**
Liabilities			
Non-current liabilities			
Provisions for pensions and similar obligations	25)	1,079,705	1,098,474
Other provisions	26)	98,235	79,658
Financial liabilities	27)	1,154,991	1,284,435
Trade accounts payable	29)	4,502	6,323
Other liabilities	29)	39,842	41,937
of which financial liabilities		(19,251)	(21,475)
Deferred tax liabilities		99,740	84,113
		2,477,015	**2,594,940**
Current liabilities			
Other provisions	26)	49,632	39,630
Financial liabilities	27)	768,374	585,718
Trade accounts payable	29)	344,113	305,591
Other liabilities	29)	681,183	640,022
of which financial liabilities		(286,486)	(253,887)
Current income tax liabilities		45,439	36,868
		1,888,741	**1,607,829**
Total liabilities		**4,365,756**	**4,202,769**
Total equity and liabilities		**7,266,132**	**6,766,786**

CONSOLIDATED ASSET ANALYSIS

Group	Costs of acquisition and manufacture					
	Jan. 1, 2015 € '000	Foreign currency translation € '000	Additions to scope of consolidation € '000	Disposals from scope of consolidation € '000	Additions € '000	Transfers € '000
Intangible assets						
Acquired goodwill	169,517	252	13,276	0	556	28
Licenses, trademarks, and other similar rights	421,528	8,346	10,338	0	16,907	20,605
Internally created intangible assets	85,705	9,734	0	0	12,961	0
Advance payments	108,870	– 12	0	0	26,822	– 19,814
Total	**785,620**	**18,320**	**23,614**	**0**	**57,246**	**819**
Property, plant, and equipment						
Land and buildings	1,750,434	21,083	19,035	0	63,790	140,084
Technical plants and machinery	2,579,375	15,906	3,156	0	127,312	220,141
Other plants, operating and office equipment	864,494	– 401	1,807	0	74,089	30,724
Advance payments and assets under construction	634,051	10,215	53	0	372,482	– 391,768
Total	**5,828,354**	**46,803**	**24,051**	**0**	**637,673**	**– 819**
Financial investments						
Financial investments (equity method)	331,483	581	514	0	8,739	– 2,375
Other holdings	18,406	0	1,275	– 65,567	77,858	2,375
Loans to companies in which the groups hold an interest	1,792	– 89	0	– 1,275	0	0
Securities	723	0	0	0	4,634	0
Other loans	9,447	0	34	0	852	0
Total	**361,851**	**492**	**1,823**	**– 66,842**	**92,083**	**0**
	6,975,825	**65,615**	**49,488**	**– 66,842**	**787,002**	**0**

* Other changes include foreign currency translation effects, changes to the consolidation scope, transfers and disposals

				Depreciation and amortization				Carrying amounts	
	Disposals	Changes in fair value	Dec. 31, 2015	Accu-mulated 2014	Fiscal year 2015	Other changes*	Accu-mulated 2015	Dec. 31, 2015	Dec. 31, 2014
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
	0	0	183,629	503	0	0	503	183,126	169,014
	– 4,104	0	473,620	256,681	34,698	3,041	294,420	179,200	164,847
	0	0	108,400	13,810	761	1,419	15,990	92,410	71,895
	– 3,954	0	111,912	0	3,912	– 3,912	0	111,912	108,870
	– 8,058	**0**	**877,561**	**270,994**	**39,371**	**548**	**310,913**	**566,648**	**514,626**
	– 16,253	0	1,978,173	493,980	55,589	2,629	552,198	1,425,975	1,256,454
	– 34,022	0	2,911,868	1,473,407	181,615	– 15,528	1,639,494	1,272,374	1,105,968
	– 32,781	0	937,932	557,566	79,496	– 26,426	610,636	327,296	306,928
	– 5,059	0	619,974	849	5,056	– 2,611	3,294	616,680	633,202
	– 88,115	**0**	**6,447,947**	**2,525,802**	**321,756**	**– 41,936**	**2,805,622**	**3,642,325**	**3,302,552**
	0	0	338,942	0	0	0	0	338,942	331,483
	– 3,850	0	30,497	29	0	0	29	30,468	18,377
	– 26	0	402	0	0	0	0	402	1,792
	0	– 172	5,185	0	0	0	0	5,185	723
	– 384	0	9,949	20	0	0	20	9,929	9,427
	– 4,260	**– 172**	**384,975**	**49**	**0**	**0**	**49**	**384,926**	**361,802**
	– 100,433	**– 172**	**7,710,483**	**2,796,845**	**361,127**	**– 41,388**	**3,116,584**	**4,593,899**	**4,178,980**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

See notes 22 – 24	Subscribed capital € '000	Capital reserves € '000
January 1, 2014	**600,000**	**10,226**
Dividend of B. Braun Melsungen AG	0	0
Increase in subscribed capital	200,000	0
Consolidated net income	0	0
Changes recognized directly in equity (after taxes)		
Changes in fair value of securities	0	0
Cash flow hedging instruments	0	0
Revaluation of pension obligations	0	0
Changes due to currency translation	0	0
Comprehensive income over the period	**0**	**0**
Other changes	0	0
December 31, 2014 / January 1, 2015	**800,000**	**10,226**
Dividend of B. Braun Melsungen AG	0	0
Increase in subscribed capital	0	0
Consolidated net income	0	0
Changes recognized directly in equity (after taxes)		
Changes in fair value of securities	0	0
Cash flow hedging instruments	0	0
Revaluation of pension obligations	0	0
Changes due to currency translation	0	0
Comprehensive income over the period	**0**	**0**
Other changes	0	0
December 31, 2015	**800,000**	**10,226**

	Retained earnings	Other reserves	Equity attributable to owners	Non-controlling interests	Equity
	€ '000	€ '000	€ '000	€ '000	€ '000
	1,797,036	**– 134,588**	**2,272,674**	**172,311**	**2,444,985**
	– 32,000	0	– 32,000	0	– 32,000
	– 200,000	0	0	0	0
	295,144	0	295,144	21,169	316,313
	0	– 18,277	– 18,277	0	– 18,277
	0	– 2,871	– 2,871	– 88	– 2,959
	– 184,141	0	– 184,141	– 11,576	– 195,717
	0	68,107	68,107	4,720	72,827
	111,003	**46,959**	**157,962**	**14,225**	**172,187**
	– 15,055	0	– 15,055	– 6,100	– 21,155
	1,660,984	**– 87,629**	**2,383,581**	**180,436**	**2,564,017**
	– 32,000	0	– 32,000	0	– 32,000
	0	0	0	0	0
	305,410	0	305,410	14,307	319,717
	0	– 254	– 254	– 4	– 258
	0	– 140	– 140	122	– 18
	54,797	0	54,797	– 1,852	52,945
	0	– 2,460	– 2,460	12,941	10,481
	360,207	**– 2,854**	**357,353**	**25,514**	**382,867**
	1,062	0	1,062	– 15,570	– 14,508
	1,990,253	**– 90,483**	**2,709,996**	**190,380**	**2,900,376**

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2015 € '000	2014 € '000
Operating profit		482,860	422,726
Income tax paid		– 124,171	– 115,958
Depreciation and amortization of property, plant, and equipment and intangible assets (net of appreciation)		361,127	318,060
Change in non-current provisions		– 6,338	286,192
Interest received and other financial income		855	1,938
Interest paid and other financial expenditure		– 47,624	– 40,927
Other non-cash income and expenses		94,760	– 297,347
Gain / loss on the disposal of property, plant, and equipment and intangible or other assets		6,223	– 8,747
Gross cash flow	**34)**	**767,692**	**565,937**
Change in inventories		– 34,823	– 75,781
Change in receivables and other assets		– 78,820	– 31,090
Change in liabilities, current provisions and other liabilities (excluding financial liabilities)		33,456	61,639
Cash flow from operating activities (net cash flow)	**34)**	**687,505**	**520,705**
Investments in property, plant, and equipment and intangible assets		– 695,580	– 662,877
Investments in financial assets		– 22,809	– 108,011
Acquisitions of subsidiaries, net of cash acquired		– 39,049	– 77,865
Proceeds from sale of subsidiaries and holdings		4,034	4,727
Proceeds from sale of property, plant, and equipment, intangible assets and other financial assets		11,151	12,884
Dividends and similar revenues received		29,355	315,507
Cash flow from investing activities	**35)**	**– 712,898**	**– 515,635**
Free cash flow		**– 25,393**	**5,070**
Capital contributions		237	– 85
Dividends paid to B. Braun Melsungen AG shareholders		– 32,000	– 32,000
Dividends paid to non-controlling interests		– 10,052	– 10,008
Deposits and repayments for profit-sharing rights		– 1,154	– 653
Loans		340,888	566,025
Loan repayments		– 304,223	– 491,239
Cash flow from financing activities	**36)**	**– 6,304**	**32,040**
Change in cash and cash equivalents		**– 31,697**	**37,110**
Cash and cash equivalents at the start of the year		84,332	38,924
Exchange gains (losses) on cash and cash equivalents		10,323	8,298
Cash and cash equivalents at year end	**37)**	**62,958**	**84,332**

NOTES

GENERAL INFORMATION

The consolidated financial statements of B. Braun Melsungen AG – hereinafter also referred to as the B. Braun Group – as of December 31, 2015 have been prepared in compliance with Section 315a (3) of the German Commercial Code (HGB) according to International Financial Reporting Standards (IFRS) applicable as of the reporting date published by the International Accounting Standards Board (IASB), London, as well as the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as stipulated by the EU, and have been published in the online edition of the German Federal Gazette (Bundesanzeiger).

B. Braun Melsungen AG is a globally engaged, family-owned company headquartered in Melsungen, Germany. The company's address is Carl-Braun-Str. 1, 34212 Melsungen.

B. Braun Holding GmbH & Co. KG is the parent company of B. Braun Melsungen AG, as defined in Section 290 (1) HGB, and as the chief parent company is required to produce consolidated financial statements that include the consolidated financial statements of B. Braun Melsungen AG.

B. Braun Melsungen AG and its subsidiaries manufacture, market, and sell a broad array of healthcare products and services for intensive care units, anesthesia and emergency care, extracorporeal blood treatment, and surgical core procedures. The major manufacturing facilities are located in the EU, Switzerland, the USA, Brazil, Vietnam and Malaysia. The company distributes its products via a worldwide network of subsidiaries and associated companies.

The Management Board of B. Braun Melsungen AG approved the consolidated financial statements for submission to the company's Supervisory Board on March 2, 2016. The Audit Committee of the Supervisory Board plans to discuss the consolidated financial statements at its meeting on March 8, 2016, and the Supervisory Board shall approve the consolidated financial statements at its meeting on March 22, 2016.

The consolidated financial statements have been prepared based on historical costs, except for available-for-sale financial assets and financial assets / liabilities including derivative financial instruments measured at fair value through profit and loss. Unless otherwise indicated, the accounting policies were used consistently for all periods referred to in this report.

In the statement of financial position, a distinction is made between current and non-current assets and liabilities. The statement of income is presented using the cost-of-sales method. Using this format, net sales are compared to expenses incurred to generate these sales, classified by the expense categories cost of goods sold, selling, general and administrative, and research and development. To improve the informational content of the consolidated statement of financial position and consolidated statement of income, further details on individual entries have been provided in the notes to the consolidated financial statements. The consolidated financial statements have been prepared in euros. Unless otherwise stated, all figures are presented in thousands of euros (€ '000).

The financial statements of B. Braun Melsungen AG and its subsidiaries included in the consolidated financial statements have been prepared using standardized Group accounting policies.

New and amended International Financial Reporting Standards and Interpretations whose application is mandatory for the first time for fiscal years beginning on or after June 17, 2014 (IAS 8.28)

IFRIC 21, Levies

IFRIC 21 provides guidance on when to recognize a liability for a levy imposed by a government, excluding income taxes as defined by IAS 12 Income Taxes. Application of this interpretation is mandatory for fiscal years beginning on or after June 17, 2014. The amendment is expected to have no material impact on the net assets, financial position and earnings situation of the B. Braun Group.

New and amended International Financial Reporting Standards and Interpretations that have already been published, but whose application is not yet mandatory for companies whose fiscal year ends on December 31, 2014 (IAS 8.30) and whose adoption is still pending in some EU countries

Amendments to IAS 19, Employee Benefits – Employee Contributions

The amendment to IAS 19R (2011) adds an option to the standard with regard to accounting for defined benefit pension plans in which employees (or third parties) are involved through mandatory contributions. IAS 19R (2011) provides for assigning employee contributions, which are set out in the formal terms of a defined benefit plan and linked to job performance, to the service periods as negative benefits. Taking into account the now-published amendment to IAS 19R (2011), it is permissible to continue recognizing employee contributions linked to job performance that are not linked to the number of years of service during that period in which the corresponding work is done without applying the calculation-and-distribution method using the "projected unit credit method." However, if the employee contributions – depending on the number of years of service – vary, it is mandatory that the calculation-and-distribution method using the "projected unit credit method" be followed. This amendment should be applied for fiscal years beginning on or after February 1, 2015. Voluntary early application of these requirements is permitted, but the B. Braun Group does not elect to do this. The amendment is expected to have no material impact on the net assets, financial position and earnings situation of the B. Braun Group.

IFRS 14 Regulatory Deferral Accounts

IFRS 14 permits an entity, which is a first-time adopter of the International Financial Reporting Standards, to continue to account, with some limited changes, for "regulatory deferral account balances" in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements. Regulatory deferral account balances, and movements in them, are presented separately in the statement of financial position and statement of profit or loss and other comprehensive income, and specific disclosures are required. IFRS 14 applies to an entity's first annual IFRS financial statements for a period beginning on or after January 1, 2016. It is not yet clear when widespread adoption of these rules by the EU ("endorsement") can be expected. This interpretation is not relevant for the B. Braun Group.

Amendments to IFRS 11 Joint Arrangements – Acquisition of Shares in a Joint Operation

The amendment clarifies that acquisitions and subsequent acquisitions of interests in jointly controlled operations, which constitute a business as defined by IFRS 3, Business Combinations, should be accounted for according to the principles of accounting for business combinations under IFRS 3 and other applicable IFRS, provided these do not conflict with the provisions in IFRS 11. The changes do not apply if the reporting entity and the parties thereto are under common control of the same ultimate controlling party. The new rules apply prospectively for share purchases that take place in reporting periods beginning on or after January 1, 2016. Earlier voluntary application is permitted, but the B. Braun Group will not elect to do this. The amendment is expected to have no material impact on the net assets, financial position and earnings situation of the B. Braun Group.

Amendments to IAS 16, Property, plant, and equipment, and IAS 38, Intangible Assets – Clarification of Acceptable Methods of Depreciation

The aim of these amendments is to clarify which methods are appropriate with regard to the depreciation of property, plant, and equipment and intangible assets. In principle, the depreciation of property, plant, and equipment and intangible assets shall reflect the company's expected consumption of future economic benefits generated by the asset. In this regard, the IASB has now clarified that a depreciation of property, plant, and equipment on the basis of the sales of goods that it manufactures does not follow this approach, and thus is not appropriate, because the revenues depend not only on consumption of the asset, but also on other factors, such as sales volume, price, or inflation. With some exceptions, this clarification is also included in IAS 38 for amortizing intangible assets with finite useful lives. For both property, plant, and equipment and intangible assets, the clarification also states that the decline in the sale prices of goods and services produced with them might be an indication of their economic obsolescence, and therefore an indication of a decline in the economic benefit potential of the assets that are necessary for production. This amendment applies to reporting periods beginning on or after January 1, 2016. Voluntary early application of these requirements is permitted, but the B. Braun Group does not elect to do this. The amendment is expected to have no material impact on the net assets, financial position and earnings situation of the B. Braun Group.

Amendments to IAS 27, Separate Financial Statements – Applying the Equity Method in the Financial Statements

Due to the amendments, investments in subsidiaries, joint ventures, and associated companies in future IFRS financial statements shall be accounted for using the equity method. This amendment applies to reporting periods beginning on or after January 1, 2016. Voluntary early application of these requirements is permitted. This interpretation is not relevant for the B. Braun Group.

Amendments to IAS 16, Property, Plant, and Equipment, and IAS 41 Agriculture – Agriculture: Producing Plants

Until the date of bearer plants' production maturity, the amendments clarify that – similar to tangible assets – producing plants (bearer plants) should be accounted for either at acquisition or manufacturing cost, and should subsequently be accounted for using IAS 16 provisions, using either the acquisition cost model or the re-evaluation model. Accounting in accordance with IAS 41 will no longer be permitted. The amendment is effective for reporting periods beginning on or after January 1, 2016. An earlier voluntary application of the new rules is permitted. This interpretation is not relevant for the B. Braun Group.

IFRS 15, Revenue from Customer Contracts

On the one hand, the objective of the revised standards is, in particular, to unify the previous, less extensive regulations in the IFRS, and on the other, to standardize the very detailed and somewhat industry-specific regulations under US GAAP, thus improving the transparency and comparability of financial information. Under IFRS 15, revenue is then realized when the customer obtains control of the agreed goods and services, and can benefit from their use. The decisive factor is no longer a major transfer of risks and rewards, as under the old provisions of IAS 18, Revenue. Revenue is to be valued as quid pro quo, that is, the compensation that the company expects to receive. The new model provides a five-step scheme for determining the revenue recognition, whereby in the first step the customer agreement and the separate performance obligations contained therein must be identified. Subsequently, the transaction price of the customer's contract shall be determined and divided up among the individual obligations. Finally, revenue should be realized according to the new model for each performance obligation at the allocated pro rata transaction price as soon as the agreed service has been performed or the customer has obtained the power of disposal over it. A distinction that is based on predefined criteria is made here between point-in-time-related and period-of-time-based performance fulfillments. The new standard does not distinguish between different job and activity types, but establishes standardized criteria for when a service that is rendered should be realized as a point-in-time or period-of-time. In the future, IFRS 15 provisions will replace both the contents of IAS 18, Revenue and IAS 11, Construction Contracts. In addition, a variety of other items are controlled for the first time and this could have implications for the current accounting policy, such as provisions for contract modifications or repurchase agreements. In September 2015, the IASB published an amendment to the standard postponing mandatory first-time application of the standard to reporting periods beginning on or after July 1, 2018. Voluntary early application of these requirements is permitted, but the B. Braun Group does not elect to do this. EU adoption of the these rules ("endorsement") is expected for Q2 2016. The B. Braun Group is currently reviewing the impact on the net assets, financial position, and earnings situation.

IFRS 9 Financial Instruments

The IASB completed its project to replace IAS 39, Financial Instruments: Recognition and Measurement in July 2014 with the publication of the final version of IFRS 9, Financial Instruments. In its final version, IFRS 9 contains in particular fundamentally revised regulations on classifying and measuring financial instruments, accounting for the depreciation of financial assets, and hedge accounting relationships. For classifying and measuring financial assets, IFRS 9 provides the models "Hold to Achieve Contractual Cash Flows," "Hold and Sell" and "Intention to Trade" as a function of the company's business model. The classification and measurement rules for financial liabilities have changed very little through IFRS 9. Due to the new rules governing accounting for depreciation, their recognition fundamentally changes, since not only incurred losses (current incurred loss model), but also expected losses (so-called expected loss model) are to be recognized, whereby the scope of recognition of expected losses is differentiated further based on whether or not the credit risk of financial assets has deteriorated markedly since their addition. Also, the rules for hedge accounting have been completely revised. The primary aim of the new rules is to orient hedge accounting more strongly toward the company's economic risk management. A hedging relationship must therefore be maintained for accounting purposes as long as the documented risk management objective for this hedging relationship has not changed, and the other conditions for hedge accounting are met. Furthermore, individual risk components can be considered under IFRS 9 in isolation under certain conditions, even in non-financial transactions. In addition, the requirements for demonstrating the effectiveness of hedging transactions are changing. IFRS 9 – subject to an expected EU endorsement – is effective for reporting periods beginning on or after January 1, 2018. In principle, the adoption must be applied retroactively, although various simplification options are granted. Earlier voluntary application is permitted, but the B. Braun Group will likely not elect to do this. EU adoption of the these rules ("endorsement") is expected for Q2 2016. The B. Braun Group is currently reviewing the impact on the net assets, financial position, and earnings situation.

Amendments to IFRS 10, Consolidated Financial Statements, and IAS 28, Investments in Associate Corporations and Joint Ventures

The amendments have resolved a previously existing inconsistency between the two standards. IFRS 10 currently requires recognizing the full profit or loss resulting from the loss of control of a subsidiary, which is introduced in a joint venture or an associate concern. In contrast, IAS 28 only provides for profit or loss realization in the amount of shares held by other investors for non-financial assets introduced in associated companies or joint ventures. According to the published changes, in the future, the investor always has to realize a profit or loss in full if the transaction involves a business as defined in IFRS 3. If the transaction involves assets that do not constitute a business, then only the pro rata success shall be recognized. The changes are to be applied prospectively to corresponding transactions beginning on or after January 1, 2016. However, the IASB published a draft standard in August 2015 which calls for postponing mandatory first-time application indefinitely. This action was taken because of the finding of an unintended conflict between the proposed new rule and the existing rule in IAS 28.32. Nevertheless, voluntary earlier application of the rules will continue to be allowed. However, the amendment is not yet applicable because there has been no endorsement made for IFRS EU accounting. The rule is expected to have no material impact on the net assets, financial position and earnings situation of the B. Braun Group.

Amendments to IAS 1, Presentation of Financial Statements: Information Initiative

The objective of the information initiative is to eliminate obstacles that authors are faced with while exercising discretion when presenting financial statements. With respect to materiality, the amendments clarify that information should not be obscured by aggregating, that materiality must be applied to all elements of financial statements and that even then, significance shall be taken into account when the disclosure of certain information is prescribed in a standard. With regard to the statement of financial position and the representation in the income statement or in other comprehensive income, it is clarified that the list of ID lines can be split up or combined in the components of the financial statement on grounds of relevance and that additional guidance regarding subtotals in the financial statement components apply. It is clarified that a company's share of the other comprehensive income of associates or joint ventures that is accounted for using the equity method and aggregated as single ID lines on the basis of whether they are later recycled in the income statement should be identified. In terms of information, additional examples of possible sequences of information are included to clarify that understandability and comparability should be considered when the order of the information is being determined, and that the information does not have to be given in the order that is currently shown in IAS 1.114. In addition, those rules and examples referring to naming the significant accounting and valuation methods were eliminated if they were perceived as potentially unhelpful. These amendments are effective for fiscal years beginning on or after January 1, 2016. Earlier application is permitted, but the B. Braun Group will not elect to do this. As the amendment merely affects the presentation of the financial statement, it will have no impact on the net assets, financial position and earnings situation of the B. Braun Group.

Amendments to IFRS 10, IFRS 12, and IAS 28, Investment Entities: Application of the Consolidation Exemption

The changes address issues that have arisen in connection with the application of the consolidation exemption for investment entities. With these changes, it has been confirmed that a company can also apply the consolidation exemption when its parent company accounts for its subsidiaries at fair value under IFRS 10. In addition, it is clarified that a subsidiary that provides services related to the investment activities of the parent company is not to be consolidated if the subsidiary is itself an investment entity. In applying the equity method to an associated company or joint venture that is an investment entity, an investor who is not an investment entity can maintain that valuation at fair market value that the investment entity is using for its investments in subsidiaries. With regard to disclosures, it is clarified that an investment entity valuing all its subsidiaries at fair market value shall disclose the information relating to investment entities that is prescribed by IFRS 12. These amendments are effective for fiscal years beginning on or after January 1, 2016. Early application is permitted Widespread EU adoption of these rules ("endorsement") is expected for Q2 2016. This interpretation is not relevant for the B. Braun Group.

IFRS 16, Leases

On January 13, 2016, the IASB published a new standard which fundamentally reforms the financial reporting of leases. Previously, all leases had been recognized either as finance leases or as operating leases. This distinction will cease to apply in the future for the lessee. Under the new standard, all leases are recognized in the balance sheet in the form of right-of-use assets and the financial liabilities, comparable to the existing procedure for finance leases. The relevant values are based on the present value of the minimum lease payments over the term of the lease. In the income statement, the lessee will disclose a depreciation charge for the lease assets and an interest expense on lease liabilities for each lease, in lieu of straight-line lease expenses. The disclosure of leases can only deviate from these rules if one of two possible exemptions applies (short-term leases and low-value leases). Unlike lessees, lessors will still have to classify leases as either finance leases or operating leases under IFRS 16. IFRS 16 is to be applied for the first time in reporting periods beginning on or after January 1, 2019. First-time application is generally to be retrospective, but various simplification options are available. Voluntary early application is permitted if IFRS 15 (revenue from contracts with customers) is also fully applied (early). It is not yet clear when widespread adoption of these rules by the EU ("endorsement") can be expected. The B. Braun Group is currently reviewing the impact on the net assets, financial position, and earnings situation.

Amendments to IAS 12, Income Taxes

The IASB has published final amendments to IAS 12, Income Taxes, in order to address the different methods for handling the recognition of deferred tax claims based on assets measured at fair value, which are largely attributable to the uncertainties in connection with the application of a few principles in IAS 12. The amendments clarify that unrealized losses on debt instruments measured at fair value but measured at cost for tax purposes give rise to deductible temporary differences. This applies regardless of whether the holder expects to recover the carrying amount of the asset by holding it to maturity and collecting all contractual payments or whether the holder intends to sell the asset. It is furthermore clarified that the carrying amount of an asset dos not limit the estimation of probable future taxable profit and that estimates of future taxable profit exclude tax deductions resulting from the reversal of deductible temporary differences. It was also clarified that an entity is required to assess a deferred tax asset in combination with other deferred tax assets. When tax law restricts the utilization of tax losses, an entity is required to assess a deferred tax asset in comibation with other deferred tax assets of the same (permitted) type. The amendments take effect for reporting periods beginning on or after January 1, 2017. Early application is permitted. Widespread EU adoption of these amendments ("endorsement") is currently expected for the fourth quarter of 2016. These amendments are not expected to have an impact on the net assets, financial position and earnings situation of the B. Braun Group.

Disclosure initiative (amendments to IAS 7, Statement of Cash Flows)

The final changes in the disclosure initiative (amendments to IAS 7) follow the IASB's objective of requiring entities to make disclosures which allow those to whom financial statements are addressed to assess changes in liabilities arising from financing activities. In order to accomplish this objective, the following changes in liabilities arising from financing activities are to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes. Liabilities from financing activities are defined as liabilities "for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities." The new disclosure requirements also apply to changes in financial assets that meet this definition. One way to meet the new disclosure requirements is to provide a reconciliation between the opening and closing balances for liabilities arising from financing activities. Finally, the amendments state that changes in liabilities arising from financing activities are to be disclosed separately from changes in other assets and liabilities. The amendments take effect for reporting periods beginning on or after January 1, 2017. Widespread EU adoption of these amendments ("endorsement") is currently expected for the fourth quarter of 2016. Since the amendments merely relate to the presentation of the financial statements, they will have no impact on the net assets, financial position and earnings situation of the B. Braun Group.

As part of the ongoing improvement project of the IFRS, adjustments to wordings for clarification and changes were also made. These have no major impact on the net assets, financial position, and results of operations of the B. Braun Group.

Critical assumptions and estimates for accounting policies

The preparation of financial statements in accordance with IFRS requires management to make assumptions and estimates that have an effect on the reported amounts and their related statements. While management makes these estimates to the best of its knowledge and abilities based on current events and measures, there is a possibility that actual results may differ. Estimates are necessary in particular when:

- Assessing the need for and the amount of write-downs and other value adjustments;
- Measuring pension obligations;
- Recognizing and measuring provisions;
- Establishing inventory provisions;
- Evaluating the probability of realizing deferred tax assets;
- Calculating the value in use of cash-generating units (CGU) for impairment testing.

The Group's management determines the expected useful life of intangible assets and property, plant, and equipment, and therefore their depreciation or amortization, based on estimates. These assumptions can change materially, for example, as a result of technological innovations or changes in the competitive environment. Should their actual useful life be shorter than the estimate, management adjusts the amount of depreciation or amortization. Assets that are technologically outdated or no longer usable under the current business strategy are fully or partially written off.

The present value of pension obligations depends on a number of factors, which are based on actuarial assumptions. The assumptions used for the calculation of net pension expenses (and income) include the applicable discount rate for pension obligations. Any change in such assumptions will have an effect on the carrying amount of the pension provisions. Obligations from defined benefit pension plans, as well as pension expenses for the following year, are determined based on the parameters outlined under Note 25.

The calculation of the discount rate was subjected to review this year. The decision was made to switch data providers, resulting in the loss of a rating from a rating agency. In addition, further refinements were made. If the discount rate had been calculated on December 31, 2015 without these changes, the result would have been about 15 basis points higher and the DBO would have been about € 29.9 million lower. The service cost for fiscal 2016 would have been about € 1.4 million lower and interest expenses for pension obligations in 2016 would have been about € 0.6 million higher.

The general method of determining interest rates is unchanged from the year before. An interest yield curve is derived from the analysis of corporate bonds. The discount rate is calculated by measuring a sample cash flow comparable to the circumstances of B. Braun using the interest yield curve and deriving an equivalent standard discount rate.

The recognition and measurement of other provisions is based on estimates regarding the probability of a future outflow of resources, as well as experience and known circumstances as of the reporting date. The actual liability may differ from the amounts of the provisions established.

The estimate of inventory provisions is based on the projected net realizable value (i. e. the estimated selling price, less the estimated cost of completion and the estimated selling expenses). Actual sales and actual costs incurred may differ from these estimates.

Deferred tax assets are only recognized to the extent that it is probable that taxable profit will be available in the future. The actual taxable profits in future periods may differ from the estimates made on the date such deferred tax assets are capitalized.

Goodwill is tested for impairment annually based on a three-year forecast using projections of specific annual growth rates for the subsequent period. An increase or decrease in the projected annual growth rates would alter the estimated fair value of a given cash-generating unit.

Scope of consolidation

In addition to B. Braun Melsungen AG, the consolidated financial statements include 68 domestic and 194 foreign subsidiaries for which B. Braun Melsungen AG is exposed to variable returns and has the ability to influence them.

Subsidiaries are included in the consolidated financial statements effective on the day control is assumed by the Group. Consolidation is discontinued as of the day on which such control ends.

The change in the number of Group companies as of December 31, 2015 and 2014 respectively is shown below:

	2015	2014
Included as of December 31 of previous year	252	227
Companies included for the first time	20	31
Company consolidations discontinued	– 1	– 1
Business combinations	– 9	– 5
Companies now consolidated using the equity method due to the sale of shares	0	0
Included as of December 31 of reporting year	**262**	**252**

Deconsolidated companies had no material impact on the statement of financial position or the statement of income in fiscal year 2015.

The impact of company acquisitions on the statement of financial position at the time of initial consolidation and on the principal items in the statement of income for fiscal year 2015 is shown below:

	Carrying amount € '000	Fair value € '000
Non-current assets	31,992	41,438
Current assets	39,337	39,337
Acquired assets	**71,329**	**80,775**
Non-current provisions and liabilities	8,250	11,346
Current provisions and liabilities	20,338	20,381
Acquired liabilities	**28,588**	**31,728**
Net assets acquired	**42,741**	**49,047**
Non-controlling interests	424	555
Prorated net assets	**42,317**	**48,492**
Goodwill		12,389
Cost of acquisition		**58,243**
of which non-controlling interests		830
Cash and cash equivalents acquired		20,416
Cash outflow from acquisitions		**37,826**
Sales		14,375
Operating profit		– 161
Consolidated net income		– 547

The total cost of the acquisitions made during the fiscal year, which was not significant individually or in aggregate, was € 58.2 million. Acquisition costs are comprised of cash payments in the amount of € 56.6 million and a conditional purchase price obligation in the amount of € 1.6 million. The final amount of the purchase price is not limited and will depend on future sales in some cases. The amount indicated represents the fair value of the actual purchase price obligation based on the agreed-upon parameters, which is estimated at between € 1.0 million and € 2.0 million.

In the context of acquisitions, unrecognized assets in the amount of € 9.4 million have been recognized in the reporting year so far. Receivables amounting to € 11.5 million (gross receivables: € 12.2 million) were acquired. The goodwill remaining after purchase price allocation amounted to € 12.4 million. This amount is not tax-deductible and is largely attributable to sales and production synergies.

If all of the acquisitions had been made at the start of the current year, the Group's sales would have been € 45.8 million higher. After-tax earnings would have been € 1.5 million higher.

The acquisitions made during the fiscal year relate primarily to the expansion of product offerings in the B. Braun Avitum division and further expansion of the network of dialysis centers.

On June 1, 2015, an additional 74 percent of shares in Aquaboss Holding AG, Basel, Switzerland were acquired in the context of a share deal. The B. Braun Group now holds 100 percent of the shares in the company. In Aquaboss Holding and its subsidiary, Lauer Membran Wassertechnik GmbH in Wittlingen, a leading global manufacturer of premium water treatment system was acquired, adding to B. Braun's extensive dialysis product offerings.

69.52 percent of shares in Teparak Medical Center Co. Ltd., Bangkok, Thailand, were acquired on April 1, 2015 as part of a share deal. This acquisition expanded the B. Braun Avitum's division network of dialysis centers into a new market. The company operates two dialysis centers in Thailand.

On November 1, 2015, 100 percent of shares in DTZ Dialyse Traningszentren GmbH, Nuremberg, were acquired as part of a share deal. This acquisition strengthened our network of dialysis centers in Europe. The company operates 14 dialysis centers in Germany, three in Austria and one in Italy.

These changes did not adversely impact the comparability of the financial statements with those of the previous year.

Holdings in two joint ventures and 20 associated companies are recognized in the consolidated financial statements as of the reporting date. Three associated companies were not measured using the equity method on materiality grounds.

REVIUM Rückversicherung AG is included in the consolidated financial statements of B. Braun Melsungen AG as a wholly-owned subsidiary. The only business purpose of REVIUM Rückversicherung AG is to arrange reinsurance with companies (direct insurers) with which B. Braun Melsungen AG has taken out insurance contracts. It does not arrange any insurance contracts with third parties that extend beyond this and does not cover risks outside of the B. Braun Group. Due to its narrowly defined business purpose, REVIUM Rückversicherung AG has no material impact on the net assets, financial position, and earnings situation of the B. Braun Group as a whole.

As part of an asset-backed securities program, trade receivables for individual Group companies are assigned to a structured unit. This structured unit shall not be consolidated in the B. Braun Melsungen AG consolidated financial statements. Please see Note 18 for further information.

The complete list of shareholdings belonging to the Group, and to B. Braun Melsungen AG, is provided in Notes to the consolidated financial statements.

The following companies are included in the consolidated financial statements of B. Braun Melsungen AG:

– B. Braun Facility Services GmbH & Co. KG, Melsungen,
– Hansepharm GmbH & Co. KG, Roth,
– Invitec GmbH & Co. KG, Duisburg,
– MAT Adsorption Technologies GmbH & Co. KG, Elsenfeld,
– medical experts online GmbH & Co. KG, Melsungen,

They meet the conditions of Section 264 b of the German Commercial Code (HGB) and are thus exempted from the requirement to compile notes and a management report as well as the publishing of financial statements.

The following companies meet the conditions of Section 264 (3) of the German Commercial Code (HGB) and are thus also exempted from the requirement to compile notes and a management report as well as the publishing of financial statements:

– Aesculap AG, Tuttlingen,
– Aesculap Akademie GmbH, Tuttlingen,
– Aesculap International GmbH, Tuttlingen,
– Aesculap Suhl GmbH, Suhl,
– Avitum Transcare Germany GmbH, Melsungen,
– BBM Group Insurance Broker GmbH, Melsungen,
– B. Braun Medical AG, Melsungen,
– B. Braun Avitum AG, Melsungen,
– B. Braun Avitum Saxonia GmbH, Radeberg,
– B. Braun Surgical GmbH, Melsungen,
– B. Braun Petzold GmbH, Melsungen,
– B. Braun Mobilien GmbH, Melsungen,
– B. Braun Nordamerika Verwaltungsgesellschaft mbH, Melsungen,
– B. Braun International GmbH, Melsungen,
– B. Braun TravaCare GmbH, Hallbergmoos,
– B. Braun Vertriebs GmbH, Melsungen,
– B. Braun VetCare GmbH, Tuttlingen,
– Bibliomed medizinische Verlagsgesellschaft mbH, Melsungen,
– CoachIT GmbH, Kassel,
– Inko Internationale Handelskontor GmbH, Roth,
– Nierenzentrum Bad Kissingen MVZ, GmbH, Bad Kissingen,
– Nutrichem diät + pharma GmbH, Roth,
– Paul Müller Technische Produkte GmbH, Melsungen,
– PNS Professional Nutrition Services GmbH, Melsungen,
– SteriLog GmbH, Tuttlingen,
– Transcare Gesundheitsservice GmbH, Melsungen.

The companies listed above exercise their right to the exemptions.

PRINCIPLES OF CONSOLIDATION

a) Subsidiaries
Subsidiaries, that is, such corporations that are controlled by B. Braun Melsungen AG, are included in the scope of consolidation. B. Braun Melsungen AG controls an entity when it is exposed to variable returns from its involvement with the investee, has entitlements to these, and has the ability to affect those returns through its power over the investee.

Subsidiaries are initially consolidated on the first day on which B. Braun Melsungen AG assumes right of disposal of the acquired company; they are excluded from consolidation once B. Braun Melsungen AG forfeits such control. Right of disposal occurs when B. Braun Melsungen AG has the ability to direct the relevant activities of the investee because it possesses the majority of the voting rights or other contractual rights. The acquisition of subsidiaries is recognized using the purchase method. The cost of acquiring a subsidiary is calculated based on payments of cash and cash equivalents, together with the fair value of assets transferred, shares issued, and / or liabilities acquired when initial control is gained. Acquisition-related costs for a business combination are expensed. Conditional purchase price components are recognized at fair value on the date of acquisition. Subsequent changes in the fair value of the contingent purchase price liability are recognized in profit or loss or in other comprehensive income. Acquisition costs that exceed the proportionate acquired share of the fair value of the subsidiary's net assets are recognized as goodwill.

Assets, debts, and contingent liabilities identifiable upon a merger of companies are valued on initial consolidation at the fair values attributable to them, regardless of the size of any non-controlling interests. For each company acquisition, it is determined on an individual basis whether the non-controlling interests in the company acquired are recognized at fair value or using the proportionate share of net assets of the acquired company. The option to recognize non-controlling interests at fair value is currently not exercised. Therefore, non-controlling interests are recognized at their proportionate share of net assets and no goodwill is recognized for non-controlling interests.

Goodwill generated by the acquisition of non-controlling interests in fully consolidated companies is offset against retained earnings. Where assets and liabilities are measured at fair value for the gradual acquisition of companies fully consolidated for the first time, the revaluation of the "old" tranches is recognized through profit or loss.

Intercompany receivables and payables, as well as expenditure and income are offset against each other. Unrealized gains on transactions between companies within the Group are eliminated in full; unrealized losses are eliminated insofar as the resulting costs of acquisition or manufacture do not exceed the recoverable amount of the underlying asset. The recoverable amount is the higher of an asset's fair value less costs to sell or its value in use.

Subsidiary companies' accounting policies are, where necessary, adapted to those used to produce the consolidated financial statements.

b) Associated companies
Associated companies are those companies over which the Group has significant influence but no control, generally accompanied by a holding of between 20 percent and 50 percent of the voting rights. Investments in associates are accounted for using the equity method and are initially recognized at cost. The Group's investment in associated companies includes goodwill identified on acquisition (net of any accumulated impairments).

The Group's share of associated companies' post-acquisition profits or losses is recognized in the statement of income, and its share of post-acquisition changes in retained earnings is recognized in the Group's retained earnings. The cumulative post-acquisition changes are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured receivables, the Group does not recognize further losses unless it has incurred obligations or made payments on behalf of the associated company.

Unrealized gains from transactions between the Group and its associated companies are, where material, eliminated to the extent of the Group's share in the associate. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of associated companies were adjusted, where necessary, to align them with the policies of the Group.

c) Joint agreements
Investments in joint agreements are classified as either a joint operation or a joint venture. The B. Braun Melsungen AG joint agreements represent joint ventures. These are included in the consolidated financial statements using the equity method. The shares are initially recognized at cost and subsequently updated in order to reflect the Group's share in the profits and losses in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interest in this company, including any other unsecured receivables, the Group does not recognize further losses unless it has incurred obligations or made payments on behalf of the joint venture company. Unrealized gains arising from transactions with joint ventures are eliminated in the amount equal to the Group's share. Unrealized losses are also eliminated unless the transferred assets are impaired.

d) Owners of non-controlling interests
Transactions with owners of non-controlling interests are treated in the same way as transactions with parties within the Group. Sales of shares to owners of non-controlling interests result in gains or losses being recognized in the consolidated financial statements. Reciprocally, purchases of shares from owners of non-controlling interests result in the recognition of goodwill equivalent to the difference between the purchase price and the proportional carrying amount of the subsidiary's net assets.

FOREIGN CURRENCY TRANSLATION

a) Functional and reporting currency
Items included in the financial statements of each of the Group's subsidiaries are stated using the currency of the primary economic environment in which the company operates (functional currency).

The consolidated financial statements are stated in euro, that being the Group's functional and reporting currency.

b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the prevailing exchange rate on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates prevailing on the reporting date are recognized in the statement of income.

Translation differences on monetary items, such as equities classified as available-for-sale financial assets, where fair value changes are directly recognized in equity, are reported as part of the gain or loss from fair value measurement. On the other hand, translation differences on non-monetary items, where fair value changes are directly recognized in equity, are included in the revaluation reserve in equity.

c) Subsidiaries
All items in the statements of income and statements of financial position of all Group subsidiaries that are in a currency other than the Group reporting currency are translated into the reporting currency as follows:

- Assets and liabilities are translated at the closing rate on the reporting date;
- Income and expenses are translated at average exchange rates; and
- all resulting exchange differences are recognized as a separate component of equity (under effects of foreign currency translation).

Goodwill and fair value adjustments arising from the acquisition of foreign companies are treated as assets and liabilities of the foreign company and translated at the closing rate.

Upon the sale of a foreign business operation, currency differences formerly recognized in equity are taken to the statement of income as gains or losses on disposal.

COMPARISON OF SELECTED CURRENCIES

	Closing mid-rate on reporting date			Average annual rate		
ISO code	Dec. 31, 2015	Dec. 31, 2014	+ – in %	2015	2014	+ – in %
1 EUR = USD	1.089	1.216	– 10.4	1.110	1.329	– 16.5
1 EUR = GBP	0.735	0.779	– 5.6	0.726	0.806	– 10.0
1 EUR = CHF	1.082	1.202	– 10.0	1.068	1.215	– 12.1
1 EUR = MYR	4.676	4.250	10.0	4.332	4.347	– 0.4
1 EUR = JPY	131.120	145.030	– 9.6	134.285	140.377	– 4.3

ACCOUNTING POLICIES

INTANGIBLE ASSETS

a) Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of identifiable net assets and liabilities of the acquired company on the date of the acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in the carrying amount for investments in affiliates. Goodwill is tested for impairment at least once a year and is carried at cost less accumulated impairment losses. Write-downs of goodwill are reported under other operating expenses. Write-ups in value are not permitted. Gains and losses on the sale of companies include the carrying amount of the goodwill relating to the company sold.

b) Development Costs
The B. Braun Group invests a significant portion of its financial assets in research and development. In addition to internal research and development activities, the Group maintains numerous cooperative relationships with third parties.

Development expenses are defined as costs related to applying research findings or specialized knowledge for production planning and the manufacturing process before production or use has commenced. Development expenses are capitalized as intangible assets where it is regarded as likely that the project will be commercially successful, technically feasible, and the costs can be reliably measured. Other development costs that do not meet these criteria are expensed as they occur. Development costs that have previously been expensed are not capitalized in subsequent years. Capitalized development costs are shown as internally created intangible assets. Please see c below regarding the useful life, amortization method, and review of residual carrying amounts.

c) Other intangible assets
Acquired intangible assets are recognized at acquisition cost. Internally developed intangible assets where future economic benefit is likely to flow to the Group and the costs of the asset can be reliably measured are recognized at the cost incurred during the development phase. This includes all costs directly related to the development process, as well as appropriate portions of relevant overhead costs. Intangible assets with finite useful lives are amortized by the straight line method over a period of four to eight years. In cases were an exception is justified, the units of production method of depreciation is used.

Residual carrying amounts and expected useful lives are reviewed at each reporting date and adjusted if necessary.

A write-down is taken at the reporting date if the recoverable amount of an intangible asset falls below its carrying amount.

Amortization expense related to other intangible assets is recognized in the functional areas that are using the respective asset. Write-ups to a maximum of amortized acquisition or manufacturing cost are shown under other operating income.

Intangible assets with indefinite useful lives, if present, are tested for impairment at least once a year. Besides goodwill, the Group did not own any intangible assets with indefinite useful lives in the reporting periods presented.

IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the carrying amounts of intangible assets and property, plant, and equipment are evaluated for indications of impairment. Where there is such an indication, an impairment test is conducted by comparing the carrying amount of the asset in question with its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or its value in use (net present value of expected free cash flows). The test can be conducted for a cash-generating unit (CGU) where the recoverable amount cannot be determined because the asset does not generate cash inflows that are largely independent of those from other assets. If an asset's recoverable amount is less than its carrying amount, an impairment is recognized through profit and loss. This impairment can be reversed through profit and loss at a later point in time if the recoverable amount of the asset is later found to be higher. However, the increased carrying amount due to reversal may not be higher than what it would have been if the impairment had not been recognized.

PROPERTY, PLANT, AND EQUIPMENT

Tangible assets that are utilized during the ordinary course of business for more than one year are recognized at their acquisition or manufacturing cost less depreciation using the straight line method. The manufacturing costs include all costs directly related to the manufacturing process and appropriate portions of relevant overhead costs. Scheduled depreciation of tangible assets is based on the straight-line method, in which the cost will be recognized over the estimated useful life until the residual value is reached. The useful lives applied correspond to the expected useful lives within the Group. In cases were an exception is justified, the units of production method of depreciation is used.

The following useful lives are the basis for depreciation of property, plant, and equipment:

Buildings	25 to 50 years
Technical plant and machinery*	5 to 20 years
Vehicles	6 years
Operating and office equipment	4 to 20 years

* 1-shift operation

Land is not depreciated.

Acquisition and manufacturing costs that are incurred at a later point are recognized as part of the asset or as a separate asset only when it is likely that the future economic benefits associated with the asset will flow to the Group and that the cost of the asset can be reliably measured. All other repairs and maintenance are reported as expenses in the statement of income of the fiscal year in which they occur.

Residual carrying amounts and expected useful lives are reviewed at each reporting date and adjusted if necessary.

A write-down is taken at the reporting date if the recoverable amount of an item of property, plant, and equipment falls below its carrying amount.

Depreciation expense related to property, plant, and equipment is recognized in the functional areas that are using the respective asset. Write-ups to a maximum of amortized acquisition or manufacturing cost are shown under other operating income. Gains and losses from disposals of property, plant, and equipment are recognized in the statement of income.

Government grants are recognized at fair value if receipt of the grant and the Group compliance with any conditions associated with the grant are highly likely.

Outside borrowing costs directly attributable to the acquisition, construction, or development of a qualifying asset are recognized as part of its acquisition or manufacturing cost.

FINANCE LEASING

Leasing contracts for intangible assets and property, plant, and equipment, where the Group carries the substantial risks and rewards of ownership of the leased asset, are classified as finance leases. At commencement of the lease term, finance leases are recognized as an asset at the lower of the fair value of the asset or the net present value of the minimum lease payments. Each leasing payment is apportioned between the finance charge and the reduction of the outstanding liability so as to produce a constant periodic rate of interest on the leasing liability. This liability is reported under financial liabilities excluding the interest payments. The interest portion of the leasing payment is recognized as expense through the statement of income. Assets held under finance leases are depreciated over the useful life of the asset. If there is no reasonable certainty that the Group will obtain ownership of an asset at the end of the lease, the asset is depreciated in full over the shorter of the lease term or the useful life of the asset.

FINANCIAL INVESTMENTS RECOGNIZED USING THE EQUITY METHOD OF ACCOUNTING AND OTHER FINANCIAL INVESTMENTS

Equity investments are initially recognized at cost and in subsequent periods at the amortized prorated net assets. The carrying amounts are increased or decreased annually by the share in profit, distributions, and other changes in equity. Goodwill is not reported separately, but is included in the value of participation. Goodwill is not amortized. Equity investments are written down when the recoverable amount of an investment in an associate falls below its carrying amount.

CATEGORIES OF FINANCIAL ASSETS

Financial assets are classified using the following categories:

– Financial assets at fair value through profit and loss,
– Loans and receivables,
– Held-to-maturity financial assets,
– Available-for-sale financial asset.

The categorization depends on the purpose for which the assets were acquired. Management determines the categorization of financial assets at initial recognition and re-evaluates this categorization on each reporting date.

a) Financial assets at fair value through profit and loss
Financial assets are measured at fair value through profit and loss if the financial asset is either held for trading or designated as being measured at fair value.

A financial asset is classified as held for trading if it has been acquired principally for the purpose of earning profits from short-term price changes. This category also includes derivatives that have not been designated as hedging instruments.

To date, the Group has not exercised the option of designating financial assets upon initial recognition as financial assets at fair value through profit and loss.

b) Loans and receivables
Loans and receivables with fixed or determinable payments that are not quoted on an active market are categorized as loans and receivables. At initial recognition, loans and receivables are measured at fair value plus transaction costs. They are subsequently measured using the effective interest method at amortized cost less any impairments. With the exception of current receivables, where the interest rate effect is not material, interest income is recognized using the effective interest method.

c) Held-to-maturity financial assets
Bills of exchange and debt instruments with fixed or determinable payments and fixed maturities, which the Group has the intention and ability to hold to maturity, are categorized as "investments held-to-maturity." At initial recognition, held-to-maturity investments are measured at fair value plus transaction costs. They are subsequently measured at amortized cost using the effective interest method less impairments.

d) Available-for-sale financial assets
Listed shares and redeemable bonds held by the Group that are traded on an active market are recognized as available-for-sale financial assets and, at initial recognition, are measured at fair value plus

transaction costs. Investments in unlisted shares held by the Group that are not traded on an active market are also recognized at fair value as available- for-sale financial assets, to the extent that this can be reliably measured. Otherwise, they are subsequently measured at the cost of acquisition. Gains and losses arising from changes in fair value are included directly in the revaluation reserve (equity) rather than in other net financial income. Exceptions are impairment losses, interest calculated using the effective interest method, and gains and losses from foreign currency translation of monetary items, which are recognized in the income statement. If a financial asset is disposed of or is acknowledged to have an impairment, its accumulated gains and losses recognized in the revaluation reserve for financial investments up to that point are reclassified as profits or losses.

Dividends from equity instruments classified as available-for-sale financial assets are recognized in the statement of income as soon as the Group has acquired a right to the dividend.

IMPAIRMENT OF FINANCIAL ASSETS

With the exception of financial assets measured at fair value through profit and loss, financial assets are examined at each reporting date for the presence of any indications of impairment. Financial assets are considered impaired if, following one or more events that occurred after the initial recognition of the asset, there is objective evidence that the estimated future cash flows of the investment have changed adversely.

In the case of listed and unlisted equity investments that were categorized as available-for-sale, any significant or prolonged reduction in the fair value of the assets below their acquisition cost must be regarded as objective evidence of impairment.

For all other financial assets, the following may be objective evidence of impairment:

– Either the issuer or the counterparty is facing significant financial difficulties,
– Default or delinquency in payments of interest or principal
– A high probability that the debtor will enter bankruptcy or financial reorganization.

For some classes of financial assets, such as trade receivables, asset values for which no impairment has been determined on an individual basis are tested for impairment on a portfolio basis. Objective evidence of impairment on a portfolio of receivables is based on the past experience of the Group regarding payments received, an increase in the frequency of payment defaults within the portfolio over the average borrowing period, and observable changes in the national or local economic environment with which the defaults can be linked.

In the case of financial assets valued at amortized cost, the impairment loss corresponds to the difference between the carrying amount of the asset and the net present value of expected future cash flows determined on the basis of the original effective interest rate on the asset.

An impairment leads to a direct reduction in the carrying amount of all the relevant financial assets, with the exception of trade receivables, whose carrying amount is reduced through a valuation adjustment account. If a trade receivables item is considered to be irrecoverable, it is written off against the valuation adjustment account. Changes in the carrying amount of the valuation adjustment account are recognized in the statement of income.

In the event that a financial asset, classified as available-for-sale, is considered to be impaired, gains and losses previously recognized in the revaluation reserve (equity) are reclassified to the statement of income in the period in which the impairment occurred.

If the level of impairment of a financial asset that is not an available-for-sale equity instrument decreases in a subsequent reporting period, and if the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment is reversed through the statement of income. The increased carrying amount due to reversal may not be higher than what the amortized cost would have been if the impairment had not been recognized.

In the case of equity instruments classified as available-for-sale, any impairments recognized in the past are not reversed. Any increase in the fair value after an impairment was recognized is recorded in the revaluation reserve (equity).

INVENTORY

Under IAS 2, inventories include assets that are held for sale in the ordinary course of business (finished products and merchandise), assets that are in the production process for sale in the ordinary course of business (work in progress), and assets that are consumed in the production process or performance of services (raw materials and supplies). Inventories are measured at the lower of cost and net realizable value, which is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated selling expenses, applying the weighted average cost formula. Related to this, the risks, in particular those arising from the storage period, reduced usability, etc., are taken into account by means of devaluations.

In addition to direct expenses, manufacturing costs include allocated raw material and production overheads and depreciation related to production plant and equipment. Allocated costs related to pensions and voluntary social contributions made by the company are also included. Administrative expenses are included in the costs if they relate to manufacturing.

PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

Our actuary calculates provisions for pensions and similar obligations using the projected unit credit method in accordance with IAS 19, taking into account future pay and pension increases and staffing fluctuations. Revaluations of net financial debt are recognized in equity in the period in which they occur.

Net interest on net financial debt is reported under financial income.

Any excess of plan assets over the pension obligations is recognized as an asset only if it represents the net present value of the economic benefits.

OTHER PROVISIONS

Provisions are recognized when a present legal or constructive obligation has arisen for the Group as a result of a past event, an outflow of resources to settle the obligation is likely, and the amount can be estimated reliably. If a number of obligations of a similar type exist, the provisions are recognized at the most probable value for the population of events.

Provisions are recognized for onerous contracts if the expected benefit from the contractual claim is less than the expected costs to settle the obligation. Any associated assets are tested for impairment before such a provision is created.

Provisions due after more than one year are measured at discounted present value.

Provisions are released against the expense items for which they were created. If additions to provisions were recognized under other operating expenses, the release of these amounts is shown under the corresponding other operating income item.

FINANCIAL DEBT

Financial liabilities are initially recognized at fair value less transaction costs. In subsequent periods, they are measured at amortized cost. Any difference between the amount disbursed (less transaction costs) and the repayment amount is spread across the term of the loan using the effective interest method and recognized in the statement of income.

Liabilities from loans are recognized as current liabilities unless the Group has the unconditional right to defer repayment of the liability to at least twelve months after the reporting date.

LIABILITIES

Financial liabilities comprise trade accounts payable and other liabilities, and are initially recognized at fair value less transaction costs.

Current liabilities have a residual maturity of up to one year and are stated at their repayment or settlement amount. Non-current liabilities that are not the underlying transaction in permissible hedge accounting are recognized at the cost of acquisition.

Accruals and deferrals are recognized under other liabilities.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are recognized using trade date accounting. They are initially measured at their fair value on the date the contract is entered into. They are subsequently measured at their fair value as of each reporting date. The method of recording gains and losses depends on whether the derivative financial instruments in question have been designated as hedging instruments and, if so, on the nature of the hedged item. B. Braun designates derivative financial instruments as a hedge against the risk of fluctuating payment flows in connection with expected future transactions that are highly likely to occur (cash flow hedge). On entering into a transaction, the Group documents the hedge relationship between the hedging instrument and the underlying transaction, the goal of its risk management, and the underlying hedging strategy. In addition, the assessment of whether the derivatives employed effectively compensate for the changes in the fair values or in the cash flows of the underlying transactions is documented at the time the hedging relationship is created and subsequently on an ongoing basis. The fair values of the various derivative financial instruments used for hedging purposes are recognized under other assets / liabilities. Changes in the valuation reserve for cash flow hedges are shown in the consolidated statement of changes in equity. The full fair value of derivative financial instruments designated as hedge instruments is shown as a non-current asset or liability if the residual term of the hedged underlying transaction is more than twelve months after the reporting date, and as a current asset or liability if it is shorter than that. Derivative financial instruments held for trading are recognized as current assets or liabilities unless the residual term is more than twelve months, in which case they are recognized as non-current assets or liabilities.

When a hedging transaction designated as a cash flow hedge expires, is sold, or the designation is deliberately reversed, or no longer meets the criteria to be accounted for as a hedging transaction, gains or losses accumulated in equity up to that point remain in equity and are only taken to the statement of income when the future transaction originally hedged occurs and is recognized in the statement of income. If the future transaction is no longer expected to occur, gains or losses accumulated in equity must be immediately reclassified to the income statement.

Certain derivative financial instruments are not eligible for hedge accounting. Note 32 provides additional explanatory information about the use of derivative financial instruments as part of risk management.

DEFERRED TAXES

Deferred taxes are recognized using the liability method for all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. If deferred tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, however, it is not recognized. Deferred taxes are measured using tax rates and laws that have been enacted or substantially enacted as of the reporting date and are expected to apply when the related deferred tax assets are realized or the deferred tax liabilities are settled.

Deferred tax assets stem primarily from temporary differences between the tax bases of individual companies and the financial statements set forth using IFRS, and from consolidation. Deferred tax assets stemming from losses carried forward and tax credits are recognized to the extent that it is likely that future taxable income will be available against which the losses carried forward can be utilized.

Deferred tax liabilities arising from temporary differences in connection with investments in subsidiaries and associates are recognized except where the timing of the reversal of the temporary differences can be controlled by the Group and it is likely that the temporary differences will not be reversed in the foreseeable future. Please also see Note 10, "Income Taxes."

NOTES TO THE CONSOLIDATED STATEMENT OF INCOME (LOSS)

1 SALES

Sales include the fair value received for the sale of goods and services excluding sales tax, rebates, and discounts, and after eliminating intercompany sales. Sales are recognized as follows:

Sales resulting from the sale of products are recorded when the main risks and rewards associated with ownership have been transferred to the buyer and the collection of the associated receivables can be assumed with sufficient likelihood.

Estimates for sales reductions are based on experience. Adjustments are made if required by a change in conditions. No significant returns were recorded in the reporting period.

Sales resulting from the sale of services are recorded in the fiscal year during which the service is performed using the percentage of completion basis.

The following chart shows sales trends by division, region, and by type:

Sales by division	2015 € '000	%	2014 € '000	%	+ – in %
Hospital Care	2,855,924	46.6	2,527,766	46.5	13.0
Aesculap	1,662,905	27.1	1,497,729	27.6	11.0
OPM	740,611	12.1	643,895	11.9	15.0
B. Braun Avitum	846,256	13.8	737,922	13.6	14.7
Other sales	24,074	0.4	22,262	0.4	8.1
	6,129,770	**100.0**	**5,429,574**	**100.0**	**12.9**

Sales by region	2015 € '000	%	2014 € '000	%	+ – in %
Germany	1,035,239	16.9	999,571	18.4	3.6
Europe	1,999,285	32.6	1,921,233	35.4	4.1
North America	1,428,257	23.3	1,090,076	20.1	31.0
Latin America	391,089	6.4	373,088	6.9	4.8
Asia-Pacific	1,073,426	17.5	869,906	16.0	23.4
Africa and the Middle East	202,474	3.3	175,700	3.2	15.2
	6,129,770	**100.0**	**5,429,574**	**100.0**	**12.9**

Sales by type	2015 € '000	%	2014 € '000	%	+ – in %
Sales of products	5,431,627	88.6	4,832,535	89.0	12.4
Sales of services	698,143	11.4	597,039	11.0	16.9
	6,129,770	**100.0**	**5,429,574**	**100.0**	**12.9**

2 COST OF GOODS SOLD

Cost of goods sold includes the manufacturing costs of goods sold and the acquisition costs of merchandise sold. In addition to direct costs such as material, personnel and energy costs, manufacturing costs contain production-related overhead expenses including depreciation of property, plant, and equipment. Cost of goods sold also includes inventory write-downs.

3 SELLING EXPENSES

Selling expenses include expenditures for marketing, sales organizations, and distribution. This category also contains the expenses related to customer training and consulting on technical product use.

4 RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses include costs for research, as well as for product and process development including expenditures for external services. All research costs are expensed at the time they are incurred.

Development costs are capitalized if all the conditions for capitalization under IAS 38 are met.

5 OTHER OPERATING INCOME

	2015 € '000	2014 € '000
Currency translation gains	321,080	168,020
Additional income	18,044	26,909
Derivative financial instruments	21,526	9,033
Income from other periods	4,660	4,813
Proceeds from appreciation of current financial assets	2,502	5,134
Proceeds from the disposal of assets	2,792	2,002
Proceeds from the release of provisions	1,582	3,871
Other	24,101	25,834
	396,287	**245,616**

Currency translation gains mainly comprise gains from currency fluctuations between transaction and payment dates from receivables and payables denominated in foreign currencies, gains resulting from translation at the exchange rate prevailing on the reporting date, and gains resulting from forward exchange transactions in hedge accounting.

Ancillary revenues include in particular cost reimbursements from third parties and revenue from cafeteria sales.

Changes in the fair value of forward foreign exchange contracts that are not designated for hedge accounting are reported under derivative financial instruments.

Other operating income includes primarily payments of damages as well as government grants related to income statement and miscellaneous items. Income-related grants are recognized in the period in which the corresponding expenses occur. These amounted to € 537,000 (previous year: € 1,465,000). During the fiscal year, grants of € 510,000 (previous year: € 1,709,000) were recognized through profit and loss. The grants were predominantly made to support structurally weak areas in Germany.

Other income includes numerous types of income; however their individual valuations are not materially significant.

6 OTHER OPERATING EXPENSES

	2015 € '000	2014 € '000
Currency translation losses	376,190	181,662
Losses from impairment of current financial assets	16,728	8,578
Additions to provisions	5,243	2,617
Losses on the disposal of assets	6,359	5,392
Expenses from other periods	6,115	7,281
Derivative financial instruments	3,466	14,825
Other	46,308	40,461
	460,409	**260,816**

Currency translation losses mainly comprise losses from currency fluctuations between transaction and payment dates from receivables and payables denominated in foreign currencies, losses resulting from translation at the exchange rate prevailing on the reporting date, and losses resulting from forward exchange transactions in hedge accounting.

Losses from impairment of current financial assets refer to value adjustments to trade receivables.

Changes in the fair value of forward foreign exchange contracts that are not designated for hedge accounting are reported under derivative financial instruments.

Other expenses include numerous types of expenses; however their individual valuations are not materially significant.

7 FINANCIAL INVESTMENTS RECOGNIZED USING THE EQUITY METHOD OF ACCOUNTING

Net income from investments recognized using the equity method of accounting breaks down as follows:

	2015 € '000	2014 € '000
Income from financial investments recognized using the equity method	19,093	7,804
Expenses from financial investments recognized using the equity method	– 180	– 510
	18,913	**7,294**

8 NET FINANCIAL INCOME

	2015 € '000	2014 € '000
Interest and similar income	5,198	3,099
Interest and similar expenses	– 50,013	– 45,362
of which to affiliated companies	(0)	(0)
Interest expenses for pension provisions, less expected income from plan assets	– 26,612	– 30,418
	– 71,427	**– 72,681**
of which financial assets and liabilities not measured at fair value through profit and loss:		
Interest income from discounting	1,144	704
Accrued interest expense	– 2,833	– 3,141

Interest and similar expenses are primarily comprised of interest expense on financial liabilities. Expenses resulting from accruing interest from non-current other provisions are also recognized here.

9 OTHER NET FINANCIAL INCOME

	2015 € '000	2014 € '000
Income from joint ventures (excluding income from financial investments recognized using the equity method)	15,191	51,186
Other net financial income	– 18	– 886
	15,173	**50,300**

Interest on derivative financial instruments is shown under net interest income.

10 INCOME TAXES

Income taxes include corporation tax and trade income taxes for German companies as well as comparable income-related taxes for companies in other countries. They are calculated on the basis of the tax regulations applicable to the individual company.

Deferred taxes stem from temporary differences between the tax base of the individual companies and the consolidated statement of financial position. They are measured using the liability method based on the application of anticipated future tax rates for the individual countries as of the realization date. Generally, these are based on the regulations in effect as of the reporting date. Deferred tax assets are offset only if the company has the legal right to settle current tax assets and current tax liabilities on a net basis and they are levied by the same tax authority. Income tax expenses and deferred taxes are as follows:

	2015 € '000	2014 € '000
Actual income taxes	123,536	104,209
Deferred taxes resulting from temporary differences	3,851	– 8,457
Deferred taxes resulting from losses carried forward	– 1,585	– 4,426
	125,802	**91,326**

Deferred tax assets and deferred tax liabilities apply to differences stemming from recognition and measurement in the following items in the statement of financial position:

	Dec. 31, 2015		Dec. 31, 2014	
	Assets € '000	Liabilities € '000	Assets € '000	Liabilities € '000
Intangible assets	8,635	49,553	6,786	43,823
Property, plant, and equipment	4,294	193,260	1,626	156,672
Financial assets	491	8,036	71	8,045
Inventories	75,486	8,656	56,478	6,093
Trade accounts receivable	7,568	10,013	6,329	10,584
Pension provisions	165,536	368	174,879	187
Other provisions	24,163	863	18,751	1,172
Liabilities	53,308	534	53,555	1,330
Other items	17	3,474	5	4,342
	339,498	**274,757**	**318,480**	**232,248**
of which non-current	201,641	256,226	204,077	214,378
Net balance	– 175,017	– 175,017	– 148,135	– 148,135
	164,481	**99,740**	**170,345**	**84,113**
Valuation allowance on deferred tax assets from temporary differences	– 922	–	– 457	–
Deferred taxes on tax credits	29,387	–	31,844	–
Losses carried forward (net, after valuation allowances)	10,493	–	8,791	–
	203,439	**99,740**	**210,523**	**84,113**

The amount of temporary differences related to holdings in subsidiaries and associates, as well as interests in joint ventures for which according to IAS 12.39 no deferred tax liabilities were recognized, is € 4,557,000 (previous year: € 7,878,000).

Existing but not recognized tax losses carried forward can be used as follows:

	Dec. 31, 2015 € '000	Dec. 31, 2014 € '000
Within one year	347	0
Within two years	378	0
Within three years	4,889	526
Within four years	0	4,881
Within five years or longer	3,714	1,466
	9,328	**6,873**
Can be carried forward indefinitely	67,029	47,866
	76,357	**54,739**

Deferred tax assets for which utilization depends on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences and where the company has incurred past losses amounted to € 6,655,000 (previous year: € 7,843,000). Recognition of these deferred tax assets is based on relevant forecasting, which justifies the expectation that they will be used.

Deferred taxes of € 125,321,000 (previous year: € 140,683,000) were recognized directly in equity This amount was primarily comprised of actuarial gains and losses related to pension obligations of € 115,502,000 (previous year: € 134,114,000), changes in the fair value of securities of € – 11,000 (previous year: € – 11,000 and changes in the fair value of derivative financial instruments designated as cash flow hedges of € 1,278,000 (previous year: € 1,120,000).

The tax rate for B. Braun Melsungen AG is 29.0 percent (previous year: 28.3 percent). The tax expense which is calculated using B. Braun Melsungen AG's tax rate can be reconciled to actual tax expense as follows:

	2015 € '000	2014 € '000
Tax rate of B. Braun Melsungen AG	29.0%	28.3%
Profit before tax	445,519	407,639
Expected income tax at parent company's tax rate	– 129,201	– 115,239
Differences due to other tax rates	6,745	4,291
Changes to deferred tax assets and liabilities due to changes in tax rates	1,515	3,750
Tax reductions due to tax-exempt income	26,766	27,715
Tax increases due to non-deductible expenses	– 23,398	– 17,457
Addition / deduction of trade tax and similar foreign tax items	– 1,861	– 1,459
Final withholding tax on profit distributions	– 1,567	– 959
Tax credits	4,110	4,560
Tax expense relating to previous periods	– 577	1,005
Change to valuation allowances on deferred tax assets	– 11,248	– 1,476
Profit (loss) of financial investments recognized using the equity method	1,375	1,367
Other tax effects	1,539	2,576
Actual tax expense	**– 125,802**	**– 91,326**
Effective tax rate	28.2%	22.4%

11 EARNINGS PER SHARE

Earnings per share are calculated according to IAS 33 by dividing the consolidated net income less non-controlling interests by the number of shares in issue. The number of shares entitled to receive dividends remained unchanged at 19,404,000 during the fiscal year. There were no outstanding shares as of December 31, 2015 or December 31, 2014 that could have diluted the earnings per share. Earnings per share amounted to € 15.74 (previous year: € 15.21).

The dividends paid in 2015 for the previous fiscal year amounted to € 32 million (previous year: € 32 million). Dividends paid per share in 2015 were € 1.65 (previous year: € 1.65). The Management Board and Supervisory Board are proposing a dividend of € 1.65 per share for fiscal year 2015.

The proposed dividend must be ratified at the annual Shareholders' Meeting on March 22, 2016. This dividend liability is not included in the consolidated financial statements.

12 OTHER NOTES TO THE CONSOLIDATED STATEMENT OF INCOME

Material costs

The following material costs are included in the cost of goods sold:

	2015 € '000	2014 € '000
Expenses for raw materials, supplies and goods purchased	2,338,777	2,095,815

In the period under review, expenses related to inventory write-downs recognized in cost of goods sold were € 30,836,000 (previous year: € 30,860,000), and reversals of write-downs from previous periods (increase in net realizable value) of € 8,737,000 (previous year: € 9,214,000).

Payments under operating leases

	2015 € '000	2014 € '000
Payments made under operating leases	89,686	81,274

Payments under operating leases include € 925,000 (previous year: € 1,054,000) of payments under sub-leases. Leasing expenses are predominantly included in cost of goods sold.

Personnel expenditures / employees

The following personnel expenditures are recognized in the statement of income:

Personnel expenses	2015 € '000	2014 € '000
Wages and salaries	1,878,992	1,693,096
Social security payments	288,002	267,592
Welfare and pension expense	92,924	70,601
	2,259,918	**2,031,289**
Employees by function (average for the year, including temporary employees)		
Production	35,070	33,234
Marketing and sales	12,309	11,956
Research and development	1,814	1,698
Technical and administration	5,577	5,308
	54,770	**52,196**
of which part-time	3,309	3,187

Personnel expenditures do not include interest accruing to pension provisions, which is recognized under net interest income.

The average headcount is prorated based on the date of first consolidation or final consolidation, as appropriate. Employees of joint venture companies are included in the total according to the percentage of interest.

In regard to first-time consolidated companies, an annual average of 475 employees was reported for 2015, compared to 1,242 for 2014.

13 TOTAL AUDITORS' FEE

The following fees were recognized as expense for services provided worldwide by the auditors of PricewaterhouseCoopers in 2015:

	2015 € '000	2014 € '000
Audit fees	5,086	4,541
of which PricewaterhouseCoopers AG, Germany	1,298	1,020
Other certification services	44	52
of which PricewaterhouseCoopers AG, Germany	4	4
Tax advisory services	1,056	1,023
of which PricewaterhouseCoopers AG, Germany	271	288
Other services	595	613
of which PricewaterhouseCoopers AG, Germany	22	265
	6,781	**6,229**
of which PricewaterhouseCoopers AG, Germany	1,594	1,577

The audit fees include all fees paid and outstanding to PricewaterhouseCoopers plus reimbursable expenses for the audit of the Group's consolidated financial statements and the audit of the financial statements of B. Braun Melsungen AG and its subsidiaries. Fees for certification services mainly relate to certifications performed as part of acquisitions and divestitures, the examination of internal control systems, particularly IT systems, and expenses related to statutory or judicial requirements. The item tax advisory services mainly relates to fees for advice on completing tax returns, checking tax assessments, support for company audits or other inquiries conducted by the tax authorities as well as tax advice related to transfer pricing.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

14 INTANGIBLE ASSETS

Cost of acquisition or manufacture	Acquired goodwill € '000	Licenses, trademarks and other similar rights € '000	Internally created intangible assets € '000	Advance payments € '000	Total € '000
January 1, 2014	**123,544**	**363,293**	**63,703**	**79,801**	**630,341**
Foreign currency translation	– 6,007	9,872	8,197	– 22	12,040
Additions to scope of consolidation	51,980	34,321	0	4	86,305
Disposals from scope of consolidation	0	– 247	0	0	– 247
Additions	0	18,177	13,805	39,948	71,930
Transfers	0	14,777	0	– 10,741	4,036
Appreciation	0	0	0	0	0
Disposals	0	– 18,665	0	– 120	– 18,785
December 31, 2014/January 1, 2015	**169,517**	**421,528**	**85,705**	**108,870**	**785,620**
Foreign currency translation	252	8,346	9,734	– 12	18,320
Additions to scope of consolidation	13,276	10,338	0	0	23,614
Disposals from scope of consolidation	0	0	0	0	0
Additions	556	16,907	12,961	26,822	57,246
Transfers	28	20,605	0	– 19,814	819
Appreciation	0	0	0	0	0
Disposals	0	– 4,104	0	– 3,954	– 8,058
December 31, 2015	**183,629**	**473,620**	**108,400**	**111,912**	**877,561**
Accumulated amortization 2015	503	294,420	15,990	0	310,913
Accumulated amortization 2014	503	256,681	13,810	0	270,994
Carrying amounts December 31, 2015	**183,126**	**179,200**	**92,410**	**111,912**	**566,648**
Carrying amounts December 31, 2014	**169,014**	**164,847**	**71,895**	**108,870**	**514,626**
Amortization in the fiscal year	0	34,698	761	3,912	39,371
of which unscheduled	0	50	0	3,912	3,962

Depreciation on intangible assets for the fiscal year was € 39.4 million (previous year: € 34.4 million) recognized in the income statement in functional costs.

The B. Braun Group capitalized € 13.0 million (previous year: € 13.8 million) of development costs during the year under review. All the prerequisites for capitalization were met.

Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing. Each of these cash- generating units represents the Group's investment by the primary reporting segment and the country of operation.

A summary of the distribution of goodwill by cash-generating unit and the assumptions for their impairment testing are listed below:

	Hospital Care € '000	Aesculap € '000	OPM € '000	B. Braun Avitum € '000	Total € '000
Dec. 31, 2014					
Carrying amount of goodwill	43,113	9,627	19,153	97,121	169,014
Annual growth rate	2.6%	2.2%	2.1%	2.6%	
Discount rate	8.0%	7.9%	7.6%	8.4%	
Dec. 31, 2015					
Carrying amount of goodwill	43,235	9,640	19,153	111,098	183,126
Annual growth rate	1.4%	1.2%	1.0%	1.4%	
Discount rate	7.6%	7.5%	7.2%	7.9%	

The recoverable amount of a CGU is determined by calculating its value in use. These calculations are based on projected cash flows derived from the three-year forecast approved by management.

Management has determined the budgeted gross margin based on past trends and expectations about future market trends. The weighted average growth rates largely correspond to the predictions from industry reports. The discount rates used are pre-tax rates and reflect the specific risks of the relevant cash-generating units.

If the actual future sales growth had been 10 percent less than the sales growth estimated by management on December 31, 2015, no impairment of goodwill would have occurred. The same holds true if the discount amount that was used to calculate the discounted cash flow had been 10 percent higher than management's estimates.

15 PROPERTY, PLANT, AND EQUIPMENT

Cost of acquisition or manufacture	Land and buildings € '000	Technical plants and machinery € '000	Other plants, operating and office equipment € '000	Advance payments and assets under construction € '000	Total € '000
January 1, 2014	**1,507,142**	**2,250,829**	**774,720**	**615,756**	**5,148,447**
Foreign currency translation	25,105	65,887	15,390	15,726	122,108
Additions to scope of consolidation	9,691	2,128	10,528	250	22,597
Disposals from scope of consolidation	0	– 2,720	– 1,076	0	– 3,796
Additions	80,185	121,799	75,772	366,031	643,787
Transfers	147,920	180,372	28,263	– 360,591	– 4,036
Disposals	– 19,609	– 38,920	– 39,103	– 3,121	– 100,753
December 31, 2014/January 1, 2015	**1,750,434**	**2,579,375**	**864,494**	**634,051**	**5,828,354**
Foreign currency translation	21,083	15,906	– 401	10,215	46,803
Additions to scope of consolidation	19,035	3,156	1,807	53	24,051
Additions	63,790	127,312	74,089	372,482	637,673
Transfers	140,084	220,141	30,724	– 391,768	– 819
Disposals	– 16,253	– 34,022	– 32,781	– 5,059	– 88,115
December 31, 2015	**1,978,173**	**2,911,868**	**937,932**	**619,974**	**6,447,947**
Accumulated depreciation 2015	552,198	1,639,494	610,636	3,294	2,805,622
Accumulated depreciation 2014	493,980	1,473,407	557,566	849	2,525,802
Carrying amounts December 31, 2015	**1,425,975**	**1,272,374**	**327,296**	**616,680**	**3,642,325**
Carrying amounts December 31, 2014	**1,256,454**	**1,105,968**	**306,928**	**633,202**	**3,302,552**
Depreciation in the fiscal year	55,589	181,615	79,496	5,056	321,756
of which unscheduled	0	1,810	0	3,861	5,671

Borrowing costs of € 6,291,000 (previous year: € 4,713,000) were capitalized in the year under review. An interest rate of 2.7 percent was utilized (previous year: 2.2 percent).

In the statement of financial position, government grants for investments in the amount of € 9,205,000 (previous year: € 1,459,000) have been deducted from the carrying amounts of the relevant assets. The current carrying amount of property, plant, and equipment acquired with government grants is € 41,021,000 (previous year: € 43,142,000). On the reporting date, no unfulfilled conditions or uncertainties with regards to market success existed, which would have required a modification of recognition in the statement of financial position.

The carrying amount of property, plant, and equipment with restricted title is € 13,532,000 (previous year: € 9,818,000).

16 FINANCE LEASING

Intangible assets and property, plant, and equipment include the following amounts for which the Group is lessee under a finance lease:

	Dec. 31, 2015 € '000	Dec. 31, 2014 € '000
Licenses, trademarks, and other similar rights	1,033	680
Accumulated amortization	– 323	– 142
Buildings	133,521	133,581
Accumulated depreciation	– 44,634	– 42,102
Technical plants and machinery	7,410	7,169
Accumulated depreciation	– 5,321	– 4,738
Other plants, operating, and office equipment	12,840	11,218
Accumulated depreciation	– 9,164	– 7,850
Net carrying amount	**95,362**	**97,816**

The minimum lease payments for liabilities under finance leases have the following maturities:

	Dec. 31, 2015			Dec. 31, 2014		
	Nominal value € '000	Discount amount € '000	Net present € '000	Nominal value € '000	Discount amount € '000	Net present € '000
Less than one year	10,979	2,481	8,498	11,013	2,724	8,289
Between one and five years	33,007	6,459	26,548	30,508	7,527	22,981
Over five years	29,608	2,142	27,466	40,334	3,318	37,016
	73,594	**11,082**	**62,512**	**81,855**	**13,569**	**68,286**

The two largest finance leasing agreements relate to the real estate for the Hospital Care Division's LIFE facility (carrying amount € 25.5 million), and the Aesculap Division's Benchmark factory (carrying amount € 15.9 million). These agreements have varying terms and conditions, interest rate adjustment clauses, and purchase options.

17 FINANCIAL INVESTMENTS AND JOINT VENTURES RECOGNIZED USING THE EQUITY METHOD OF ACCOUNTING AND OTHER FINANCIAL INVESTMENTS

The B. Braun Group has a 19.76 percent share in Rhön-Klinikum AG, which is headquartered in Bad Neustadt an der Saale. Rhön-Klinikum AG is a publicly traded private operator of hospitals, clinics, and medical centers. The B. Braun Group has significant influence over the company based on its percentage of voting rights and representation on its Supervisory Board.

The company's summarized financial information breaks down as follows:

	Assets € '000	Liabilities € '000	Equity € '000	Sales € '000	Profit/loss € '000	Total earnings € '000	Received dividends € '000
2015							
Rhön-Klinikum AG	1,774,686	702,383	1,072,303	964,043	65,970	65,970	10,588

Since Rhön-Klinikum AG's net income for 2015 was not available at the B. Braun Group's reporting date, the net income was estimated based on third quarter earnings. The balance sheet values are based on third quarter financial statements. The fair value of the investment as of the reporting date was € 362.2 million.

The reconciliation of financial information on the carrying value of the Group's share is as follows:

	Net carrying amount January. 1, 2015 € '000	Profit/loss € '000	Capital reduction € '000	Dividend payout € '000	Net carrying amount Dec. 31, 2015 € '000	Share in capital 19.76% € '000	Change due to capital reduction € '000	Goodwill € '000	Carrying amount Dec. 31, 2015 € '000
2015									
Rhön-Klinikum AG	1,228,543	72,559	– 182,131	– 58,767	1,060,204	209,498	67,516	3,783	280,795

The Group's holdings in its other associated companies and joint ventures are as follows:

	2015 € '000	2014 € '000
Other associated companies		
Carrying value of shares	56,599	51,688
Share of profit/loss	2,960	1,638
Share of other income/expense	0	0
Share of net income	2,960	1,638
Joint ventures		
Carrying value of shares	1,550	1,726
Share of profit/loss	– 178	– 38
Share of other income/expense	0	0
Share of net income	– 178	– 38

As of December 31, 2015, the goodwill of holdings in associated companies totaled € 16.5 million (previous year: € 16.5 million).

Cost of acquisition	Financial investments recognized using the equity method of accounting € '000	Other holdings € '000	Loans to companies in which the Group holds an interest € '000	Securities € '000	Other loans € '000	Total € '000
January 1, 2014	**47,933**	**20,157**	**1,715**	**443,901**	**5,869**	**519,575**
Foreign currency translation	0	0	14	0	2	16
Additions to scope of consolidation	1,722	3	0	0	0	1,725
Disposals from scope of consolidation	0	– 102,189	0	0	0	– 102,189
Additions	7,057	104,179	63	99,779	4,520	215,598
Transfers	274,771	0	0	– 274,771	0	0
Appreciation	0	0	0	0	0	0
Disposals	0	– 3,744	0	– 249,792	– 944	– 254,480
Fair value adjustments	0	0	0	– 18,394	0	– 18,394
December 31, 2014/ January 1, 2015	**331,483**	**18,406**	**1,792**	**723**	**9,447**	**361,851**
Foreign currency translation	581	0	– 89	0	0	492
Additions to scope of consolidation	514	1,275	0	0	34	1,823
Disposals from scope of consolidation	0	– 65,567	– 1,275	0	0	– 66,842
Additions	8,739	77,858	0	4,634	852	92,083
Transfers	– 2,375	2,375	0	0	0	0
Appreciation	0	0	0	0	0	0
Disposals	0	– 3,850	– 26	0	– 384	– 4,260
Fair value adjustments	0	0	0	– 172	0	– 172
December 31, 2015	**338,942**	**30,497**	**402**	**5,185**	**9,949**	**384,975**
Accumulated amortization 2015	0	29	0	0	20	49
Accumulated amortization 2014	0	29	0	0	20	49
Carrying amounts December 31, 2015	**338,942**	**30,468**	**402**	**5,185**	**9,929**	**384,926**
Carrying amounts December 31, 2014	**331,483**	**18,377**	**1,792**	**723**	**9,427**	**361,802**
Amortization in the fiscal year	0	0	0	0	0	0

18 TRADE RECEIVABLES

Age analysis of trade receivables

a) Non-impaired trade receivables

	Total	Not yet due	Overdue up to 30 days	Overdue 31 to 60 days	Overdue 61 to 90 days	Overdue 91 to 180 days	Overdue more than 180 days
Dec. 31, 2014							
Trade receivables	965,458	702,327	78,118	39,841	29,468	53,357	62,347
Dec. 31, 2015							
Trade receivables	1,008,396	755,998	81,477	36,356	27,732	48,256	58,577

A significant proportion of the non-impaired and overdue trade receivables are attributable to receivables from social security providers, government or government-sponsored companies. The decrease in receivables more than 180 days overdue is primarily attributable to receivables from state-run hospitals in Spain and Portugal.

b) Trade receivables for which specific impairments have been established

	Total	Not yet due	Overdue up to 30 days	Overdue 31 to 60 days	Overdue 61 to 90 days	Overdue 91 to 180 days	Overdue more than 180 days
Dec. 31, 2014							
Trade receivables	49,287	14,378	3,649	1,230	1,794	3,605	24,631
Impairment provisions	– 21,056	– 3,380	– 1,410	– 611	– 367	– 1,122	– 14,166
Carrying amount	**28,231**	**10,998**	**2,239**	**619**	**1,427**	**2,483**	**10,465**
Dec. 31, 2015							
Trade receivables	54,204	14,905	1,861	788	2,769	5,180	28,701
Impairment provisions	– 27,899	– 3,862	– 1,004	– 345	– 1,508	– 3,630	– 17,550
Carrying amount	**26,305**	**11,043**	**857**	**443**	**1,261**	**1,550**	**11,151**

With regard to trade receivables that are neither impaired nor in arrears, there were no indications as of the reporting date that the debtors in question are not able to meet their payment obligations.

Impairments on trade receivables have changed as follows:

	2015 € '000	2014 € '000
Amount of impairment provisions as of January 1	28,166	27,295
Foreign currency translation	– 320	495
Additions	14,699	10,865
Utilization	– 4,445	– 4,553
Releases	– 3,333	– 5,936
Amount of impairment provisions as of December 31	**34,767**	**28,166**
of which specific	27,899	21,056
of which general	6,868	7,110

The total amount of additions consists of specific and general provisions for impairment.

The following table shows expenses for the complete derecognition of trade receivables and income from previously derecognized trade receivables:

	2015 € '000	2014 € '000
Expenses for complete derecognition of trade receivables	7,610	12,227
Income from trade receivables previously derecognized	63	4,253

Fair value of collateral received totaled € 5,800,000 (previous year: € 4,139,000). The collateral is mainly payment guarantees.

With regard to trade receivables, there is no concentration with respect to individual customers, currencies, or geographic attributes. The largest receivable from a single customer is equivalent to approximately one percent of all trade receivables reported.

As of December 31, B. Braun Group companies had sold receivables worth € 92.2 million under an asset-backed securities (ABS) program with a maximum volume of € 100 million (previous year: € 71.9 million). The basis for the transaction is the assignment of trade receivables of individual B. Braun companies to a structured entity within the framework of an undisclosed assignment. A structured entity should be consolidated under IFRS 10 if the criteria for control of this company have been met (IFRS 10.B2). The existence of a controlling relationship requires decision-making power and variable returns as well as a link between the two. Since B. Braun does not participate in the variability of the structured entity, this company is not to be consolidated in the consolidated financial statements.

The requirements for a receivables transfer according to IAS 39.15 are met, since the receivables are transferred according to IAS 39.18 a. Verification in accordance with IAS 39.20 shows that substantially all risks and rewards were neither transferred nor retained. The control of receivables remains with B. Braun, as a further sale of the receivables is economically detrimental for the structured entity. Therefore, according to IAS 39.30, B. Braun's continuing involvement must be recognized. This includes, firstly, the maximum amount that B. Braun could conceivably have to pay back under the senior and third-ranking default guarantee assumed (€ 1,774,000, previous year: € 1,381,000). Secondly, the maximum expected interest payments until payment is received for the carrying amount of the receivables transferred are recognized in the statement of financial position (€ 208,000, previous year: € 199,000). The fair value of the guarantee / interest payments to be assumed has been estimated at € 113,000 (previous year: € 91,000) and recorded under other liabilities.

Trade receivables include the following amounts in which the Group is a lessor in a finance lease:

	Dec. 31, 2015			Dec. 31, 2014		
Maturity	Gross investment value € '000	Interest portion included € '000	Present value € '000	Gross investment value € '000	Interest portion included € '000	Present value € '000
Less than one year	8,506	975	7,531	7,862	1,056	6,806
Between one and five years	13,312	1,239	12,073	11,569	782	10,787
Over five years	397	26	371	321	14	307
Total	**22,215**	**2,240**	**19,975**	**19,752**	**1,852**	**17,900**

The Group leases dialysis machines, infusion pumps and instrument sets in various operating leases. Total future lease payments under non-callable operating leases are as follows:

	Dec. 31, 2015	Dec. 31, 2014
Maturity	Minimum lease payments € '000	Minimum lease payments € '000
Less than one year	2,192	4,058
Between one and five years	2,216	4,960
Over five years	1,665	1,776
Total	**6,073**	**10,794**

19 OTHER ASSETS

	Dec. 31, 2015		Dec. 31, 2014	
	Residual term < 1 year € '000	Residual term > 1 year € '000	Residual term < 1 year € '000	Residual term > 1 year € '000
Other tax receivables	63,335	0	46,303	0
Receivables from social security providers	594	558	777	451
Receivables from employees	4,480	135	3,846	349
Advance payments	12,520	1	10,083	417
Accruals and deferrals	30,639	3,597	36,686	3,505
	111,568	**4,291**	**97,695**	**4,722**
Receivables from derivative financial instruments	27,533	0	29,474	0
Available-for-sale financial assets	9,456	0	7,793	0
Held-for-trading financial assets	16,976	0	15,748	0
Other receivables and assets	72,768	23,853	77,085	20,587
	126,733	**23,853**	**130,100**	**20,587**
	238,301	**28,144**	**227,795**	**25,309**

Granted loans are mainly reported under other receivables and assets.

With regard to other receivables, as of the reporting date there were no indications that the debtors in question will not be able to meet their payment obligations. No material amounts of receivables were overdue or impaired as of the reporting date.

20 INVENTORIES

	Dec. 31, 2015 € '000	Dec. 31, 2014 € '000
Raw materials and supplies	252,247	245,227
Impairment provisions	– 17,661	– 14,607
Raw materials and supplies – net	**234,586**	**230,620**
Work in progress	179,403	163,502
Impairment provisions	– 6,226	– 5,048
Work in progress – net	**173,177**	**158,454**
Finished products, merchandise	716,866	682,589
Impairment provisions	– 67,904	– 65,947
Finished products, merchandise – net	**648,962**	**616,642**
	1,056,725	**1,005,716**

As in the previous year, no inventories were pledged as collateral for liabilities.

21 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, demand deposits, other short-term highly liquid financial assets with residual maturities of three months or less that are subject to no more than insignificant fluctuations in value, and bank overdraft facilities. In the statement of financial position, utilized bank overdraft facilities are shown under current financial liabilities as liabilities to banks.

Changes in cash and cash equivalents are shown in the consolidated statement of cash flows.

22 SUBSCRIBED CAPITAL

B. Braun Melsungen's share capital of € 800 million is divided into 19,404,000 no-par-value bearer shares that are fully paid up. Each share without nominal value represents a calculated share of € 41.23 of the subscribed capital.

The Management Board is authorized, with the consent of the Supervisory Board, to increase the subscribed capital by up to € 100 million by issuing new bearer shares for cash on one or more occasions before December 31, 2018.

23 CAPITAL RESERVES AND RETAINED EARNINGS

The capital reserve includes the premium from previous capital increases of B. Braun Melsungen AG.

Retained earnings include past earnings of consolidated companies where these were not distributed, and the consolidated net income, net of the share attributable to non-controlling interests. The statutory reserve included in retained earnings amounts to € 29.4 million.

Changes in other provisions	Reserve for cash flow hedges € '000	Fair value of available-for-sale financial assets € '000	Reserve for currency translation differences € '000	Total € '000
January 1, 2014	**– 1,845**	**18,282**	**– 151,025**	**– 134,588**
Changes recognized directly in equity (after taxes)				
Changes in fair value of securities	0	– 18,277	0	– 18,277
Cash flow hedging instruments	– 2,871	0	0	– 2,871
Changes due to currency translation	0	0	68,107	68,107
Total	**– 2,871**	**– 18,277**	**68,107**	**46,959**
December 31, 2014/January 1, 2015	**– 4,716**	**5**	**– 82,918**	**– 87,629**
Changes recognized directly in equity (after taxes)				
Changes in fair value of securities	0	– 254	0	– 254
Cash flow hedging instruments	– 140	0	0	– 140
Changes due to currency translation	0	0	– 2,460	– 2,460
Total	**– 140**	**– 254**	**– 2,460**	**– 2,854**
December 31, 2015	**– 4,856**	**– 249**	**– 85,378**	**– 90,483**

Changes in the other equity capital components are shown in the Consolidated Statement of Changes in Equity.

Claims of shareholders to dividend payments are reported as liabilities in the period in which the corresponding resolution is passed.

24 NON-CONTROLLING INTERESTS

Non-controlling interests relate to third-party interests in the equity of consolidated subsidiaries They exist in particular at Almo-Erzeugnisse E. Busch GmbH, Bad Arolsen, B. Braun Medical AG, Emmenbrücke, Switzerland, and B. Braun Austria Ges.m.b.H., Maria Enzersdorf, Austria. The summarized financial information of these subsidiaries before inter-company elimination is as follows:

	Assets € '000	Liabilities € '000	Sales € '000
2014			
Almo-Erzeugnisse E. Busch GmbH, Germany	56,772	34,572	65,977
B. Braun Austria Ges.m.b.H., Austria	67,211	23,810	58,112
B. Braun Medical AG, Switzerland	337,085	125,098	268,221
	461,068	183,480	392,310
2015			
Almo-Erzeugnisse E. Busch GmbH, Germany	57,475	34,255	66,763
B. Braun Austria Ges.m.b.H., Austria	73,945	24,481	57,869
B. Braun Medical AG, Switzerland	360,618	127,717	298,191
	492,038	186,453	422,823

25 PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

	Dec. 31, 2015 € '000	Dec. 31, 2014 € '000
Provisions for pension obligations	1,079,705	1,098,474

Payments of € 41.5 million are expected in 2016 (previous year: € 35,4 million). Of this, € 14.1 million is attributable to contributions to external plans (previous year: € 10,1 million) and € 27.4 million (previous year: € 25.3) to benefits that will be paid directly by the employer to beneficiaries.

The Group's pension obligations relate to commitments under defined contribution and defined benefit plans.

						attributable to	
	Profit / loss	Other earnings	Total earnings	Cash flow	Non-controlling interests	Profit / loss	Dividends
	€ '000	€ '000	€ '000	€ '000	in %	€ '000	€ '000
	1,664	– 1,406	258	– 5	40	666	440
	10,419	– 1,068	9,351	37	40	4,168	3,400
	23,491	– 30,038	– 6,547	– 1,689	49	11,511	4,836
	35,574	– 32,512	3,062	– 1,657		16,344	8,676
	2,621	– 1,668	953	1	40	1,048	536
	13,865	– 872	12,993	– 31	40	5,546	3,200
	13,153	– 33,502	– 20,349	44	49	6,445	5,659
	29,639	– 36,042	– 6,403	14	0	13,039	9,395

For defined contribution plans, the Group has no further payment obligations once the contributions have been paid. They are recognized as an operating expense in the amount of the contributions paid. In the previous fiscal year, this amount was € 24.2 million (previous year:€ 19.2 million). In addition, the Group makes contributions to statutory basic provision plans for employees in many countries (including Germany). However, since this covers various forms of social security benefits, no precise statement can be made with regard to the part that solely relates to retirement payments. These expenses are shown under social security payments, under Note 12 "Personnel Expenditures / Employees."

Employees' claims under defined benefit plans are based on legal or contractual provisions.

Defined benefit plans based on legal regulations consist primarily of benefit obligations outside Germany at the time of employment termination and are fulfilled in the form of a capital sum. The benefit amount depends mainly on employees' length of service and final salary.

Pension commitments for employees in Germany account for approximately 70 percent of Group pension obligations. These primarily consist of annuity payments made in the event of disability, death, or an employee reaching the retirement age. The main pension plans for employees in Germany who joined the company in 1992 or later are age-dependent defined contribution plans with a modular form. Employees who joined the company before 1992, with a small number of exceptions, received commitments linked to their final salaries.

Retirement benefits in Germany are predominantly financed by pension provisions.

Pension commitments for employees in Switzerland account for approximately 10 percent of Group pension obligations. The benefits consist of annuity payments made in the event of disability, death, or an employee reaching the retirement age. The pension commitments are defined contribution plans with legally prescribed annuity rates based on implicit interest rate guarantees.

Pension commitments for employees in the US account for approximately 10 percent of Group pension obligations. In this case, the pensions have a lump-sum payment option. Payments are made in the event of disability, death, or an employee reaching the retirement age. The pension amount is calculated largely on the basis of the employee's average salary up to 1998. A cash balance scheme applies to any earnings increase after this time.

Retirement benefits in Switzerland and the US are financed by external pension funds, as is customary for both regions. Minimum funding requirements apply in both countries, which could, in rare cases, impact the definition of future financial contributions.

In addition to the longevity risk and the risk of future pension and salary increases, risks faced by the B. Braun Group associated with the benefits payable also include capital market risks, which could impact both income from plan assets and the discount rate.

The liability recognized in the statement of financial position for defined benefit pension plans is the net present value of the defined benefit obligation (DBO) at the reporting date, allowing for future trend assumptions, less the fair value of external plan assets at the reporting date. The defined benefit obligation is calculated using the projected unit credit method. The interest rate used to determine the net present value is usually the yield on prime corporate bonds of similar maturity.

The amount of pension provisions in the statement of financial position is derived as follows:

	Dec. 31, 2015 € '000	Dec. 31, 2014 € '000
Present value of pension obligations	1,373,148	1,366,903
Fair value of external plan assets	– 293,443	– 268,429
Excess cover / shortfall	**1,079,705**	**1,098,474**
Effect of asset ceiling	0	0
Pension provision (net)	**1,079,705**	**1,098,474**
of which assets	799	502
of which liabilities	1,080,504	1,098,976

Asset valuation limitation changed as follow in the reporting year:

	Dec. 31, 2015 € '000	Dec. 31, 2014 € '000
Asset ceiling at the beginning of the year	0	277
Interest on effect of asset ceiling	0	13
Change in asset ceiling	0	– 299
Effects from foreign currency translation	0	9
Asset ceiling at the end of the year	**0**	**0**

Pension expenses included in the statement of income consist of the following:

	2015 € '000	2014 € '000
Current service costs	54,895	36,414
Plan changes / past service costs	– 605	– 2,342
(Profit)/losses from plan settlements / lapsing	– 2,153	1
Service costs	**52,137**	**34,073**
Interest expense on pension obligations	33,883	39,050
Interest income from external plan assets	– 7,271	– 8,645
Interest income from reimbursement claims	0	0
Interest on asset ceiling	0	13
Net interest expense on pension obligations	**26,612**	**30,418**
Administrative expenses and taxes	783	721
Pension expense on defined benefit plans	**79,532**	**65,212**
of which operating profit	52,920	34,794
of which financial income	26,612	30,418
Pension expense on defined contribution plans	24,202	19,239
Pension expense	**103,734**	**84,451**

Pension obligations and external plan assets are reconciled as follows:

	Dec. 31, 2015 € '000	Dec. 31, 2014 € '000
Present value of the obligation at the beginning of the year	1,366,903	1,032,283
Current service costs	54,895	36,414
Plan changes/(past service costs)	– 605	– 2,342
Effects of plan settlements / lapsing	– 2,153	1
Interest expense on pension obligations	33,883	39,050
Benefits paid excluding administrative costs	– 38,234	– 42,486
Settlement payments	– 3,291	– 190
Employee contributions	4,408	3,673
Effects of changes in financial assumptions	– 83,976	271,362
Effects of changes in demographic assumptions	– 1,315	1,189
Effects of experience adjustments	10,065	9,104
Effects of transfers	1,765	2,306
Effects of changes in scope of consolidation	0	– 1
Effects of foreign currency translation	30,803	16,540
Present value of the obligation at end of year	**1,373,148**	**1,366,903**

	Dec. 31, 2015 € '000	Dec. 31, 2014 € '000
Fair value of plan assets at the beginning of the year	268,429	234,096
Interest income from external plan assets	7,271	8,645
Revaluation of external plan assets	– 6,522	12,441
Employer contributions	11,671	13,045
Employee contributions	4,408	3,673
Benefits paid and fund capital payments made (including administrative expenses)	– 12,976	– 18,578
Settlement payments	– 3,287	0
Effects of changes in scope of consolidation and transfers	1,738	2,259
Effects of foreign currency translation	22,711	12,848
Fair value of plan assets at the end of the year	**293,443**	**268,429**

The plan assets consist of the following:

	Dec. 31, 2015 in %	Dec. 31, 2014 in %
Equities and similar securities	22	23
Bonds and other fixed-income securities	13	13
Real estate	0	0
Insurance contracts	55	53
Liquid assets	1	2
Derivatives	0	0
Investment funds	9	9
Other assets	0	0
	100	**100**

The plan assets for which traded market prices exist are as follows:

	Dec. 31, 2015 in %	Dec. 31, 2014 in %
Equities and similar securities	22	23
Bonds and other fixed-income securities	13	13
Real estate	0	0
Insurance contracts	0	0
Liquid assets	1	2
Derivatives	0	0
Investment funds	9	9
Other assets	0	0
	45	**47**

Plan assets are not invested in the Group's own financial instruments.

88 percent of the equities and similar securities are attributable to plan assets in the US. A pension committee oversees plan assets in the US and ensures adequate investment diversification.

In fiscal years 2015 and 2014, the pension provisions changed as follows:

	2015 € '000	2014* € '000
Pension provision (net) January 1	1,098,474	798,464
Transfers	27	47
Payments	– 37,720	– 37,876
Pension expense	79,532	65,212
Revaluations recognized in equity (OCI)	– 68,700	268,927
of which effects from changes to financial assumptions of the pension obligation	– 83,976	271,362
of which effects from changes to demographic assumptions of the pension obligation	– 1,315	1,189
of which effects from experiential adjustments of the pension obligation	10,065	9,104
of which revaluation of external plan assets	6,522	– 12,441
of which other effects	4	– 287
Effects of changes in the scope of consolidation	0	– 1
Effects of foreign currency translation	8,092	3,701
Pension provision (net) December 31	**1,079,705**	**1,098,474**

*Previous year's figures adjusted due to transition to the new version of IAS 19

The calculation of pension obligations was based on the following assumptions:

	Dec. 31, 2015 in %	Dec. 31, 2014 in %
Discount rate	2.7	2.5
Future salary increases	2.8	2.9
Future pension increases	1.5	1.5

Pension expense was calculated using the following assumptions:

	2015 in %	2014 in %
Discount rate for calculating interest expense	2.5	3.8
Discount rate for calculating current service costs	2.6	4.1
Future salary increases	2.9	2.9
Future pension increases	1.5	1.7

The percentages shown are weighted average assumptions. For the eurozone, a uniform discount rate of 2.8 percent (previous year: 2.4 percent) was applied to determine the pension obligations.

The Heubeck Mortality Tables 2005 G served as the basis for measuring German-defined benefit (pension) obligations, as in the previous year.

The results of the sensitivity analysis were determined using the previous year's methods, changing one assumption at a time and leaving the other assumptions unchanged. No account was taken of any possible correlations between the individual assumptions.

The results of the sensitivity analysis were as follows:

Obligation-increasing effect	2015 in %	2014 in %
Discount rate reduced by 25 basis points	4	4
Future salary increases increased by 25 basis points	1	1
Future pension increases increased by 25 basis points	2	2
Life expectancy increased by 1 year	3*	3*

*Effect within Germany

Obligation-reducing sensitivities have a comparable effect.

The weighted duration of the obligation is 18 years (previous year: 21 years).

26 OTHER PROVISIONS

The major provisions categories changed as follows:

Other non-current provisions	Personnel expenditures € '000	Uncertain liabilities € '000	Other € '000	Total € '000
January 1, 2014	**57,293**	**7,421**	**9,069**	**73,783**
Foreign currency translation	1,725	– 86	– 19	1,620
Changes in scope of consolidation	113	0	13	126
Accrued interest	0	0	0	0
Transfers	0	0	0	0
Utilization	– 3,689	– 2,052	– 943	– 6,684
Reversals	– 694	– 355	– 380	– 1,429
Additions	9,749	1,990	503	12,242
December 31, 2014/January 1, 2015	**64,497**	**6,918**	**8,243**	**79,658**
Foreign currency translation	2,055	– 842	– 162	1,052
Changes in scope of consolidation	0	0	0	0
Accrued interest	0	0	0	0
Transfers	0	0	0	0
Utilization	– 3,199	– 1,529	– 466	– 5,194
Reversals	– 385	– 14	0	– 399
Additions	18,770	1,976	2,373	23,118
December 31, 2015	**81,738**	**6,509**	**9,988**	**98,235**

Other current provisions	Personnel expenditures € '000	Warranties € '000	Uncertain liabilities € '000	Other € '000	Total € '000
January 1, 2014	**2,180**	**8,113**	**6,967**	**19,941**	**37,201**
Foreign currency translation	79	417	195	1,229	1,920
Transfers	0	0	0	0	0
Translation scope of consolidation	571	10	56	292	929
Utilization	– 1,880	– 7,637	– 1,889	– 8,794	– 20,200
Reversals	– 636	– 91	– 1,087	– 4,880	– 6,694
Additions	1,651	7,920	3,218	13,685	26,474
December 31, 2014/January 1, 2015	**1,965**	**8,732**	**7,460**	**21,473**	**39,630**
Foreign currency translation	86	240	382	– 190	518
Transfers	0	0	0	0	0
Translation scope of consolidation	842	0	0	2,893	3,735
Utilization	– 1,603	– 6,126	– 1,656	– 10,812	– 20,198
Reversals	– 568	– 1,378	– 464	– 5,387	– 7,797
Additions	2,411	8,310	6,895	16,128	33,744
December 31, 2015	**3,133**	**9,778**	**12,617**	**24,105**	**49,632**

Non-current provisions for personnel expenditures primarily consist of provisions for partial retirement plans and anniversary payments.

Other provisions mainly consist of provisions for other obligations in the area of personnel and social services, guarantees, possible losses from contracts, legal and consulting fees, and a number of identifiable individual risks. The additional other provisions refer predominantly to outstanding invoices, bonuses, actuarial provisions, and provisions for not yet settled insurance claims of REVIUM Rückversicherung AG, Melsungen.

The release of provisions affecting net income is primarily attributable to the release of provisions for potential losses in Malaysia (€ 3,749,000) and for warranties in the US (€ 1,028,000).

The majority of non-current provisions will result in payments due within five years.

27 FINANCIAL LIABILITIES

	Dec. 31, 2015 € '000	Dec. 31, 2014 € '000
Non-current liabilities		
Profit participation rights	90,897	82,169
Liabilities to banks	977,593	1,106,879
Liabilities under finance leases	29,990	32,793
Liabilities under finance leases with affiliated companies	24,003	27,065
Liabilities under borrowings from non-banks	32,508	35,529
Other financial liabilities	0	0
	1,154,991	**1,284,435**
Current liabilities		
Profit participation rights	11,238	9,641
Liabilities to banks	604,385	434,786
Liabilities under finance leases	5,457	5,469
Liabilities under finance leases with affiliated companies	3,062	2,958
Liabilities under borrowings from non-banks	103,920	95,427
Liabilities under bills of exchange	20,375	19,581
Other financial liabilities	19,937	17,856
	768,374	**585,718**
Total financial liabilities	**1,923,365**	**1,870,153**

Other financial liabilities include € 13,427,000 in advance payments received for orders (previous year: € 11,790,000).

Term structure of financial liabilities:

	Dec. 31, 2015 € '000	Dec. 31, 2014 € '000
Due within one year	768,374	585,718
Due in one to five years	693,201	885,615
Due in over five years	461,790	398,820
	1,923,365	**1,870,153**

Under the B. Braun Incentive Plan, B. Braun Melsungen AG offers a series of profit participation rights, which may be acquired by eligible managers on a voluntary basis. With the issuance of profit participation rights, the company grants employees profit-sharing rights in the form of participation in the profit and losses of B. Braun Melsungen AG in return for their investment of capital.

Each profit participation right has a ten-year term. Interest on the rights is linked to the dividends paid to shareholders in B. Braun Melsungen AG, and the repayment amount is linked to the Group's equity.

As an incentive for the investment made by employees, the company offers an entitlement bonus of 25 percent in the form of additionally assigned participation rights. The entitlement bonus is paid to employees two years after their in-vestment. The additional profit participation rights are recognized as expenses in the corresponding periods.

As of December 31, 2015, a total of 690,351 rights had been issued. The years of issue are as follows:

Year of issue	Number
2006	61,186
2007	66,107
2008	93,927
2009	69,123
2010	80,217
2011	69,202
2012	54,071
2013	69,276
2014	62,481
2015	64,761
	690,351

The B. Braun Melsungen AG, together with several subsidiaries and twelve banks, concluded a new syndicated loan agreement for € 400 million in March 2012. The loan may be used by the borrowers as revolving credit in EUR, or alternatively in partial sums in USD and GBP, and bears a variable interest rate based on Euribor and Libor for the currency in question. In addition, the agreement allows for an adjustment to the interest margin depending on the B. Braun Group's net financial debt (leverage ratio). In May 2014, the parties agreed to extend the term of the original credit agreement that was supposed to end on March 23, 2017 to May 21, 2019. In addition, B. Braun has been granted the right to extend the contract by one year on two separate occasions upon consent of the banks. The first extension (to May 2020), with a volume of € 367.5 million, was agreed upon with the banks in May 2015. Under the terms of the syndicated loan agreement, B. Braun is required to comply with certain financial ratios, including in particular a minimum equity ratio, which is calculated by taking the entity's total assets and dividing them by its total equity, and maximum leverage ratio, in other words the net financial debt to EBITDA ratio. Both of these ratios will be calculated on the basis of consolidated figures for the B. Braun Group, subject to adjustments as agreed under the syndicated loan. Under the agreement, the equity ratio must not fall below 25 percent and the leverage ratio must not exceed 3.25. During the fiscal year and as of the reporting date, both ratios were fully complied with.

In a measure designed to manage the maturities of its debt, B. Braun Melsungen AG in 2015 voluntarily redeemed € 90.5 million in existing variable-interest promissory notes early and issued € 100 million in new promissory notes. The notes mature after 5.25 years (€ 13 million), 7.25 years (€ 53.5 million) and 9.25 years (€ 33.5 million). The promissory notes were predominantly underwritten by German banks, whose existing notes were redeemed early.

At December 31, 2015, the Group has unutilized credit lines in different currencies totaling € 1,011.7 million (previous year: € 1,164.6 million).

Interest rates on EUR loans were up to 5.40 percent per annum for non-current loans, depending on the length of the interest-rate lock-in period.

The carrying amounts of the interest-bearing liabilities are as follows for the currencies below:

	Dec. 31, 2015 € '000	Dec. 31, 2014 € '000
EUR	1,445,151	1,483,267
USD	214,735	188,382
Other	263,479	198,504
	1,923,365	**1,870,153**

Liabilities from finance leasing are recognized at the net present value of the leasing payments. These are fully secured by property liens on leased property. Of the other liabilities, € 18,040,000 (previous year: € 15,124,000) are covered by property liens. Liabilities under borrowings from non-banks include loans from B. Braun Melsungen AG shareholders in the amount of € 65,416,000 (previous year: € 55,661,000). Borrowings from non-banks are unsecured.

The carrying amount of financial assets used as collateral for liabilities or contingent liabilities was € 33,000 (previous year: € 33,000). The collateral provided was assigned receivables. The following table shows the contractually agreed upon (undiscounted) interest and repayments on financial liabilities, other financial liabilities, and derivative financial instruments with negative fair value:

		Cash outflows within one year	
Dec. 31, 2014	Carrying amount € '000	Interest € '000	Repayments € '000
Profit participation rights	91,810	154	9,641
Liabilities to banks	1,541,665	25,184	434,786
Liabilities under finance leases	38,262	1,754	5,470
Liabilities under finance leases with affiliated companies	30,023	959	2,958
Liabilities under borrowing from non-banks	130,956	1,450	95,426
Liabilities from ABS transactions and other financial liabilities	52,344	0	52,344
Financial liabilities trade accounts payable	311,914	0	305,591
Liabilities from derivative financial instruments	26,799	1	445,107
Dec. 31, 2015			
Profit participation rights	102,135	152	11,238
Liabilities to banks	1,581,978	24,504	604,385
Liabilities under finance leases	35,447	1,626	5,457
Liabilities under finance leases with affiliated companies	27,065	854	3,062
Liabilities under borrowings from non-banks	136,428	958	103,920
Liabilities from ABS transactions and other financial liabilities	60,086	0	60,086
Financial liabilities trade accounts payable	348,615	0	344,113
Liabilities from derivative financial instruments	18,523	0	358,252

All instruments held as of December 31, 2015 and for which payments had already been contractually agreed upon are included. Amounts in foreign currency were each translated at the closing rate on the

	Cash outflows within one to two years		Cash outflows within two to five years		Cash outflows within five to ten years		Cash outflows after ten years	
	Interest	Repayments	Interest	Repayments	Interest	Repayments	Interest	Repayments
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
	138	9,977	305	32,427	187	39,765	0	0
	23,999	188,510	45,578	609,806	17,780	308,563	0	0
	1,546	4,508	3,221	9,338	2,216	18,216	82	730
	854	3,062	1,899	9,850	1,020	14,153	0	0
	824	6,284	765	24,765	0	4,166	0	315
	0	0	0	0	0	0	0	0
	0	1,898	0	3,397	0	1,028	0	0
	3	12,489	10	13,312	0	0	0	– 444,109
	135	12,173	293	35,514	185	43,210	0	0
	21,504	182,344	34,918	416,896	14,535	378,353	0	0
	1,338	7,014	2,821	9,241	1,489	13,176	42	559
	746	3,170	1,560	9,802	613	11,031	0	0
	770	18,304	494	11,715	0	2,420	0	69
	0	0	0	0	0	0	0	0
	0	81	0	2,350	0	2,071	0	0
	– 1	1,597	1	685	0	0	0	– 342,011

reporting date. The variable interest payments arising from the financial instruments were calculated using the last interest rates fixed before December 31, 2015. Financial liabilities that can be repaid at any time are always assigned to the earliest possible period.

28 ADDITIONAL DISCLOSURES ON FINANCIAL INSTRUMENTS

Carrying amount and fair value by measurement category

	Assessment category under IAS 39	Carrying amount Dec. 31, 2015 € '000	Fair value Dec. 31, 2015 € '000	Carrying amount Dec. 31, 2014 € '000	Fair value Dec. 31, 2014 € '000
Assets					
Trade receivables	LaR	1,034,701	–	993,689	–
Other receivables	LaR	116,316	–	114,503	–
Available-for-sale financial assets	AfS	14,641	14,641	8,516	8,516
Other holdings	AfS	30,468	–*	18,377	–*
Financial assets held for trading	FAHfT	16,976	16,976	15,748	15,748
Derivatives not in a hedge	FAHfT	20,283	20,283	16,412	16,412
Derivatives in a hedge	n.a.	7,250	7,250	13,062	13,062
Cash and cash equivalents	LaR	62,958	–	84,332	–
Liabilities					
Profit participation rights	FLAC	102,135	–**	91,810	–**
Liabilities to banks	FLAC	1,581,978	1,609,099	1,541,665	1,576,843
Liabilities under finance leases	n.a.	62,512	63,695	68,285	69,849
Liabilities under borrowings from non-banks	FLAC	136,428	137,521	130,956	132,954
Other financial liabilities	FLAC	33,802	–	31,371	–
Trade accounts payable	FLAC	348,615	–	311,914	–
Other liabilities	FLAC	258,600	–	213,817	–
Purchase price liabilities from business combinations	FLHfT	28,614	28,614	34,746	34,746
Derivatives not in a hedge	FLHfT	6,794	6,794	10,120	10,120
Derivatives in a hedge	n.a.	11,729	11,729	16,679	16,679
Summary by IAS 39 measurement category:					
Loans and receivables	LaR	1,213,975	1,214,918	1,192,524	1,192,540
Available-for-sale financial assets	AfS	45,109	45,109	26,893	26,893
Financial assets held for trading	FAHfT	37,259	37,259	32,160	32,160
Financial liabilities measured at amortized cost	FLAC	2,461,558	2,489,772	2,321,533	2,362,762
Financial liabilities measured at fair value	FLHfT	35,408	35,408	44,866	44,866

LaR Loans and Receivables | **HtM** Held-to-Maturity Financial Assets | **AfS** Available-for-Sale Financial Assets | **FAHfT** Financial Assets Held-for-Trading
FLAC Financial Liabilities measured at Amortized Cost | **FLHfT** Financial Liabilities Held-for-Trading

*The remaining holdings consist of shares in partnerships and corporations for which no active market exists. Since future cash flow cannot be reliably determined, the fair value of these instruments also cannot be reliably measured.

**Interest on the rights is linked to the dividends paid to shareholders in B. Braun Melsungen AG, and the repayment amount is linked to the Group's equity. A fair value for this instrument cannot be reliably measured.

Net gains or losses by measurement category are as follows:

Net gains or losses from	2015 € '000	2014 € '000
– held-to-maturity financial assets	0	– 700
– available-for-sale financial assets	– 18	– 186
– financial assets and liabilities held for trading	– 7,882	8,665
	– 7,900	7,779

The available-for-sale financial assets comprise:

Equities and similar securities	Dec. 31, 2015 € '000	Dec. 31, 2014 € '000
Listed securities	14,641	8,516
of which non-current	5,185	723

These are reported under other financial investments and other financial assets. No available-for-sale financial assets were impaired in 2015 or 2014. A sale of these assets is not planned.

Other assets include other receivables and other financial assets in the amount of € 190,142,000 and other loans in the amount of € 10,331,000 (previous year: € 11,219,000).

The maximum credit risk for each measurement category of financial assets corresponds to its carrying amount. Trade receivables are partly secured with reservation of title, which reduces the maximum default risk in this assessment category by € 36,946,000 (previous year: € 34,744,000).

Cash and cash equivalents, trade receivables, and other receivables have predominantly short residual terms, thus their carrying amounts are close to fair value as of the reporting date.

Trade accounts payable and other financial liabilities and debt regularly have short residual terms; the values reported on the statement of financial position are close to fair value.

The fair values of liabilities to banks and other lenders, promissory notes, finance leases and other financial liabilities are calculated as the net present value of the payments associated with the liabilities, based on the relevant yield curve in each case. In determining the fair value, the credit risk has been taken into account.

To date, the Group has not exercised the option of designating financial assets and liabilities upon initial recognition as financial liabilities measured at fair value through profit and loss.

The table below shows financial instruments where subsequent measurement and accounting is at fair value. These are categorized into levels 1 to 3, depending on the extent to which fair value can be measured:

- Level 1 – Measurement at fair value based on (unadjusted) quoted prices on active markets for identical financial assets or liabilities.
- Level 2 – Measurement at fair value based on parameters, which are not quoted prices for assets or liabilities as in level 1, but which are either directly derived from them (i.e., as prices) or indirectly derived from them (i.e., derived from prices).
- Level 3 – Measurement at fair value using models that include parameters not based on observable market data to value assets and liabilities.

	Level 1 € '000	Level 2 € '000	Level 3 € '000	Total € '000
December 31, 2014				
Financial assets of category "At fair value through profit and loss" Derivative financial assets not in a hedge	0	16,412	0	16,412
Derivative financial assets in a hedge	0	13,062	0	13,062
Financial assets held for trading	15,748	0	0	15,748
Financial assets of category "Available for sale" Financial assets	8,516	0	0	8,516
Financial liabilities of category "At fair value through profit and loss" Purchase price liabilities from business combinations	0	0	– 34,746	– 34,746
Derivative financial liabilities not in a hedge	0	– 10,120	0	– 10,120
Derivative financial liabilities in a hedge	0	– 16,679	0	– 16,679
	24,264	2,675	– 34,746	– 7,807
December 31, 2015				
Financial assets of category "At fair value through profit and loss" Derivative financial assets not in a hedge	0	20,283	0	20,283
Derivative financial assets in a hedge	0	7,250	0	7,250
Financial assets held for trading	16,976	0	0	16,976
Financial assets of category "Available for sale" Financial assets	14,641	0	0	14,641
Financial liabilities of category "At fair value through profit and loss" Purchase price liabilities from business combinations	0	0	– 28,614	– 28,614
Derivative financial liabilities not in a hedge	0	– 6,794	0	– 6,794
Derivative financial liabilities in a hedge	0	– 11,729	0	– 11,729
	31,617	9,010	– 28,614	12,013

Purchase price liabilities from business combinations categorized as level 3 are conditional purchase price liabilities recorded at net present value, the final amount of which is partially performance dependent based on various factors. The amount stated represents the fair value that was calculated for the actual purchase price liability on the basis of the agreed adjustment parameters. A partial amount of € 8,743,000 is performance dependent based on the sales of acquired companies in the years following the acquisition. If sales turn out to be 10 percent higher (lower) than was assumed when the liability was determined, then the liability would increase (decrease) by € 874,000. Another partial amount of € 1,653,000 is performance dependent on the basis of the EBIT and EBITDA figures for the acquired companies in the years following the acquisition. If these earnings amounts turn out to be 10 percent higher (lower) than expected, then the liability would increase by € 793,000 (decrease). Another partial amount of € 2,387,000 is performance dependent based on the number of patients treated, the refund amount, and the rate of inflation. If these parameters develop 10 percent more favorably (unfavorably) than expected, then the liability would increase by € 1,175,000 (decrease by€ 1,366,000). Another partial amount of € 15,831 is dependent on the exercise date of the agreed-upon put option. Since this time is very likely fixed, it cannot be assumed that the liability is likely to increase or decrease.

The € 6,131,000 increase in liabilities over the previous year is attributable to the repayment of purchase price liabilities (€ – 3,308,000), the revaluation of measurement parameters (€ – 4,457,000), the creation of new liabilities following business combinations in the reporting year (€ 1,566,000) and discounting effects (€ 68,000).

The table below shows financial instruments that are subsequently measured at fair value, but recognized at amortized cost.

	Level 1 € '000	Level 2 € '000	Level 3 € '000	Total € '000
December 31, 2014				
Financial liabilities of category "Measured at amortized cost" Liabilities to banks	0	1,576,843	0	1,576,843
Liabilities under finance leases	0	69,849	0	69,849
Liabilities under borrowings from non-banks	0	132,954	0	132,954
	0	1,779,646	0	1,779,646
December 31, 2015				
Financial liabilities of category "Measured at amortized cost" Liabilities to banks	0	1,609,099	0	1,609,099
Liabilities under finance leases	0	63,695	0	63,695
Liabilities under borrowings from non-banks	0	137,521	0	137,521
	0	1,810,315	0	1,810,315

The following financial assets and liabilities are subject to offsetting arrangements:

				Corresponding amounts that were not offset		
	Gross carrying amount € '000	Offset amount € '000	Net carrying amount € '000	Financial instruments € '000	Financial collateral held € '000	Net amount € '000
December 31, 2014						
Loans and receivables (LaR)	1,192,524	0	1,192,524	– 7,705	0	1,184,819
Financial assets held for trading (FAHfT)	32,160	0	32,160	– 25,302	0	6,858
Financial liabilities measured at amortized cost (FLAC)	2,321,533	0	2,321,533	– 21,560	0	2,299,973
Financial liabilities held for trading (FLHfT)	44,866	0	44,866	– 11,448	0	33,418
December 31, 2015						
Loans and receivables (LaR)	1,213,975	0	1,213,975	– 7,323	0	1,206,652
Financial assets held for trading (FAHfT)	37,259	0	37,259	– 22,303	0	14,956
Financial liabilities measured at amortized cost (FLAC)	2,461,558	0	2,461,558	– 20,593	16	2,440,981
Financial liabilities held for trading (FLHfT)	35,408	0	35,408	– 9,033	0	26,375

Offsetting of amounts that were not offset is permitted in the event of bankruptcy or default of one of the contractual parties.

29 TRADE ACCOUNTS PAYABLE AND OTHER LIABILITIES

	Dec. 31, 2015 € '000	Dec. 31, 2014 € '000
Non-current liabilities		
Trade accounts payable	4,502	6,323
Liabilities to social security providers	1,839	1,686
Liabilities to employees, management, and shareholders	18,750	18,544
Accruals and deferrals	0	0
	20,589	**20,230**
Other liabilities	19,253	21,707
Subtotal other liabilities	**39,842**	**41,937**
of which other financial liabilities	19,251	21,475
Current liabilities		
Trade accounts payable	344,113	305,591
Liabilities to social security providers	32,235	30,448
Liabilities to employees, management, and shareholders	268,904	259,757
Accruals and deferrals	16,109	12,317
Other tax liabilities	72,284	75,177
	389,532	**377,699**
Liabilities from derivative financial instruments	18,523	26,799
Other liabilities	273,128	235,524
	291,651	**262,323**
Subtotal other liabilities	**681,183**	**640,022**
of which other financial liabilities	286,486	253,887
Total liabilities	**1,069,640**	**993,873**

The Group has designated several payer interest rate swaps (“static pay – variable receipts”) as cash flow hedges in order to hedge the variable interest payments on a nominal credit volume of € 125,000,000 (previous year: € 125,000,000). Changes in the cash flows of the underlying transaction resulting from changes in the reference interest rate are compensated for by the changes in the cash flows of the interest rate swap. The hedging measures are designed to hedge the cash flow from bank liabilities against an increase in the reference interest rate. Credit risks are not covered through the hedge. The related cash flows are likely to occur through fiscal year 2019. The effectiveness of hedges was measured prospectively and retrospectively using the dollar offset method. The hedges were effective. The effective portion of changes in the fair value of the designated interest rate swap is recognized in equity and amounts to a total of € – 847,000 (previous year: € 1,585,000). The ineffective portion of changes in value is recognized directly in the statement of income under net financial income and is € 0 (previous year: € 0). Amounts accrued under equity are transferred to the statement of income as income or expense in the period in which the hedged underlying transaction is recognized in the statement of income.

From hedges that were terminated or became ineffective in the fiscal year, losses that were recognized in the capital equity on an accumulative basis remained in the capital equity at the time of terminating this hedge, and they are recognized on entry of the originally hedged transaction through profit and loss in the statement of income. In 2015, this resulted in an expense of € 555,000 (previous year: € 555,000), which was transferred from equity to the statement of income.

Other liabilities mainly include remaining payments related to company acquisitions, liabilities from ABS transactions, bonus obligations, and liabilities related to outstanding invoices.

30 CONTINGENT LIABILITIES

Liabilities result exclusively from obligations to third parties and consist of:

	Dec. 31, 2015 € '000	Dec. 31, 2014 € '000
Uncertain liabilities	39,364	33,032
Guarantees	21,225	24,077
Warranties	1,973	2,490
Contractual performance guarantees	46,496	43,941
	109,058	**103,540**

All cases relate to potential future obligations, which may arise upon the occurrence of corresponding events and are entirely uncertain as of the reporting date.

31 OTHER FINANCIAL LIABILITIES

The Group leases numerous office buildings and warehouses under non-terminable operating lease agreements. These agreements have varying terms and conditions, escalation clauses, and renewal options.

Future minimum lease payments expected in connection with non-terminable sub-leases on the reporting date amount to € 12,080,000 (previous year: € 10,004,000).

The Group also leases manufacturing facilities and machinery under terminable operating lease agreements.

The minimum payments of non-discounted future lease payments under operating lease and rental agreements are due as follows:

	Dec. 31, 2015 € '000	Dec. 31, 2014 € '000
Obligations under rental and leasing agreements		
Due within one year	68,125	59,515
Due within one to five years	110,531	83,401
Due in over five years	63,778	38,785
	242,434	**181,701**
Obligations from the acquisition of intangible assets	18	20
Obligations from the acquisition of Property, plant, and equipment	171,172	274,777
Total	**413,624**	**456,498**

Some Group companies enter into sale and leaseback agreements with B. Braun Holding GmbH & Co. KG as part of their operating activities. These agreements are intended for sales financing, not to realize profits earlier.

The portion of total obligations under rental and lease agreements accounted for by obligations under sale and lease- back agreements is provided in the table below:

	Dec. 31, 2015 € '000	Dec. 31, 2014 € '000
Obligations under sale and leaseback agreements		
Due within one year	8,325	4,114
Due within one to five years	13,586	6,123
Due in over five years	0	0
	21,911	**10,237**

During the normal course of business, B. Braun is subject to potential obligations stemming from lawsuits and enforced claims. Estimates of possible future liabilities of this kind are uncertain. No material negative consequences for the economic or financial situation of the B. Braun Group are anticipated.

32 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks. These include currency, interest rate, credit, and liquidity risks. The B. Braun Group's policy strives to minimize these risks via systematic risk management, which involves the use of derivative financial instruments.

Risk management is performed centrally by Group Treasury in accordance with policies approved by the Management Board. Group Treasury identifies, measures, and hedges financial risks in close cooperation with the Group's operating units. The Management Board provides written principles for Group-wide risk management together with written policies covering specific areas such as foreign exchange, interest rate, and credit risk and the use of derivative and non-derivative financial instruments.

a) Market risk

Foreign exchange risk

The Group operates internationally and is therefore exposed to currency risk arising from fluctuations in the exchange rates between various foreign currencies, primarily the US dollar. Risks arise when future transactions or assets or liabilities recognized in the statement of financial position are denominated in a currency that is not the functional currency of the company. To hedge such risks, the Group uses forward foreign exchange contracts.

The Group's risk management policy is to hedge the assets or liabilities recognized in the statement of financial position and to hedge up to 60 percent of the net cash flow expected over the next fiscal year on a continuous basis in key currencies. The Group therefore performs a scenario analysis to ascertain the impact of changes in exchange rate on the Group's earnings and shareholders' equity (before taxes in each case). This analysis takes into account balance sheet items (particularly accounts receivable and payable from operations, as well as loans and borrowings) as well as foreign exchange transactions executed in order to hedge balance sheet items and future cash flow denominated in foreign currencies (cash flow hedges).

If the exchange rate of USD compared to other currencies on December 31, 2015, had been 10 percent stronger (weaker), profit before taxes – with all other variables remaining constant – would have been € 4.8 million (previous year: € 34.4 million) lower (higher). The remaining components of equity would have been approximately € 12.3 million (previous year: € 13.3 million) lower (higher). If the Euro rises in value by 10 percent against all other currencies (Euro 10 percent weaker), the changes in the value of the cash flow hedges would have the effect of increasing (decreasing) shareholders' equity by about € 19.3 million (previous year: € 13.4 million).

Interest rate risk

As the Group has no significant interest-bearing assets, changes in market interest rates affect its income and operating cash flow primarily via their impact on its interest-bearing liabilities. The liabilities with variable interest rates expose the Group to cash flow interest rate risk. Fair value interest rate risk arises from fixed-interest liabilities. Group policy is to maintain approximately 50 percent of its borrowings in fixed-rate instruments.

The Group also hedges its cash flow interest rate risk using interest rate swaps. Under these interest rate swaps, the Group agrees with other parties to exchange a fixed interest rate for a floating reference rate at specified intervals based on the agreed nominal volume in each case. Interest rate swaps of this nature have the economic effect of converting variable-rate into fixed-rate loans.

If market interest rates had been 100 basis points higher as of December 31, 2015, profit before taxes – with all other variables remaining constant – would have been approximately € 5.2 million lower for the full year (previous year: € 7.0 million). If market interest rates had been 100 basis points lower as of December 31, 2015, profit before taxes – with all other variables remaining constant – would have been approximately € 2.6 million higher for the full year (previous year: € 7.0 million). This would have been mainly attributable to higher or lower interest expense for variable- rate interest-bearing financial liabilities. The other components of equity would have changed only slightly.

b) Credit risk
The Group has no significant concentrations of credit risk related to trade receivables. It has organizational guidelines that ensure that products are sold only to customers with a good payment history. Contracts on derivative financial instruments and financial transactions are solely concluded with financial institutions with a good credit rating and contain, as a rule, a provision that allows mutually offsetting positive and negative fair market values in the event of the insolvency of a party.

c) Liquidity risk
Prudent liquidity risk management includes maintaining sufficient reserves of cash, as well as ensuring the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the environment in which the Group operates, Group Treasury aims to maintain the necessary flexibility in funding by ensuring sufficient unutilized credit lines are available.

Capital risk management
The Group's capital management seeks to ensure continuation as a thriving, independent, family-run company, in order to guarantee that shareholders continue to receive dividends and other interested parties receive the amounts owed them, as well as maintaining an optimal equity structure to reduce the cost of capital.

The goal of significantly exceeding an equity ratio of at least 25 percent, that was agreed upon under the terms of the syndicated loan, was achieved in fiscal year 2015 as well.

Derivative financial instruments
The fair value of derivative financial instruments is calculated using directly observable market input factors. The fair value of interest rate swaps is calculated from the net present value of estimated future cash flows using the relevant yield curve on the reporting date. The fair value of forward foreign exchange contracts is calculated based on forward exchange rates on the reporting date. The company's own credit risk or counterparty credit risk is not included in this calculation due to a lack of materiality.

Changes in the fair value of derivative financial instruments that represent economically effective hedges under the Group strategy are recognized through profit and loss, unless they are used in hedge accounting. When applying hedge accounting for cash flow hedges, the fair market value changes from the effective portion are recognized in equity. The fair value changes in hedging instruments more or less match the fair value changes in the hedged underlying transactions.

The fair values of forward foreign exchange contracts are based on prevailing exchange rates, adjusted for forward premiums or discounts. Market values of interest rate hedging instruments are calculated using discounted forecast future cash flows. Market rates are applied for the remaining term of the derivatives in question.

	Nominal volume		Nominal volume residual term > 1 year		Fair value	
	Dec. 31, 2015 € '000	Dec. 31, 2014 € '000	Dec. 31, 2015 € '000	Dec. 31, 2014 € '000	Dec. 31, 2015 € '000	Dec. 31, 2014 € '000
Forward foreign exchange contracts	1,028,930	1,044,981	57,191	84,149	10,793	5,379
Currency options	125,000	125,000	125,000	125,000	– 3,438	– 4,180
Embedded derivatives	7,636	7,000	0	0	339	617
	1,161,566	**1,176,981**	**182,191**	**209,149**	**7,694**	**1,816**

Depending on the fair value on the reporting date, derivative financial instruments are included under other assets (if fair value is positive) or other liabilities (if fair value is negative).

Derivative financial instruments held for trading are recognized as current assets or liabilities unless the residual term is more than twelve months. Otherwise, they are classified as non-current assets or liabilities. The total fair value of a hedging derivative is classified as a non-current asset / liability if the residual term of the hedged instrument is more than twelve months; otherwise, it is classified as a current asset / liability.

See Note 29 regarding cash flow hedges recognized under other liabilities.

The Group designates forward foreign exchange contracts to hedge future foreign currency inflows and outflows from the operating business of the B. Braun Group that are not denominated in the functional currency and are expected to arise with high probability. In addition, the Group allocates currency hedges to certain plant construction projects and intercompany loans that are not contracted in the functional currency of the respective Group company. The purpose of the hedges is to reduce the volatility of foreign exchange income and payments (and their measurement) with respect to foreign exchange risk. The effectiveness of hedges is measured prospectively using the critical terms match method and retroactively using the dollar offset method.

As of December 31, 2015, the Group had designated forward foreign exchange contracts with a net fair value of € – 1,560,000 (previous year: € 150,000) as cash flow hedges. All hedges were effective within the range specified under IAS 39.

Gains of € 30,165,000 (previous year: € 19,221,000) and losses of € 46,722,000 (previous year: € 24,164,000) arising from changes in the fair values of foreign exchange derivatives related to cash flow hedges were recognized in equity in fiscal 2015. Gains of € 19,817,000 (previous year: € 7,112,000) and losses of € 34,428 (previous year: € 9,267,000) recognized in equity were transferred to other operating income or other operating expenses during the fiscal year. The earnings from currency hedging on plant construction projects € – 8,730,000 (previous year: € – 7,108,000) was eliminated from the currency earnings. As of the reporting date, the hedging measures had no ineffective portions. B. Braun expects gains of € 7,250,000 and losses of € 8,810,000 recognized in equity to be transferred to the statement of income within the next twelve months. The earnings from the hedges from internal commercial lending is shown in net interest income.

33 RELATED PARTY TRANSACTIONS

Related party transactions are presented for persons or entities not already included as consolidated companies in the consolidated financial statements. A person or a close member of that person's family is related to a reporting entity if that person has control or joint control over the reporting entity, has significant influence over the reporting entity, or is a member of key management personnel of the reporting entity. An entity is related to a reporting entity if the entity and the reporting entity are members of the same group or one entity is an associate or joint venture of the other entity.

The B. Braun Group purchases materials, supplies, and services from numerous suppliers around the world in the ordinary course of its business. These suppliers include a small number of companies in which the Group holds a controlling interest and companies that have ties to members of B. Braun Melsungen AG's Supervisory Board. Business transactions with such companies are conducted on normal market terms. From the perspective of the B. Braun Group, these are not materially significant. The B. Braun Group did not participate in any transactions significant for it or for related entities that were in any way irregular, and does not intend to do so in the future.

The following transactions were completed with related persons and entities:

	2015 € '000	2014 € '000
Sale of goods and services		
Related entities	15,771	14,801
of which B. Braun Holding GmbH & Co. KG	(13,732)	(9,416)
of which holdings	(2,039)	(5,385)
	15,771	**14,801**
Goods and services purchased		
Related entities	86,356	71,190
of which B. Braun Holding GmbH & Co. KG	(22,178)	(22,157)
of which joint ventures	(21,488)	(19,584)
of which holdings	(42,690)	(29,449)
	86,356	**71,190**

Outstanding items from the acquisition / sale of goods and services and from loans at the end of the fiscal year:

	Dec. 31, 2015 € '000	Dec. 31, 2014 € '000
Outstanding items from the sale of goods and services		
Related entities	4,120	9,606
of which B. Braun Holding GmbH & Co. KG	(3,577)	(7,378)
of which joint ventures	(408)	(1,672)
of which holdings	(135)	(556)
	4,120	**9,606**
Procurement obligations	216	216
Outstanding items from goods and services purchased and from loans		
Related entities	32,639	42,908
of which B. Braun Holding GmbH & Co. KG	(27,064)	(30,088)
of which joint ventures	(1,740)	(3,067)
of which holdings	(3,835)	(9,753)
Key management personnel	66,099	56,296
	98,738	**99,204**
Procurement obligations	1,951	2,052

Key management personnel are members of the Management Board and members of the Supervisory Board of B. Braun Melsungen AG. In addition to B. Braun Holding GmbH & Co. KG, the affiliated Group includes joint ventures and companies controlled by key management personnel or their close family members. The names of associated companies and joint ventures are listed under Major Shareholdings.

The following items in the statement of financial position contain outstanding balances with related persons and entities:

- Other assets
- Financial debt
- Other liabilities

The loans granted by related individuals are short-term. Their interest rates are based on covered bond (Pfandbrief) yields.

Please see Note 27 for details of leasing liabilities to related entities.

Remuneration for members of the Management Board consists of a fixed and a variable, performance-related component. They also receive pension commitments and benefits in kind. Benefits in kind consist mainly of the value assigned for the use of company cars under German tax laws.

In addition to the duties and performance of Management Board members, the criteria for remuneration include the Group's financial position, results, and future projections.

The total remuneration of Management Board members consists of the following:

	2015 € '000	2014 € '000
Fixed remuneration	3,956	3,476
Variable renumeration	5,079	4,210
Pension expense	1,030	1,030
Bonuses	273	164
Other	438	597
	10,776	**9,477**

Of the total, € 636,000 was attributable to the Chairman of the Management Board as fixed remuneration and € 796,000 as variable remuneration from profit-sharing.

Pension obligations totaling € 19,696,000 exist to active members of the Management Board. Profit-sharing bonus obligations to Management Board members reported under Liabilities to employees, management, and shareholders total € 4,588,000. A total of € 27,730,000 has been allocated for pension obligations to former Management Board members and their surviving dependents; current pension payments total € 2,084,000. Supervisory Board remuneration totaled € 703,000.

The remuneration of Supervisory Board members is governed by the articles of incorporation and is approved at the annual Shareholders' Meeting. The remunerations made to employee representatives on the Supervisory Board for work outside their supervisory activities are in line with the market standards.

The Group has not made any loans to current or former members of the Management Board or Supervisory Board. Liabilities stemming from profit participation rights for Management Board members were € 13,409,000 (previous year: € 11,979,000). See Note 27 for detailed information about bonuses.

The members of the Supervisory board and the Management Board are listed on pages 4 and 159 respectively.

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

The consolidated statement of cash flows details changes in the B. Braun Group's cash and cash equivalents during the course of the fiscal year. In accordance with IAS 7, cash flows are categorized as those from operating, investing, and financing activities. Cash flow from operating activities is calculated using the indirect method.

34 GROSS CASH FLOW FROM OPERATING ACTIVITIES

The gross cash flow of € 767,700,000 is the cash surplus from operating activities before any changes in working capital, an increase of € 201,800,000 over the previous year. The change is due primarily to higher operating profit of € 482,900,000 and the change in non-current provisions and other non-cash income and expenses.

Cash flow from operating activities of € 687,500,000 represents changes in current assets, current provisions, and liabilities (excluding financial liabilities).

The increase in inventories, receivables and other assets less the increase in liabilities and current provisions have led to a cash outflow of € 80.2 million. Net cash from operating activities is therefore € 166.8 million above the previous year's level.

35 CASH FLOW FROM INVESTING ACTIVITIES

For the purchase of property, plant, and equipment, intangible assets, financial assets, and companies, a total of € 757.4 million was spent in 2015. This was offset by proceeds from the sale of property, plant, and equipment and the disposal of holdings (€ 15.2 million), as well as dividends and similar revenues received (€ 29.4 million), resulting in a net cash outflow from investing activities of € 712.9 million. Compared to the previous year, this resulted in a € 197.3 million increase in cash outflow.

Investments made during the year were fully covered by cash flow from operating activities. The remaining free cash flow was € – 25.4 million (previous year: € 5.1 million).

Additions to property, plant, and equipment and intangible assets under finance leasing do not result in cash outflows and are therefore not included under investing activities. In the reporting year, these additions totaled € 0.5 million (previous year: € 0.4 million).

36 CASH FLOW FROM FINANCING ACTIVITIES

In 2015, cash flow from financing activities amounted to € – 6.3 million (previous year: € 32.0 million). The net balance of proceeds from and repayments of loans was € 36.7 million (previous year: € 74.8 million). Dividend payments and capital contributions by non-controlling interests resulted in a total cash outflow of € 41.8 million (previous year: € 42.1 million). The € 38.3 million change in cash inflows as compared with the previous year is primarily due to lower borrowing.

37 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, demand deposits, and other short-term highly liquid financial assets with residual maturities of three months or less that are subject to no more than insignificant fluctuations in value.

As of December 31, 2015, restrictions on cash availability totaled € 1,386 million (previous year: € 711 million). These restrictions are primarily related to security deposits and collateral for tender business.

SUBSEQUENT EVENTS

No facts came to light after completion of the financial year through to the date of preparation of the consolidated financial statements that have a material effect on the earnings, assets, and financial position for fiscal year 2015.

INDEPENDENT AUDITORS' REPORT

The complete annual financial statements and management report for publication in the online edition of the German Federal Gazette (Bundesanzeiger) have been supplemented with the following confirmation note:

We have audited the consolidated financial statements prepared by B. Braun Melsungen AG, Melsungen, Germany, comprising the statement of financial position, statement of income (loss), statement of comprehensive income, statement of changes in equity, statement of cash flows, and notes to the consolidated financial statements, together with the Group management report for the fiscal year from January 1 to December 31, 2015. The preparation of the consolidated financial statements and the Group management report in accordance with IFRS as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315 a (1) of the German Commercial Code (HGB), is the responsibility of the Management Board of the Company. Our responsibility is to express an opinion on the consolidated financial statements and on the Group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Section 317 HGB and the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). These standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position, and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the Group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the Group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, determining the scope of consolidation, the accounting and consolidation principles used, and significant estimates made by the Management Board, as well as evaluating the overall presentation of the consolidated financial statements and the Group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315 a (1) HGB and provide a true and fair view of the net assets, financial position, and results of operations of the Group in accordance with these requirements. The Group management report is consistent with the consolidated financial statements and, as a whole, provides an appropriate view of the Group's position and appropriately presents the opportunities and risks of future development.

Kassel, Germany, March 2, 2016

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Dr. Peter Bartels	Dr. Bernd Roese
German Public Auditor	German Public Auditor

MAJOR SHAREHOLDINGS

	As of December 31, 2015			
Company name and location	**Holding in %[1]**	**Equity € '000**	**Sales € '000**	**Employees**
Germany				
AESCULAP AG, Tuttlingen[2)]	100.0	102,412	758,324	3,500
AESCULAP INTERNATIONAL GMBH, Tuttlingen[2)]	100.0	205,777	0	0
AESCULAP SUHL GMBH, Suhl	100.0	3,750	14,392	121
ALMO-Erzeugnisse E. Busch GmbH, Bad Arolsen	60.0	23,219	66,763	356
B. Braun Avitum AG, Melsungen[2)]	94.0	96,604	364,634	835
B. Braun Avitum Saxonia GmbH, Radeberg[2)]	94.0	12,709	89,355	699
B. Braun Facility Services GmbH & Co. KG, Melsungen	100.0	– 2,011	18,881	87
B. Braun Nordamerika Verwaltungsgesellschaft mbH, Melsungen[2)]	100.0	149,309	0	0
B. Braun Surgical GmbH, Melsungen[2)]	100.0	154,449	0	0
B. Braun TravaCare GmbH, Hallbergmoos[2)]	100.0	49	45,821	65
B. Braun Vet Care GmbH, Tuttlingen[2)]	100.0	155	15,326	20
DTZ Dialyse Trainings-Zentren GmbH, Nuremberg	94.0	42,682	5,146	64
Nutrichem Diät + Pharma GmbH, Roth[2)]	100.0	29,739	13,981	303
Inko Internationale Handelskontor GmbH, Roth[2)]	100.0	4,548	47,306	28
TransCare Service GmbH, Neuwied	55.0	3,102	12,493	104
Europe				
AESCULAP CHIFA SP.ZO.O., Nowy Tomyśl / Poland	98.9	100,941	166,269	2,031
AESCULAP S.A.S., Chaumont / France	100.0	10,576	13,609	120
Avitum S.R.L., Timisoara / Romania	94.0	– 1,085	22,380	417
B. Braun Adria d.o.o., Zagreb / Croatia	36.0	7,302	11,264	35
B. Braun Austria Ges. m.b.H., Maria Enzersdorf / Austria	60.0	49,464	57,869	135
B. Braun Avitum France S.A.S., Gradignan / France	94.0	14,767	15,371	22
B. Braun Avitum Hungary Zrt., Budapest / Hungary	94.0	18,393	29,317	698
B. Braun Avitum Italy S.p.A., Mirandola / Italy	94.0	29,381	61,242	235
B. Braun Avitum Poland Sp.zo.o., Nowy Tomyśl / Poland	95.1	7,151	33,006	418
B. Braun Avitum Russland Clinics OOO, St. Petersburg / Russia	94.0	4,232	12,232	426
B. Braun Avitum Russland OOO, St. Petersburg / Russia	94.0	40,139	37,242	52
B. Braun Avitum s.r.o., Bratislava / Slovak Republic	93.7	– 1,425	13,841	217

[1] Effective share

[2] Companies with profit and loss transfer agreement

	As of December 31, 2015			
Company name and location	Holding in % [1]	Equity € '000	Sales € '000	Employees
B. Braun Avitum s.r.o., Prague / Czech Republic	93.7	6,465	25,487	335
B. Braun Avitum Servicios Renales S.A., Rubí (Barcelona) / Spain	96.4	7,732	14,397	189
B. Braun Avitum Turkey Sanayi Ticaret Anonim Sirketi, Ankara / Turkey	94.0	– 1,993	8,831	15
B. Braun Avitum UK Ltd., Sheffield / United Kingdom	94.0	3,544	30,306	227
B. Braun Hospicare Ltd., Collooney Co Sligo / Republic of Ireland	100.0	7,231	17,807	115
B. Braun Medical AB, Danderyd / Sweden	100.0	3,160	45,422	49
B. Braun Medical AG, Sempach / Switzerland	51.0	237,571	298,191	935
B. Braun Medical A / S, Frederiksberg / Denmark	100.0	2,136	18,749	33
B. Braun Medical A / S, Vestskogen / Norway	100.0	1,157	22,222	33
B. Braun Medical B.V., Oss / Netherlands	100.0	5,443	58,845	159
B. Braun Medical EOOD, Sofia / Bulgaria	60.0	4,377	12,054	52
B. Braun Medical International S.L., Rubí / Spain	100.0	162,084	5,161	18
B. Braun Medical Kft., Budapest / Hungary	60.0	35,575	73,842	1,033
B. Braun Medical Lda., Barcarena / Portugal	100.0	47,446	52,599	140
B. Braun Medical LLC, St. Petersburg / Russia	100.0	26,077	110,082	433
B. Braun Medical Ltd., Dublin / Republic of Ireland	100.0	4,163	24,217	46
B. Braun Medical Ltd., Sheffield / United Kingdom	100.0	64,051	175,398	502
B. Braun Medical N.V./S.A., Diegem / Belgium	100.0	3,023	33,100	73
B. Braun Medical Oy, Helsinki / Finland	100.0	4,754	41,113	48
B. Braun Medical S.A., Rubí / Spain	100.0	219,412	247,112	1,242
B. Braun Medical S.A.S., Boulogne / France	100.0	82,745	296,264	1,296
B. Braun Medical S.R.L., Timisoara / Romania	61.9	4,560	20,873	96
B. Braun Medical s.r.o., Bratislava / Slovak Republic	70.0	7,278	28,566	26
B. Braun Medical s.r.o., Prague / Czech Republic	70.0	26,059	66,888	181
B. Braun Medikal Dis Ticaret A.S., Istanbul / Turkey	100.0	7,561	15,783	80
B. Braun Milan S.p.A., Milan / Italy	100.0	34,005	118,067	221
B. Braun Sterilog (Birmingham) Ltd., Sheffield / United Kingdom	100.0	– 5,651	15,918	241
B. Braun Sterilog (Yorkshire) Ltd., Sheffield / United Kingdom	100.0	– 4,675	10,960	168
B. Braun Surgical S.A., Rubí / Spain	100.0	119,504	168,136	846
B. Braun VetCare SA, Rubí / Spain	100.0	6,303	11,850	25
Gematek OOO, St. Petersburg / Russia	100.0	11,812	11,423	249
MCP-Medicare LLC, St. Petersburg / Russia	94.0	3,326	9,856	263
Suturex & Renodex S.A.S., Sarlat / France	100.0	13,573	16,701	168

[1] Effective share

Company name and location	Holding in %[1]	Equity € '000	Sales € '000	Employees
	As of December 31, 2015			
North America				
AESCULAP INC., Center Valley / USA	95.5	92,727	195,437	464
Aesculap Implant Systems LLC, Center Valley / USA	95.5	– 22,012	50,069	108
B. Braun Interventional Systems Inc., Bethlehem / USA	95.5	35,051	31,460	43
B. Braun Medical Inc., Bethlehem / USA	95.5	371,947	990,544	4,733
B. Braun of America Inc., Bethlehem / USA	95.5	119,472	0	0
B. Braun of Canada Ltd., Mississauga / Canada	95.5	1,963	25,900	17
CAPS Inc., Santa Fe Springs / USA	95.5	95,017	187,602	544
Asia-Pacific				
Ahlcon Parenterals (India) Limited., New Delhi / India	95.8	14,926	16,900	766
B. BRAUN AESCULAP JAPAN CO. LTD., Tokyo / Japan	100.0	49,342	110,963	610
B. Braun Australia Pty. Ltd., Bella Vista / Australia	100.0	17,063	56,421	127
B. Braun Avitum Philippines Inc., Manila / Philippines	100.0	7,245	28,505	162
B. Braun Avitum (Shanghai) Trading Co. Ltd., Shanghai / China	94.0	37,942	114,086	211
B. Braun Korea Co. Ltd., Seoul / Republic of Korea	100.0	17,562	70,256	131
B. Braun Medical (H.K.) Ltd., Hong Kong / China	100.0	69,295	176,354	30
B. Braun Medical (India) Pvt. Ltd., Mumbai / India	100.0	19,694	58,803	926
B. Braun Medical Industries Sdn. Bhd., Petaling Jaya / Malaysia	100.0	393,715	452,573	7,178
B. Braun Medical (Shanghai) International Trading Co. Ltd., Shanghai / China	100.0	19,452	185,070	901
B. Braun Medical Supplies Inc., Manila / Philippines	100.0	9,156	26,426	171
B. Braun Medical Supplies Sdn. Bhd., Petaling Jaya / Malaysia	100.0	26,796	55,499	173
B. Braun Medical (Suzhou) Company Limited, Suzhou / China	100.0	15,416	54,845	398
B. Braun Pakistan (Private) Ltd., Karachi / Pakistan	100.0	587	17,940	120
B. Braun Singapore Pte. Ltd., Singapore	100.0	59,144	25,057	45
B. Braun Taiwan Co. Ltd., Taipei / Taiwan	100.0	5,143	20,616	48
B. Braun (Thailand) Ltd., Bangkok / Thailand	100.0	9,098	29,092	132
B. Braun Vietnam Co. Ltd., Hanoi / Vietnam	100.0	50,645	67,891	1,073
PT. B. Braun Medical Indonesia, Jakarta / Indonesia	100.0	35,595	67,942	551
Latin America				
B. Braun Aesculap de México S.A. de C.V., México D. F. / Mexico	100.0	10,602	27,855	214
B. Braun Medical de México S.A.P.I. de C.V., México D. F. / Mexico	51.0	2,932	10,031	58
B. Braun Medical Peru S.A., Lima / Peru	100.0	17,635	25,393	458
B. Braun Medical S.A., Bogota / Colombia	100.0	5,624	30,078	277
B. Braun Medical S.A., Buenos Aires / Argentina	100.0	14,140	52,480	371
B. Braun Medical S.A., Quito / Ecuador	100.0	15,772	27,117	117
B. Braun Medical SpA, Santiago de Chile / Chile	86.1	5,233	36,497	184
Laboratorios B. Braun S.A., São Gonçalo / Brazil	100.0	104,715	145,319	1,776

[1] Effective share

Company name and location	As of December 31, 2015 Holding in %[1]	Equity € '000	Sales € '000	Employees
Africa and the Middle East				
B. Braun Avitum (Pty) Ltd., Johannesburg/South Africa	100.0	1,097	10,239	293
B. Braun Medical (Pty) Ltd., Johannesburg/South Africa	100.0	5,421	32,955	174
E. Owen and Partners, Fourways/South Africa	100.0	135	16,464	12
Other holdings				
Babolat VS, Lyon/France[3)]	28.0	66,903	122,707	244
Medical Service und Logistik GmbH, Recklinghausen[3)]	50.0	907	39,897	7
Rhön Klinikum AG, Bad Neustadt an der Saale[3)4)]	19.8	1,060,204	1,080,000	15,588
Schölly Fiberoptic GmbH, Denzlingen[3)]	28.0	42,293	103,856	328

[1] Effective share

[2] Companies with profit and loss transfer agreement

[3] Using the equity method

[4] Values from the published Q3 interim report

These values correspond to the financial statements prepared in accordance with IAS/IFRS. The conversion of the amounts of the foreign companies is conducted for equity with the average rate on December 31 and for sales with the average rate of the reporting year.

REPORT OF THE SUPERVISORY BOARD

The Supervisory Board of B. Braun Melsungen AG continued to perform its statutory duties and obligations in fiscal year 2015 in accordance with the applicable laws, articles of incorporation, and by-laws, and to advise and monitor management.

In three ordinary sessions, the Management Board reported to the Supervisory Board on the recent performance of the company, its financial status and major investment projects. Specific topics of the Supervisory Board's deliberations were the changes to the profit participation rights program, introduction of the realignment of purchasing and sales activities in Germany and the resolution implementing the "Act on the Equal Participation of Men and Women in Leadership Positions in the Private and Public Sectors." The e-commerce project and the complaints report were also introduced. The Supervisory Board also received the 2014 personnel report. The Supervisory Board discussed and adopted the 2016 earnings expectations, as well as deliberating on transactions which require its approval in accordance with the Articles of Association.

In addition, the Chairman of the Supervisory Board routinely exchanged information and thoughts with the Chairman of the Management Board with regard to major developments in the business performance of the company and the Group, as well as upcoming decisions.

This year as well, the Supervisory Board performed an efficiency audit on a voluntary basis. This self-evaluation by the Supervisory Board revealed that the Supervisory Board is efficiently organized and that the Management and Supervisory Boards work very well together. The two meetings of the audit committee were devoted to the recent course of business, explanations of the development of pension provisions in accordance with IFRS and the German Commercial Code and the annual report of the internal auditing department on the audits it conducted, as well as the plan and focuses of the audit. It also analyzed the individual and consolidated 2015 financial statements of B. Braun Melsungen AG, prepared by the Management Board. The audit committee also received the compliance report for B. Braun Melsungen AG and the Management Board's risk report. Additional subjects included B. Braun Group's risk management system and the planning of the audit of the financial statements.

The audit committee reported on these subjects in the course of the Supervisory Board meetings and made its recommendations. The personnel committee of the Supervisory Board met three times in 2015. At its meeting on March 24, 2015, the committee proposed to the Supervisory Board the allocation of profit participation rights to the members of the Management Board in accordance with the B. Braun Incentive Scheme. It also proposed a resolution regarding the target bonuses and objective agreements of the individual members of the Management Board. The Supervisory Board approved this allocation and the resolution in its meeting of the same date. In its meeting on July 21, 2015, the personnel committee recommended that the Supervisory Board adopt a resolution on the fixed annual salaries of the Management Board members and the reappointment of Mr. Markus Strotmann as full member of the Management Board through March 31, 2021; the Supervisory Board adopted this resolution accordingly in its subsequent meeting and confirmed the appointment. Additional subjects of the personal committee's meetings in 2015 were deliberations with regard to the Management Board's criteria for human resources management and the schedule of responsibilities, as well as implementation of the "Act for the Equal Participation of Men and Women in Leadership Positions in the Private and Public Sectors." In its meeting on December 2, 2015, the personnel committee recommended the reappointment of Mr. Caroll H. Neubauer as a full member of

→ from left:

Alexandra Friedrich*
Vice Chairman of the Workers' Council of B. Braun Melsungen AG, Melsungen

Peter Hohmann*
Vice Chairman, Chairman of the Workers' Council of B. Braun Germany, Chairman of the Workers' Council of B. Braun Melsungen AG, Melsungen

Manfred Herres*
Production Director, B. Braun Avitum, B. Braun Melsungen AG, Melsungen

Michael Guggemos*
Management Spokesman of the Hans Böckler Foundation, Düsseldorf

Rainer Hepke*
Chairman of the Workers' Council of B. Braun Melsungen, Melsungen

Mike Schwarz*
Member of the Workers' Council of B. Braun Melsungen AG, Melsungen

Ekkehard Rist*
Vice Chairman of the Workers' Council of B. Braun Germany, Chairman of the Workers' Council of Aesculap AG, Tuttlingen

Dr. h. c. August Oetker
Chairman of the Advisory Council of Dr. August Oetker KG, Bielefeld

Barbara Braun-Lüdicke
Businesswoman, Melsungen

Prof. Dr. Dr. h. c. Markus W. Büchler
Medical Director, Department of General, Visceral and Transplantation Surgery, Heidelberg University Hospital

Prof. Dr. h. c. Ludwig Georg Braun
Chairman, Former Chairman of the Management Board of B. Braun Melsungen AG, Melsungen

Hans-Carsten Hansen
President Human Resources of BASF SE, Ludwigshafen (through December 31, 2015)

Dr. Joachim Rauhut
Chief Financial Officer of Wacker Chemie AG, Munich (through October 31, 2015)

Edeltraud Glänzer*
Member of the Managing Board of IG BCE, Hanover

Prof. Dr. Oliver Schnell
Managing Director of Sciarc GmbH, Baierbrunn, Executive Member of the Board of Forschergruppe Diabetes e. V. at Helmholtz Zentrum, Munich

Prof. Dr. Thomas Rödder
Tax Advisor and Certified Public Accountant, Partner, Flick Gocke Schaumburg, Bonn

*chosen by the employees

the Management Board through August 31, 2020, and the appointment of Mrs. Anna Maria Braun effective April 1, 2016 for a term of three years as deputy member of the Management Board. The Supervisory Board adopted these recommendations at its subsequent meeting.

B. Braun Melsungen AG's financial statements and management report for fiscal year 2015, prepared by the Management Board, the Group's consolidated financial statements and the consolidated management report were audited by the PricewaterhouseCoopers AG accounting firm, Kassel, Germany, which was appointed the auditor of annual accounts at the annual meeting on March 24, 2015. The auditor raised no objections and issued an unqualified audit opinion.

The auditor took part in the deliberations of the Supervisory Board and Audit Committee regarding the financial statements and the Group's consolidated financial statements, and reported on the main findings of its audit. The Supervisory Board's review of the financial statements, management report, the proposal for the appropriation of B. Braun Melsungen AG's retained earnings, the consolidated financial statements and the consolidated management report gave no cause for objection, consistent with the findings of the reports on the audit of the financial statements. We have therefore approved the financial statements prepared by the Management Board, which are hereby adopted in accordance with Section 172 of the German Stock Corporation Act (AktG). The Supervisory Board adopts the Management Board's proposal for the appropriation of retrained earnings. The Management Board has prepared a report on relationships with related parties in accordance with Section 312 of the German Stock Corporation Act (AktG).

The Supervisory Board examined this report and no objections were raised. The auditor examined the report and issued the following auditor's opinion:

"In accordance with our duly performed review and evaluation, we hereby confirm that, firstly, the factual statements in the report are correct and, secondly, that the consideration paid by the Company in the transactions cited in the report was not unreasonably high."

The Supervisory Board concurs with the results of the audit. In accordance with the final results of the Supervisory Board's review, no objections are to be raised to the final declaration by the Management Board which is included in the report.

The Supervisory Board would like to thank the Management Board for its excellent and successful collaboration, and all employees of the B. Braun Group for the contributions they made in the reporting period.

Melsungen, March 2016
The Supervisory Board

GLOSSARY

A

Adverse shock
Synonym for a macroeconomic shock in which a sudden event triggers a change in aggregate supply and/or aggregate demand.

Apheresis
Blood purification method for removing individual components (fats, antibodies or toxins) from the blood.

Asset-backed securities (ABS)
Bonds or notes secured by accounts receivable.

Arthroscopy
A minimally invasive procedure in which joints are treated through a small surgical incision using an endoscope for diagnosis and treatment.

Foreign direct investment (FDI)
Investments by a domestic investor abroad. According to the International Monetary Fund (IMF), an investment is considered an FDI if the investor owns at least ten percent of a foreign company.

AWMF
Arbeitsgemeinschaft der Wissenschaftlichen Medizinischen Fachgesellschaften (Association of Scientific Medical Societies in Germany).

B

Bipolar instruments
Instruments which enable physicians to safely control bleeding with minimal risk to the patient using high-frequency electricity.

C

CAPS
Acronym for Central Admixture Pharmacy Services, which provides customized admixture services for patients.

Cash pooling
A cash management technique that allows the internal balancing of liquidity within the Group.

Centers of Excellence (CoE)
Centers within the global B. Braun organization, incorporating research, development, manufacturing, and marketing for specific product groups.

CIW
Key performance indicator. Acronym for Coverage in Weeks. This KPI refers to the delivery capacity in weeks covered by the current inventory on hand.

Code of conduct
This sets the rules for the company's global operations and defines ethically proper conduct for all employees in terms of the global B. Braun compliance management system.

Compliance
Adherence to rules, laws and the company's voluntary codes of conduct.

Corporate governance
The organizational framework for management and supervision of the company which is largely defined by lawmakers and the company's owners.

D

Disaster recovery plan
A documented process or series of processes to restore and protect a company's IT infrastructure if a disaster occurs.

Dialysis
A blood cleansing process used in the treatment of kidney failure.

DIN ISO 60601-2-24
A standard which defines safety requirements for infusion pumps, infusion controllers, syringe pumps and pumps for ambulatory use.

DIN ISO 60601-1
A standard which regulates the basic safety and essential performance of medical electrical equipment and systems with exactly one connection to the power supply, and which are intended by their manufacturer for monitoring, treatment or diagnosis of patients.

DPO
A key performance indicator; short for Days Payables Outstanding. Describes the period of time between the date the invoice is received and the date payment is made.

DSO
A key performance indicator; short for Days Sales Outstanding. Describes the period of time between the invoicing date and the date payment is received.

Dual sourcing
An element of procurement strategy in which the same goods are purchased from different suppliers in order to minimize the risk of supply interruptions.

E

EBIT
A key performance indicator; short for Earnings before Interest and Taxes.

EBITDA
A key performance indicator; short for Earnings before Interest, Taxes, Depreciation and Amortization.

EBITDA margin
Key performance indicator. EBITDA as a percentage of sales.

EMAS
Acronym for Eco Management and Audit Scheme, also known as the eco audit. EMAS was developed by the European Union and consists of environmental management and an environmental audit for organizations that want to improve their environmental performance.

EN ISO 9001
An international standard that establishes globally recognized requirements for quality management systems.

EN ISO 14001
An international environmental management standard that establishes globally recognized requirements for environmental management systems.

Endoprosthesis
An implant that is placed inside the body to permanently replace a missing body part.

Endoscopy
A method for observing body cavities and hollow organs using small, tube-shaped optical devices.

Enteral nutrition
Feeding via the gastrointestinal tract.

Epidural / peridural anesthesia
Epidural, or peridural anesthesia is a form of regional anesthesia which is administered near the spinal cord (see also spinal anesthesia).

Equity method
Accounting method for recognition of long-term investments in the financial statements of a company that has significant control over another company. The carrying amount – as based on the acquisition costs of the investment – is subsequently adjusted to account for the investor's share in the company's income or loss.

Extracorporeal blood treatment
Blood treatment taking place outside the body using an "artificial kidney" (dialysis machine) that is connected directly to the bloodstream.

F

FDA
Acronym for Food & Drug Administration, a US government agency.

Fiscal policy
Instruments employed by the government to manage fluctuations in the economy by means of taxes and government spending.

Force majeure
Synonym for "act of god." Force majeure exists if damage occurs which is not in the nature of the object in question and the event could not have been prevented through the exercise of reasonable care.

G

Monetary policy
Measures taken by the central bank to manage fluctuations in the economy, such as raising or lowering interest rates.

GfK
Gesellschaft für Konsumforschung, a German market research company which operates worldwide.

Goodwill
This represents an intangible asset resulting from the purchase of another company or the purchase of shares in another company.

H

Hemodialysis
A special blood cleansing process that utilizes the principle of osmosis, i. e. the equalization of concentrations of small-molecule substances in two liquids separated by a semi-permeable membrane.

I

IAS
Abbreviation for International Accounting Standards for businesses, issued by the International Accounting Standards Board (IASB).

IEC/TR 62653
Guideline for safe operation of medical equipment used for hemodialysis treatment.

IV
Abbreviation for intravenous. An application technique for the administration of a drug, fluid, or suspension into a vein.

IMF
Acronym for International Monetary Fund. The IMF is a United Nations organization based in Washington, D.C. in the USA.

L

Laparoscopy
An operation performed in the abdomen or pelvis through small incisions with the aid of special endoscopes.

M

Medical Device Excise Tax
A special tax on medical devices which has been in effect in the US since 2013. In December 2015, this tax was suspended for the years 2016 and 2017.

Meropenem
An antibiotic belonging to the carbapenem subgroup which is classified as an antibiotic of last resort.

Minimally invasive surgery
A surgical method designed to minimize injury to the skin and soft tissue.

Morbidity
Frequency of complications and secondary diseases.

N

Nephrology
An area of internal medicine dealing with diseases of the kidneys.

Net debt
The portion of interest-bearing debt which is owed after deducting cash on hand. The B. Braun Group calculates new debt as follows: financial liabilities minus cash on hand and securities.

Nitinol
Nitinol, an acronym for Nickel Titanium Naval Ordnance Laboratory, is a nickel titanium alloy.

O

OHSAS 18001
Abbreviation for Occupational Health and Safety Assessment Series. OHSAS 18001 is a standard that establishes globally recognized requirements for occupational health and safety management systems.

P

Palliative care
Holistic treatment of patients who have limited life expectancy due to advanced disease. It focuses on pain therapy, as well as psychological care and social work.

Patient Protection and Affordable Care Act (ACA)
A federal law adopted by the US government in 2010 to regulate access to health insurance.

Parenteral nutrition
Supplying nutrients intravenously by bypassing the gastrointestinal tract.

Payer swap
Also known as an interest rate swap (IRS). An instrument in which a party agrees to pay a fixed interest rate and receive a floating rate.

Pen needle
A needle for subcutaneous (under the skin) injection of medications in predefined quantities using an injection pen or device.

Phlebology
The branch of medicine devoted to the diagnosis and treatment of diseases of venous origin.

R

Regional anesthesia
Umbrella term for the administration of anesthesia with the object of eliminating pain in a certain region of the body without rendering the patient unconscious.

S

Second sourcing
Designation of one or more alternative suppliers of a product that is structurally identical and compatible with another product.

Spinal anesthesia
Spinal anesthesia is a form of regional anesthesia which is administered near the spinal cord and in which individual nerve segments are blocked by injecting an anesthetic into the spinal canal.

Stent
A small mesh tube (scaffold) that is used to hold open an artery.

Stoma
Surgically created connection between a hollow organ and the skin and having an opening to the outside. A stoma is permanently or temporarily placed.

T

Thoracic surgery
Surgery performed on organs inside the chest cavity.

TTIP
Acronym for Transatlantic Trade and Investment Partnership, a free trade and investment treaty currently being negotiated between the EU and the US.

V

VCI
Verband der chemischen Industrie (German Chemical Industry Association).

Visceral surgery
The surgical treatment of abdominal organs.

W

Working capital
Key performance indicator. Inventories plus current trade accounts receivable less current trade accounts payable.

IMPRINT

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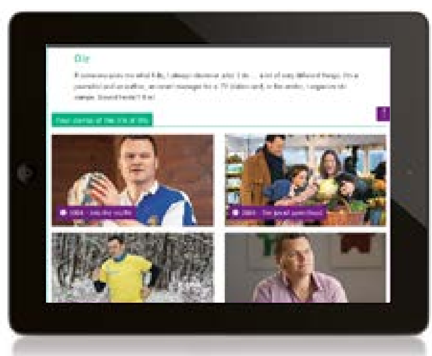

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SALES
6,129.8
EUR MILLION

CONSOLIDATED NET INCOME
319.7
EUR MILLION

RESEARCH EXPENSES
262.4
EUR MILLION

SALES BY DIVISION

B. Braun Hospital Care
2,856
EUR million

B. Braun Aesculap
1,663
EUR million

B. Braun OPM
741
EUR million

B. Braun Avitum
846
EUR million

EBITDA
878.1
EUR MILLION

55,719
EMPLOYEES

177
CORPORATE SOCIAL RESPONSIBILITY PROJECTS

INVESTMENTS
787
EUR MILLION

SALES BY REGION

Germany
1,035
EUR million

Europe without Germany
1,999
EUR million

North America
1,428
EUR million

Asia-Pacific
1,073
EUR million

Latin America
391
EUR million

Africa and the Middle East
202
EUR million

Through its subsidiaries and holdings, B. Braun operates in
64 countries.

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