ENABLED

BY

ALSO

SUSTAINABLE

DYNAMIC PROFITABLE

ALSO

ANNUAL REPORT
2015

KEY FIGURES

	2015	2014	2013	2012[1]
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IN MILLION EUROS)				
Net sales	7792.1	7237.8	6532.6	6297.0
Thereof Supply	6018.1			
Thereof Services	211.7			
Thereof Solutions	1562.3			
Gross margin	507.5	462.8	428.6	418.0
EBITDA	140.0	123.9	113.5	109.4
Profit before taxes (EBT)	90.8	81.9	72.6	64.0
Net profit Group	62.9	60.9	50.1	45.5
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IN MILLION EUROS)	**12.31.2015**	**12.31.2014**	**12.31.2013**	**12.31.2012[1]**
Cash and cash equivalents	40.0	24.2	41.6	5.5
Other current assets	1464.8	1426.1	1210.1	1076.5
Non-current assets	255.0	261.5	241.1	254.0
TOTAL ASSETS	**1759.8**	**1711.8**	**1492.8**	**1336.0**
Current liabilities	1031.2	1025.4	932.2	869.6
Non-current liabilities	235.8	232.4	139.3	77.6
Equity	492.8	454.0	421.3	388.8
TOTAL LIABILITIES	**1759.8**	**1711.8**	**1492.8**	**1336.0**
Equity ratio	28.0 %	26.5 %	28.2 %	29.1 %
CONSOLIDATED STATEMENT OF CASH FLOWS (IN MILLION EUROS)	**2015**	**2014**	**2013**	**2012[1]**
Free cash flow	21.3	−12.8	51.4	16.4
Cash flow before changes working capital	96.1	88.3	71.3	61.9
Investments in property, plant and equipment	9.8	6.3	5.6	4.6
KEY FIGURES	**2015**	**2014**	**2013**	**2012[1]**
Gross margin as % of net sales	6.5 %	6.4 %	6.6 %	6.6 %
Net profit Group as % of net sales	0.8 %	0.8 %	0.8 %	0.7 %
Return on equity (ROE)	12.8 %	13.4 %	11.9 %	11.7 %
Net financial debt/EBITDA	1.54	1.44	0.67	1.04
Average headcount during the year[2]	3649	3426	3155	2985
EBITDA per employee in EUR 1000	38.4	36.2	36.0	36.6
SHARES OF ALSO HOLDING AG	**2015**	**2014**	**2013**	**2012[1]**
Number of registered shares, nominal value CHF 1.00 per share	12848962	12848962	12848962	12848962
Dividend per registered share (in CHF)	1.90[3]	1.60	1.40	1.20
Earnings per share EPS (in CHF)	5.26	5.77	4.81	4.28
Equity per registered share (in CHF)	41.56	42.49	40.25	36.53
Market capitalization at December 31 (in Mio CHF)	884.0	666.2	636.0	587.8
Price-earnings ratio (P/E ratio)	13.1	9.0	10.3	10.7

1) Figures adjusted for restatement
2) Basis: full-time equivalent positions excluding temporary employees
3) Proposal of the Board of Directors

ENABLED

IF YOU WANT TO ACHIEVE GOOD PERFORMANCE, YOU NEED STRONG PARTNERS. AND THAT'S US AT ALSO. WHETHER IT'S THROUGH PRECISE LOGISTICS, INNOVATIVE DIGITAL MARKETPLACE OFFERS, SOUND FINANCIAL SERVICES, OR SOUND CONSULTING: WE ENABLE OUR PROVIDERS AND BUYERS TO ACHIEVE SUCCESS.

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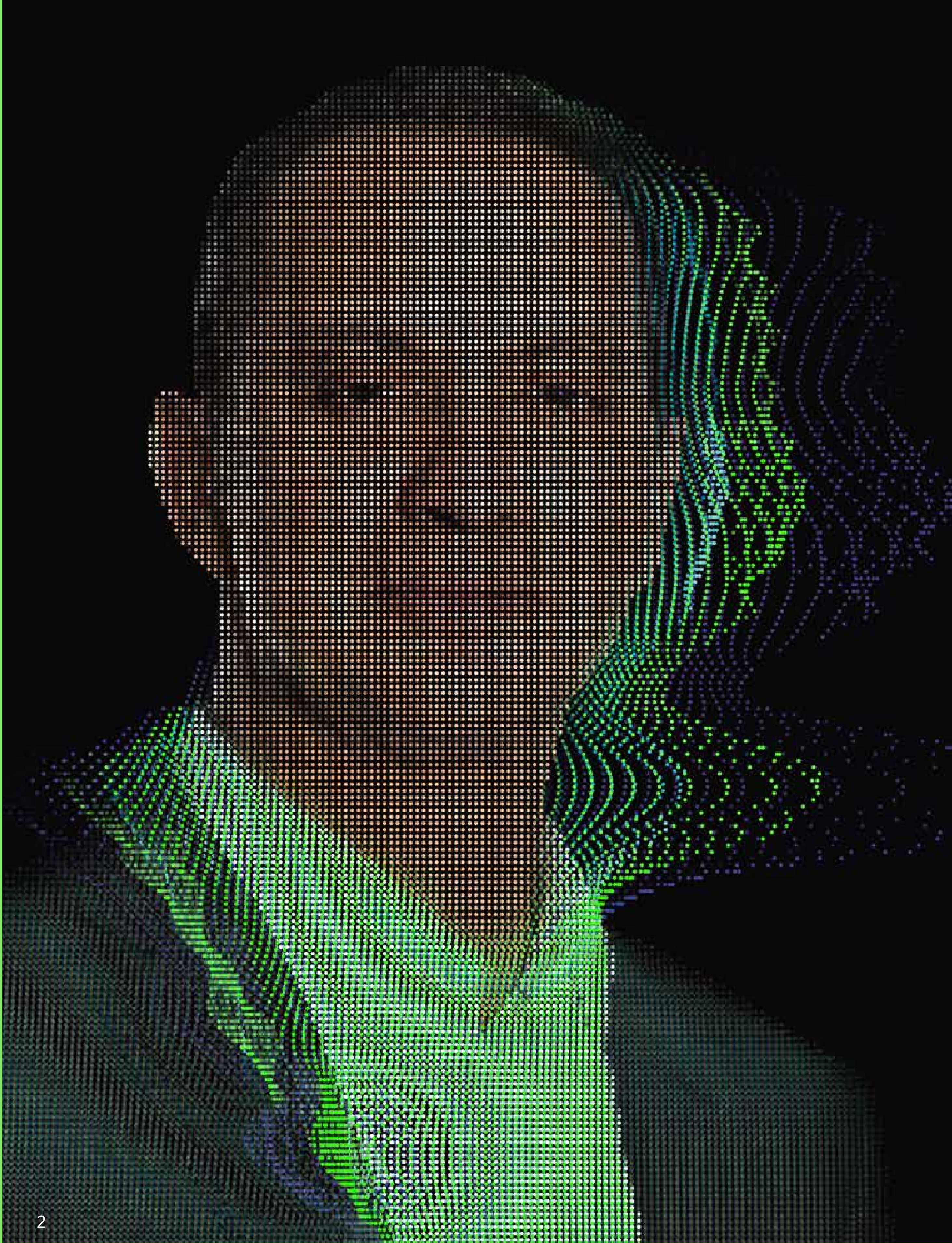


THE PRIVILEGE OF WORKING FOR ALSO

AT LEAST TEN REASONS

PROF. DR. ING. GUSTAVO MÖLLER-HERGT

CEO and Chairman of the Board of Directors of ALSO HOLDING AG

1

DYNAMIC MARKET: All around the world, ICT applications are constantly being developed with new functions, designs, products, services, and solutions to improve our quality of life. This innovativeness creates benefits for all areas of daily life, such as entertainment, medicine, and education. ALSO is part of this value chain.

2

BROAD CUSTOMER BASE: ALSO has a broad customer base that covers the entire value chain of the ICT industry – from the provider to the buyer – and thus constantly presents new opportunities for sustain-able business development.

3

INNOVATIVE PROVIDER: For over 30 years, the company has been working successfully with providers from the ICT sector that sell the biggest brands in the world and also constantly launch new state-of-the-art products and services. New manufacturer, product, and service categories are continuously accepted into our marketplace.

4

DIVERSE BUYER STRUCTURE:

ALSO works with major retailers, etailers, corporate resellers, value added resellers, and SMB resellers. This diversity requires great flexibility and expertise in order to precisely cater to their needs and requirements.

5

ENTREPRENEURIAL SHAREHOLDERS:

ALSO's shareholders are interested in not just short-term returns, but also in the medium- and long-term development of the company. This creates a sound basis for continuing to successfully shape the future.

6

ACTIVE BOARD OF DIRECTORS:

ALSO is actively supported by the Board of Directors regarding its medium- and long-term development, without losing sight of short-term business development. This innovative and professional contribution makes a key contribution to sustainable results.

7

SUCCESSFUL EMPLOYEES:

The clear, short-term targets and the long-term strategy provide the framework for professional and personal devel-opment. Entrepreneurial employees are given targeted encouragement and are characterized by a high degree of independence and individual initiative. This is the basis for success.

8

CLEAR STRATEGY:

Within a defined framework of conditions and on the basis of key economic indicators, the company has determined strategic activities for its development over time.

► FOCUSED INVESTMENTS:

THE BASIC REQUIREMENT IS SUSTAINABLE PROFITABLE GROWTH. THE PRIORITY HERE IS OPTIMIZING PROCESSES, ESTABLISHING NEW BUSINESS MODELS, AND/OR REGIONAL EXPANSION.

9

10

► WELL-MATCHED ACQUISITIONS:

These are intended to speed up the continuing development of the company. This requires fast, systematic integration, which is ensured by the team.

... UND

MORE

FINANCIAL SERVICES
SUPPLY SERVICES
LOGISTICS SERVICES
SOLUTIONS SERVICES
IT SERVICES
DIGITAL SERVICES

THE ALSO NETWORK IS ABOUT ECONOMIC COLLABORATION, ABOUT SHARING KNOWLEDGE. A WIN-WIN SITUATION – EVERY-ONE INVOLVED BENEFITS. THIS CREATES VERY CLOSE AND PERSONAL BUSINESS RELATION-SHIPS.

MICHAEL SCHICKRAM
Founder, Schickram IT

SCHICKRAM USES THE ALSO MARKETPLACE

"TRUST IS ESSENTIAL TO SURVIVAL IN OUR INDUSTRY"

SCHICKRAM IT GMBH IS AN IT SERVICE PROVIDER FOR GERMAN SMEs AND A VENDOR FOR GLOBAL PLAYER IN PLANT CONTROL SYSTEMS. FOR ALMOST 20 YEARS THE COMPANY HAS BEEN COOPERATING WITH ALSO. FOUNDER MICHAEL SCHICKRAM SPEAKS ABOUT ENDURING VALUES IN A RAPIDLY CHANGING BUSINESS AREA.

Mr. Schickram, people say that you've attended more IT training at Hewlett Packard than anyone else in the world. How did this strange hobby get started?

You know, I'm the most curious person in the world. I'm interested in almost everything really. I've been involved with IT since I was a kid and took apart my first programmable pocket calculator at quite an early age. Today I'm interested in how my customers work. But above all I want to increase my knowledge all the time.

So is it true that no one else has as many HP certificates as you do?

A few years ago I still had the most in Europe. That's what HP told me, anyway. I don't know if it's still true today. In most cases I teach myself a new technology through self-study – from programming, to designing networks, to managing a cloud system – then I take the test at HP. My customers are usually most surprised to find themselves in a highly technical conversation with the owner of the company himself.

What exactly does Schickram IT do?

We have two different types of customers. Firstly we have traditional SMEs here in the northeast of Bavaria, in the food industry, for instance. For these customers we do everything from delivering hardware to an outsourced IT department, from the telephone system to repairing the printers. The second type of customer is completely different: we deliver IT to OEMs: original equipment manufacturers.

That means big plant manufacturers.

Exactly. The machinery, big filling systems for example, is controlled with our technology. What we offer here is tailored solutions. In both cases we see ourselves as our customers' enabler, someone who allows them to work efficiently.

ALSO sees itself as an enabler as well.

Yes, we're part of a multi-stage enabling process.

What exactly is your cooperation with ALSO like?

Oh, that's been going on a long time now, more than 20 years. It all began with HP, whose products are our major seller. I need a strong partner for sales, who can handle supply chain management for HP in Europe. And one of these partners is ALSO. I order there, and then they send the truck with the goods to my customers. That's still the heart of our cooperation today. But there's been more and more added to that in the last few years.

What exactly?

There's the solutions area. As you can imagine, an IT system today is highly complex. It's simply impossible to have all the data in your head. In the development stage for an end-to-end system we like to play mental ping pong with experts for ALSO to create an optimal solution for the customer. Some processes even aren't possible without ALSO.

Which?

If I'm setting up a wireless network today, I don't put down a router just anywhere – sometimes you need hundreds of transmitters on a company's grounds. To do that I first have to take extensive readings, and we can lease the very expensive equipment we need to do that from ALSO. We also cooperate in the supply sector. These are mass products which we source from ALSO, for instance around 500 mice or keyboards. And finally there's the ever more important area of financing.

What's that about?

I can get a credit report on potential customers from ALSO, or take out trade credit insurance to protect us against possible defaults. These are things that I can get on the free market, but ALSO offers me them tailored to the IT industry. And once ALSO even helped us to solve problems at short notice.

What happened?

My partner was elected Lord Mayor of Schwandorf, and so he had to leave the company. So effectively this meant that Schickram IT was now a new company. I had no problems with the banks, but I had them with manufacturers. Typically there's a trader hierarchy here that's about bonuses, better prices, bigger discounts, and so on. Another thing that's important is sales in the previous year. But on paper I didn't have any. And suddenly the limit on very important trade credit insurance was too low as well. In the latter case ALSO helped the new company to "inherit" the old company's terms.

You are also very active in the ALSO network – you're currently on the elected Advisory Board. What is the significance of this coalition?

This is a cooperation of several systems companies that support each other in different areas: it's about economic collaboration, sharing knowledge, or bundling training, which can generate major discounts. Every case is a win-win situation – everyone involved benefits. What makes this platform special is that it isn't run with a view to making a profit. It's about networking, it's about the members and how they interact. This creates very close and personal business relationships.

You have a very close connection to your key account manager at ALSO as well.

Yes, Urs Cramer has been with us for more than 18 years. Whenever a new employee starts training with us, roughly the third phone call is with Urs Cramer. Then he tells the new guy: "If you've got a problem, give me a call, I'll help you out. And at some point I'll show you how to order properly." A lot of my employees started out thinking that Urs Cramer was a co-worker at Schickram IT GmbH. This personal contact is very important to us – especially in an industry that's often considered anonymous.

How important is personal proximity in your industry?

To me nothing matters more. I still remember a story from the early 1990s today: a doctor in Schwandorf wanted to get his son a computer for Christmas. I wasn't allowed to bring it around until the morning of Christmas Eve so that the curious young kid wouldn't find out. At six in the evening, just as we're sitting down to dinner, my telephone rings. The doctor, who's still my customer today, is on the phone and says: "Schickram, you have to come, my boy is crying!" So I had to go. I swapped the plugs for the mouse and the keyboard and everything worked fine, I wished them a Merry Christmas and drove home. I firmly believe that personal contact is the backbone of German retail. And in the IT industry it's essential to survival.

"IF YOU CAN'T SEND E-MAILS OR ORDER ANYTHING ANYMORE, THAT'S A THREAT TO YOUR BUSINESS."

Why is that?

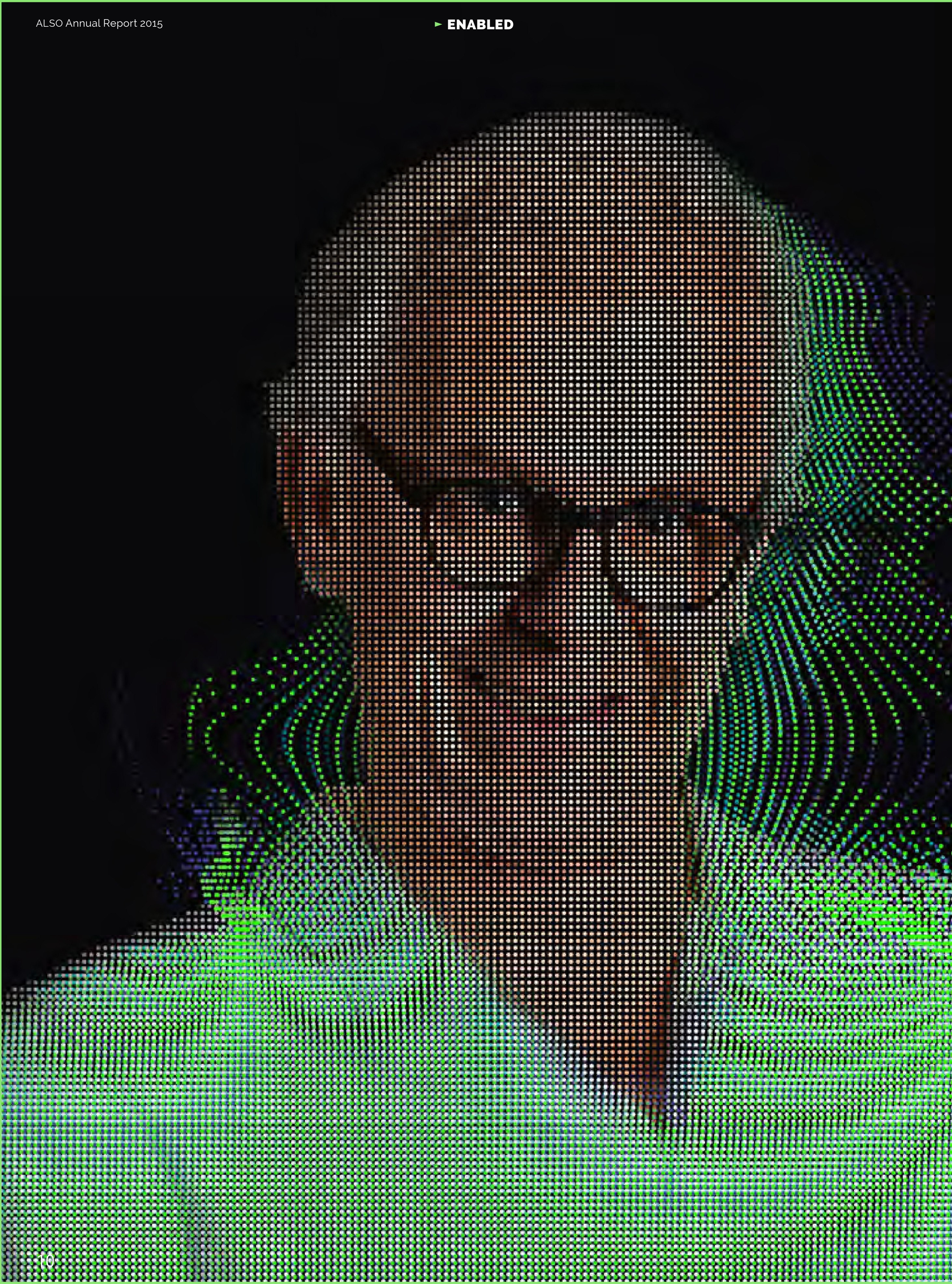
If you have a company and you company car is broken down, that's not a threat to your business. But if you can't make a telephone call, send e-mails, or order anything anymore, that is a threat to your business. IT is the central nervous system, the brain of the operation. If you rely on it, you have to be able to have blind trust in it; it also sells you things that you generally have no idea about. Here's another example: we sold a wholesale butcher in Schwandorf a new memory system. HP had sent three of its staff, that's how big the order was. The butcher's technician was talking excitedly with the people from HP, and the boss was sat at the end of the table without saying anything. I could see that he didn't understand a word. After two and a half hours he said to me: "Schickram, how many more sausages can I sell with the new system?" So I sat back down with him and explained everything in a language he understood.

People used to buy a program on a CD or DVD in a store, today they download them. What is happening to personal customer contact in the cloud age?

I see that most customers are still very skeptical about cloud services. They're worried about data security. Then they have a bandwidth problem. In big cities with fast Internet the cloud is fantastic. But out in the country it just takes too long to upload or download large volumes of data. That isn't about to change any time soon. But it's still clear that there's no getting around the subject of the cloud in our industry. That's why it's entirely natural that we are a Trusted Advisor for our customers when it comes to this as well, and that we work with them on secure and practical solutions.

Where do you still see growth potential of the IT industry?

Industry 4.0, the Internet of Things, which means different devices communicating with each other, is going to be a big thing. Security will be very big as well, for instance protection against hacker attacks. These fields have something in common: they are highly complex and keep on getting even more complex. Getting help from experts is the only way to move forward here. So I firmly believe that everything to do with consulting will continue to experience strong growth. That's our future business. Here, too, trust between the customer and us is a hard currency – nothing will change there.



FINANCIAL SERVICES
SUPPLY SERVICES
LOGISTICS SERVICES
SOLUTIONS SERVICES
IT SERVICES
DIGITAL SERVICES

« WE WANT TO WORK WITH ALSO TO CONTINUOUSLY IMPROVE THE DISTRIBUTION PROCESS: HOW CAN WE RESPOND MORE QUICKLY TO AN ORDER? HOW DO WE HANDLE PROBLEMS SUCH AS A SUDDEN RISE IN DEMAND? THESE ARE GRIPPING, ALMOST EXISTENTIALLY IMPORTANT QUESTIONS. »

JÖRN TAUBERT
Managing Director Central Europe, Sonos

SONOS USES THE ALSO MARKETPLACE

"WE'RE NOT DEMANDING, WE'RE DISCERNING."

THE HI-FI MANUFACTURER SONOS IS PROBABLY THE MOST INNOVATIVE COMPANY IN THE MUSIC INDUSTRY. JÖRN TAUBERT, MANAGING DIRECTOR CENTRAL EUROPE, SPEAKS ABOUT CHALLENGES AND REAL PASSION.

Mr. Taubert, how do you explain at a party what you do professionally?

Sonos builds speakers that play music wirelessly with the best possible quality. The music can come from completely different sources, from a hard drive, from a streaming service, from a web radio. Using our smart speakers, as we call them, you can play the same music in your whole house. But it's also possible to play a different song in the living room than in the kitchen. This is controlled very easily using the Sonos app. But talking privately about Sonos can be almost exhausting sometimes.

Why?

Once people know what I do, they often won't leave me in peace. I recently "fled" from a party because people did nothing but ask me about Sonos. Naturally I love this enthusiasm because music connects with people's emotions. Sonos has created a way for this connection to arise in a totally direct way. You don't have to go to a record store, you don't even have to spend ages searching through your CDs. A few taps on your phone is enough, and I can play almost any song there is in the world in my apartment – and with perfect sound. That's something to be excited about. We know that people who buy Sonos speakers for their homes listen to almost twice as much music as before.

That sounds like a revolution in music.

Absolutely. We are seeing big growth in the digital domain. And as for the hardware: All consumer electronics product groups have undergone a transformation, from analog to digital photography, from PCs to notebooks and tablets. Only the audio world is basically still the same as it was 30 years ago. Sonos is now advancing the long overdue change. Worldwide, we have 3.5 million Sonos users, and our annual growth rates are in the high double-digit range.

Has the rapid rise in demand been difficult for Sonos?

I think we have mastered the challenges well. Basically it's always the same thing: How do we get our product to the point of sale quickly and efficiently? You need a very good partner for this, which we have found in ALSO since 2011. You have to know that the distribution landscape in Germany is extremely complex. In the UK, to name just one example, there are five chains that each have central purchasing and a central warehouse. In Germany there are between 6 000 and 7 000 dealers, plus 1 000 big-box stores, but there is no centralized purchasing or a central warehouse, you have to sell your product to each store individually. In other words, you theoretically have thousands of delivery addresses, thousands of billing addresses and a corresponding amount of work for invoicing, returns, credit notes and so on.

How exactly does the cooperation with ALSO work?

ALSO offers us the whole package: warehousing, i.e. the storage of our products, and of course distribution to dealers and big-box stores as well. If ALSO were just a few warehouses and trucks, it would not be our partner. The webshop is important to us as well, managing and monitoring the supply chain and the tailored reporting.

Can you explain that in more detail? Let's begin with the webshop.

There are a lot of different ways that dealers can order goods. They can go through salespeople, who enter the orders in their notebooks, or they can send a fax or make a phone call. Naturally the webshop is much smarter and more efficient. Only authorized dealers can order here, they can even see the availability of goods and enter their orders themselves –

24 hours a day. This is fantastic and makes a lot of things easier.

What's so important about managing and monitoring?

To put it very basically: an awful lot can go wrong over the entire distribution process. If our product is not available from retailers, the customer might go for a competitor's product instead. Conversely, it can also be a problem if dealers have too much stock. This ties up capital because the goods have not yet been purchased by customers. The shorter the time between receiving and delivering an order, the less inventory there has to be at the point of sale. So what we need is a service provider that can readily adjust its processes to those of the individual dealers and, for example, allows them to place an order late on one day and still get the goods delivered the next morning. This is exactly what ALSO does.

What about the last point you mentioned: What is tailored reporting?

We want to work with ALSO to continuously improve the distribution process: How can we respond more quickly to an order? How do we handle problems such as a sudden rise in demand? These are gripping, almost existentially important questions. We need a variety of data to answer them. ALSO gives us this information – not just in standardized form, but tailored so that we can incorporate it into our own reporting.

Why are these data so important?

An example: We do not primarily want to increase sales, we want to increase the number of households with a Sonos speaker. If it were just about sales we would put a lot of effort into marketing so that customers who already have a Sonos speaker buy even more. But we know that our customers will do that in time anyway. So instead we focus on new customers. We are interested in when customers actually use their devices. This piece of information, which we gather ourselves, can be used in conjunction with other figures supplied to us by ALSO, or sometimes by dealers as well: How long was the product at the point of sale? How much time passed between purchase and registration? How high are sales in a certain region, or in a certain shop? At Sonos we believe in the importance of highly accurate data analysis. Sometimes I even call ALSO because I suddenly want a very specific number for a very specific day.

"THE AUDIO WORLD IS BASICALLY STILL THE SAME AS IT WAS 30 YEARS AGO. SONOS IS NOW ADVANCING THE LONG OVERDUE CHANGE."

Does that mean that you are a demanding customer?

We're not demanding, we're discerning and committed. When I was young I played "House of the Rising Sun" on the guitar and at college I earned money as a DJ, once I even played Abba's "Dancing Queen" for the Queen of Sweden. I love music and I'm glad that my job is about allowing other people to love music too. But I also expect this passion from the people I work with. ALSO is a service provider that wants to work as well as possible for its customers. The cooperation is professional and at the same time very human. Stefan Klinglmair, who is responsible for Germany in the Group's top management, always has an open ear for my concerns and has even jumped in his car a few times to meet with me and discuss issues in person.

What were these occasions?

Small questions for which smart and elegant answers were found. I have no dramatic or spectacular anecdotes to tell. That's the good thing about our work together: everything is very respectable. I think it could hardly be any better for either side.

WE APPRECIATE ALSO'S STABILITY AND RELIABILITY, ITS HIGH LEVEL OF PROFESSIONALISM. ALSO HELPS US TO WORK MORE QUICKLY AND MORE EFFICIENTLY.

TOMI AUTERE
Sales Director, Inmics

INMICS USES THE ALSO MARKETPLACE

TOMI AUTERE, SALES DIRECTOR FOR THE IT SERVICE PROVIDER INMICS, ON TECHNOPHILE FINNS, SUSTAINABLY RUN DATA CENTERS AND T-SHIRTS THAT ARE TOO SMALL.

Mr. Autere, Finland is seen as a dreamland for digital technology. Proportionally speaking, nowhere else in Europe puts as much money into start-ups, the prime minister Juha Sipilä is an IT manager. Why are Finns so good with technology?

It's a tradition for us. We Finns have always been a nation of engineers, we love fiddling with things and technical solutions. Inventors are highly respected here – naturally that draws a lot of young people to this sector. Also, I went to a technical school when I was young and learned how to work with computers early on. And when my father founded Inmics in 1989 it was clear what I was going to be.

How did Inmics' story begin?

My father is an electrician, he worked in a licorice factory. That's a big thing over here. But most foreigners don't like our licorice as they find it too strong. My father was also always very interested in computers. So he bought components for computers from a predecessor of ALSO in Finland. Then he built the computers in my playroom. So you could say that Inmics began as a playroom company.

"IT'S AS IF FINLAND WERE MADE TO RUN SERVERS"

What does your group do today?

We design and create IT solutions for companies: we deliver computers to companies, supply them with software and run maintenance on their systems. We're a one-stop shop, we offer our customers all services from a single source. That also extends to server and cloud services. Our customers include, for example, the University of Helsinki, and metalworking and power companies. They like that we're still a family company.

What do customers appreciate about that?

The IT market in Finland is dominated by international players, by big companies that might slightly scare off a lot of smaller customers. We're different. We have 120 people working for us now, and we add more every year, but customers like the fact that it's always the same technician who turns up: Inmics has a face. On the other hand, Inmics still feels like a start-up as well.

Why is that?

If an employee has an idea of how something could be done better, they can knock on my door any time. This spirit means a lot to me. It was clear to me from very early on that this is exactly the kind of company where I would like to work. I tried my own start-up when I was just 12.

What was your business idea then?

I probably shouldn't say, but here goes anyway. Like everyone else my age, I used to love T-shirts with the logos of big fashion brands on them. I found out that you could order them really cheap from China. Obviously they were knock-offs. But I ordered hundreds of them. It was only then that I found out that Chinese sizes are different to ours. Almost every T-shirt was too small and I was stuck with them. I still have a few of them today – as a warning against making rash business decisions.

You have been working with ALSO for decades. What has changed over the course of the years?

The cooperation began with logistics; we ordered computers, printers and servers from ALSO and then they were delivered to customers. I remember quite clearly that everything was done by fax at first, this is the middle of 1990s we're talking about. So when ALSO launched its online shop, I think that was in 1999, it was a huge change – and ALSO quickly became our most important partner.

"THE MARKETPLACE MEANS COMPLETELY NEW OPPORTUNI-TIES FOR US."

How so?

The biggest difference was that you could see in real time what they could deliver – and for what price. Then there were a lot of special offers, very significant bulk discounts, for example, and you could see it all straight away. We quickly understood that this was the future, and so ALSO became our most important sales partner. Our cooperation developed from there, and we're still very happy about it today.

What do you value about ALSO?

Its stability and reliability, the high level of professionalism. But above all the Marketplace opens up completely new opportunities for us.

Can you explain how Marketplace works?

The ALSO Marketplace is a digital place where dealers have the opportunity to sell their products and services. Naturally it's all carefully moderated – you can't sell fruit and vegetables here. It's goods and services that the IT sector wants. You can also very easily buy software licenses on Marketplace. We take advantage of this, for instance, to provide our customers with Microsoft cloud service licenses. The offer by ALSO to deliver computers with pre-installed software also makes a lot of sense for us.

How does this help you?

For example, if we order 15 workstations for a customer, we can also book the installation of all the main programs from ALSO – which means that the computers are sent to the customer ready to go. This saves everyone involved time and money. The bonus for the customer is that they only have one point of contact. ALSO works behind the scenes – and this helps us to work more quickly and more efficiently. It's exactly the same for ALSO's webshop offers.

How do they work?

As all our orders go through ALSO anyway, it only makes sense that ALSO runs our webshop as well. It still has our logo on it though. This way we can take advantage of a fully developed product, which saves us having to program our own shop, which is a lot of work.

But you offer your own services on the ALSO Marketplace too. What are they exactly?

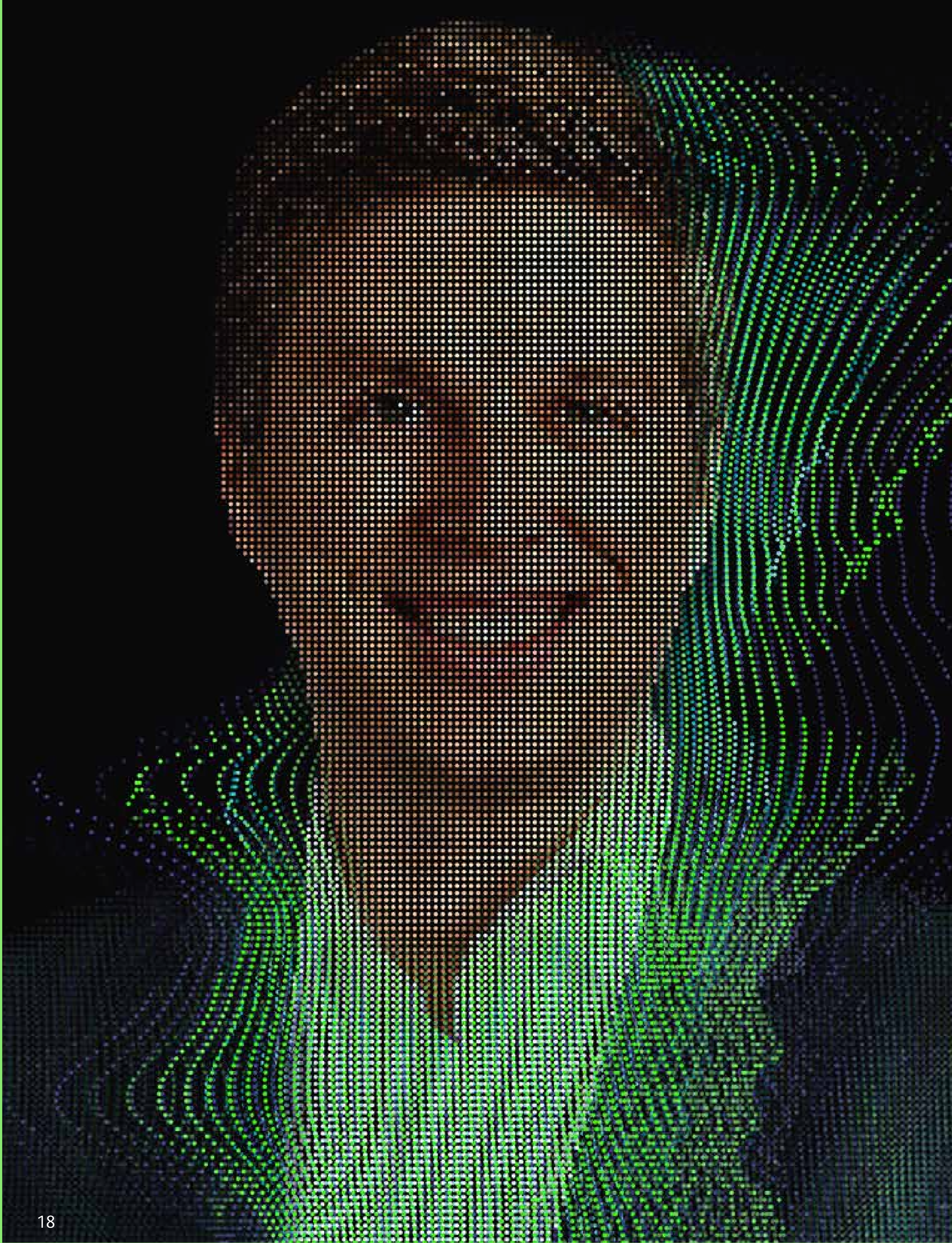
Our cloud services, for instance. There are a lot of smaller resellers that do not have their own data centers, but that still want to offer their customers services. Then they buy the corresponding cloud solutions from us: web space, virtual server capacity and so on.

Are there more offers from ALSO you use?

I can imagine that we will work together in the area of financial services in the future. One of our boom sectors is data centers and cloud services. These systems are very, very expensive. The figures can quickly run into the millions and ALSO helps to make that a reality – with loans, for example. So far we have three big data centers – but the work of our customers is highly data-intensive, and we have expanded our customer base into Eastern Europe and the Baltics as well. So no doubt there's more on the way. It's as if Finland were made to run big servers.

How do you mean?

We have the ideal conditions. The political system is secure and stable, there are no earthquakes. We have enough excellently trained specialists who can make sure that everything goes without a hitch 24/7. Above all, though, we have the right climate for data centers. We can run them with outstanding energy efficiency. Most of the time it's very cool up here. That annoys a lot of Finns, but we can operate the server centers with minimal air conditioning at least six months a year. And for a long time we have, quite reasonably, been using the waste heat generated for district heating, for example. The energy efficiency of data technology is going to become an increasingly important issue – and in Finland we can run servers economically and ecologically on a sustained basis.



FINANCIAL SERVICES
SUPPLY SERVICES
LOGISTICS SERVICES
SOLUTIONS SERVICES
IT SERVICES
DIGITAL SERVICES

WE VALUE ALSO'S FUTURE ORIENTATION.

FRÉDÉRIC GOETSCHMANN
Chief Financial Officer, Quickline

QUICKLINE USES THE ALSO MARKETPLACE

"WE ARE WORKING ON A COMPLETELY NEW TV EXPERIENCE."

QUICKLINE IS SWITZERLAND'S FASTEST GROWING INTERNET, TELEPHONY, AND TV PROVIDER. FRÉDÉRIC GOETSCHMANN, THE COMPANY'S CFO, EXPLAINS WHAT MULTIMEDIA CUSTOMERS WANT TODAY AND WHY THE FUTURE OF TELEVISION IS BEING INVENTED IN SWITZERLAND.

In one sentence: What is Quickline?

As the third largest TV provider and the fourth largest telephony and Internet provider, Quickline is a significant multimedia provider in Switzerland – and despite its size it is still very friendly and appealing.

What products do you offer?

It all started with television until people discovered that you can also offer Internet and therefore fixed-line telephony over a TV cable. The next step then was that TV became interactive. That gives rise to a lot of possibilities that are interesting to customers, such as time-delayed television. Switzerland is playing a pioneering role in this.

Why is that?

Let me give you an example: If you get home at 9 o'clock, you can still watch a show from 8 o'clock. And you just skip over the commercials. For customers this is of course extremely enjoyable and practical: They get to watch exactly what they want, when they want. In other countries, the advertising lobby denies TV customers such options.

How does this type of television work?

We have more than 130 channels in our TV offering – free to air. You can also book specific options: movie packages, sports, culture, whatever you want. Programs are available for seven days and can be recorded as well. Five years ago we were the first provider to offer customers this new way of watching TV. It has since become the standard here, but it was the foundation of our growth in recent years. We started very small, but are now the fastest growing multimedia provider in Switzerland. This is partly due to the fact that we have a unique structure: We work very closely with the local network operators. That's highly convenient for customers.

How so?

The customer's primary contact is the local network operator. If your home Internet stops working, the operator comes and can solve problems on the weekend too. Naturally this contact is also more personal than with the large multimedia corporations. This local connection in combination with our prices is very much in demand, especially among customers who value personal service. Then there are those who are won over by the attractive offers, and those who live in rural areas. You see, the big providers focus mainly on conurbations, whereas we offer top bandwidths everywhere.

So where does ALSO come into it?

It all started three years ago with our Mobile division. We already offered mobile telephony five years ago, but only with SIM cards. That wasn't a success. People didn't think we had the expertise for this market, and we quickly realized that we also have to offer the mobile devices at favorable conditions. But you need a strong logistics partner to do that. That was ALSO. We quickly agreed that it makes no sense to outsource just the mobile device logistics to ALSO, there are also a lot of other things that have to be sent as well, such as modems and TV set-top boxes. Since then ALSO has done this for us.

Can you explain how exactly the collaboration works?

Quickline also has shops. They need to be equipped with exhibition materials, often customers want to walk out with a new device as well. ALSO handles these logistics for us. If we don't have the right things in stock on site, thanks to ALSO we can guarantee that the customer gets it in his mailbox the next day. And when it comes to repairing devices, we also rely on ALSO in order to handle returns effectively and quickly. The inspection of incoming goods is important as well.

What is that?

You buy electronics goods on the world market, and everything to do with cables and plugs can often be pretty chaotic and does not always meet Swiss standards. That's why it is important to check that goods are compatible and complete when they come in – which ALSO does for us.

Are there any other processes that you outsource to ALSO?

Combination products do very well in Switzerland: if you order Internet, telephony, and TV as a package and get a discount. But the customer doesn't want to get sent his new mobile device today, a router tomorrow, and a set-top box the day after. He wants one parcel with all his products – along with a packing slip and installation guidelines. We used to have this put together in South Korea, but that did not allow for much flexibility. Since we outsourced this to ALSO two years ago, everything has run smoothly. We could also imagine using pre-financing services in cooperation with ALSO.

How would that work?

For example, if we were to purchase a large volume of goods, the invoice would initially be paid by ALSO. We then pay ALSO when the goods are specifically ordered by customers. In this case ALSO would take on the pre-financing. For our part, this would optimize our net working capital. In turn, ALSO has excellent credit conditions and could finance it without any problems. We are in negotiations. But there are other areas where cooperation would be possible, such as ensuring the right inventory range. ALSO would inform us when inventory ranges fell below defined minimum levels. So far we've ensured this internally with Excel lists, but ALSO has far better tools. And as we are very happy to work with ALSO, this is an interesting option for us.

What exactly do you like about the cooperation?

It's pleasant. That may sound a bit basic, but it hits the nail on the head: On the one hand, we benefit greatly from ALSO's process expertise, on the other, the lines of communication are always very short, interactions are personal and friendly. But above all we value ALSO's future orientation.

What do you mean by that?

You can see it in our cooperation. We work on a highly innovative, highly dynamic market. The fact that ALSO dared to enter into a cooperation here shows that it looks to the future and is focused on our future growth. And it has been known to happen that ALSO proactively makes us aware of innovations in the field of logistics.

Like what, for example?

The MyDelivery service for instance. To date the problem with delivering is that customers often aren't at home. MyDelivery has an answer: The customer receives a text message in advance and can then decide when and where he wants to receive package. So ALSO said to us: "Would that be of interest to your customers?" All these innovations of course have to be checked to see if they will pay off for us. But we are very grateful to receive competent advice; after all we're not logistics professionals. We are glad that ALSO has our backs here, because we have a lot planned for this year.

Like what?

Sadly I can't say too much at this time. We are working on a completely new TV experience that will set new standards in terms of usability. Over the past few years we have invested in the development of a TV platform that gets customers the content relevant to them more quickly. We are now facing the big problem that we can choose from a wide variety of movies, series, shows, sports and cultural programs, but researching what we really like is often like trying to find a needle in a haystack. And TV customers often also have to deal with media breaks: They can't always see the content they want to see on the device they want to see it on. There will be a solution for that, too. Whether you're watching on a smartphone, a tablet, or on the big screen, whether at home or out and about, we want to offer our customers the best TV experience.

FINANCIAL SERVICES
SUPPLY SERVICES
LOGISTICS SERVICES
SOLUTIONS SERVICES
IT SERVICES
DIGITAL SERVICES

OUR TASK IS TO TAP THE POTENTIAL OF ALSO'S MARKETPLACE TOGETHER.

DAVID SMITH
Vice President Worldwide Small Medium Business, Microsoft

MICROSOFT USES THE ALSO MARKETPLACE

"MORE THAN 1.2 BILLION PEOPLE – ROUGHLY ONE IN SIX PEOPLE ON THE PLANET – USE OFFICE."

MICROSOFT WAS, IS AND WILL REMAIN THE MOST IMPORTANT COMPANY IN THE IT SECTOR. DAVID SMITH, VICE PRESIDENT FOR THE WORLDWIDE SMB SECTOR, EXPLAINS WHAT THE MOBILE FUTURE WILL BE LIKE.

Microsoft's worldview is all about "mobile first, cloud first", can you briefly explain it?

We live in a "mobile-first, cloud-first" world, and the transformation we are driving across our businesses is designed to enable Microsoft and our customers to thrive in this world.

Mobile is a state of being, not a device – yes, we all love our devices. But what matters is not that the devices are mobile, but rather that they enable us to be mobile. If you embrace the principle that the mobility of people is the prize, we open ourselves up to intriguing possibilities. What if devices were interchangeable? Disposable? Already present at every location you find yourself in, embedded into the very environment around you? The next breakthroughs in mobile require letting go of existing definitions of the word and embracing it as a state of being, not a category of hardware.

To what extent is the cloud important for this concept of mobility?

Of course what enables this mobile state of being is the existence of a pervasive source of up-to-date information that moves at the speed of life. The cloud moves computing power to where it can do the most good, keeps data where it can flow most freely, and connects all of us to all of us, enabling new worlds of capability. In the days, months, and years to come, it won't simply do these things, it will do far more work on our behalf by understanding where we are, what we are doing and most importantly, why.

How does cloud computing specifically help customers?

Increasingly, customers are moving beyond basic computing and storage, taking advantage of higher-level cloud services to achieve business transformation. The cloud allows customers to innovate more rapidly while simultaneously lowering costs. For example, one of the many significant ways cloud technology can impact small and medium-sized businesses (SMBs) is by providing tremendous IT benefits without the traditional cost and complexity. Cloud technologies are easy to deploy and easy to manage, which is absolutely critical for SMBs.

Why SMBs in particular?

Microsoft believes that cloud technology has three major benefits for SMBs. First, you reduce the burden of maintaining IT infrastructure in-house, allowing more time to go toward core business activities and goals. Second, you can make anytime, anywhere working a reality, boosting productivity and morale. Third, you can have cost-effective scalability – whether you're expanding products or services, moving into operating in other markets

> **"AT MICROSOFT, WE'RE ALWAYS LOOKING FOR WAYS TO EMPOWER PEOPLE TO ACHIEVE MORE – REGARDLESS OF WHERE THEY WANT TO WORK AND WHAT DEVICE THEY CHOOSE TO USE."**
>
> **VAHÉ TOROSSIAN**
> **Corporate Vice President, Microsoft, Worldwide Small and Midmarket Solutions and Partners**

or adding more employees. Studies also suggest that greater use of technology by small and medium-sized businesses can boost growth by improving their efficiency, productivity and ability to compete. Additional findings reveal that partners that invest in cloud have a significant advantage over the rest since they accrue new customers at a faster rate and generate more revenue per employee compared with non-cloud-oriented partners.

Today the option to work on your documents across devices and the ability for different users to work on the same document simultaneously is a need. What is Microsoft's take?

One of our three main company ambitions is to reinvent productivity. Nowhere is this more obvious than with Office. More than 1.2 billion people – roughly one in six people on the planet – use Office. New ways of working depend on effective collaboration and the exchange of ideas in terms of better results. Office 2016 meets modern demands by making collaboration and teamwork easier than ever before. Just as Office changed the way we work as individuals, Office 2016 will change the way we work together. This release accelerates the Office transformation from a familiar set of tools like Word, PowerPoint and Excel to a new way of working together. With solutions like Skype for Business, OneDrive, Delve, and Sway, Office has become an array of powerful productivity applications connected to a continually growing set of cloud services. The new Office removes barriers to team success. For example, co-authoring in Word, PowerPoint, and OneNote includes the ability to see what others are typing in real-time. Skype integration is now available across the Office Online and rich client applications and allows you to instant message (IM), screen share, talk, or video chat right in your documents. And now that we have delivered Office across all platforms, this means that your Office travels with you in full fidelity with our Office mobile apps across Windows, Android, and iOS. Office 365 with the new Office 2016 applications is the smartest productivity suite ever. And your documents are more safe and secure as Office 365 provides automatic monthly security updates and feature releases. The beauty of Office 365 is that the features keep coming.

Some customers are still wary of storing important information in the cloud. How can the safety of data in cloud computing be ensured? What are the approaches of Microsoft?

Microsoft is committed to providing the most trusted cloud on the planet. Our foundational principles of security, privacy and control, compliance, and transparency lead us to advocate for and defend the rights of our customers. Microsoft leads the market in addressing concerns on trust by investing in security capabilities that give customers choice in cloud offerings and by collaborating with industry and governments to build trust and assurance in the cloud ecosystem.

Millions of people are already using Windows 10. What are the main benefits?

Windows 10 momentum is strong and growing with more than 200 million devices already running Windows 10. Our original equipment manufacturer (OEM) partners have over 90 000 unique device models running Windows 10 now and we are currently selling the widest range of Windows hardware ever available. The operating system offers many benefits. Windows 10 can protect your company against cyber-attacks, deliver experiences your users will love, and enable continuous innovation with the platform that keeps your company up-to-date with the latest technology. Windows 10 Pro helps businesses to effectively and efficiently manage their devices and apps, protect their sensitive business data, support remote and mobile productivity scenarios, and take advantage of cloud technologies. Windows 10 offers light management that scales and has one universal app platform, one security model, and one deployment and management approach. Across the board, less complexity helps small and medium-sized businesses save resources like time and cost, so they can spend more resources on innovation.

ALSO has systematically moved over to the cloud as well in recent years. Among other things, ALSO sells Microsoft products on download platforms. How would you characterize Microsoft's collaboration with ALSO?

Microsoft engages with ALSO across all commercial aspects of the business spanning across cloud services, software, and devices. Our collaboration has been very productive and positive.

How long have you been collaborating with ALSO?

I have personally been involved with ALSO for five years. However, Microsoft's relationship with ALSO dates back much longer than that.

How would you describe ALSO's cloud channel and the unique value it offers customers?

ALSO has done a very good job in the transformation of its channel from a transactional one to a solution-oriented Managed Services Provider (MSP) channel. Now, as partners mature into their new role as MSPs, they ultimately need to provide complete solutions for highly functional SMB workplaces based on Microsoft Cloud Services. They will also need to ensure that customers are satisfied with the solutions, derive lifetime value, and therefore consume and renew.

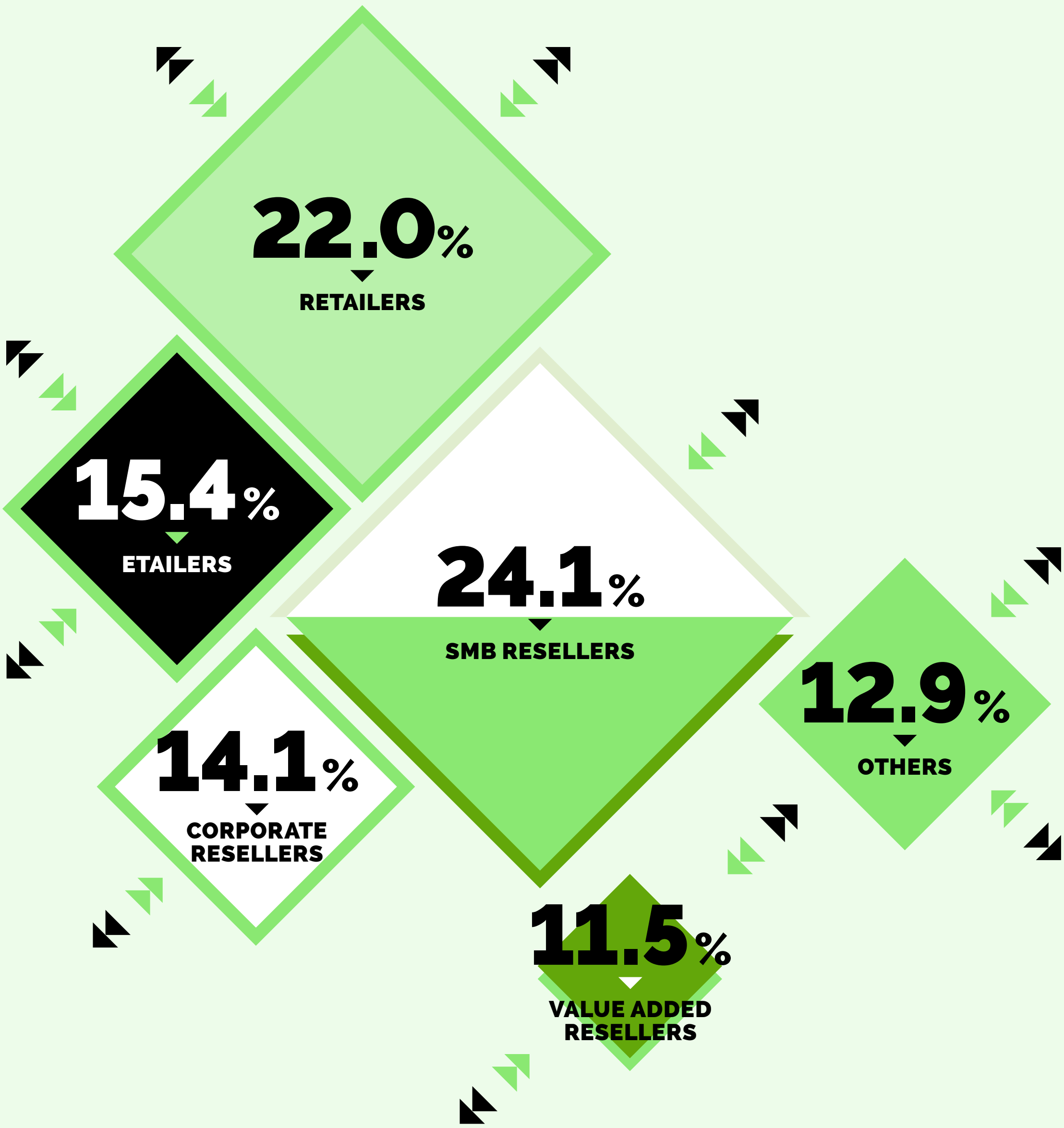
ALSO's marketplace concept enables up- and cross-selling on top of Office 365. Who do you think will benefit most from such an approach?

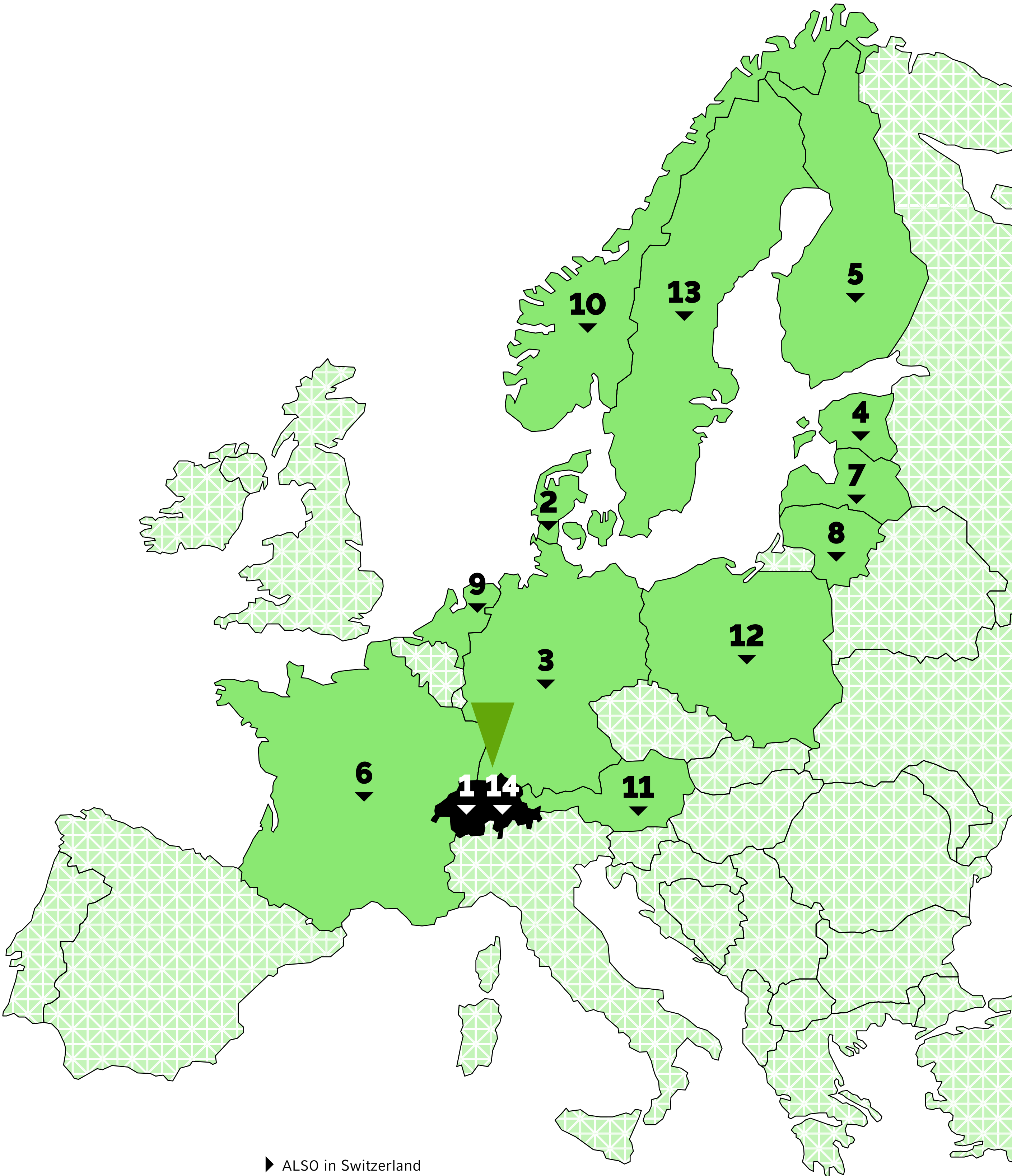
The customer ultimately benefits from this approach. ALSO is one of the pioneering business-to-business (B2B) solution aggregators in the industry with very large customer potential. Our task is to tap the potential of ALSO's marketplace together by offering complete solutions that include devices, cloud services, key independent software vendor (ISV) applications and managed services. To make this a long term success, we must deliver these solutions as seamlessly turnkey packages that the reseller can engage the end customer with.

Microsoft is a pacemaker and enabler of digitalization. Could you give us a hint regarding your "next big thing"?

Our vision is to empower every person and every organization on the planet to achieve more. It's a vision that connects back to our earliest days as a company, but is aimed directly at the opportunities and challenges that the world will face in the decades to come. We strongly believe we can help people to achieve more by giving them the right tools to overcome the limits of time, place and complexity.

ALSO INSIGHTS
BUYER GROUPS





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ALSO in Europe

ALSO IN EUROPE

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ALSO IN BRIEF

around
350
PROVIDERS

deliver
160 000
ARTICLES

of around
100 000
BUYERS

around
260 000
VISITORS per months
in the **WEBSHOP**

around
50 000
RESELLER

around
1 200 000 000
EUROS
NET SALES
WEBSHOP

around
7 800 000 000
EUROS
TOTAL NET SALES

ALSO:

SUSTAINABLE GROWTH

NET SALES
(IN BILLION EUROS)

2015	7.79
2014	7.24
2013	6.53
2012	6.30

+ 23.7 %

EAT
(IN MILLION EUROS)

2015	62.9
2014	60.9
2013	50.1
2012	45.5

+ 38.2 %

CASH FLOW BEFORE CHANGES WORKING CAPITAL
(IN MILLION EUROS)

2015	96.1
2014	88.3
2013	71.3
2012	61.9

+ 55.3 %

RETURN ON EQUITY (ROE)
(IN PERCENT)

2015	12.8 %
2014	13.4 %
2013	11.9 %
2012	11.7 %

+ 9.4 %

SUSTAINABLE APPRECIATION
FOR SHAREHOLDERS

DIVIDEND PER SHARE
(IN SWISS FRANCS)

2015	1.90
2014	1.60
2013	1.40
2012	1.20

+ 58.3 %

EARNINGS PER SHARE
(IN SWISS FRANCS)

2015	5.26
2014	5.82
2013	4.81
2012	4.28

+ 22.9 %

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2 CORPORATE GOVERNANCE

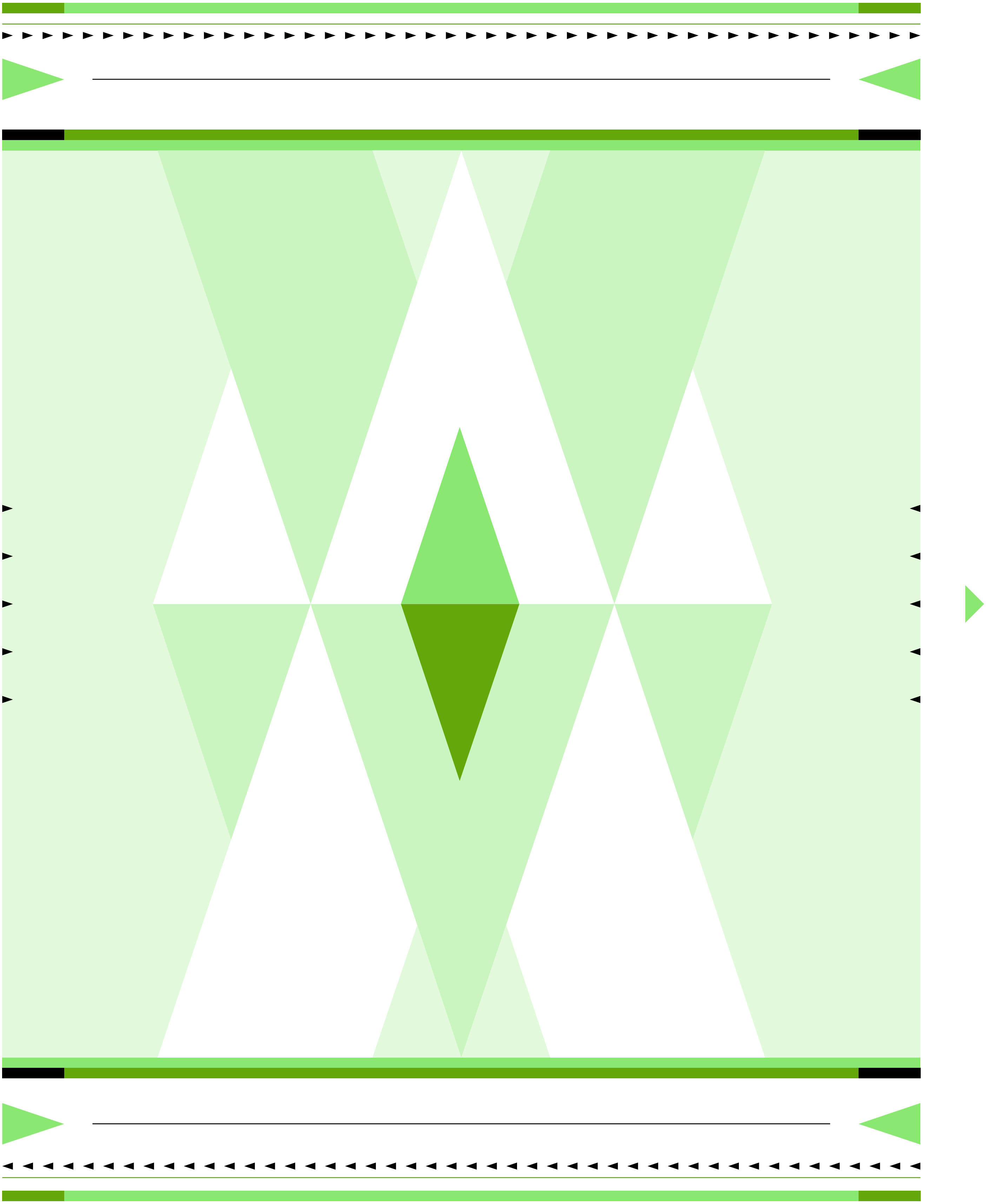
3 COMPENSATION REPORT

4 FINANCIAL REPORT

CONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL STATEMENTS OF ALSO HOLDING AG

1
STATUS REPORT



Dear shareholders

We have had a highly successful fiscal year 2015. For the fifth time in a row, the ALSO team has achieved a record result through the determined implementation of our strategy. This was made possible primarily by restructuring in Switzerland after the minimum exchange rate was lifted, stabilizing positive development in France and Finland, further optimizing in Norway, and a stronger performance by Alpha International B.V. following its acquisition by ALSO. This result was achieved by systematic management decisions at the same time as significant investments in infrastructure to shape the future development of the company and to secure sustainable profitability.

SUPERVISION AND CONSULTATION IN DIALOG WITH GROUP MANAGEMENT

In the fiscal year under review, the Board of Directors diligently exercised all of the responsibilities that are required of it by law, the Articles of Incorporation, and the Organizational Regulations. We regularly advised Group Management on its management of the company, carefully and constantly watched over its management of the business, and thereby convinced ourselves of its legality, expedience, and adherence to the regulations.

Group Management closely involved us in all decisions of material significance to the company. After thorough consultation and review of the detailed documents that were submitted to us, we granted our consent to the individual transactions.

At the meetings of the Board of Directors and Board Committee, Group Management completely and promptly, in writing and orally, provided information about all relevant aspects of the business strategy and corporate planning, including financial, investment, and human resources planning, as well as about the development of the business and profitability of the Group. The members of the Board of Directors also received a detailed report on the development of the company each month. The most recent monthly reports were presented at meetings and discussed in detail. Thus, even in the committees, the Board of Directors was always able to critically appraise the Group Management's reports and draft proposals and, where appropriate, to make suggestions before, after careful examination and consideration, resolutions were adopted. The Group Management also gave presentations on the various items of the agenda. In the same manner, we were also kept informed about issues relating to the risk situation, risk management, and compliance, as well as all other decisions and business transactions that were important for the Group.

Group Management informed us immediately and fully about deviations and incidents in the progress of the business, which were also intensively handled by us on the Board of Directors.

In the reporting year, the Board of Directors held seven regular meetings. In September 2015, at a special joint meeting of the Board of Directors with Group Management and the Corporate and Senior Vice Presidents, corporate strategy issues were discussed in detail. In August 2015, an extraordinary meeting of the Board of Directors was held at which matters including the further course of action regarding ALSO Logistics Services GmbH, Augsburg, were discussed.

Although at each of four meetings, one member of the Board of Directors was absent, the meetings were quorate. All committee meetings were fully attended. Between their meetings, the chairmen of the committees maintained regular contact with Group Management.

TRANSACTIONS REQUIRING PRIOR APPROVAL BY THE BOARD OF DIRECTORS

For certain transactions and measures, the prior approval of the Board of Directors is required by law and/or the Organizational Regulations. The most important decisions were as follows:

ANNUAL GENERAL MEETING

At its meeting of February 5, 2015, the Board of Directors discussed the report of the statutory auditor, PricewaterhouseCoopers AG (PwC), on the consolidated financial statements and financial statements for 2014. The further proposals to the Annual General Meeting 2015 were also discussed. These particularly included the proposal regarding the appropriation of retained earnings.

BUDGET AND INVESTMENTS

At the meeting in February 2015, the budget and investment plan for 2015 that was presented by Group Management was discussed in detail. The plan was approved after taking into account the expected macroeconomic environment.

The majority of the investments were made in the IT landscape for the introduction of SAP in Poland, the harmonization of the ERP infrastructure through the introduction of SAP at Alpha International B.V. and for the optimization of processes for OPEX reduction and the e-commerce platform. At the same time, CRM software for more effective customer processing was introduced throughout Europe.

ACQUISITIONS

At the meeting of the Board of Directors on July 15, 2015, a possible acquisition of the PC Factory Group, Poland, was discussed. This is a company that has been active on the IT market since 2001 and sells hardware, software and solutions from renowned manufacturers. In addition, the group provides extensive warehousing, logistics, e-commerce, and merchandising services. The objective of acquiring the broad customer base and the existing supplier agreements is to increase the competitiveness of ALSO Polska sp. z. o.o., Poland, which was founded in 2015, and to achieve even faster entry into the market. Following intensive consultation with the Group Management and examination of the business model, we approved the acquisition.

ORGANIZATION

In January 2015, the performance of the members of Group Management in 2014 was addressed and the performance bonuses that they would be awarded were decided.

At the meeting of June 2015, the proposal to expand Group Management to a total of four members was discussed. We reviewed the curriculum vitae of the two suggested candidates in detail on the Board of Directors and decided to appoint Ole Eklund and Stefan Klinglmair to the Group Management from July 1, 2015, in order to implement the MORE strategy faster.

IMPLEMENTATION OF THE MINDER INITIATIVE

In fiscal year 2015, ALSO completed the implementation of the Ordinance Against Excessive Compensation in Listed Companies (VegüV) and, to this end, decided to amend its Articles of Incorporation at the Annual General Meeting of March 12, 2015.

EFFICIENT WORK IN THE COMMITTEES

In order to efficiently exercise our responsibilities, we have established three standing committees. The committees prepare decisions and topics for the meetings of the Board of Directors. Within the legally permitted framework, we have delegated decision-making competencies to individual committees. The chairman of each of the standing committees is a non-executive member of the Board of Directors. The Chairman of the Board of Directors is regularly invited to these committees as a guest. The Lead Director concept was also introduced in the year under review as part of an amendment of the Organizational Regulations. The Board of Directors decided to appoint Walter P.J. Droege as Lead Director. This ensures that, despite the Chairman of the Board of Directors and the CEO being one and the same person, balanced decisions are made. The chairmen of the committees inform the Board of Directors about the contents and results of the committee meetings at their respective next meeting.

BOARD COMMITTEE

The Board Committee held three meetings, at which all members were present. Subjects that were regularly discussed were the net sales, income, and financial situation of the Group and the development of the business in the market segments, individual countries, and regions. At each meeting, the income situation of the Group was reviewed and discussed in detail.

The Board Committee also required Group Management to report to it alternatives for acquisitions to further develop the Group. All investments that were subsequently approved by the Board of Directors were intensively discussed at the meetings of the Board Committee.

AUDIT COMMITTEE

In the reporting year, the Audit Committee held three meetings. In February 2015, in addition to the analysis of the financial statements for fiscal year 2014, the audit plans for the external and internal auditors, the status of corporate governance and the reports on auditing activities in 2014 were also discussed. The meeting in August 2015 related primarily to the review of security levels and access restrictions for the newly introduced digital Board Tool. The Audit Committee reviewed the entire risk landscape of the ALSO Group and had itself informed about the planned measures and investments. There are currently no key economic risks facing the ALSO Group.

COMPENSATION AND NOMINATION COMMITTEE

In the reporting year three meetings were held, at which the principles of the compensation of the Board of Directors and its committees, Group Management, the country Managing Directors, and the Senior Vice Presidents were discussed. At the meeting of January 22, 2016, the Compensation and Nomination Committee discussed the performance of the members of Group Management in the reporting year in order to propose their performance bonuses to the Board of Directors. At the next meeting of the Board of Directors, these were approved.

AUDIT OF THE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS 2015

PwC audited the consolidated financial statements and financial statements for 2015 and awarded them its unqualified approval. Group Management sent these documents and the audit report from PwC to all members of the Board of Directors at the correct time. At the meeting of the Audit Committee on February 8, 2016, and at the subsequent meeting of the Board of Directors, and in the presence of the auditor of the financial statements, the said reports were thoroughly reviewed, particularly with respect to their legal conformity and correctness. Also subject of these meetings were the explanations of Group Management regarding the measurement of business or company values. The auditor of the financial statements reported on the main results of his audit of the focal areas that were defined by the Audit Committee for the reporting year and was available to answer questions and provide additional information. He did not inform us of any material weaknesses in the internal control and risk-management system relating to the accounting process.

We also discussed in detail with Group Management the proposal for the appropriation of retained earnings, which foresees a dividend of 1.90 Swiss francs on each dividend-bearing share, and, in view of the good financial situation and future prospects of the Group, as well as the expectations of our shareholders, approved the proposal. In concurrence with the recommendation of the Audit Committee, at our annual results meeting we therefore approved the result of the audit by the auditor as well as the financial statements that had been prepared by Group Management. The consolidated financial statements and the financial statements of ALSO Holding will be presented to the Annual General Meeting for approval on March 17, 2016.

THANKS

On behalf of the ALSO Group, I wish to thank all our stakeholders. Firstly, our buyers and providers, for their trust in us and the opportunity to be their partners. At the same time, we value the flexibility and helpfulness of our suppliers.

A big thank you also goes to our employees and managers for their dedication and expertise when implementing our MORE strategy, which has been the most important element in the success of the Group in the last five years and will continue to be so.

I particularly thank my colleagues on the Board of Directors for their valuable contributions in the committees and their identification with the company.

Not least, dear shareholders, I thank you, for your continuing strong association with the ALSO Group.

PROF. DR. ING. GUSTAVO MÖLLER-HERGT
CHAIRMAN OF THE BOARD OF DIRECTORS OF ALSO HOLDING AG

MARKET REPORT

SHARE PRICE DEVELOPMENT IN THE REPORTING YEAR

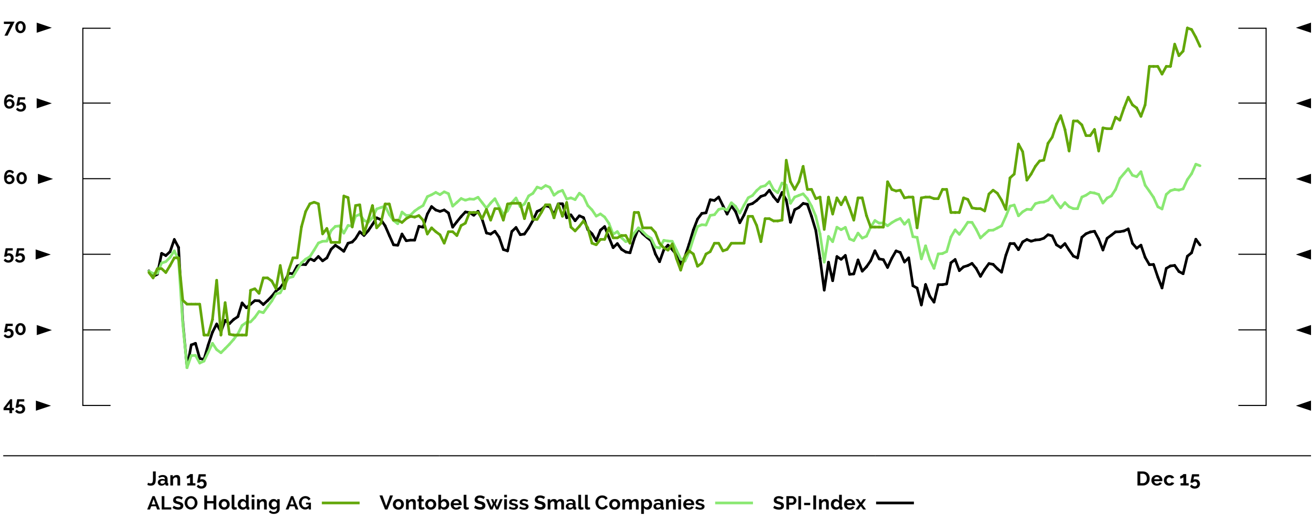
During the reporting year, the price of the ALSO share developed positively. It started at CHF 54.05 as of January 1, 2015 and closed the fiscal year at CHF 68.80 per share, corresponding to a rise of 27.3 percent as against the start of the year. Including the dividend, the total yield on a share that was bought on January 1, 2015, was 30.3 percent. This is much higher than many other forms of investment, such as fixed-income securities or demand deposits at banks. For natural persons liable to pay tax in Switzerland, the shares' appeal is increased further by the tax exemption of distributions from capital reserves.

On December 31, 2015, the total market valuation of ALSO was CHF 884 million. The share capital is composed of 12 848 962 paid-up registered shares with a nominal value of CHF 1.00 per share. Given the disclosed Group equity of CHF 534 million, the asset backing of the market capitalization at December 31, 2015, amounted to around 60.4 percent.

SHARE PRICE DEVELOPMENT 2012–2015

The share price has steadily risen with the systematic implementation of the MORE strategy launched in fiscal year 2012. The shares had been listed at just CHF 39.65 on July 1, 2012, but closed on December 31, 2015 at CHF 68.80.

SHARE PRICE CHART (IN SWISS FRANCS)



KEY FIGURES OF THE ALSO SHARE

	2015
Number of registered shares with a nominal value of 1.00 per share	12848962
Dividend per share (CHF)	1.90[1)]
Equity per registered share (CHF)	41.56
Registered share price high (CHF)	71.00
Registered share price low (CHF)	49.00
Market capitalization at December 31 (CHF million)	884

1) Proposal of the Board of Directors

DIVIDEND POLICY

The Board of Directors of ALSO Holding AG pursues a policy of continuous dividends and strives for a payout ratio of 25 to 35 percent. The annual dividend is defined in the light of the current income and financial situation as well as the corresponding outlook. For 2016, the Board of Directors proposes a distribution to the shareholders from the reserve from contribution in kind of CHF 1.90 per share. This represents a total dividend payment of CHF 24.4 million. The proposal will be submitted to the shareholders for approval at the Annual General Meeting of March 17, 2016.

In the previous year, 32 percent of the Group net profit was distributed.

DEVELOPMENT OF THE DIVIDEND

CHF	2015	2014	2013	2012
Dividend per share (CHF)	1.90[1)]	1.60	1.40	1.20
Earnings per share (CHF)	5.26	5.82	4.81	4.28

1) Proposal of the Board of Directors

THE ALSO GROUP

OUR MISSION

ALSO is the enabler of providers and buyers of the ICT industry. We see it as our mission to further develop their business: sustainably and profitably.

Marketing in the ICT industry is largely a three-step process. In a first step, the providers supply the ALSO companies. In a second step, they supply a very heterogeneous buyer structure, which serves the end-customers.

Because of non-existent scaling effects, small and medium-sized buyers are not always served directly by the providers. Here, ALSO takes over, for example, the payment transactions, fine logistics, or credit controlling. Larger buyers, who for economic reasons also outsource functions and processes, have the possibility of downloading these from ALSO as modules.

For the provider, taking over these tasks results in a reduction of complexity, and thereby in easier access to the various channels and regions. Smaller providers, who have no country organization of their own, use ALSO to obtain access to the market.

The dynamics of the ICT industry make it necessary to constantly optimize functions and processes, and require investments in new platforms. Based on this responsibility, ALSO has created a B2B Marketplace.

OUR STAKEHOLDERS

The basis of ALSO's business models are the two customer categories "providers" and "buyers". The ALSO Group has a portfolio of more than 350 providers in the various ICT product categories of hardware, software, and IT services, including all global market leaders. We offer the providers access to a broad spectrum of buyers, who can call up further customized services in the logistics, finance, IT, and digital services sectors, as well as traditional distribution services. ALSO offers services along the entire value chain from a single source.

OUR CUSTOMERS

BUYERS

ALSO has more than 100 000 buyers: corporate reseller, value added reseller, SMB reseller, retailer, and etailer channels. We offer targeted services for all individual requirements such as, for example, project configurations, pre-sales support, and public-authority projects for which tenders are invited.

Retailers and etailers appreciate ALSO's speed and flexibility – from electronic data interchange to logistical services and warehousing or shipments under third-party names. However, ALSO's comprehensive offerings also enable SMB resellers, through fast electronic data interchange, to use the webshop, complete financial service transactions, or obtain logistical services, without complication and efficiently.

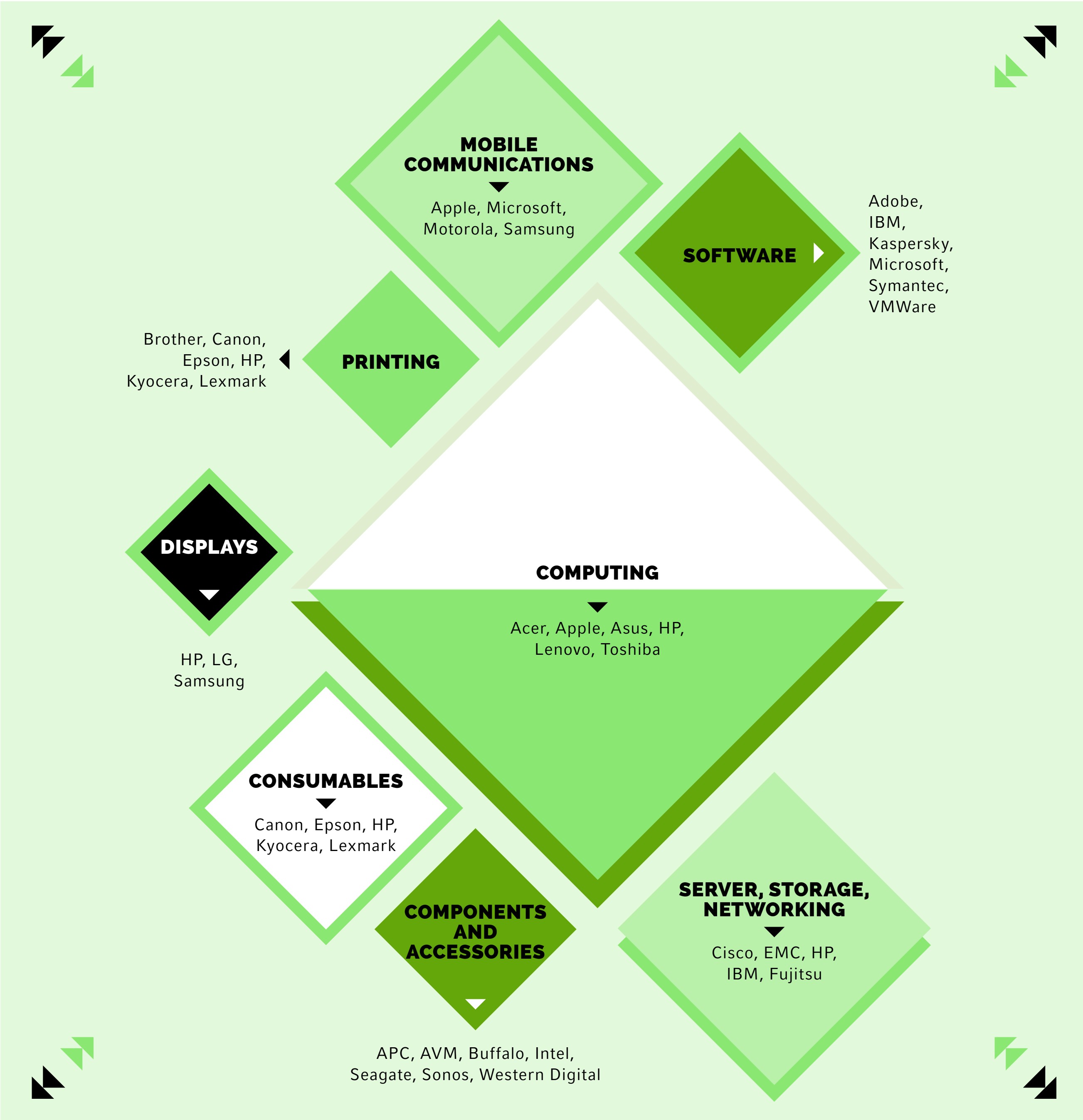
Through ALSO's B2B Marketplace, the buyers can download perfectly tailored services with which to develop their business. The goal is to constantly optimize, to make new offerings and functionalities available, and to increase the customers' competitiveness.

PROVIDERS

ALSO markets the products and services of more than 350 providers. For this purpose, constantly focused support is ensured with specialized teams. Here, too, speed, flexibility, and reliability are greatly appreciated and enable profound know-how to be built up. These structures and processes are individually adapted to the respective business model of the providers.

ALSO offers highly differentiated value propositions adapted to the customer channel of the respective provider. The bandwidth ranges from increasing the customer breadth, credit management, and logistics for SMB resellers, to specified sales and deliveries to retailers and etailers. For smaller providers that do not have their own infrastructure for selling their products, ALSO offers access to the various markets through logistics, warehousing, and distribution.

PROVIDERS ON ALSO's B2B MARKETPLACE



OUR SUPPLIERS

Our main suppliers are the leading transport companies, major credit insurers, and banks. The collaboration is not restricted to the purchase of services, but also includes the joint development of services, which are offered through our B2B Marketplace.

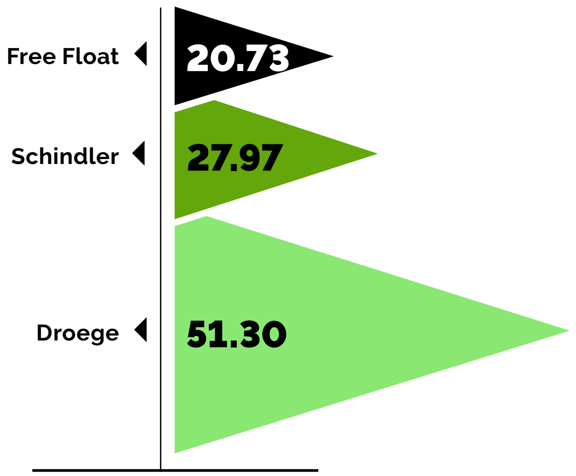
OUR SHAREHOLDERS

Besides a 20.73 percent free float of small and institutional investors, there is a clear majority ownership structure. Our two main shareholders are Schindler Pars International Ltd. (27.97 percent) and Special Distribution Holding GmbH (51.30 percent).

Schindler Pars International Ltd., with registered office in Hergiswil, Switzerland, belongs to the Schindler Group. Founded in Switzerland in 1874, the Group is a leading supplier of elevators, escalators, and related services.

Special Distribution Holding GmbH, with registered office in Dusseldorf, Germany, is a company of the Droege Group. The company is a specialist for customized restructuring and growth programs with the objective of increasing the enterprise value. The business model integrates consulting and investment.

SHAREHOLDER STRUCTURE (IN PERCENT)



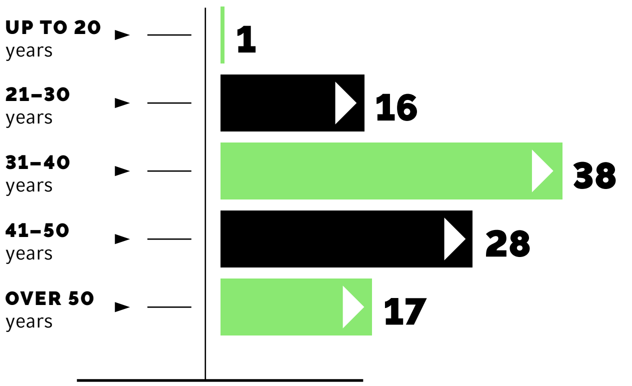
OUR EMPLOYEES

In 2015, ALSO had an annual average of 3 649 employees from 50 nations, which is 223 more employees than in previous year (+6.5 percent). The increase arose from the acquisitions and the expansion in the Solutions and Services sectors. Personnel expenses in the reporting year amounted to 212.2 million euros, which was an increase of 6.9 percent from the previous year.

With the web-based Performance Appraisal Tool, the performance of around 200 managers is systematically reviewed and evaluated twice a year. It also reveals any necessary training measures.

The age structure of our employees is balanced and displays a good mixture between highly qualified employees, internationally experienced managers, and young talents. Through our training program and cooperations with universities we have access to qualified young professionals.

AGE STRUCTURE OF ALSO GROUP EMPLOYEES AT DECEMBER 31, 2015 (IN PERCENT)



OUR GROUP STRUCTURE AND ORGANIZATION

The Board of Directors of ALSO Holding AG is responsible for the highest level of management. It defines the strategic, organizational, and financial goals of the Group. There are also three committees (Compensation and Nomination Committee, Board Committee, and Audit Committee). The Board of Directors has delegated the management of the day-to-day business of the company to the CEO of the Group. The four-person Group Management consists of the CEO, CFO and the Corporate Vice Presidents for Central Europe and Northern/Eastern Europe. The Board Committee advises and supervises Group Management. For every country in which ALSO is active, a Managing Director bears the overall operational responsibility. There are also Senior Vice Presidents who are responsible for the Group-wide functional areas of Supply, Solutions, Logistics, Financial, IT and Digital Services and for Small & Medium Business.

ALSO is represented in 13 countries, which are grouped into two market segments: the Central Europe market segment (Austria, France, Germany, Netherlands, and Switzerland) and the Northern/ Eastern Europe market segment (Denmark, Estonia, Finland, Latvia, Lithuania, Norway, Poland and Sweden). Together, the 13 country companies, and all other companies that are controlled directly or indirectly by ALSO Holding AG, form the ALSO Group.

CORPORATE MANAGEMENT

ALSO uses quantitative and qualitative key figures for the short-, medium- and long-term management of the company. The management focus is on the changes. With regard to qualitative key figures, the focus is on the net promoter score (NPS) as a means of measuring employee and customer satisfaction. ALSO aims to maintain a balanced relationship between growth, profitability and the capital structure. Earnings, growth and capital ratios are therefore used as quantitative key figures.

QUALITATIVE KEY FIGURES

Scientific studies show that there is a strong correlation between corporate success and the NPS. For this reason, a Group-wide survey is conducted once a year. The NPS is an internationally recognized and commonly used performance indicator that measures the willingness of customers and employees to recommend ALSO to others.

Customer satisfaction: Around 17 000 customers were included in the random sample in 2015. The customer feedback is used to systematically optimize the company's services and offers.

Employee satisfaction: The results provide a good basis for deriving specific measures for the continued development of the company.

QUANTITATIVE PERFORMANCE INDICATORS

Profitability: The EBT development compared to the previous year is analyzed. At the same time, benchmark comparisons of the individual ALSO companies are performed.

Growth: The effects of changes in the composition of the business models, the customer and product mix, and the manufacturer development are evaluated. In addition, the sales performance of the individual product categories and manufacturers compared to the market is also assessed.

Capital structure: Cash flow is significantly influenced by changes in net working capital. For this reason, the ALSO management regularly monitors these key figures.

OUR STRATEGY

MORE

The primary goal of the company is to attain sustainable profitable growth. This means that ALSO attains growth that takes into account the capital structure and profitability of the company. These cornerstones define the area of tension of our activities and every decision is aligned thereto.

Within this area of tension we have defined and prioritized four activities:

M for **MAINTAIN** stands for securing the transactional business model, based on which the Service and Solutions business will be further expanded to attain the targeted growth and income goals.

O for **OPTIMIZE** stands for continuous optimization of the processes in the regions. Major leverage is derived from the Profit Improvement Program (PIP) and the Process Optimization Program (POP).

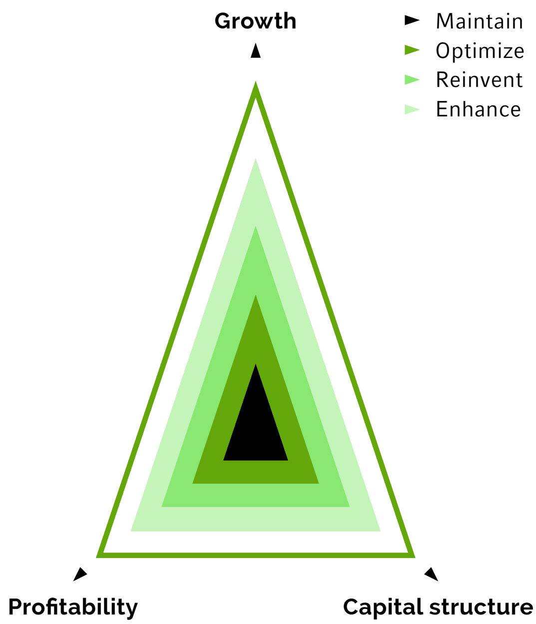
R stands for **REINVENT**. ALSO will continue to achieve growth with the transactional business model at the same time as generating additional growth with the Solutions and Service business models.

E stands of **ENHANCE**. This mainly means expanding our market position by acquisitions in line with the Reinvent goal.

ALSO aligns its activities to markets with long-term growth potential. The goal of the portfolio policy is to attain or hold the first or second market position in all countries. The ALSO Group is represented in 13 countries, in eight of which it is the market leader.

In addition to organic growth, ALSO wants to further strengthen its core business by external acquisitions. In a challenging market environment, the goal is to grow sustainably and profitably and thereby to continuously increase ALSO's value.

THE MORE STRATEGY PROGRAM



The Group strategy is focused on the targeted further development of the alignment of the ALSO Group as it has been to date. Against the backdrop of the broad customer base, the Solutions and Services business models will be further expanded, in order to generate additional growth with higher margins. At the same time, they are an important strategic differentiating criterion in competition.

THE 3S BUSINESS MODELS: SUPPLY, SOLUTIONS, AND SERVICES

The stable and broad customer base of the ALSO Group is a central success factor, which creates additional possibilities for business development. These are based on various business models. They differ in dynamics, entry and exit barriers, margins, OPEX, working capital involved, and not least, the qualifications of the employees. ALSO executed a decoupling of the existing models in order to intensify their development.

NET SALES DEFINITION FOR 3S

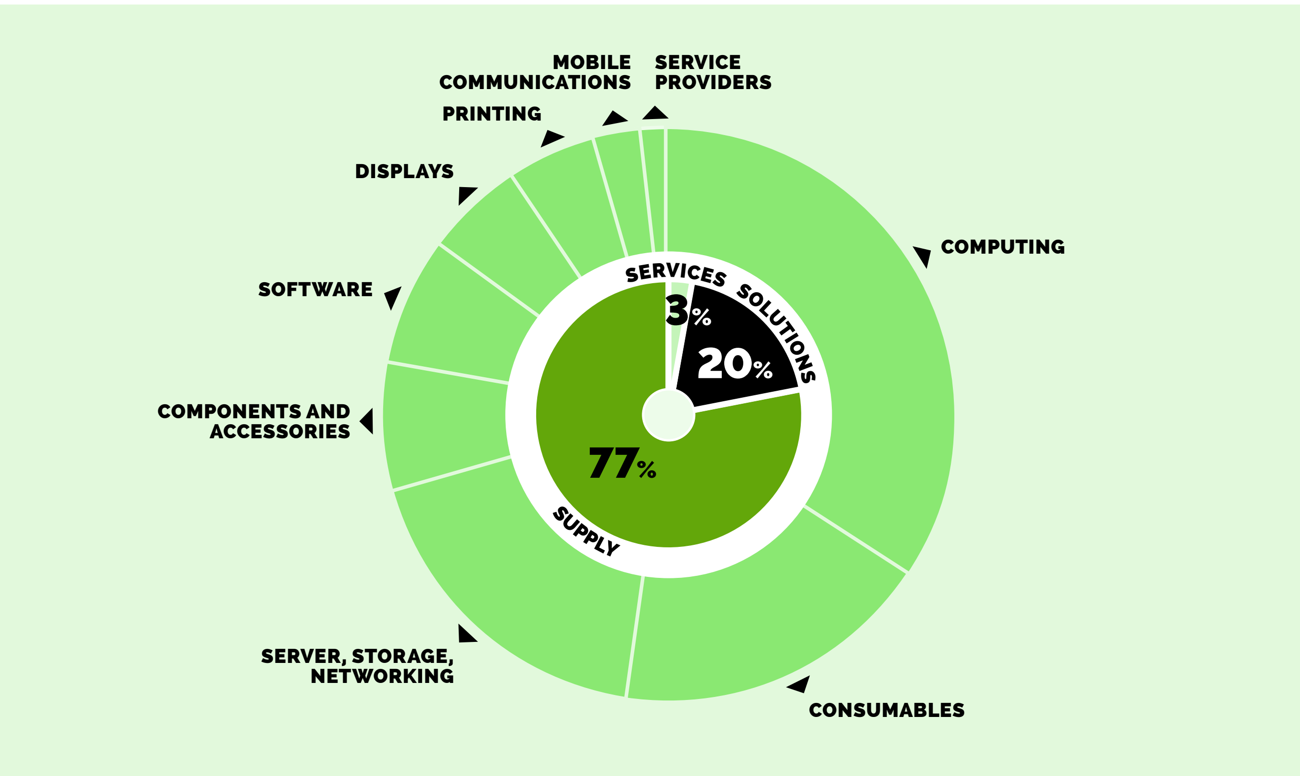
NET SALES DEFINITION FOR SUPPLY

Net Sales in the traditional transactional business model (supply) include business with optimized trading processes and logistics for the IT, consumer electronics and telecommunication sectors. The business model is characterized by a high number and frequency of transactions.

The value proposition for the providers consists of creating a broad range of customers, providing detailed logistics, and managing complexity. For the buyers, it consists of providing a product portfolio, managing detailed logistics, and providing the credit line.

The focus in supply business is the ability to map orders of any size for the reseller rapidly and as simply as possible. ALSO can deliver to its customers – or the customers of these customers

USE OF OFFERS ALONG THE 3S BUSINESS MODELS (IN PERCENT)



– within the same day. Smaller resellers can order products from a portfolio at attractive prices and in any desired quantity. Buyers have 24/7 access to the information in ALSO's webshops about our extensive product offerings and ordering methods. Net sales are recognized at the date when a product is sold.

NET SALES DEFINITION FOR SOLUTIONS

In the solutions sector, net sales include trading business with products that form part of comprehensive solutions. The business model is characterized by consulting services through all project phases. In projects, ALSO provides support on questions of architecture and design, rapidly translates requirements into concrete configurations, and monitors the status of projects.

For the providers, the value proposition includes the broad range of customer and the provision of first-/second-level support. For the buyers, the focus is on configuration, engineering, proof of concept, and provision of the credit line.

Net sales are recognized at the date when a product is sold. Specific types of solutions business include performance tests, optimization of the IT environment, and after-sales support. ALSO offers resellers the opportunity to present products and solutions to their consumers live in the demo center.

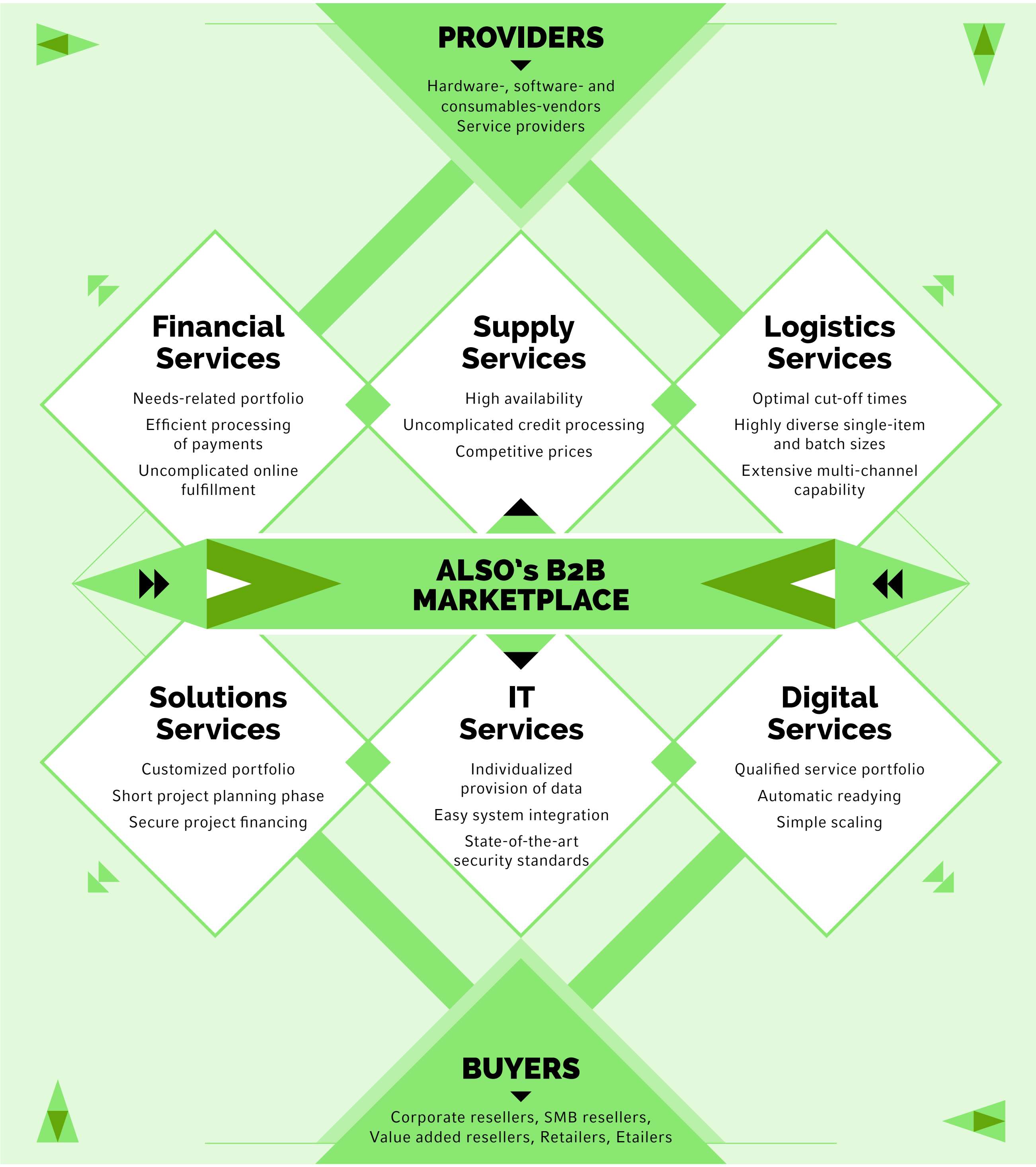
NET SALES DEFINITION FOR SERVICES

Reported net sales at ALSO include diverse business models that encompass outsourcing, engineering and consumptional models:

- Services that are provided by using staff and assets (logistics or IT services). These services are typically of a process engineering nature.
- Services of a brokerage nature, such as financial services or brokerage of mobile phone contracts. These types of business are invoiced as a brokerage commission.
- Services that are bundled with hardware or software components. These may include transactional elements such as reconditioning used hardware and subsequently marketing it. In infrastructure-as-a-service projects, the focus may also be on a consumptional nature.

Net sales are recognized either when the service is performed (brokerage commission) or when the processed product is sold (reconditioning of used hardware) or they are distributed over a period of use (managed print services). Specific types of service business include IT services (ICT services in the areas of recruitment, 2nd-level support and telesales), logistics services (supply chain solutions along the entire value chain) and training.

ALSO's B2B MARKETPLACE



PLATFORMS

FINANCIAL SERVICES

A key function of our Financial platform is to support working-capital financing. We offer credit lines and payment targets to meet specific needs. In addition, for SMB resellers we develop individual financing solutions for larger projects. The ALSO webshop contains offerings for leasing, merchandise credit insurance, and creditworthiness information, which can be called up uncomplicatedly and digitally. All payment transactions with buyers and providers for products and services are executed efficiently.

► **Needs-related portfolio, efficient processing of payments, uncomplicated online fulfillment**

SUPPLY SERVICES

ALSO can deliver to its customers – or the customers of these customers – within the same day. Smaller resellers can order products from us out of a broad portfolio, at attractive prices, and in any desired quantity. ALSO's more than 1 500 sales and product-marketing employees can offer professional support on questions of configuration and project management. Buyers have 24/7 access to the information in our webshops about our extensive product offerings and ordering methods.

► **High availability, uncomplicated credit processing, competitive prices**

LOGISTICS SERVICES

In our pan-European logistics network with almost 300 000 square meters we process up to 14 million packages a year of various sizes, from small USB sticks to large-format printers. We offer B2B and B2C partners access to order tracking. Even complete fulfillment is included in the service offering. A pan-European track-and-trace system enables constant order tracking irrespective of the shipper being used.

► **Optimal cut-off times, highly diverse single-item and batch sizes, extensive multi-channel capability**

SOLUTIONS SERVICES

ALSO maintains daily contact with its buyers and therefore knows their requirements in relation to software, servers, storage, networks, security, and other topics. ALSO offers a solutions portfolio that is exactly aligned to customers' requirements. In projects, ALSO provides support on questions of architecture and design, rapidly translates requirements into concrete configurations, and monitors the status of projects. When managing projects, ALSO draws attention to price and product changes and offers support with proof of concept.

► **Customized portfolio, short project planning phase, secure project financing**

IT SERVICES

ALSO operates its own cloud with a redundant data center where the most recent security standards are applied. In addition to the latest SAP system with HANA technology, ALSO also uses a modern business intelligence system with predictive analytics to promptly detect developments in the market. Our partners process 2.0 billion euros via Electronic Data Interchange (EDI) and 1.2 billion euros through our webshops, trending strongly upwards. To support our customers even better, we use analytical tools for continuous optimization. Buyers can call up their structure data, for example their order data, online at any time.

► **Individualized provision of data, easy system integration, state-of-the-art security standards**

DIGITAL SERVICES

Through the Cloud platform, ALSO connects service providers with resellers and enables them to assemble appropriate cloud solutions for their customers easily and quickly. In its choice of offerings, in addition to well-known cloud services – such as virtual servers and mailboxes – ALSO also includes independent software and service providers. Predefined criteria regulate the inclusion of services in the local cloud service catalog. With only one or two clicks, resellers create their own marketplace and determine the services for their customers, set their selling prices, and submit an offer. The services are automatically made available to the customers. The easy-to-use and intuitive standardized interface, as well as support in the respective national language, enable rapid entry into the cloud business.

► **Qualified service portfolio, automatic readying, simple scaling**

BUSINESS DEVELOPMENT OF THE GROUP

ICT MARKET OVERVIEW

According to the CONTEXT market research institute, net sales in the entire ICT distribution market* in the countries that are relevant for ALSO rose by +4.7 percent compared to the previous year. In the comparable reporting year, ALSO grew by +20.0 percent (Panel +7.0 percent) through targeted development of the telecommunications category and by +13.8 percent (Panel +10.1 percent) in the storage category. In networking, ALSO grew by +13.8 percent, slightly less strongly than the Panel (+14.2 percent).

The CONTEXT Panel posted a decline of –0.6 percent (ALSO –6.2 percent) in the mobile computing category and –4.8 percent (ALSO –9.8 percent) in software & licenses and –6.8 percent (ALSO –13.7 percent) in desktop computing. The sharp decline in software & licenses is because ALSO put more focus on Software-as-a-Service (cloud). These sales figures are not included in the CONTEXT Panel.

* Excluding Baltics and/or Netherlands
** Local Currency

CENTRAL EUROPE MARKET SEGMENT

According to CONTEXT, in the central European countries that are relevant for ALSO, the ICT distribution market* grew by +4.1 percent. In the comparable reporting year, ALSO grew by +12.3 percent in France (Panel +10.7 percent). This gratifying growth is attributable to the increased performance in nearly all categories. The development in Switzerland** of –10.3 percent (Panel –4.4 percent) is the result of persistent cost pressure and the strong Swiss franc. In Germany, –3.5 percent (Panel +0.9 percent) was invested targetedly in projects with higher margins.

NORTHERN/EASTERN EUROPE MARKET SEGMENT

According to CONTEXT, the ICT distribution market* also developed positively in this region (+6.1 percent). By comparison, ALSO's growth was only moderate (+3.7 percent). In Denmark** +8.4 percent (Panel +9.5 percent), in Sweden** +1.5 percent (Panel +15.7 percent) and in Norway** +3.5 percent (Panel +13.6 percent), the focus was less on net sales and more on profitability. The Panel grew in categories in which ALSO is not represented.

DISTRIBUTION MARKET 2015 IN THE COUNTRIES RELEVANT FOR ALSO (NET SALES IN MILLION EUROS)

	B2B		B2C	
HIGHEST VOLUMES	Software & Licenses Mobile Computing Printing Consumables	3 500 2 700 1 970	Mobile Computing Telecommunications Printing Consumables	3 470 2 630 492
SHARPEST FALLS	Software & Licenses Desktop Computing Printing	– 188 – 127 – 62	Mobile Computing Photo & Video Cameras Computing Accessories	– 128 – 16 – 14
STRONGEST GROWTH	Telecommunications Warranties & Services Disk Storage	+247 +156 +131	Disk Storage Displays Printing Consumables	+104 +83 +74

Source: CONTEXT Distribution Panel 2015

BUSINESS DEVELOPMENT OF THE GROUP

In fiscal 2015, the ALSO Group attained excellent business results despite economic challenges and pressure on margins in some regions. Net sales of the ALSO Group improved by 7.7 percent to 7.8 billion euros.

EBITDA increased by 13.0 percent to 140.0 million euros. Profit before taxes (EBT) rose by 10.9 percent from the previous year to 90.8 million euros. Group net profit climbed to 62.9 million euros and thereby exceeded the previous year's level by 3.3 percent. ALSO is reporting another record result.

CENTRAL EUROPE AND NORTHERN/EASTERN EUROPE MARKET SEGMENTS

The company is represented in 13 countries, which are grouped into two market segments: the Central Europe market segment (Austria, France, Germany, Netherlands, and Switzerland) and the Northern/Eastern Europe market segment (Denmark, Estonia, Finland, Latvia, Lithuania, Norway, Poland, and Sweden).

In the Central Europe market segment, ALSO increased its net sales by 7.5 percent from 5 709 million euros in the previous year to 6 140 million euros. This resulted mainly from the stronger performance of Alpha International B.V. in the second half of 2015 and the pleasingly strong growth in France and the Netherlands. Not including non-recurring effects (ALSO Logistics Services GmbH), EBT improved from 67.5 million euros to 86.2 million euros (+27.7 percent). All country companies (with the exception of ALSO in the Netherlands, which is in investment mode) contributed to this improvement.

In the Northern/Eastern Europe market segment, net sales rose by 8.6 percent compared to the previous year, from 1 663 million euros to 1 805 million euros. EBT climbed by 32.5 percent from 15.4 million euros to 20.4 million euros. All countries (with the exception of Poland, which is currently under development) contributed to this positive development.

NET SALES, EBT, AND MARGIN BY MARKET SEGMENT (IN MILLION EUROS)

		CENTRAL EUROPE[1]		NORTHERN/EASTERN EUROPE[2]	
EBT	2015	78.1[3]	+11.6 %	20.4	+32.5 %
	2014	70.0[3]		15.4	
EBT MARGIN	2015	1.3	+8.3 %	1.1	+22.2 %
	2014	1.2		0.9	
NET SALES	2015	6 140	+7.5 %	1 805	+8.6 %
	2014	5 709		1 663	

1) Germany, France, Netherlands, Austria, Switzerland
2) Denmark, Estonia, Finland, Latvia, Lithuania, Norway, Poland, Sweden
3) EBT with non-recurring effects ALSO Logistics Services GmbH, Augsburg

INVESTMENTS AND ACQUISITIONS

INVESTMENTS

Investments in property, plant and equipment and intangible assets amounted to around 13.8 million euros in 2015 (previous year: 12.0 million euros). These funds were used for the ongoing development of the IT and logistics infrastructure in particular. The ratio of investments to EBITDA was 9.8 percent (previous year: 9.7 percent).

The investments will make a key contribution to achieving the ambitious growth targets. ALSO will continue its investment policy moving ahead as well. The opening of a new warehouse location in Finland is planned for 2016. This warehouse will allow ALSO Finland to serve customer needs even more flexibly. The construction of the warehouse building was begun by an external partner in 2015. Including Finland, total investments of around 20 million euro are planned for 2016.

ACQUISITIONS

The funds used for acquisitions amounted to around 11.3 million euros in 2015 and related almost exclusively to the acquisition of the PC Factory Group, Poland, which ALSO completed at the end of 2015. The company has been operating on the IT market since 2001 and sells hardware, software, and solutions from renowned manufacturers. In addition, the group provides extensive warehousing, logistics, e-commerce, and merchandising services. In acquiring its broad customer base and the existing supplier agreements, the company intends to increase the competitive capability of ALSO Polska and to enter the market even faster.

The logistics activities acquired in 2014 from the insolvency estate of Weltbild resulted in losses of around 12.6 million euros for the ALSO Group in 2015. It proved impossible to implement the headcount reductions as planned. Coupled with this, sales were in decline. In light of its cost structure, the company was thus unable to operate competitively on the market without extensive restructuring. The ALSO Group therefore resolved on July 27, 2015 to discontinue further financing of current business. The management of ALSO Logistics Services GmbH then filed for insolvency under self-administration. The self-administration team submitted a restructuring plan to secure the site and 150 jobs for a competitive cost structure. The restructuring plan was rejected by the employees' representatives. ALSO Logistics Services GmbH, Augsburg, therefore entered ordinary insolvency proceedings that opened as of October 1, 2015. An insolvency administrator has been appointed to manage further procedure. ALSO Mobility Services GmbH remains the owner of the property.

ALSO is still striving to support the ambitious growth targets with value-adding acquisitions. The focus is on acquisitions of service activities that can be scaled up based on the ALSO platform, and on acquisitions on European growth markets to expand the

INVESTMENTS AND ACQUISITIONS IN BRIEF

EUR 1 000	2015	2014	2013
INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	**13751**	**11965**	**9002**
Thereof in land and buildings	854	2016	528
Thereof in warehouse equipment	5432	1087	1496
Thereof in other property, plant and equipment	4061	3512	4142
Thereof in intangible assets	3404	5350	2836
Investments as a percentage of EBITDA	9.8 %	9.7 %	7.9 %
ACQUISITIONS	**11346**	**62308**	**2320**
ALSO Polska sp. z o.o., Warsaw, Poland	10914	–	–
Others	432	–	–
TOTAL INVESTMENTS AND ACQUISITIONS	**25097**	**74273**	**11322**

ALSO platform. Options on developed European markets, where ALSO is not represented, are also being considered to expand the platform.

The investments and acquisitions of the ALSO Group were guided by the MORE strategy.

2015

MAINTAIN
- SAP launched at Alpha International B.V.
- Warehouse equipment
- Data center and client exchange

OPTIMIZE
- ALSO webshop
- Customer Relationship Management (CRM)
- Virtualization
- Microsoft Navision as an ERP system for small companies
- Finland warehouse

REINVENT
- Connection of cloud services to reseller IT software
- Establishment of services (e.g. MyDelivery web tool or a new system for network marketing)

ENHANCE
- PC Factory Group, Poland

2016

MAINTAIN
- SAP launched at ALSO Switzerland and Poland
- Ongoing development of Business Intelligence (BI)
- Maintenance investments in warehousing and IT infrastructure

OPTIMIZE
- Finland warehouse

REINVENT
- Hardware for Managed Print Services
- Investments in warehouses for Logistic Services

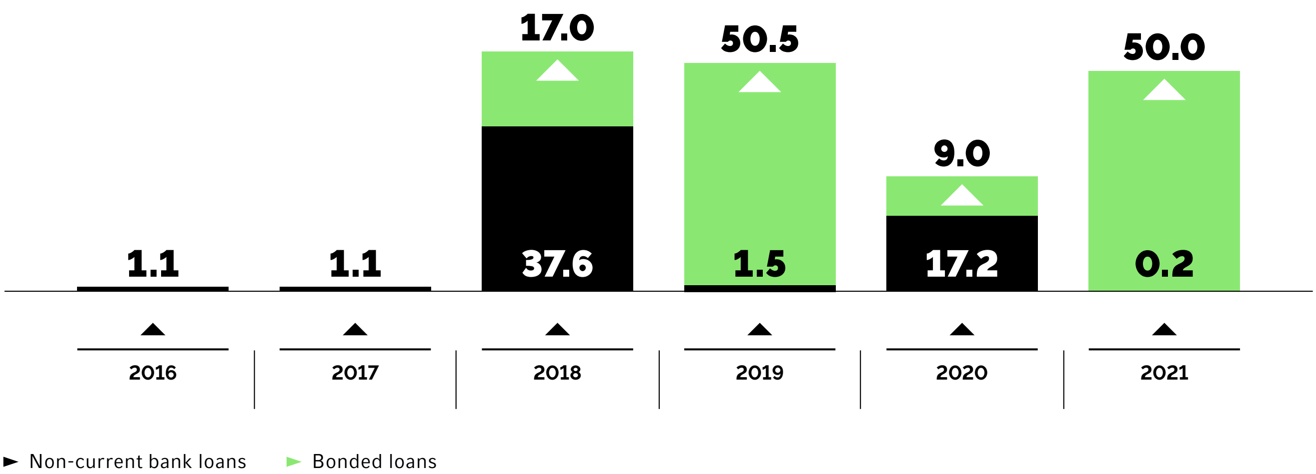
SOLID FINANCING STRUCTURE

The main task of ALSO's finance division is to provide the necessary liquidity for financing the company's operating business on the condition of securing the capital structure. It aims to finance the required maturities at the best possible conditions. As a result of the transactional business, the majority of financing requirements are short-term. Owing to seasonal effects, working capital is subject to short-term fluctuations. The necessary cash is obtained mainly by selling existing receivables to factoring companies. This is supplemented by bank lines of credit that are available at short notice. In addition, ALSO substantially increased the proportion of long-term financing by placing bonded loans in the capital market. In order to minimize risk, attention was paid here to obtaining a broadly diversified term structure at favorable financing conditions and factoring was reduced accordingly.

Following the successful reorganization of factoring transactions in Scandinavia at the end of 2014, working capital financing in the largest operation in Germany was optimized in the reporting year. A high-volume factoring transaction was terminated. The company is now financing itself more flexibly and at more favorable rates with a combination of smaller transactions.

In 2015, ALSO Holding further increased its financial flexibility, as well as improving the refinancing costs and maturity structure of the financial debt, in order to support future growth. In view of the still historically low interest rates, the Group has used this favorable point in time to further develop its financing on the capital market by optimizing the variable-rate portion of the bonded loan transaction. More favorable conditions were achieved, as well as extended terms in some cases, resulting in a better distribution of the maturity structure over the years 2018 to 2021.

MATURITY PROFILE (IN MILLION EUROS)



CONSOLIDATED STATEMENT OF CASH FLOWS

The higher consolidated net profit in 2015 again resulted in a significant increase in cash flow from operating activities before changes in net working capital of 8.9 percent and amounted to around 96.1 million euros. It is available to ALSO for its operational and strategic further development and can be regarded as sustainable cash.

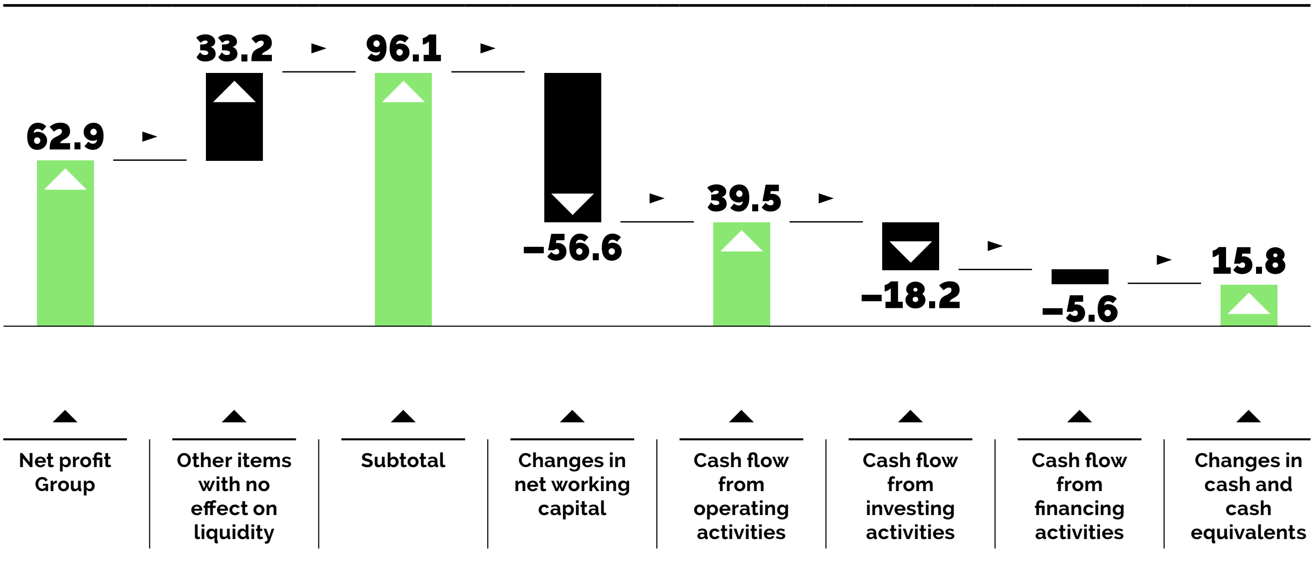
The amount of the change in net working capital is strongly dependent on seasonal effects and the timing of customer sales and payments, and fluctuates between periods. Reduced sales of customer receivables normally result in a negative cash flow from the change in net working capital. After deducting the change in net working capital of 56.6 million euros, the remaining cash flow from operating activities amounted to 39.5 million euros. The cash flow from the increase in inventories was −48.4 million euros. The increase in inventories as against the previous year was as a result of leveraging market opportunities. The changes in trade receivables and payables offset each other. The remaining effect resulted from net other items.

The cash flow was further reduced by investments in property, plant and equipment, and acquisitions, in the amount of 18.2 million euros. This included part of the purchase price payment from the acquisition of the PC Factory Group.

In the cash flow from financing activities (−5.6 million euros), there were negative cash flows from the distribution to the shareholders of 19.3 million euros and positive cash flows from net borrowing of loans in the amount of 13.7 million euros.

With cash and cash equivalents of 40.0 million euros, receivables collectible at short notice with factoring companies of 61.3 million euros, and bank credits available at short notice of 321 million euros, the ALSO Group has a high level of available liquidity.

CONSOLIDATED STATEMENT OF CASH FLOWS (IN MILLION EUROS)



OUTLOOK

ECONOMIC SITUATION

The economic outlook issued by UBS Research shows that the economy in the euro zone will continue its moderate recovery in 2016. According to the latest forecast, the gross domestic product (GDP) of the 19 euro-zone countries will rise by just 1.8 percent (2015: 1.5 percent). Initial estimates indicate that domestic demand will contribute to growth throughout the monetary union, although in contrast to previous upturns corporate investment will still be characterized by restraint. The low oil price, the weak euro exchange rate and the considerably less restrictive fiscal policy could also contribute to a sustainable, stronger economy. In some euro-zone countries, the economy will also be buoyed by the stable situation on the labor market. Private consumer spending is consequently expected to grow further, as private households' income will probably see a further noticeable increase.

At the same time, the uncertainties in relation the economic outlook do not seem to be decreasing to any significant extent. The risks include higher volatility on the financial markets, triggered by the normalization of US monetary policy, and a more pronounced slowdown in global trade in emerging markets. With regard to global GDP, UBS Research forecasts growth of 3.3 percent (previous year: 3.1 percent). This trend will initially continue in 2017: estimates by UBS Research indicate slight GDP growth of 0.1 percentage points to 3.4 percent.

MARKET OUTLOOK

For the ICT market in the ALSO countries*, the Gartner market research institute forecasts a decline in end-user spending of 0.6 percent.

DEVICES

In the Devices sector, Gartner anticipates a 4.8 percent decrease in end-user spending. A decline of 9.1 percent is forecasted in the PCs and tablets subsegment. ALSO expects that sales of PCs will probably continue to be negatively impacted by the growing lack of replacement purchases and by high inventories. The effects of exchange rate fluctuations can also be expected to curb demand further. Extensions of useful lives have taken effect for PCs and various tablets in the past and are now also expected to impact the mobile phones subsegment, where a 1.8 percent decline is forecast. Spending on printers is expected to decrease by 3.1 percent.

SOFTWARE

According to Gartner's forecasts, the software sector will post moderate growth of 4.4 percent. In the enterprise application software subsegment (+5.1 percent), customer relationship management (CRM) is expected to be a growth driver, followed by enterprise resource planning (ERP) and other application software. In the infrastructure software subsegment, the forecast growth of 3.8 percent will be supported by database management

* Austria, Denmark, Finland, France, Germany, Netherlands, Norway, Poland, Sweden, Switzerland; excl. Baltics

DEVELOPMENT OF END-USER SPENDING ON IT BY SEGMENT (IN PERCENT)

	2015	2016
Devices	−3.0 %	−4.8 %
Data center systems	+11.2 %	−0.2 %
Software	+5.0 %	+4.4 %
IT services	+2.4 %	+2.3 %
Communications services	−1.9 %	−3.2 %
TOTAL	**+0.7 %**	**−0.6 %**

Chart created by ALSO based on Gartner Research, Source: Gartner, Inc., Gartner Market Databook, 4Q15 Update
Analysts: Ken Newbury, Kathryn Hale, George Shiffler III, Steve Cramoysan, Ranjit Atwal, Colleen Graham, Adrian O'Connell, publication date: December 22, 2015
Figures were converted from USD to EUR based on the conversion rate as of January 5, 2016.

systems. ALSO assumes that the market will continue to be characterized by the positive effects of new trends in 2016: digital business, bimodal IT and software-defined infrastructure, cloud provision, and open source. Growing acceptance of cloud services is expected to further cannibalize the market for traditional on-premise software. Other factors that will contribute to the development in this sector include software for IT operations and for application infrastructure and middleware.

DATA CENTER SYSTEMS

End-user spending on data center systems is expected to fall by 0.2 percent. Gartner forecasts decreases of 1.0 percent for the server subsegment and 8.2 percent for the external controller-based storage subsegment. Based on the Gartner report, this decline in sales will be partly offset by enterprise network equipment (+4.1 percent) and unified communications (+2.9 percent). Enterprise networking equipment benefited from high demand for network updates last year and this development will continue in a less pronounced form in 2016. In the case of unified communications, the anticipated growth will be driven by sales increases in web conferencing services and investments in cloud telephony.

IT SERVICES

Gartner forecasts growth of 2.3 percent in the IT services sector. In the subsegments, a 2.6 percent increase in business IT services and a 1.0 percent increase in IT product support are anticipated. Gartner estimates that the growth drivers in the business IT services category will be firstly infrastructure-as-a-service (IaaS) and secondly technology consulting and application software. Growth in IT product support will be driven by both application and infrastructure software support. In general, demand for cloud services will continue to pick up momentum, as a growing number of companies are deciding to host their own applications in the public cloud on the basis of IaaS or under contracts with managed service providers on the basis of IaaS. Business consulting and data center services will also act as growth drivers in this sector.

COMMUNICATIONS SERVICES

Overall, the communications services segment is expected to post a decline of 3.2 percent. In general, sales declines are forecast in all subsegments: consumer mobile services (−1.9 percent), consumer fixed services (−5.0 percent), enterprise fixed services (−3.9 percent) and enterprise mobile services (−3.2 percent). Gartner estimates that the decline in the consumer segment will be caused by increased pricing pressure in fixed network services. Sales from mobile services and enterprise fixed voice are also expected to decrease.

The anticipated decline in sales in 2016 in the categories of devices, data center systems, and communications services will probably be partly offset by increased spending on software and IT services.

Disclaimer: The actual development, particularly of the financial situation and profit, may differ from the statements and assessments made here. ALSO undertakes no obligation to update these forward-looking statements and assessments. The reports (“Gartner Report(s)”) published by Gartner that are reproduced here are data, or analysts’ opinions or views, which Gartner, Inc. (“Gartner”) publishes within the framework of a service subscription and not actual facts. All Gartner Reports relate to the original date of their publication (and not to the date of this publication). The views expressed in the Gartner Reports may change without notice.

ALSO OUTLOOK

The implementation of the MORE strategy will remain a key focus in 2016. ALSO intends to expand its solutions and services business further in order to gain additional customers and access new markets with convincing market services. In line with the strategy, the ALSO Group will continue to consider possible acquisitions in the three business models of supply, services, and solutions. There will also be a focus on expanding the service range and product portfolio in the field of cloud computing and SMB. At the same time, the Profit Improvement Program (PIP) and the Process Optimization Program (POP) are expected to contribute to a continuous increase in profitability.

Despite continuing uncertainties with regard to the economic conditions, the management is confident that the targeted measures will take full effect. In this context, ALSO currently expects to be able to generate an attractive return in the future, too.

STATUS IN 2015

MAINTAIN
- Integration Alpha International B.V.
- ERP harmonization of Alpha International B.V.

OPTIMIZE
- Process Optimization Program (POP)
- Profit Improvement Program (PIP)
- Introduction of "Supplies" Center of Competence
- Webshop optimization

REINVENT
- Expansion of digital services: Microsoft CSP and regional cooperation agreements

ENHANCE
- Establishment of ALSO Poland
- Opening of sales office in Belgium
- Acquisition of PC Factory Group

OUTLOOK FOR 2016

MAINTAIN
- Integration PC Factory Group in ALSO Poland
- ERP harmonization of ALSO Poland and ALSO Switzerland

OPTIMIZE
- Process Optimization Program (POP)
- Profit Improvement Program (PIP)
- Center of Competence
- Further development of online platforms
- Optimization of SMB customer mix

REINVENT
- Expansion of digital services: Extension of cloud service catalog (ISV) and other regional operations

ENHANCE
- Expansion of market position through further acquisitions

Disclaimer: This Annual Report contains forward-looking statements which are based on current assumptions and forecasts of the ALSO management. Known and unknown risks, uncertainties, and other factors could lead to material differences between the forward-looking statements made here and the actual development, in particular the results, financial situation, and performance of the Group. The Group accepts no responsibility for updating these forward-looking statements or adapting them to future events or developments.

2
CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

This Corporate Governance Report contains the information that is stipulated by the Directive on Information Relating to Corporate Governance of the SIX Swiss Exchange and follows its structure.

In fiscal year 2015, ALSO completed the implementation of the Ordinance Against Excessive Compensation in Listed Companies (VegüV) and, to this end, decided to amend its Articles of Association at the Annual General Meeting of March 12, 2015. Implementation of the ordinance also affects the corporate governance of the company and the information that is contained in this report.

1. GROUP STRUCTURE AND SHAREHOLDERS

1.1 GROUP STRUCTURE

ALSO Holding AG is the parent company of the ALSO Group, which directly or indirectly holds all other Group companies and associates. The shares of ALSO Holding AG have been listed on SIX Swiss Exchange since 1986 (symbol: ALSN, valor symbol: 2 459 027, ISIN: CH0024590272). The market capitalization of the ALSO Group amounted to CHF 884 million as of December 31, 2015.

Please ► see page 138 of the annual report for the list of the Group's subsidiaries and equity investments.

The ALSO Group has streamlined and efficient management structures at all levels. The operational Group structure as of December 31, 2015 is as follows: The Board of Directors of ALSO Holding AG is responsible for the highest level of management ► see also section 3 of this report. It defines the strategic, organizational, and financial goals of the Group. There are also three committees (Compensation and Nomination Committee, Board Committee, and Audit Committee; ► see also section 3.4.2 of this report).

In addition to the Board of Directors, there is a four-person Group Management consisting of the CEO, CFO and the Corporate Vice Presidents for Central Europe and Northern/Eastern Europe ► see also section 4 of this report. The Board of Directors has delegated the management of the day-to-day business of the company to the CEO of the Group. The Board Committee advises and supervises Group Management.

For every country in which ALSO is active, a Managing Director bears the overall operational responsibility. There are also Senior Vice Presidents who are responsible for the Group-wide functional areas of Supply, Solutions, Logistics, Financial, IT and Digital Services and for Small & Medium Business.

1.2 SIGNIFICANT SHAREHOLDERS

SIGNIFICANT SHAREHOLDERS

	12.31.2015	12.31.2014
Special Distribution Holding GmbH, Dusseldorf (Germany)*/**	51.30 %	51.30 %
Schindler Pars International Ltd., Hergiswil (Switzerland)**/***	27.97 %	28.23 %
Bestinver Gestion, S.G.I.I.C. S.A., Madrid (Spain)	5.97 %	5.83 %
LB(Swiss) Investment AG, Zurich (Switzerland)	3.18 %	****
SaraSelect, c/o J. Safra Sarasin Investmentfonds AG, Basel (Switzerland)	3.00 %	3.00 %

Source: Share register as of December 31, 2015 (without nominees)
* Controlling shareholder: Walter P.J. Droege through Droege International Group AG
** Act together as group of shareholders
*** Held 100 percent by Schindler Holding AG
**** Voting rights below the notifiable threshold value of three percent

Notifications made during the fiscal year in accordance with Art. 20 of the Swiss Stock Exchanges and Securities Trading Act can be viewed using the following link:

► https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html

As regards the value of the percentage voting rights shown, it should be noted that any changes in the percentage voting rights between the notifiable threshold values are not subject to disclosure requirements.

1.3
CROSS-SHAREHOLDINGS

ALSO Holding AG has no cross-shareholdings exceeding 5 percent in any company outside the ALSO Group.

2.
CAPITAL STRUCTURE

2.1
ORDINARY SHARE CAPITAL

The ordinary share capital amounts to CHF 12 848 962 as of December 31, 2015. It consists of 12 848 962 fully paid-up registered shares with a nominal value of CHF 1.00 per share. Subject to Art. 5 of the Articles of Association, each registered share entitles the shareholder to one vote as well as to a proportionate share of the available earnings and liquidation proceeds.

The company has issued neither participation certificates nor shares with preferential rights.

The company has not issued any profit-sharing certificates.

2.2
AUTHORIZED AND CONDITIONAL SHARE CAPITAL

The company has authorized share capital and conditional share capital of CHF 2 500 000 each as of December 31, 2015. Capital increases from authorized and conditional share capital are mutually restrictive, i.e. the total number of new shares resulting from the authorized and conditional share capital together in accordance with Art. 2a and 2b of the Articles of Association may not exceed 2 500 000 shares. The proportion of new shares assigned to each of the two categories is stipulated by the Board of Directors. The newly issued shares are subject to the restrictions set out in Art. 5 of the Articles of Association.

The Articles of Association containing the precise wording of the texts relating to authorized and conditional share capital, specifically details regarding the beneficiaries and the conditions and forms of issue, can be downloaded as a .pdf document at ► www.also.com/goto/articlesofassociation.

2.3
CHANGES IN CAPITAL DURING THE LAST THREE YEARS

There were no changes in share capital in the last three years.

2.4
LIMITATIONS ON TRANSFERABILITY AND NOMINEE REGISTRATIONS

In accordance with Art. 5 of the Articles of Association, the Board of Directors may refuse to register an acquirer of shares as a full shareholder (i.e. as a shareholder with voting rights) unless the acquirer expressly declares that they have acquired the shares in their own name and on their own account.

The Articles of Association do not contain any specific rules regarding the registration of nominees in the share register.

2.5
CONVERTIBLE BONDS AND OPTIONS

ALSO Holding AG had not issued any convertible bonds or options as of December 31, 2015.

3.
BOARD OF DIRECTORS

3.1
MEMBERS OF THE BOARD OF DIRECTORS, ACTIVITIES, AND VESTED INTERESTS

The Board of Directors, which according to the Articles of Association may have a maximum of eight members, currently has seven members. Except for Prof. Dr. Ing. Gustavo Möller-Hergt, who has been a member of Group Management since 2011, and a member and Chairman of the Board of Directors since March 13, 2014, the Board of Directors is composed of non-executive members.

None of the members of the Board of Directors, with the exception of Prof. Dr. Ing. Gustavo Möller-Hergt, has been a member of the Group Management of ALSO Holding AG or a subsidiary of the ALSO Group in the three fiscal years preceding the year under review.

Walter P.J. Droege is the majority shareholder of Droege International Group AG (the Droege Group). Please ► see section 6.6 on page 140 of the annual report for details of the business relationships between the ALSO Group and the Droege Group. There are no other material business relationships between the members of the Board of Directors and ALSO Holding AG.

BOARD OF DIRECTORS

Name	Nationality	Position	Since
Prof. Dr. Ing. Gustavo Möller-Hergt	DE	Chairman	2014
Walter P.J. Droege	DE	Vice Chairman	2011
Prof. Dr. Rudolf Marty	CH	Member	1993
Prof. Dr. Karl Hofstetter	CH	Member	1996
Frank Tanski	DE	Member	2011
Prof. Dr. Peter Athanas	CH	Member	2014
Dr. Olaf Berlien	DE	Member	2014

As of December 31, 2015

3.2 NUMBER OF PERMISSIBLE ACTIVITIES

According to Art. 24 of the Articles of Association, a member of the Board of Directors may exercise a maximum of ten additional activities as a member of the highest management or directorial body of other legal entities that are entered in the Commercial Register, or required by Art. 12 of VegüV to be so entered, and are not controlled by the company. The Board of Directors shall ensure that such activities do not conflict with the exercise of duties to the ALSO Group. Functions in various legal entities that are under joint control, or in entities in which this legal entity has a material interest, are counted as one function.

3.3 ELECTION AND TERM OF OFFICE

The members of the Board of Directors are elected individually by the Annual General Meeting for a term of office of one year and can be re-elected. The Chairman of the Board of Directors is also elected by the Annual General Meeting for a period of office of one year. There is no limit on the term in office.

The Board of Directors has decided that, as a rule, members should retire at the Annual General Meeting held to approve the Annual Report for the fiscal year in which they reach the age of 70. In exceptional cases, the Board of Directors may decide to waive this rule.

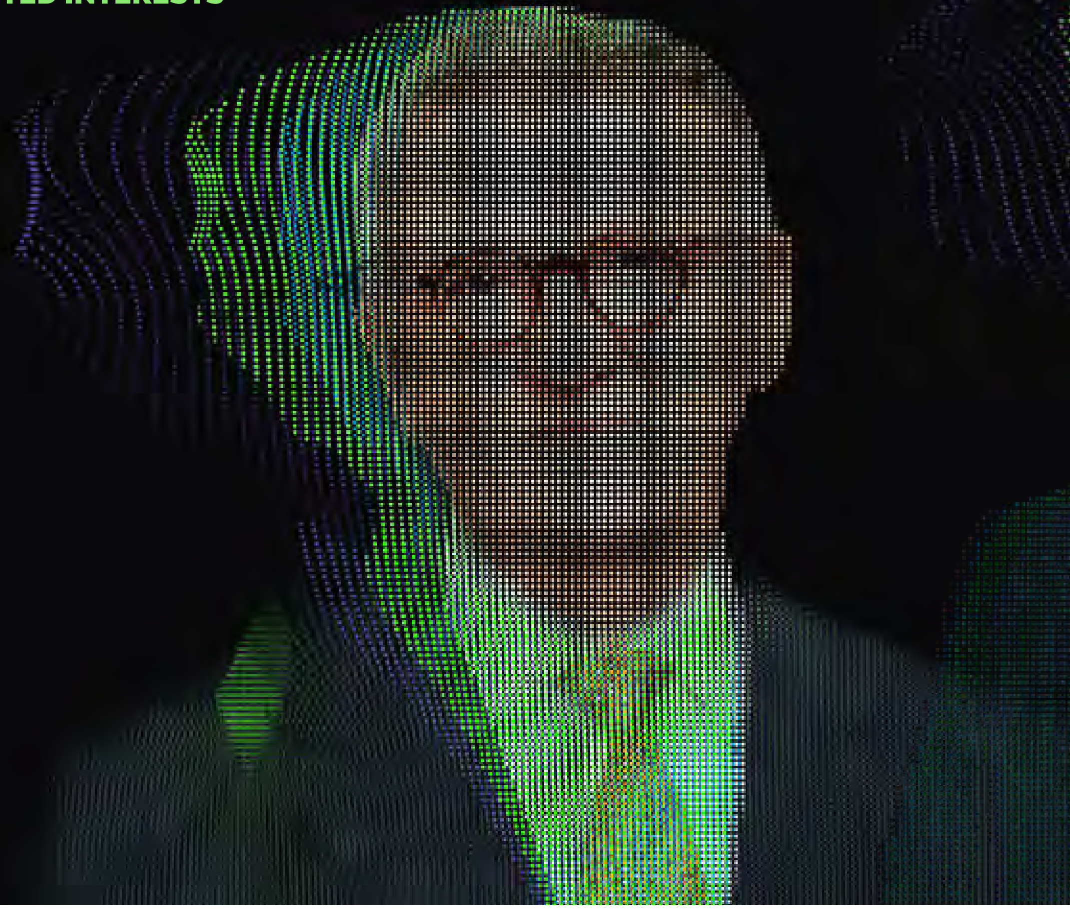
3.4 INTERNAL ORGANIZATION

3.4.1 DIVISION OF ROLES WITHIN THE BOARD OF DIRECTORS AND WORKING METHODS

The Board of Directors represents ALSO Holding AG towards third parties. It can delegate the representation powers to one or more of its members or to third parties. The Chairman convenes meetings of the Board of Directors as often as the Group's business requires, but at least four times a year. The Chairman prepares the meetings, chairs them, and draws up their agenda. The Vice Chairman deputies for the Chairman. Any member of the Board can ask for a meeting to be convened and for the inclusion of an item on the agenda.

MEMBERS OF THE BOARD OF DIRECTORS

ACTIVITIES, AND VESTED INTERESTS



WALTER P.J. DROEGE

Member and Vice Chairman of the Board of Directors of ALSO Holding AG since 2011 and Chairman of the Board Committee. **CAREER MILESTONES** Founder and sole director of Droege International Group AG, Dusseldorf, Germany, which is wholly owned by the Walter P.J. Droege family. **EDUCATION** Diploma in Business Management **OTHER ACTIVITIES AND VESTED INTERESTS** Member of the supervisory boards, CEO or member of the advisory boards of various subsidiaries within the Droege International Group AG; member of the Advisory Board of Deutsche Bank, Dusseldorf, Germany; member of the Advisory Board of HSBC Trinkaus & Burkhardt AG, Dusseldorf, Germany; Vice Chairman of the Supervisory Board of Trenkwalder International AG and of Trenkwalder Beteiligungs GmbH, both of Vienna, Austria; member of the Advisory Board of Weltbild Holding GmbH, Augsburg, Germany; member of the Supervisory Board of the METRIC mobility solutions AG, Hannover, Germany, since May 2015.

PROF. DR. PETER ATHANAS

▼

Member of the Board of Directors of ALSO Holding AG since 2014 and Chairman of the Compensation and Nomination Committee. **CAREER MILESTONES** ► CEO of pa impact GmbH, Baden, Switzerland. Before Senior Executive Vice President Corporate Development of Schindler Holding AG. Member of the Board of Directors and of the Executive Committee of the Board of the Schindler Group. Chairman of the Board of Directors and CEO of Ernst & Young Switzerland, member of the Global Executive Board and member of the Global Management Group. Partner in the Arthur Andersen organization, CEO of Arthur Andersen Switzerland, and member of the Global Board. **EDUCATION** ► Master in Law and Economics and PhD in Economics from the University of St. Gallen, Switzerland. **OTHER ACTIVITIES AND VESTED INTERESTS** ► Member of the Board of Cembra Money Bank Ltd, Zurich, Switzerland; member of the Board of Directors of Blackrock Asset Management Schweiz AG, Switzerland; member of the Board of the Institute of Public Finance and Fiscal Law of the University of St. Gallen, Switzerland, a council member of the Foundation for the Promotion of Studies for the Master in Law and Economics of the University of St. Gallen, Switzerland, and Curator of the Werner Siemens-Foundation, Zug, Switzerland. Professor of National and International Tax Law at the University of St. Gallen, Switzerland. Member of the Foundation Board of the Swiss Study Foundation, Zurich, Switzerland. Advisory role at Schindler Holding AG, Hergiswil, Switzerland.

PROF. DR. RUDOLF MARTY

▼

Member of the Board of Directors of ALSO Holding AG since 1993 and Chairman of the Audit Committee. **CAREER MILESTONES** ► Chairman and majority shareholder of Advexo AG, Lucerne, Switzerland. Previously Managing Partner of itopia AG – corporate information technology, Zurich, Switzerland. After his studies Head of Applications Development and Head of the IT Research Laboratory of Union Bank of Switzerland (UBS), Zurich, Switzerland. **EDUCATION** ► MBA and Doctorate in Information Technology, Zurich University, Switzerland. **OTHER ACTIVITIES AND VESTED INTERESTS** ► Chairman of the Gebert Rüf Stiftung, Zurich and Basel, Switzerland.

DR. OLAF BERLIEN

▼

Member of the Board of Directors of ALSO Holding AG since 2014. **CAREER MILESTONES** ► Since January 2015 Chairman of the Managing Board and Chief Officer of OSRAM Licht AG, Munich, Germany. He previously held various executive and managerial positions with M+W Group GmbH, Stuttgart, Germany; ThyssenKrupp AG, Essen, Germany; Carl Zeiss AG, Oberkochen, Germany; and IBM, Germany. **EDUCATION** ► Studies in business administration at the Technical University Berlin, Germany, and a doctorate in economics. **OTHER ACTIVITIES AND VESTED INTERESTS** ► Chairman of the Supervisory Board of OSRAM Opto Semiconductors GmbH, Regensburg, Germany, since January 2015; Member of the Supervisory Board of Droege International Group AG, Dusseldorf, Germany, since June 2015; Member of the Advisory Board of Diehl Stiftung & Co. KG, Nürnberg, Germany.

PROF. DR. KARL HOFSTETTER

▼

Member of the Board of Directors of ALSO Holding AG since 1996. **CAREER MILESTONES** ► Group General Counsel of the Schindler Group. For many years a member of the Executive Committee of Schindler Holding AG, Hergiswil, Switzerland. **EDUCATION** ► Studies in law and economics at the universities of Zurich (Switzerland), Stanford, UCLA, and Harvard (all USA). Licensed attorney in Zurich and New York, professor of private and commercial law at the University of Zurich. **OTHER ACTIVITIES AND VESTED INTERESTS** ► Member of the Board of Directors of Schindler Holding AG, Hergiswil, Switzerland. Member of the Board of Directors of Venture Incubator AG, Zug, Switzerland; and Chairman of the Board of Trustees of the Kuoni and Hugentobler Foundation, Zurich, Switzerland. Member of the Board of Trustees of Stichting INPAR, Amsterdam, the Netherlands. Also Member of the Board of SwissHoldings (the Federation of Industrial and Service Groups in Switzerland). Member of the University Council of the University of Lucerne, Switzerland; of the Commission of Experts on Disclosure of the SIX Swiss Exchange; Chairman of the Advisory Committee of the "Program on Comparative Corporate Law, Governance, and Finance" at Harvard Law School, Boston, USA.

FRANK TANSKI

▼

Member of the Board of Directors of ALSO Holding AG since 2011. **CAREER MILESTONES** ► Managing Director of Droege Capital GmbH and of Special Distribution Holding GmbH, Dusseldorf, Germany. Previously held a managerial position with a large bank in Germany. **EDUCATION** ► Diploma in Business Management.

PROF. DR. ING. GUSTAVO MÖLLER-HERGT

▼

Member of the Board of Directors of ALSO Holding AG and Chairman since 2014. Chief Executive Officer of the ALSO Group and since 2011 a member of the Group Management. **CAREER MILESTONES** ► Chief Operating Officer of the ALSO Group; previously Chief Representative of the Droege Group. CEO and Chief Representative and before in various positions with the Warsteiner Group. Member of the Supervisory Board of SIAC in Douala, Cameroon. Chairman of the Supervisory Board of CASA Isenbeck in Buenos Aires, Argentina. **EDUCATION** ► Diploma in Engineering from the Technical University, Munich, Germany, and graduate of Harvard Business School, Boston, USA. Doctorate from the Technical University, Berlin, Germany, where he lectures on operations management. **OTHER ACTIVITIES AND VESTED INTERESTS** ► Member of the Advisory Board of Deutsche Bank, Dusseldorf, Germany, and of the Board of Trustees of the Bamberg Symphony Orchestra, Bamberg, Germany.

3.4.2
COMMITTEES

The Board of Directors may delegate the preparation and execution of its decisions to committees or to its individual members. The Board of Directors has appointed three standing committees: the Board Committee (BC), the Audit Committee, and the Compensation and Nomination Committee.

For each of the committees, the Board of Directors elects a Chairman from the members of the Board of Directors. The period of office of all committee members is one year. The Board of Directors can dismiss any member of a committee at any time, except for the members of the Compensation and Nomination Committee, whose election and dismissal lie within the competence of the Annual General Meeting.

3.4.2.1
BOARD COMMITTEE (BC)

The Board of Directors appoints a standing BC from among its members. Normally, the BC consists of three members of the Board of Directors who have solid knowledge and extensive experience in the wholesale, financial, corporate governance, and risk control areas.

The BC assists and supports the Board of Directors in the management of the ALSO Group at senior level and in the supervision of the individuals entrusted with running these companies.

The BC reports to the Board of Directors. The Chairman of the BC informs the Board of Directors about the BC's work and decisions at each ordinary board meeting. Exceptional events of major significance are communicated immediately to all members of the Board of Directors.

The BC has the following duties and responsibilities:

- Monitoring implementation of the Group strategy by Group Management
- Preparation and monitoring of Board of Directors decisions regarding investments, mergers and acquisitions, and other significant projects and transactions carried out by the ALSO Group
- Ensuring supervision of the individuals entrusted with the executive management where this function is not performed by the Audit Committee
- Assessments and proposals to the Board of Directors regarding potential capital increases or decreases and the issue of bonds by the company
- Assessments and proposals to the Board of Directors regarding notification of the legal authorities in the event of over-indebtedness
- Reaching decisions on the necessity and the scope of financial restructuring of ALSO companies
- Reaching decisions on significant increases or decreases in the share capital of ALSO companies
- Decisions regarding significant deviations from budget
- Decisions regarding measures involving all or a substantial number of employees of ALSO companies or concerning consultations with the works council of individual ALSO companies with regard to such measures

The BC is entitled to delegate certain responsibilities to one of its members, to Group Management, to employees of the ALSO Group who hold an important line and/or staff position, or to third parties.

COMPOSITION OF THE BOARD COMMITTEE

Walter P.J. Droege	Chairman
Frank Tanski	Member
Prof. Dr. Peter Athanas	Member

As of December 31, 2015

3.4.2.2
AUDIT COMMITTEE

The Board of Directors appoints an Audit Committee. The Audit Committee generally consists of three members who possess the necessary financial, legal, and technical expertise.

The Audit Committee reports to the Board of Directors. The Chairman of the Audit Committee informs the Board of Directors about the Audit Committee's work and decisions at each ordinary board meeting. The Head of Internal Audit and the Chief Compliance Officer have the right to inform the Chairman of the Audit Committee at any time about situations that are relevant to auditing or compliance. Exceptional events of major significance are communicated immediately to all members of the Board of Directors by memorandum.

The Audit Committee has the following specific responsibilities:

- Monitoring and evaluation of the suitability and effectiveness of internal financial controls; monitoring of adjustments following significant changes in the risk profile
- Evaluation of the audit strategy adopted by the statutory auditor and verification that shortcomings are corrected and recommendations are implemented
- Approval of the annual planning of Internal Audit and discussion of the ensuing reporting with the head of Internal Audit
- Evaluation of the performance and remuneration of statutory auditor and its independence
- Evaluation of the collaboration between statutory auditor and Internal Audit
- Evaluation of measures taken by Group Management to ensure appropriate risk management
- Evaluation of the measures taken to ensure adherence to legal requirements and internal regulations (compliance) as well as of the associated supervisory measures
- Analysis of financial reporting, evaluation of the accounting principles, and assessment of the most important items
- Discussion of the year-end closing and annual financial statements with the responsible bodies and submission of a recommendation to the Board of Directors

In the fulfillment of its tasks, the Audit Committee may delegate assignments to other parties, in particular to Group Management, Internal Audit, the Chief Compliance Officer, and the statutory auditor.

COMPOSITION OF THE AUDIT COMMITTEE

Prof. Dr. Rudolf Marty	Chairman
Frank Tanski	Member
Prof. Dr. Peter Athanas	Member

As of December 31, 2015

3.4.2.3
COMPENSATION AND NOMINATION COMMITTEE

The members of the Compensation and Nomination Committee are elected annually by the Annual General Meeting. The Board of Directors appoints the Chairman.

According to Art. 21 of the Articles of Association, the Compensation and Nomination Committee prepares all relevant decisions of the Board of Directors relating to the compensation of the members of the Board of Directors and Group Management, and submits proposals to the Board of Directors regarding the type and amount of the annual compensation of the members of the Board of Directors and Group Management, as well as their fringe benefits and the stipulations of their employment contracts. The Board of Directors has also delegated the following other duties to the Compensation and Nomination Committee:

- Preparation of decisions of the Board of Directors regarding nomination of the Vice Chairman of the Board of Directors and pre-selection of potential candidates for the Board of Directors
- Preparation of decisions of the Board of Directors regarding nomination, promotion, and dismissal of the members of Group Management and Country Managing Directors of the ALSO Group
- Preparation of decisions of the Board of Directors regarding the introduction and amendment of employee participation plans
- Review of the succession planning and leadership qualifications of the members of the Board of Directors and Group Management, the Country Managing Directors, and other individuals in the ALSO Group who exercise central line and/or staff functions

The Board of Directors may delegate further tasks concerning compensation, human resources, and related areas to the Compensation and Nomination Committee. The organization, working methods, and reporting of the Compensation and Nomination Committee are laid down in a set of regulations.

COMPOSITION OF THE COMPENSATION AND NOMINATION COMMITTEE

Prof. Dr. Peter Athanas	Chairman
Walter P.J. Droege	Member
Frank Tanski	Member

As of December 31, 2015

3.4.3
FREQUENCY OF MEETINGS OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

The Board of Directors convenes for half-day or full-day ordinary meetings, as well as an annual joint strategy meeting with Group Management. The task at these meetings is to analyze the positioning of the ALSO Group in the light of current macro-economic and company-specific circumstances and to review, and if necessary to redefine, the strategic orientation.

The Board of Directors met for a total of nine meetings, including one strategy meeting and three conference calls in 2015.

The BC meets as often as its business requires, normally every two months. Three meetings were held in the year under review, including two conference calls.

The Audit Committee meets for half-day or full-day meetings as often as its business requires. The Audit Committee held three meetings concerning the year under review, including one conference call.

The Compensation and Nomination Committee meets as often as its business requires. The Compensation and Nomination Committee held three conference calls relating to the year under review.

The agendas for the meetings are defined by their respective chairman. Minutes of the meetings and decisions are recorded. The CEO and CFO are usually present as guests at the meetings of the Board of Directors. Other members of Group Management or other individuals may attend meetings of the Board of Directors or its committees at the invitation of the respective chairman.

3.5
AREAS OF RESPONSIBILITY

According to the law, the Board of Directors is responsible for the ultimate management and supervision of the Group. It has the inalienable and non-transferable responsibilities in accordance with Art. 716a, Paragraph 1, of the Swiss Code of Obligations. It can also take decisions on all matters that are not allocated to the Annual General Meeting by law or by the Articles of Association.

In particular, the Board of Directors is required to approve, or make decisions, concerning:

- The Group's objectives and strategy
- The list of measures designed to prevent or mitigate potential loss or damage associated with the main risks
- Appointing the members of Group Management
- Defining the organization and appointing those persons entrusted with the task of representing ALSO Holding AG
- The proposals to the Annual General Meeting regarding the compensation of the Board of Directors and Group Management
- The drafting of the retirement benefit plan for the members of Group Management
- The Group's budget, plan, and forecast
- The consolidated annual and interim financial statements of the Group and the annual financial statements of ALSO Holding AG
- The Group's investment budget
- Transactions that exceed certain financial amounts
- Important mergers and acquisitions, joint ventures, and similar transactions
- The annual report and the compensation report

In addition, the Board of Directors has delegated operational management of the company to Group Management. Operational management comprises the obligation to implement all necessary measures, particularly with regard to personnel- and product-related issues, market orientation, monitoring the competition, and planning for the future.

Group Management is responsible for ensuring that the Group achieves the targets set by the Board of Directors. In addition to its overall responsibility for operational management, Group Management has the following main tasks in particular:

- The pursuit of strategic objectives and enforcement of these objectives using action plans
- Defining HR and compensation policy below Group Management level
- Defining the product mix as well as the marketing and sales policy
- Concluding and canceling agreements with manufacturers at Group level
- Defining sourcing policy
- Defining basic principles of transfer pricing
- Defining logistical concepts and structures
- Approving the budgets, financial results, and investments of the Group companies
- Defining the operational information and reporting systems
- Defining communication policy and outward appearance
- Regulating and performing risk management

The CEO manages the ALSO Group through the members of Group Management, who report to him. He chairs Group Management meetings and supervises the implementation of their decisions. He evaluates the performance and results of the Central

Europe and Northern/Eastern Europe market segments. Based on his evaluation, he decides which resources – particularly financial and personnel – should be allocated to the individual business segments. The CEO is responsible for ensuring that the company develops consistently, in accordance with its defined business practices and strategies. It is the duty of the other members of Group Management to ensure that these measures are implemented at national level or in the areas for which they are responsible.

3.6
INFORMATION AND CONTROL INSTRUMENTS VIS-À-VIS GROUP MANAGEMENT

The Board of Directors supervises Group Management and uses reporting and controlling processes to monitor its operating methods. The ALSO Group has available a comprehensive electronic management information system (MIS). At each of its meetings, the Board of Directors is informed by the CEO, or by another member of Group Management, of the current business and significant events. At these meetings, members of the Board of Directors may ask other members of the Board of Directors or the CEO to provide information about the ALSO Group that they require in order to carry out their duties. All members of the Board of Directors are notified immediately of any exceptional occurrences.

The Internal Audit, compliance officers, and auditing bodies assist the Board of Directors in carrying out its controlling and supervisory duties. In addition, the BC and the Audit Committee monitor the performance of Group Management. The scope of this remit is agreed with the Board of Directors of ALSO Holding AG.

The BC, the Audit Committee, and the Compensation Committee periodically receive information in the form of Group reports relevant to their needs. These reports are also discussed in depth at regular meetings that take place with the committees involved. The Board of Directors defines and evaluates the Group's most significant risks on the basis of a coordinated and consistent approach to risk management and control. Based on a list of the most important risks, Group Management establishes a list of measures to prevent and mitigate potential loss and damage. The list is presented for assessment and approval to the Board of Directors, which then ensures that the measures are put into practice.

In addition, the Board of Directors is supported by the ALSO Group Internal Audit. The Internal Audit has an unrestricted right to demand information and examine the records of all Group companies and departments. In addition, after consultation with the Audit Committee, Group Management may ask the Internal Audit to carry out special investigations above and beyond its usual remit. The Head of the Internal Audit submits a report to the Audit Committee at half-yearly intervals.

3.7
MEASURES IN ACCORDANCE WITH THE SWISS CODE OF BEST PRACTICE FOR CORPORATE GOVERNANCE

At ALSO, the positions of Chairman of the Board of Directors and CEO are held conjointly. The balance of influence between the Board of Directors and Group Management is safeguarded by three committees that have been established, of which the Chairman of the Board of Directors is not a member, and a clear majority situation. The Lead Director concept was also introduced in the year under review as part of an amendment of the Organizational Regulations. In particular, the Lead Director is responsible for heading the Board of Directors – possibly only for single items of the agenda – in the event that the Chairman experiences a conflict of interests. He can convene meetings independently. The Vice Chairman of the Board of Directors, Walter P.J. Droege, serves as the Lead Director.

Currently all members of the Board of Directors are men. Should vacancies occur, the Board of Directors will consider filling them with female members.

The Board of Directors conducts an annual self-evaluation of its working methods and efficiency.

4. GROUP MANAGEMENT

4.1 MEMBERS OF GROUP MANAGEMENT, ACTIVITIES, AND VESTED INTERESTS

The members of the Group Management of ALSO Holding AG are as follows:

MEMBERS OF GROUP MANAGEMENT

Name	Nationality	Position
Prof. Dr. Ing. Gustavo Möller-Hergt	DE	Chief Executive Officer (CEO)
Dr. Ralf Retzko	DE	Chief Financial Officer (CFO)
Ole Eklund	DK	Corporate Vice President Northern/ Eastern Europe, Managing Director of ALSO A/S, Denmark
Stefan Klinglmair	AT	Corporate Vice President Central Europe, Managing Director of ALSO Deutschland GmbH, Germany

As of December 31, 2015

Changes in Group Management in the fiscal year: Torben Qvist, Senior Vice President for Supply Services, stepped down from Group Management as of July 1, 2015 and left the ALSO Group as of October 1, 2015. Since then he has worked for ALSO as a consultant. Ole Eklund and Stefan Klinglmair were appointed to Group Management as of July 1, 2015.

4.2 NUMBER OF PERMISSIBLE ACTIVITIES

According to Art. 24 of the Articles of Association, a member of Group Management may exercise a maximum of ten additional activities as a member of the highest management or directorial body of other legal entities that are entered in the Commercial Register according to Art. 12 of VegüV, or would be required to be so entered, and are not controlled by the company. The Board of Directors shall ensure that such activities do not conflict with the exercise of duties to the company. Functions in various legal entities that are under joint control, or in entities in which this legal entity has a material interest, are counted as one function.

4.3 MANAGEMENT AGREEMENTS

ALSO Holding AG has not entered into any management contracts with persons outside the Group for the delegation of executive management. According to Art. 6 of VegüV, delegation of the executive management to legal entities is not permitted.

5. COMPENSATION, SHAREHOLDINGS, AND LOANS

For information on the compensation and shareholdings of members of the Board of Directors and Group Management, and loans to the same, please see the Compensation Report from ► page 83.

6.
SHAREHOLDERS' RIGHTS OF PARTICIPATION

6.1
RESTRICTIONS ON VOTING RIGHTS AND REPRESENTATION

Each share that is entered in the share register entitles the shareholder to one vote.

The rights of shareholders to participate in Annual General Meetings comply with legal requirements and the Articles of Association. Every shareholder may personally participate in the Annual General Meeting and cast his/her vote(s), or be represented by a proxy appointed in writing, which proxy need not be a shareholder, or be represented by the Independent Proxy (Art. 12 of the Articles of Association). Shareholders may issue their power of attorney and instructions to the Independent Proxy by post or electronically. The Independent Proxy is obliged to exercise the voting rights that are delegated to him by shareholders according to their instructions. Should he have received no instructions, he shall abstain from voting (Art. 12 of the Articles of Association).

On an annual basis, the Annual General Meeting elects the Independent Proxy with the right of substitution. His term of office terminates at the conclusion of the next Annual General Meeting. Re-election is possible. Should the company have no Independent Proxy, the Board of Directors shall appoint an Independent Proxy for the next Annual General Meeting (Art. 12 of the Articles of Association).

6.2
STATUTORY QUORUM REQUIREMENTS

Unless a qualified majority is stipulated by law, the Annual General Meeting makes its decisions on the basis of the relative majority of valid votes cast, regardless of the number of shareholders present or shares represented. Abstentions and blank votes do not count as votes. In the case of elections, the first round of voting is decided by the absolute majority and the second round by the relative majority. The Chairman has the casting vote in the event of a tie (Art. 14 of the Articles of Association).

6.3
CONVENING THE ANNUAL GENERAL MEETING

Annual General Meetings are convened by the Board of Directors or, if necessary, by the auditors or other bodies in accordance with Art. 699 and Art. 700 of the Swiss Code of Obligations (Art. 11 of the Articles of Association). Shareholders who collectively represent at least 10 percent of the share capital may convene an Annual General Meeting. When doing so, they must indicate the matters to be discussed and the corresponding proposals.

Annual General Meetings are convened by publication in the Swiss Official Gazette of Commerce at least 20 days prior to the date of the meeting. The shareholders may also be informed in writing (by unregistered letter) or by electronic means.

6.4
DEFINITION OF THE AGENDA

The Board of Directors is responsible for specifying the agenda. In accordance with Art. 11 of the Articles of Association, shareholders who together own at least five percent of the share capital may request that specific proposals be put on the agenda. The request, including the agenda item and the proposals, must be submitted in writing at least 60 days prior to the date of the Annual General Meeting.

6.5
REGISTRATION IN THE SHARE REGISTER

Only shareholders who are registered in the share register as shareholders with voting rights at the closing date are entitled to attend an Annual General Meeting and to exercise their voting rights. The Board of Directors ensures that the closing date is set as close as possible to the date of the Annual General Meeting, i.e. not more than five to ten days prior to it. The closing date is published together with the invitation to the Annual General Meeting in the Swiss Official Gazette of Commerce. There are no exceptions to the rule regarding the closing date.

MEMBERS OF GROUP MANAGEMENT

ACTIVITIES, AND VESTED INTERESTS

OLE EKLUND

Member of the Group Management of the ALSO Group and responsible as Corporate Vice President for Northern/Eastern Europe since July 2015 and until December 2015 Managing Director of ALSO A/S in Denmark. **CAREER MILESTONES** ► Sales Director for Scandinavia with ALSO A/S Taastrup, Denmark, previously as Managing Director with various IT companies in Denmark, including Ingram Micro A/S, Magirus Nordic A/S and Avnet Technology Solutions. **EDUCATION** ► Graduate Diploma in Business Administration and Marketing, Copenhagen Business School, Denmark, and Bachelor in Education, University College KDAS, Skovlunde, Denmark. **OTHER ACTIVITIES AND VESTED INTERESTS** ► Chairman of the Board of Directors of Prolog Development Center A/S, Copenhagen, Denmark, and Member of the Board of the Danish IT Industry Association, Copenhagen, Denmark.

STEFAN KLINGLMAIR

Member of the Group Management of the ALSO Group and responsible as Corporate Vice President for Central Europe since July 2015. Managing Director of ALSO Deutschland GmbH, Germany, until December 2015. **CAREER MILESTONES** ► Managing Director ALSO Deutschland GmbH, Soest, Germany. Previously Vice President Volume Consumer Distribution, Head of Commercial Distribution, Deputy Head of Finance and finally as Head of Controlling. At Stadlbauer Marketing + Vertrieb GmbH, Salzburg, Austria, in various positions, initially as Key Account Manager, afterwards as Head of Central Order Processing and finally as Head of Controlling. **EDUCATION** ► Graduated at the Bundeshandelsakademie, Salzburg, Austria.

PROF. DR. ING. GUSTAVO MÖLLER-HERGT

▼

Member of the Board of Directors of ALSO Holding AG and Chairman since 2014. Chief Executive Officer of the ALSO Group and since 2011 a member of the Group Management. **CAREER MILESTONES** ► Chief Operating Officer of the ALSO Group; previously Chief Representative of the Droege Group. CEO and Chief Representative and before in various positions with the Warsteiner Group. Member of the Supervisory Board of SIAC in Douala, Cameroon. Chairman of the Supervisory Board of CASA Isenbeck in Buenos Aires, Argentina. **EDUCATION** ► Diploma in Engineering from the Technical University, Munich, Germany, and graduate of Harvard Business School, Boston, USA. Doctorate from the Technical University, Berlin, Germany, where he lectures on operations management. **OTHER ACTIVITIES AND VESTED INTERESTS** ► Member of the Advisory Board of Deutsche Bank, Dusseldorf, Germany, and of the Board of Trustees of the Bamberg Symphony Orchestra, Bamberg, Germany.

DR. RALF RETZKO

▼

Chief Financial Officer of the ALSO Group and since 2011 a member of the Group Management. **CAREER MILESTONES** ► Head of Controlling, Commercial Manager and Chief Financial Officer of the Actebis Group. Previously Central Controlling of Karstadt AG, Essen, Germany, and, following his studies, Scientific Assistant at the Institute of Business Information Technology, Göttingen University, Germany. **EDUCATION** ► Studied business management, mathematics, and information technology for business in Göttingen, Germany. Subsequently took a doctorate in business management.

7. CHANGE OF CONTROL AND DEFENSE MEASURES

7.1 DUTY TO MAKE AN OFFER

According to Art. 33 of the Articles of Association, the obligation to submit a public take-over offer pursuant to Art. 32 and Art. 52 of the Swiss Stock Exchanges and Securities Trading Act (SESTA) has been waived ("opting out").

7.2 CHANGE OF OWNERSHIP CLAUSES

There are no change-of-control provisions in favor of any member of the Board of Directors and/or Group Management and/or other management personnel.

8. AUDITORS

8.1 DURATION OF THE MANDATE AND TERM OF OFFICE OF THE AUDITOR IN CHARGE

The auditors are elected annually at the Annual General Meeting for one year. PricewaterhouseCoopers AG (PwC) have been the statutory auditors of ALSO Holding AG since 2013. The auditor in charge has been responsible for auditing the individual financial statements of ALSO Holding AG as well as the consolidated financial statements of the ALSO Group since fiscal year 2013. The auditor in charge is changed every seven years as required by law.

The main Group companies are audited by PwC.

8.2 FEES

The fees charged by PwC as the auditors of ALSO Holding AG and of the Group companies audited by them, and their fees for additional services, are as follows:

FEES

CHF 1 000	**2015**	2014
Audit	735	748
Audit related services	108	123
Tax and other services	125	271
TOTAL	968	**1 142**

8.3 INFORMATIONAL INSTRUMENTS PERTAINING TO AN AUDIT

Prior to the audit, the auditors agree the content of the audit with the Audit Committee of ALSO Holding AG. Special assignments from the Board of Directors are also included in the scope of the audit. The findings of the audit are set out in a comprehensive report which is submitted to the Board of Directors.

Each year, the Audit Committee evaluates the performance, fees, and independence of the auditors, and the audit strategy. The Board of Directors discusses and reviews the scope of the audits and the resulting reports. On this basis, it decides on any changes or improvements to be made. There is regular contact between the auditors and the members of the Board of Directors, Group Management, and the Audit Committee of ALSO Holding AG. There was one meeting between the full Board of Directors and the auditors regarding the financial statements for the fiscal year 2015.

Additional service or consulting assignments are delegated to the auditors only if they are permitted by the auditors' code of independence.

9. INFORMATION POLICY

The ALSO Group publishes selected financial key figures every quarter. Detailed financial statements are published in the form of the half-year and annual reports. The published accounts comply with the requirements of Swiss company law, the listing rules of SIX Swiss Exchange, and the International Financial Reporting Standards (IFRS).

The ALSO Group also presents its financial statements at its annual results media conference and its Annual General Meeting.

The ALSO Group reports in accordance with the disclosure requirements of Art. 21 SESTA and the ad-hoc publication requirements of Art. 53 of the listing rules of SIX Swiss Exchange. Ad-hoc announcements may be viewed at ► www.also.com/goto/mediareleases at the same time as notification to SIX Swiss Exchange and for two years thereafter.

At ► www.also.com/goto/subscribe, interested parties can register for the free ALSO Holding AG e-mail distribution list in order to receive direct, up-to-date information that may be relevant to the share price. In addition, media releases, presentations, and brochures are published as necessary. These documents are available to all, both electronically at ► www.also.com and in printed form.

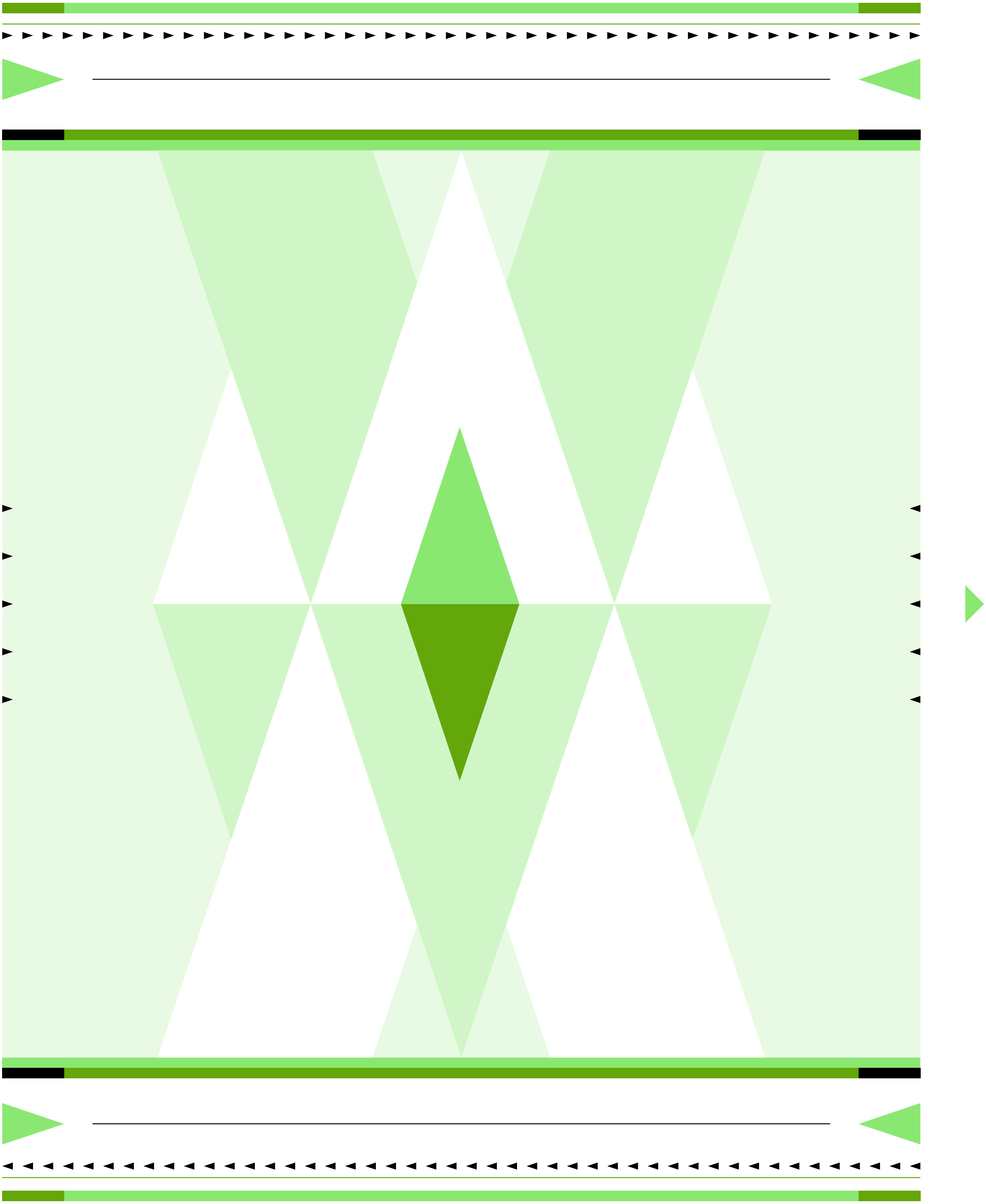
10. IMPORTANT CHANGES OCCURRING AFTER THE BALANCE SHEET DATE

No material changes have occurred since the end of the reporting period.

FINANCIAL CALENDAR

Annual General Meeting	March 17, 2016
Media release: selected key figures at March 31	April 26, 2016
Publication half-year report	July 26, 2016
Media release: selected key figures at September 30	October 27, 2016
Annual Results Media Conference	February 23, 2017

3 COMPENSATION REPORT



COMPENSATION REPORT

This Compensation Report contains information on the compensation of the members of the Board of Directors and Group Management. The report was prepared in accordance with the provisions of the Ordinance Against Excessive Compensation in Listed Companies (VegüV). It satisfies the requirements of SIX Swiss Exchange for information on corporate governance and the standards stipulated in the "Swiss Code of Best Practice for Corporate Governance" of economiesuisse.

This Compensation Report will be presented to the next Annual General Meeting of ALSO Holding AG, which will be held on March 17, 2016, for a consultative vote (► see also Art. 26, Paragraph 6, of the Articles of Association).

1. PRINCIPLES

The success of the ALSO Group depends largely on the qualifications and commitment of its employees. The purpose of the Group's compensation policy is to attract, motivate, and retain qualified personnel. It is also intended to bring management interests in line with those of ALSO and its shareholders.

The compensation system is designed so that the compensation is performance-based and market-driven, and so that entrepreneurial thinking and action are encouraged. Compensation decisions should be fair, transparent and therefore understandable for the persons concerned.

2. CHANGES IN THE REPORTING YEAR

In the reporting year the Compensation and Nomination Committee proposed an expansion of the long-term incentive described in more detail in section 4.2.

Torben Qvist, Senior Vice President for Supply Services, stepped down from Group Management as of July 1, 2015. Ole Eklund and Stefan Klinglmair were appointed to Group Management as of July 1, 2015.

3. EMPLOYMENT CONTRACTS

The contracts with Prof. Dr. Ing. Gustavo Möller-Hergt and Dr. Ralf Retzko were renewed in the reporting year and adapted to the VegüV. They have a notice period of twelve months.

Moreover, the contracts with the new members of Group Management, Ole Eklund and Stefan Klinglmair, were renewed as of July 1, 2015. The contract with Ole Eklund has a notice period of six months if terminated by the employee or twelve months if terminated by ALSO. The contract with Stefan Klinglmair has a notice period of twelve months.

The contracts with the members of Group Management do not provide for termination payments or for compensation in the event of a change of control.

4. COMPENSATION SYSTEM

4.1 BOARD OF DIRECTORS

The members of the Board of Directors receive a fixed fee for their activities and no performance-related payment.

The chairmen and members of committees of the Board of Directors receive an additional fixed fee for these functions.

4.2 GROUP MANAGEMENT

The members of Group Management receive compensation consisting of fixed and performance-related (variable) components.

The fixed components consist of a monthly salary and, from case-by-case, a flat-rate vehicle allowance, a company car, or flat-rate representation expenses. Certain fringe benefits may also be paid.

The variable compensation depends on the business success and is paid in the form of a cash bonus. Variable compensation includes a short-term and a long-term component and breaks down as follows:

- **Short-term, variable compensation:** For the CEO and CFO, it depends entirely on the combined target values of EBT and EBITDA that are defined by the Board of Directors. If the targets are attained, the bonus is calculated according to a progressively increasing percentage of the attained EBT, which is defined in advance by the Board of Directors.

  For the other members of Group Management, the entire bonus is calculated as a fixed percentage of the attained EBT, which is defined in advance by the Board of Directors.

- **Long-term, variable compensation:** A long-term incentive applies to members of Group Management whose contribution has a material influence on the long-term development of the Group. The long-term incentive was agreed with the members of Group Management at the time in 2011 and should be expanded to include the new members of Group Management. It is designed so that a one-time special premium is paid if long-term financial targets that are defined by the Board of Directors are attained in two successive years. The payment is only made on condition that the recipient is actually employed by the ALSO Group on the date when the payment is made.

In the case of exceptional non-recurring events (e.g. acquisitions) that are not the responsibility of Group Management, the Board of Directors may, at its own discretion, adjust the parameters on which the calculation of variable compensation is based.

For exceptional performance, in addition to the target bonus, the Board of Directors may, at its own discretion, award a special bonus, which is reported under "Cash bonus (gross)".

4.3
CAPITAL PARTICIPATION PLAN

In accordance with Art. 25 of the Articles of Association, no participations, conversion rights or options are granted to members of the Board of Directors or Group Management.

5.
RESPONSIBILITIES AND PROCEDURES FOR APPROVING AND SETTING COMPENSATION

Responsibilities for compensation-related decisions are governed by the Articles of Association, the Organizational Regulations and the Regulations of the Compensation and Nomination Committee of ALSO Holding AG.

5.1
COMPENSATION AND NOMINATION COMMITTEE

According to Art. 21 of the Articles of Association, the Compensation and Nomination Committee prepares all relevant decisions of the Board of Directors relating to the compensation of the members of the Board of Directors and Group Management, and submits proposals to the Board of Directors regarding the type and amount of the annual compensation of the members of the Board of Directors and Group Management, as well as their fringe benefits and the stipulations of their employment contracts.

The Compensation and Nomination Committee can also make proposals to the Board of Directors for amendments to the compensation system.

5.2
BOARD OF DIRECTORS

Under and subject to the approval of the Annual General Meeting, the determination of the definitive compensation is at the discretion of the Board of Directors. The corresponding resolutions are usually made, at the proposal of the Compensation and Nomination Committee, at the beginning of each fiscal year or, to determine the effective bonus, in the first quarter of the following year.

5.3
GENERAL MEETING

In accordance with Art. 26, Paragraph 1 and 2, of the Articles of Association, the Annual General Meeting each year approves the following compensation amounts for the respective ongoing fiscal year with binding effect:

- Maximum amount for fixed compensation for members of the Board of Directors
- Maximum amount for fixed compensation for members of the Group Management
- Maximum amount for variable compensation for members of the Group Management

The Annual General Meeting can subsequently increase the compensation already approved at any time.

If the Annual General Meeting refuses its approval, the Board of Directors can submit new proposals at the same general meeting or a new general meeting yet to be convened.

In accordance with Art. 26, Paragraph 4, of the Articles of Association, the additional amount for the hiring of new members of Group Management after approval by the Annual General

Meeting is 30 percent of the total compensation approved for the respective period per new member. Approval of this additional compensation by the Annual General Meeting is not required.

6. COMPENSATION FOR THE REPORTING YEAR

6.1 GENERAL

The disclosed compensation of the members of the Board of Directors and Group Management includes all compensation paid for the entire reporting year, subject to the following amplifications and restrictions:

- The disclosed variable compensation elements comprise the accrued variable compensation elements attributable to the completed fiscal year.
- The compensation paid to new members of the Board of Directors and Group Management is reckoned from the date on which they take over the respective function.
- If a member resigns from the Board of Directors or Group Management, the compensation up to the resignation date, plus any compensation in the reporting year in connection with these activities, are reported together.
- In individual cases, members of Group Management may be entitled to a company car. Such benefits are reported under “Non-cash benefits”.
- Members of Group Management may receive certain fringe benefits in the form of discounts. Provided that such benefits do not exceed the value of CHF 500 per case, and the total of such benefits does not exceed an aggregate value of CHF 20 000 per fiscal year, they are not reported.
- Any contributions to post-employment benefit plans, executive insurance plans, or private insurances are reported as “Pension expenses”.
- The compensation of the members of Group Management was in some cases borne directly by ALSO Holding AG and in other cases indirectly by subsidiaries through intercompany charging.

6.2 AGGREGATE COMPENSATION – BOARD OF DIRECTORS

At the Annual General Meeting on March 12, 2015, shareholders approved maximum fixed total compensation of CHF 0.70 million for fiscal year 2015. The effective fixed total compensation for members of the Board of Directors for fiscal year 2015 was CHF 0.60 million.

The members of the Board of Directors do not receive any variable compensation for their activities.

CHF 1 000	Fixed, cash (gross)	Pension expenses	**Total 2015**
Prof. Dr. Ing. Gustavo Möller-Hergt, Chairman/executive member	–	–	–
Walter P.J. Droege, Vice Chairman [1), 3), 4)]	140	–	**140**
Prof. Dr. Karl Hofstetter	80	5	**85**
Prof. Dr. Rudolf Marty [2), 5)]	90	4	**94**
Frank Tanski [1), 2), 3)]	95	–	**95**
Prof. Dr. Peter Athanas [1), 2), 3), 6)]	100	6	**106**
Dr. Olaf Berlien	80	–	**80**
TOTAL COMPENSATION	**585**	**15**	**600**

Prof. Dr. Ing. Gustavo Möller-Hergt has been a member of Group Management since 2011 and a member and Chairman of the Board of Directors since March 13, 2014. For his compensation as CEO, please refer to the section on compensation of the members of Group Management. All other members of the Board of Directors are non-executive members.
1) Member of the Board Committee
2) Member of the Audit Committee
3) Member of the Compensation and Nomination Committee
4) Including compensation as Chairman of the Board Committee
5) Including compensation as Chairman of the Audit Committee
6) Including compensation as Chairman of the Compensation and Nomination Committee

6.3
AGGREGATE COMPENSATION – GROUP MANAGEMENT

At the Annual General Meeting on March 12, 2015, shareholders approved maximum fixed total compensation of EUR 1.20 million and maximum variable total compensation of EUR 3.00 million for fiscal year 2015.

The effective fixed total compensation for members of Group Management for fiscal year 2015 was EUR 1.00 million and the effective variable total compensation was EUR 2.65 million.

In the reporting period, variable compensation for Prof. Dr. Ing. Gustavo Möller-Hergt was 72 percent (previous year: 70 percent) of his total compensation. For the members of Group Management, the average variable compensation was 64 percent (previous year: 67 percent).

CHF 1 000	Fixed, cash (gross)	Cash bonus (gross)	Non-cash benefits/miscellaneous	Pension expenses[2]	Total 2015
Group Management[1]					
TOTAL	1 063	2 484	46	294	**3 887**
Highest individual compensation					
Prof. Dr. Ing. Gustavo Möller-Hergt	331	1 295	16	167	**1 809**

1) Including settlement of all contractual and legal entitlements of one departed member of Group Management
2) Pension expenses concern fixed compensation as well as variable compensation

7. COMPENSATION FOR THE PRIOR YEAR

7.1 GENERAL

The disclosed compensation of the members of the Board of Directors and Group Management includes all compensation paid for the entire fiscal year of 2014. The additions and restrictions in 6.1 also apply to compensation for the previous year.

7.2 AGGREGATE COMPENSATION – BOARD OF DIRECTORS

The members of the Board of Directors did not receive any variable compensation for their activities.

CHF 1 000	Fixed, cash (gross)	Pension expenses	Total 2014
Prof. Dr. Ing. Gustavo Möller-Hergt, Chairman/executive member	–	–	**–**
Walter P.J. Droege, Vice Chairman [1), 3), 4)]	125	–	**125**
Prof. Dr. Karl Hofstetter	80	5	**85**
Prof. Dr. Rudolf Marty [2), 5)]	90	5	**95**
Frank Tanski [1), 2), 3)]	80	–	**80**
Prof. Dr. Peter Athanas [1), 2), 3), 6)]	83	5	**88**
Dr. Olaf Berlien	80	–	**80**
Thomas C. Weissmann [7)]	–	–	**–**
TOTAL COMPENSATION	**538**	**15**	**553**

Prof. Dr. Ing. Gustavo Möller-Hergt has been a member of Group Management since 2011 and a member and Chairman of the Board of Directors since March 13, 2014. For his compensation as CEO, please refer to the section on compensation of the members of Group Management. All other members of the Board of Directors are non-executive members.
1) Member of the Board Committee
2) Member of the Audit Committee
3) Member of the Compensation and Nomination Committee
4) Including compensation as Chairman of the Board Committee
5) Including compensation as Chairman of the Audit Committee
6) Including compensation as Chairman of the Compensation and Nomination Committee
7) Thomas C. Weissmann resigned from the Board of Directors with effect from the date of the General Meeting of March 13, 2014.

7.3 AGGREGATE COMPENSATION – GROUP MANAGEMENT

CHF 1 000	Fixed, cash (gross)	Cash bonus (gross)	Non-cash benefits/ miscellaneous	Pension expenses [2)]	Total 2014
Group Management [1)]					
TOTAL	**1 163**	**3 629**	**54**	**556**	**5 402**
Highest individual compensation					
Prof. Dr. Ing. Gustavo Möller-Hergt	358	1 342	18	190	**1 908**

1) Including settlement of all contractual and legal entitlements of two departed members of Group Management
2) Pension expenses concern fixed compensation as well as variable compensation

8. COMPENSATION PAID TO FORMER MEMBERS OF GOVERNING BODIES

In the reporting year, no compensation was paid to former members of the Board of Directors. An agreed benefit payment of CHF 78 215 was made to one former member of Group Management.

A benefit payment of CHF 50 669 was made to a former member of Group Management in the previous year.

9. COMPENSATION PAID TO RELATED PARTIES

Neither in the reporting year, nor in the prior year, was any compensation paid by ALSO Holding AG, or any other Group company, to any related parties of present or former members of the governing bodies.

10. LOANS AND BORROWING FACILITIES

10.1 CURRENT AND FORMER MEMBERS OF THE GOVERNING BODIES

In accordance with Art. 25 of the Articles of Association, the company does not grant loans or credits to members of the Board of Directors or Group Management. Neither in the reporting year, nor in the prior year, were any loans or credits granted by ALSO Holding AG, or any other Group company, to any present or former members of the governing bodies, nor were any such loans or credits outstanding at December 31, 2015.

10.2 RELATED PARTIES

Neither in the reporting year, nor in the prior year, were any loans or credits granted by ALSO Holding AG, or any other Group company, to any related parties of present or former members of the governing bodies, nor were any such loans or credits outstanding at December 31, 2015.

REPORT OF THE STATUTORY AUDITOR ON THE COMPENSATION REPORT

We have audited the compensation report of ALSO Holding AG ► paragraphs 6. to 10. on pages 85 to 88 for the year ended December 31, 2015.

BOARD OF DIRECTORS' RESPONSIBILITY

The Board of Directors is responsible for the preparation and overall fair presentation of the compensation report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the compensation system and defining individual compensation packages.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the accompanying compensation report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the compensation report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the compensation report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the compensation report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of compensation, as well as assessing the overall presentation of the compensation report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, the compensation report of ALSO Holding AG for the year ended December 31, 2015 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers AG

Bruno Häfliger	**Roger Leu**
Audit expert	*Audit expert*
Auditor in charge	

Lucerne, February 8, 2016

4 FINANCIAL REPORT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1000	Note	2015		2014	
TOTAL NET SALES	4.1	**7792083**	100.0 %	**7237777**	100.0 %
Cost of goods sold and services provided		−7284629		−6774974	
GROSS PROFIT		**507454**	6.5 %	**462803**	6.4 %
Personnel expenses	4.2	−212227		−198506	
Other operating expenses	4.4	−174420		−156174	
Other operating income	4.4	19190		15773	
EBITDA		**139997**	1.8 %	**123896**	1.7 %
Depreciation and amortization	5.5/5.6	−30083		−27892	
OPERATING PROFIT (EBIT)		**109914**	1.4 %	**96004**	1.3 %
Financial income	4.5	1836		3765	
Financial expenses	4.5	−21509		−18134	
Share of income of associates	5.14	522		249	
PROFIT BEFORE TAX (EBT)		**90763**	1.2 %	**81884**	1.1 %
Income taxes	4.6	−27900		−21012	
NET PROFIT GROUP		**62863**	0.8 %	**60872**	0.8 %
Items that will not be subsequently reclassified to profit or loss					
Remeasurement of defined benefit plans		−4401		−7477	
Tax effects	4.6	575		1021	
SUBTOTAL		**−3826**		**−6456**	
Items that may be subsequently reclassified to profit or loss					
Exchange differences		1508		−1485	
Fair value adjustments on cash flow hedges		438		−5982	
Tax effects	4.6	342		501	
SUBTOTAL		**2288**		**−6966**	
OTHER COMPREHENSIVE INCOME		**−1538**		**−13422**	
TOTAL COMPREHENSIVE INCOME		**61325**		**47450**	
Net profit Group attributable to:					
Shareholders of ALSO Holding AG		63143		61415	
Non-controlling interests		−280		−543	
Total comprehensive income attributable to:					
Shareholders of ALSO Holding AG		61605		47993	
Non-controlling interests		−280		−543	
EARNINGS PER SHARE IN EUR*					
Basic earnings per share	5.13	4.93		4.79	
Diluted earnings per share	5.13	4.92		4.79	

* Attributable to the shareholders of ALSO Holding AG

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

EUR 1 000	Note	12.31.2015		12.31.2014	
CURRENT ASSETS					
Cash and cash equivalents	5.1	40 000		24 156	
Trade receivables	5.2	543 207		586 987	
Inventories	5.3	714 378		626 498	
Prepaid expenses, accrued income and other receivables	5.4	205 534		212 498	
Derivative financial instruments	6.2	1 646		165	
TOTAL CURRENT ASSETS		**1 504 765**	86 %	**1 450 304**	85 %
NON-CURRENT ASSETS					
Property, plant and equipment	5.5	89 115		85 651	
Intangible assets	5.6	156 251		168 005	
Financial assets		196		491	
Investments in associates	5.14	1 291		1 083	
Derivative financial instruments	6.2	0		665	
Deferred tax assets	4.6	8 139		5 617	
TOTAL NON-CURRENT ASSETS		**254 992**	14 %	**261 512**	15 %
TOTAL ASSETS		**1 759 757**	100 %	**1 711 816**	100 %

The accompanying notes form an integral part of the consolidated financial statements.

LIABILITIES AND EQUITY

EUR 1 000	Note	12.31.2015		12.31.2014	
CURRENT LIABILITIES					
Financial liabilities	5.8	67 063		8 958	
Trade payables		765 896		836 136	
Accrued expenses, deferred income and other payables	5.9	184 072		163 110	
Derivative financial instruments	6.2	429		370	
Tax liabilities		6 314		8 680	
Provisions	5.10	7 475		8 127	
TOTAL CURRENT LIABILITIES		**1 031 249**	59 %	**1 025 381**	60 %
NON-CURRENT LIABILITIES					
Financial liabilities	5.8	189 229		194 114	
Provisions	5.10	4 182		3 064	
Derivative financial instruments	6.2	9 630		6 648	
Deferred tax liabilities	4.6	6 305		7 761	
Employee benefits	4.3	26 348		20 897	
TOTAL NON-CURRENT LIABILITIES		**235 694**	13 %	**232 484**	13 %
TOTAL LIABILITIES		**1 266 943**	72 %	**1 257 865**	73 %
EQUITY					
Share capital		9 960		9 960	
Capital reserves		184 231		203 525	
Treasury shares	5.11	– 1 194		– 1 194	
Cash flow hedge reserve		– 4 884		– 5 339	
Exchange differences		2 871		1 038	
Remeasurement of defined benefit plans		– 15 213		– 11 387	
Retained earnings		317 482		257 762	
EQUITY ATTRIBUTABLE TO ALSO SHAREHOLDERS		**493 253**	28 %	**454 365**	27 %
Non-controlling interests		– 439		– 414	
TOTAL EQUITY		**492 814**	28 %	**453 951**	27 %
TOTAL LIABILITIES AND EQUITY		**1 759 757**	100 %	**1 711 816**	100 %

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR 1 000	Note	Share capital	Capital reserves	Treasury shares	Other reserves*	Retained earnings	Equity attributable to shareholders	Non-controlling interests	Total
JANUARY 1, 2015		**9 960**	**203 525**	**–1 194**	**–15 688**	**257 762**	**454 365**	**–414**	**453 951**
Net profit Group		0	0	0	0	63 143	63 143	–280	62 863
Other comprehensive income		0	0	0	–1 538	0	–1 538	0	–1 538
TOTAL COMPREHENSIVE INCOME		**0**	**0**	**0**	**–1 538**	**63 143**	**61 605**	**–280**	**61 325**
Distributions to shareholders	5.13	0	–19 294	0	0	0	–19 294	0	–19 294
Remeasurement of put options on shares of non-controlling interests	2.7	0	0	0	0	–3 423	–3 423	255	–3 168
DECEMBER 31, 2015		**9 960**	**184 231**	**–1 194**	**–17 226**	**317 482**	**493 253**	**–439**	**492 814**
JANUARY 1, 2014		**9 960**	**218 272**	**–1 194**	**–2 266**	**196 780**	**421 552**	**–276**	**421 276**
Net profit Group		0	0	0	0	61 415	61 415	–543	60 872
Other comprehensive income		0	0	0	–13 422	0	–13 422	0	–13 422
TOTAL COMPREHENSIVE INCOME		**0**	**0**	**0**	**–13 422**	**61 415**	**47 993**	**–543**	**47 450**
Distributions to shareholders	5.13	0	–14 747	0	0	0	–14 747	0	–14 747
Remeasurement of put options on shares of non-controlling interests	2.7	0	0	0	0	–433	–433	405	–28
DECEMBER 31, 2014		**9 960**	**203 525**	**–1 194**	**–15 688**	**257 762**	**454 365**	**–414**	**453 951**

* See Note 5.12

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1000	2015	2014
NET PROFIT GROUP	**62863**	**60872**
Depreciation and amortization	30083	27892
Change of provisions and employee benefits	–2197	2450
Gains/losses from the sale of non-current assets	–22	4
Other non-cash items	5377	–2937
SUBTOTAL	**96104**	**88281**
Change in trade receivables	111672	–39722
Change in receivables from factoring	24607	21378
Change in inventories	–48421	–56163
Change in prepaid expenses, accrued income and other receivables	–16406	–1860
Change in trade payables	–108448	51935
Change in accrued expenses, deferred income and other payables	–19582	–7415
CASH FLOW FROM OPERATING ACTIVITIES	**39526**	**56434**
Net cash flow from acquisitions of subsidiaries (see Note 3)	–6520	–57311
Net cash flow from acquisitions of associates	0	–815
Net cash flow from derecognition of subsidiaries (see Note 3)	–395	0
Adjustments to consideration transferred from acquisition of subsidiaries (see Note 3)	1000	0
Dividends from associates	422	0
Additions to property, plant and equipment	–9779	–6266
Additions to intangible assets	–3404	–5350
Disposals of property, plant and equipment	134	187
Disposals of financial assets	294	362
CASH FLOW FROM INVESTING ACTIVITIES	**–18248**	**–69193**
Distributions to shareholders	–19294	–14747
Net cash flow from acquisitions of non-controlling interests (see Note 3)	–699	0
Proceeds from increase of financial liabilities	26513	84542
Repayments of financial liabilities	–12081	–74508
CASH FLOW FROM FINANCING ACTIVITIES	**–5561**	**–4713**
Exchange differences	127	–1
CHANGE IN CASH AND CASH EQUIVALENTS	**15844**	**–17473**
CASH AND CASH EQUIVALENTS AT JANUARY 1	**24156**	**41629**
CASH AND CASH EQUIVALENTS AT DECEMBER 31	**40000**	**24156**
Included in cash flow from operating activities		
Income taxes paid	34661	23190
Interest paid	14793	15481
Interest received	224	194

The accompanying notes form an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The basis of ALSO's business models are the two customer categories "providers" and "buyers". The ALSO Group has a portfolio of more than 350 vendors in the various ICT product categories of hardware, software, and IT services, including all global market leaders. We offer the vendors access to a broad spectrum of buyers, who can call up further customized services in the logistics, finance, IT, and digital services sectors, as well as traditional distribution services. ALSO offers services along the entire value chain from a single source.

On the basis of a European B2B Marketplace, the customers are enabled to sustainably shape and develop their businesses.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The ALSO Group's consolidated financial statements are prepared in accordance with the requirements of the Swiss Code of Obligations and the International Financial Reporting Standards (IFRS), as well as the accounting and measurement principles described below. The consolidated financial statements are prepared on the assumption of a going concern. The consolidated financial statements are prepared on a historical cost basis, except for certain financial assets and liabilities which are measured at fair value. The financial statements are available in German and English, of which the German version is binding.

These consolidated financial statements for the fiscal year 2015 of ALSO Holding AG inclusive all of its directly or indirectly controlled subsidiaries are presented in EUR (reporting currency), since the majority of revenues are generated in the euro area. For clarity, all values are presented in thousands of euros (TEUR).

2.2 SIGNIFICANT CHANGES IN THE ACCOUNTING AND MEASUREMENT PRINCIPLES

The accounting policies adopted are consistent with those of the previous fiscal year except for those new and amended standards and interpretations effective from January 1, 2015, which are listed below. A description of the changes and their impact on the consolidated financial statements is provided below if they materially affect the financial position, performance, or cash flow situation of ALSO:

- Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)
- Annual improvements 2010 to 2012
- Annual improvements 2011 to 2013

None of the changes have any material effect on the financial position, performance, or cash flow situation of ALSO.

2.3 PUBLISHED STANDARDS, INTERPRETATIONS, AND AMENDMENTS NOT YET APPLIED

The following standards, interpretations, and amendments which have been issued but not yet applied by ALSO are being constantly analyzed by ALSO for their impact on the consolidated financial statements:

- IFRS 9 Financial Instruments – *effective January 1, 2018*
- IFRS 14 Regulatory Deferral Accounts – *effective January 1, 2016*
- IFRS 15 Revenue from Contracts with Customers – *effective January 1, 2018*
- IFRS 16 Leases – *effective January 1, 2019*
- Annual improvements 2012 to 2014 – *effective January 1, 2016*
- Accounting for Acquisitions of Interests in Joint Operations – *effective January 1, 2016*
- Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 and IAS 38) – *effective January 1, 2016*
- Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41) – *effective January 1, 2016*
- Equity Method in Separate Financial Statements (Proposed amendments to IAS 27) – *effective January 1, 2016*
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Proposed amendments to IFRS 10 and IAS 28) – *effective January 1, 2016*
- Investment Entities: Applying the Consolidated Exception (Amendments to IFRS 10, IFRS 12 and IAS 28) – *effective January 1, 2016*
- Disclosure Initiative (Amendments to IAS 1) – *effective January 1, 2016*

From today's perspective, with the exception of IFRS 9, IFRS 15 and IFRS 16, the application of these changes will not have any material effects on the capital, financial, income, or cash flow situation of ALSO. ALSO applies the changes for the first time as from the fiscal year following the date stated in the standard.

2.4 KEY ASSUMPTIONS AND ESTIMATES

Preparation of the financial statements in accordance with IFRS requires management to make certain assumptions and estimates which influence the figures presented in this report. The necessary analyses and assessments are continuously reviewed and modified if necessary. However, the actual results may differ from these estimates. The main items whose amount and presentation materially depend on assumptions and estimates are as follows:

VENDOR BONUSES

The accruals of vendor receivables for bonuses contain estimates which are based on various factors such as sales volumes, quantities, stock levels, and other qualitative and quantitative targets. The amount recognized for the bonuses depends mainly on the attainment of the agreed targets. The bonus models vary between the vendors.

IMPAIRMENT OF GOODWILL

ALSO tests the capitalized goodwill at least once per year for impairment. This requires an assessment of the value in use of an underlying cash-generating unit or group of cash-generating units. The estimates of factors such as volumes, sales prices, sales growth, gross margin, operating expenses and investments, market conditions, balance sheet structure, and other economic factors, as well as parameters (e.g. discount rates) derived from external data, are based on assumptions that management considers reasonable ► see Note 5.7.

DEFERRED TAX ASSETS

Deferred tax assets are determined on the basis of estimates. The forecasts that are made for this purpose cover a timeframe of several years and include interpretations of existing tax laws and ordinances as well as changes in tax rates ► see Note 4.6.

SALE OF TRADE RECEIVABLES

In various countries, ALSO sells trade receivables to independent factoring companies. The assessment of whether the contractual arrangements of the factoring programs result in a significant transfer of risk, and the associated derecognition of the receivables, has a significant influence on the balance sheet of ALSO ► see Note 6.8.

EMPLOYEE BENEFITS

In various countries there are defined benefit plans. The defined benefit liability is based partly on long-term actuarial assumptions which may differ from actual future developments. Determination of the discount rate, the future development of salaries and pensions, and life expectancy are important components of the actuarial measurement.

2.5 SCOPE OF CONSOLIDATION

These consolidated financial statements include the annual financial statements as at December 31 of ALSO Holding AG, Emmen, Switzerland, and of the companies over which ALSO has control. ALSO controls a subsidiary when ALSO is exposed to the risks of the entity, has rights to variable returns from its involvement in the entity, and can affect these returns through exercise of its power over the entity. By this definition, ALSO controls SINAS Beteiligungs GmbH & Co. Vermietungs-KG, even though less than half of its voting shares are owned by ALSO. With the opening of insolvency proceedings under self-administration, ALSO lost control of ALSO Logistics Services GmbH as of August 1, 2015. ALSO Logistics Services GmbH is now under the management of the insolvency administrator. ALSO is not authorized to issue instructions to the insolvency administrator. Despite holding all the voting rights in ALSO Logistics Services GmbH, ALSO therefore has no control over this company. Nevertheless, as a member of the Creditor Committee, ALSO exercises significant influence on ALSO Logistics Services GmbH.

Subsidiaries are fully consolidated from the date on which control is transferred to ALSO and deconsolidated from the date that control ceases. Group companies are listed in Note 6.5.

CHANGES IN 2015

The following companies were acquired by the ALSO Group in 2015 and were included in the scope of consolidation:

Country	Domicile	Company name	Voting interest
Poland	Warsaw	ALSO Polska sp. z o.o.	99.99 %
	Goleniow	MLS sp. z o.o.	100.00 %
	Goleniow	Blue Bridge sp. z o.o.	100.00 %
	Szczecin	iTerra sp. z o.o.	100.00 %

CHANGES IN 2014

The following companies were acquired by the ALSO Group in 2014 and were included in the scope of consolidation:

Country	Domicile	Company name	Voting interest
Netherlands	Nijmegen	Alpha International B.V.	100.00 %
Switzerland	Stans	Bachmann Mobile Kommunikation AG	30.00 %
Finland	Helsinki	ALSO Cloud Oy	100.00 %
	Helsinki	ALSO Cloud Solutions Oy	100.00 %
Germany	Soest	ALSO Mobility Services GmbH	100.00 %
	Soest	ALSO Logistics Services GmbH*	100.00 %

* Included in the scope of consolidation until July 31, 2015.

2.6 CONSOLIDATION METHOD

The consolidated financial statements are based on the financial statements of the individual Group companies, which are prepared using consistent accounting and measurement policies throughout the Group.

Assets and liabilities, as well as income and expenses, are included at their full amounts, and non-controlling interests in equity and net profit are shown separately.

All intragroup transactions (expenses, income, assets, and liabilities), as well as material unrealized gains from intragroup sales of assets which have not yet been sold to third parties, are eliminated.

2.7 ACQUISITIONS

Acquisitions are accounted for using the acquisition method. If the consideration transferred for the acquisition of an entity exceeds the underlying fair value of the identifiable net assets that are acquired, the excess represents goodwill. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the cash-generating units that are expected to benefit, or generate future cash flows, from the combination. The goodwill is recognized in the cash-generating unit's functional currency.

Acquisition costs are recognized as expense and reported as other operating expenses.

For each business combination, the acquirer measures the non-controlling interests in the acquired entity either at fair value or in proportion to the identifiable net assets of the acquired entity.

Contingent liabilities that are acquired through the acquisition, and whose fair value can be reliably determined, are recognized in the acquisition balance sheet as liabilities at their fair value.

The results of the acquired companies are recognized from the date on which the Group obtains control. When an entity leaves the scope of the consolidation, the difference between the consideration received and the net assets plus accumulated foreign exchange differences at the date on which the Group loses control of the entity is recognized in the financial result.

If a business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is remeasured to fair value at each acquisition date and a resulting gain or loss relating to the previously held equity interest is recognized through profit or loss.

If the Group undertakes a business combination with put options that are held by shareholders of non-controlling interests and does not thereby obtain ownership, the non-controlling interests continue to be allocated a share in the profits. At the end of each reporting period, the allocation is recognized as a financial liability as if the acquisition had taken place at this date. Any excess over the reclassified amount, and all changes in the present value of the financial liability, are recognized in retained earnings.

A change in the ownership interest in a subsidiary without loss of control is recognized as an equity transaction.

2.8
INVESTMENTS IN ASSOCIATES

Entities over which ALSO has significant influence, but not control, are accounted for by the equity method. ALSO is generally considered to have significant influence if it holds an interest of between 20 % and 50 % in an entity. Under the equity method, the investment is initially recognized at cost. In subsequent measurements, the carrying amount is increased by the share in profits of the entity and reduced by its share in losses and by dividend payments received from the entity. If the share in losses of the entity equal or exceed its carrying amount, ALSO ceases to recognize its share in losses. Provisions are recognized for any further share in losses if ALSO has a legal or constructive obligation.

At each reporting date, ALSO tests for objective indications of impairment. Any impairment loss is recognized through profit or loss.

2.9
TRANSLATION OF FOREIGN CURRENCY

Each entity of the Group determines its own functional currency. The functional currency of the Group companies is the normal currency of their local economic environment. Transactions in foreign currencies are translated into the respective functional currency at the spot rate that applies at the date of the transaction. All exchange gains and losses arising on transactions in foreign currencies, or on translation of monetary assets, are recognized in profit or loss.

Exchange gains on certain loans with equity-like nature are recognized in other comprehensive income provided that repayment of the loan is not planned or intended in the near future. Such exchange gains are recognized in other comprehensive income and only reclassified to the financial result upon loss of control of the entity or repayment of the loan.

The annual financial statements of the foreign operations that have a functional currency different from the Group reporting currency are translated into the Group reporting currency (EUR) as follows:

- Statement of financial position at year-end rates
- Statement of comprehensive income at average annual rates
- Statement of cash flows at average annual rates

Exchange differences arising on the translation of financial statements of entities whose functional currency is not the euro are recognized in other comprehensive income and on eventual loss of control of the subsidiary are reclassified to the financial result.

EXCHANGE RATES (TO EURO)

		Year-end rate 2015	Year-end rate 2014	Average rate 2015	Average rate 2014
USA	USD	1.0887	1.2141	1.1095	1.3285
Switzerland	CHF	1.0835	1.2024	1.0679	1.2146
Norway	NOK	9.6030	9.0420	8.9496	8.3544
Denmark	DKK	7.4626	7.4453	7.4587	7.4548
Sweden	SEK	9.1895	9.3930	9.3535	9.0985
Poland	PLN	4.2639	4.2732	4.1841	4.1843

2.10 TOTAL NET SALES

Total net sales comprise invoiced deliveries of goods and services and other sales-related revenue.

Revenue from goods deliveries is only recognized when it is probable that the economic benefits associated with the transaction will flow to ALSO and the amount can be reliably measured. The revenue is recognized when the goods are shipped, specifically when the risks and rewards are transferred to the purchaser.

Accruals for discounts and allowances granted to customers are recognized as a reduction in revenue at the time the related revenue is recognized or the incentives are granted. They are calculated on the basis of the specific terms of the individual agreements and the underlying revenues. Service revenue is recognized in the statement of comprehensive income as soon as the service is rendered and it becomes probable that an economic benefit will flow to the Group.

2.11 PERSONNEL EXPENSES/EMPLOYEE BENEFIT PLANS

In addition to the actual remuneration for services rendered (wages, salaries, and bonuses), personnel expenses also include ancillary personnel costs and social security contributions. Awards for years of service are also recognized as personnel expenses over the underlying period of service and accrued accordingly.

The companies of the ALSO Group operate various employee benefit plans according to the local conditions and practices in the respective countries.

Defined contribution plans are post-employment plans under which the Group pays fixed contributions into a separate fund and is neither legally nor de facto obliged to pay further contributions.

For defined benefit pension plans, the costs of providing benefits as well as the required provisions are defined actuarily using the projected unit credit method. In the case of plans that provide higher benefit growth in later years (backloading), the benefits that can be acquired are assigned on the basis of the net liability excluding future employee-funded benefit components. The liabilities are backed with assets which are managed by autonomous separately funded benefit plans or with provisions for employee benefits which are recognized in the financial statements of the relevant entities.

A surplus in a defined benefit plan is only recognized to the amount of the future economic benefits that are available in the form of reductions in contributions or repayments, taking into account the upper limit for the asset (asset ceiling). A defined benefit obligation is fully recognized as a provision.

Pension costs are composed of three elements:

- Service costs, which are part of personnel expenses, and consist of current service costs, past service costs, and gains/losses from plan settlements
- Net interest, which is recorded in the financial result, and is determined by applying the discount rate to the net defined benefit liability, or net defined benefit asset, that exists at the beginning of the year
- Gains and losses resulting from actuarial remeasurement, which are immediately recognized in other comprehensive income as remeasurements of employee benefits. Remeasurements of employee benefits are not recycled through the income statement at any later point in time

2.12
CAPITAL PARTICIPATION PLANS

Until February 8, 2011, the ALSO Group granted shares and options of ALSO Holding AG to individual members of Group Management.

Under the terms of the share plan, the shares that were granted passed into the ownership of the beneficiaries with all associated rights, but subject to a vesting period of three years during which they may not be sold.

Under the terms of the option plan, the beneficiaries received on an annual basis option rights for the purchase of shares of ALSO Holding AG at a predetermined price. The options could only be exercised after a vesting period of three years. Payment in cash is not permitted.

The fair value of the option premiums from the capital participation plan ► see Note 6.6 as determined according to the Hull-White model was charged to personnel expenses over the vesting period of three years.

2.13
FINANCIAL ASSETS

Financial assets mainly comprise trade receivables, prepaid expenses, accrued income, and other receivables as well as financial assets.

Financial assets are categorized as follows:
- Loans and receivables: non-derivative financial assets with fixed or determinable payments which are not quoted on an active market.
- At fair value through profit or loss: comprises financial assets acquired for short-term sale and derivatives. Certain other financial instruments can also be assigned to this category provided that the respective conditions are fulfilled.
- All other financial assets are classified as financial assets available for sale.

The classification of financial assets depends on the purpose for which the respective financial assets were acquired. Management determines the classification of financial assets at their initial recognition and reassesses the classification at each reporting date. Financial assets other than financial assets recognized at fair value through profit or loss are initially recognized at fair value plus transaction costs. All purchases and sales are recognized on the trade date.

After their initial recognition, financial assets are measured depending on their category as follows:
- Loans and receivables: at amortized cost using the effective interest method (equal distribution of cashflows during the term resulting in a zero difference of net present value).
- At fair value through profit or loss: at fair value. If the fair value is not readily available, it must be calculated using a recognized valuation model. Any changes in fair value are recognized in the statement of comprehensive income under net financial result (financial income or financial expense) or cost of goods sold for the respective reporting period.
- Available for sale: at fair value. Any unrealized changes in value are recognized in other comprehensive income, except for interest that was calculated using the effective interest method, and exchange rate fluctuations on borrowing instruments. In the case of sale, impairment, or other disposal, the cumulative gains and losses that are recognized in equity are reclassified into the net financial result (financial income, financial expense) of the current reporting period ► see Note 2.14.

At the reporting date, or whenever otherwise impairment is indicated, the carrying amounts of all financial assets that are not recognized at fair value through profit or loss are tested for objective substantial indications (e.g. significant financial difficulties of the debtor, etc.) of impairment. Any impairment loss that arises due to a difference between the carrying amount and the fair value is recognized through profit or loss.

2.14
HEDGE ACCOUNTING

To hedge its interest and currency risks that result from its operating activities, financial transactions and investments, ALSO uses derivative financial instruments. The method used to recognize the resulting gain or loss on derivative financial instruments depends on whether the instrument is designed to hedge a specific risk and whether the hedge qualifies for hedge accounting.

ALSO uses derivative financial instruments to hedge foreseen transactions or fixed obligations. If the derivative financial instrument that is used qualifies as a cash flow hedge when the contract is entered into, changes in value of the effective component of this derivative are recognized in other comprehensive income. The ineffective component is recognized in profit or loss. At the date of initial recognition of the hedged asset or liability, or expense or income, the changes in value that were recognized in other comprehensive income are included in the respective hedged item.

The purpose of hedge accounting is to offset the changes in the hedged item and the hedging instrument in the statement of comprehensive income. To qualify as hedge accounting, the hedging relationship must meet the requirements regarding documentation, probability, effectiveness, and reliability of measurement. Both at hedge inception and throughout the lifetime of the hedge, ALSO therefore documents its assessment of whether the hedge is highly effective in offsetting the risks of changes in fair values or cash flows resulting from changes in fair value of the hedging instrument.

Especially forward contracts that provide effective hedging economically, and in keeping with the Group strategy, do not qualify for hedge accounting. Depending on the economic background, changes in the market values of these derivative financial instruments are recognized in the statement of comprehensive income either in the gross margin (currency hedging) or the financial result (interest rate hedging).

2.15
CASH AND CASH EQUIVALENTS

In addition to cash on hand and current account balances, cash equivalents also include time deposits with an original term of up to three months.

2.16
TRADE RECEIVABLES

Trade receivables are recognized at face value less provision for impairment, when there are indications that the customer will not be able to meet its payment obligations (insolvency, etc.). Default rates based on historical experience are offset against the contractually foreseen payment streams.

The impairment of trade receivables takes place indirectly through a separate impairment account. The impairment charged to the statement of comprehensive income in the reporting period is reported under other operating expenses. Should a trade receivable no longer be collectable, the receivable, along with any impairment that has already been charged, is derecognized. Should a payment subsequently be received, it is credited to other operating income.

2.17
INVENTORIES

Inventories are recognized at the lower of purchase cost and net realizable value. The purchase costs contain all purchase and overhead costs incurred in bringing each product to its present location and condition. The inventories are valued using the weighted-average purchase price method. Value adjustments are made for slow-moving inventories or inventories with purchase cost higher than market value. Unsaleable inventories are written off in full.

2.18
PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is valued at acquisition cost minus economically necessary depreciation. Borrowing costs of qualified assets (which means project duration greater than 12 months) are additionally capitalized. Maintenance and repair costs with no added value are not capitalized. Significant investments are broken down into their constituent parts if the estimated useful lives of the separate components differ.

Depreciation is calculated using the straight-line method over the estimated useful life of the asset. Impairments are recognized under depreciation and shown separately in the assets analysis. The depreciation method as well as the estimated residual values and useful lives are reviewed annually.

► Land	Not depreciated
► Buildings	Useful life 25 years
► Equipment	Useful life 2–15 years
► Other property, plant and equipment	Useful life 4–10 years

2.19
FINANCE LEASES

Leasing agreements that transfer to ALSO substantially all of the risks and benefits that are associated with ownership of the leased item are classified as finance leases. Equipment that is financed by leasing agreements is capitalized in the statement of financial position at the lower of market value or the net present value of the future lease payments. Non-current assets arising from finance leases are depreciated over their estimated useful life or the period of the agreement if shorter. Outstanding liabilities arising from finance leases are recognized as current and non-current financial liabilities.

Leases that do not transfer essentially all of the risks and benefits associated with ownership of the leased asset are classified as operating leases and the payments are recognized in the statement of comprehensive income.

2.20
INTANGIBLE ASSETS

Intangible assets comprise goodwill and internally created software, as well as licenses, patents and similar rights, customer lists, brand names, and software, that are acquired from third parties. The amortization of all intangible assets with finite useful lives is calculated by the straight-line method over the expected useful life. Impairment losses are recognized under amortization and disclosed separately in the assets analysis.

Goodwill is not normally amortized but tests for impairment are performed annually as well as whenever there is an indication that the goodwill may be impaired. Material borrowing costs relating to qualifying assets (project duration greater than 12 months) are additionally capitalized.

With the exception of goodwill, no intangible assets with indefinite useful lives are capitalized.

- Software — Useful life 3–7 years
- Customer lists — Useful life 3–5 years
- Other intangible assets — Useful life 3 years

2.21
IMPAIRMENT

Goodwill is tested for impairment each year at the end of September ► see Note 5.7. Impairment is determined by assessing the recoverable amount of the cash-generating unit (CGU or group of CGUs) to which the goodwill relates. The recoverable amount of an asset or CGU is the higher of its fair value less costs of disposal and its value in use. To determine the value in use, the cash flows for the next three years are estimated based on detailed budgets; beyond that period, a long-term growth rate is determined to forecast the future cash flows. The cash flows are then discounted at an appropriate discount rate. If the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. An impairment loss that is recognized against goodwill cannot be reversed in subsequent reporting periods.

Other non-current assets are tested for impairment whenever events or changed circumstances indicate a potential impairment. If there are indications of impairment, the recoverable amount of the asset is calculated. The recoverable amount of the non-current asset or CGU is the higher of its fair value less costs of disposal and its value in use. If the carrying amount exceeds the recoverable amount, the asset is written down to that amount. This special write-down (impairment) is reported separately in the assets analysis. An impairment reversal is possible if, at a later date, an impairment test shows that the loss in value no longer exists.

2.22
FACTORING

The ALSO Group has sold or assigned some of its trade receivables to finance companies (factors). The receivables are only derecognized when substantially all of the risks contained in the receivables have been transferred to the purchaser of the receivables. Based on current legal agreements relating to factoring, all or significant portions of the customer default risk are transferred to the receivables purchaser. The interest risk remains with the ALSO Group until the date at which the receivables are received by the purchaser of the receivables or until the contractually agreed latest date. Securitization reserves are reported under other receivables.

Remaining bad debt, interest, and currency risks are recognized as continuing involvement in trade accounts receivable. This continuing involvement is offset by a corresponding liability, which also takes into account the risk of its utilization.

Payment of the purchase price by the factoring company takes place either when the payment is received by the factoring company or with interest at the request of ALSO. The still outstanding part of the purchase price receivable is reported under other receivables.

Interest expense and administration fees resulting from the sale of receivables are recognized in the financial result.

2.23
FINANCIAL LIABILITIES

Financial liabilities particularly include trade payables, liabilities to banks, other liabilities, liabilities from finance leases, and derivative financial liabilities.

Financial liabilities are separated into two categories. They are classified either as “at fair value through profit or loss”, or as “other financial liabilities”:

- At fair value through profit or loss: at their initial recognition and subsequently, these financial liabilities are measured at fair value. The transaction costs directly identifiable to the purchase of these liabilities are expensed. Derivatives with a negative replacement value are by definition assigned to this category.

- Other financial liabilities: other financial liabilities mainly comprise financial debts. Financial liabilities are measured at amortized cost using the effective interest method. In addition to actual interest payments, interest expense also includes annual compound interest and pro rata transaction costs.

Financial guarantees and pledges are reported as contingent liabilities and only recognized as provisions when a cash outflow becomes probable.

2.24 PROVISIONS

Provisions are liabilities of uncertain timing or amount. They are recognized if the ALSO Group has a legal or de facto present obligation from a past event, which will lead to a probable outflow of resources, and a reliable estimate can be made of the amount of the obligation.

Warranties in respect of products supplied or services rendered by ALSO give rise to legal or de facto obligations. Provisions for warranty-related costs are recognized at the date when the respective product is sold or service rendered. The amount of the necessary provision is based on historical experience and expected probabilities of future occurrence. The resulting expenses are normally limited to logistical processes for returning the defective products to the vendor. The cost of repair or replacement is borne by the vendor.

Restructuring provisions are only recognized when a detailed restructuring plan is available and its main features have been announced to all those affected by it.

If the effect of the time value of money is material, non-current provisions are discounted.

2.25 TAXES

Taxes on income are accrued in the same periods as the revenue and expenses to which they relate, and are reported as tax liabilities. Deferred taxes include the income tax effects of temporary differences between the Group's internal measurement criteria and the local tax measurement guidelines for assets and liabilities (comprehensive liability method). With this method, deferred taxes are created for temporary taxable differences. Deferred taxes are adjusted annually for any changes in local tax legislation. Tax-loss carry-forwards and deductible temporary differences are reported as deferred tax assets if it is sufficiently probable that future taxable profits will be adequate to utilize the respective deferred tax assets ► see Note 4.6.

Taxes that would have to be paid in the event of a payout of retained earnings in the subsidiaries are not accrued unless this type of payout is expected to be made in the near future.

2.26 EQUITY

Equity is composed of share capital, capital reserves, treasury shares, cash flow hedge reserves, exchange differences, remeasurement of defined benefit plans, retained earnings, and non-controlling interests.

The share capital represents the nominal capital of ALSO Holding AG. The capital reserves consist of all contributions to shareholders' equity received from outside the company other than share capital. Gains or losses resulting from the sale of treasury shares are also recognized in the capital reserves. The cash flow hedge reserve contains changes in the fair value of cash flow hedges. Under remeasurement of defined benefit plans, all actuarial gains and losses on the measurement of defined benefit plans are recognized. Under exchange differences, all exchange differences are recognized that result from translation of the financial statements of those Group companies whose functional currency is not the same as the reporting currency. Retained earnings comprise the gains/losses resulting from the decisions of the consolidated entities regarding the application of earnings that are carried forward to the new account.

The share capital and the capital reserves are translated at historical exchange rates, dividends and other distributions at transactional exchange rates.

Dividends and other distributions to shareholders are charged to equity in the period in which they are declared.

3. BUSINESS COMBINATIONS

ACQUISITION OF PC FACTORY GROUP

On October 31, 2015, the ALSO Group, through its subsidiary ALSO Polska sp. z o.o., acquired the assets and the liabilities of the PC Factory Group. PC Factory Group, with registered office in Warsaw, Poland, is active in the distribution business and provides comprehensive services for well-known vendors in the areas of warehousing, logistics and merchandising. The objective of the acquisition is to increase competitiveness and to gain an even more effective market cultivation.

ALSO Group holds 99.99 % of the voting shares in ALSO Polska sp. z o.o. Under the purchase agreement, ALSO has the option to purchase, and the counterparty the option to sell, the remaining voting shares. ALSO has decided to recognize the non-controlling interests in the acquired company at their proportionate share of the fair value of net identifiable assets.

The consideration transferred for the acquired assets and liabilities was TEUR 12 629. In the purchase price allocation, a fair value of the net assets of TEUR 12 688 and negative goodwill of TEUR 59 was identified. For the remaining voting shares, the parties have signed call and put options. Non-controlling interests for ALSO Polska sp. z o.o. were not reported, but the present value of the put option is recognized as a liability in the statement of financial position.

The acquisition-related costs of TEUR 549 associated with the acquisition of the assets and liabilities were recognized as other operating expenses. Cash for the amount of TEUR 1 715 was acquired. The fair value of trade receivables amounts to TEUR 46 876 and consists of gross contractual amounts of TEUR 47 627 and a provision for bad debts in the amount of TEUR 751.

No contingent liabilities were recognized.

Since information is still outstanding, the purchase price allocation that was performed on October 31, 2015, and revised at the reporting date is provisional.

Since the date of acquisition, ALSO Polska sp. z o.o. has contributed TEUR 53 129 to the net sales and TEUR 120 to the net profit of ALSO.

Until December 31, 2015, a part of the purchase price in the amount of TEUR 7 803 of total TEUR 12 629 was paid.

OTHER ACQUISITIONS

In 2015, ALSO acquired some assets and liabilities of a company that is active in the printing area. This acquisition had no material effects on the capital, financial, income, or cash flow situation of ALSO.

ASSETS AND LIABILITIES FROM BUSINESS COMBINATIONS

EUR 1 000	Fair values at the date of acquisition ALSO Polska sp. z o.o.*	Other acquisitions*	Total
CURRENT ASSETS			
Cash and cash equivalents	1 715		1 715
Trade receivables	46 876		46 876
Inventories	33 176		33 176
Prepaid expenses, accrued income and other receivables	1 900		1 900
TOTAL CURRENT ASSETS	**83 667**	**–**	**83 667**
NON-CURRENT ASSETS			
Property, plant and equipment	4 470	1 177	5 647
Intangible assets	1 640	406	2 046
Deferred tax assets	899		899
TOTAL NON-CURRENT ASSETS	**7 009**	**1 583**	**8 592**
TOTAL ASSETS	**90 676**	**1 583**	**92 259**
CURRENT LIABILITIES			
Financial liabilities	5 360	668	6 028
Trade payables	33 056		33 056
Accrued expenses, deferred income and other payables	829		829
Provisions	99		99
TOTAL CURRENT LIABILITIES	**39 344**	**668**	**40 012**
NON-CURRENT LIABILITIES			
Financial liabilities	36 939	440	37 379
Provisions	1 438		1 438
Deferred tax liabilities	267		267
TOTAL NON-CURRENT LIABILITIES	**38 644**	**440**	**39 084**
TOTAL LIABILITIES	**77 988**	**1 108**	**79 096**
Total net assets	12 688	475	13 163
Negative goodwill	–59	–43	–102
CONSIDERATION TRANSFERRED	**12 629**	**432**	**13 061**
ANALYSIS OF CASH FLOWS FROM THE ACQUISITIONS			
Cash acquired	1 715	–	1 715
Cash paid	–7 803	–432	–8 235
NET CASH OUTFLOW	**–6 088**	**–432**	**–6 520**

* Provisional amounts

CONSEQUENCES OF THE ACQUISITIONS

If the acquisitions had taken place at the beginning of the year, the net sales of ALSO for the period would have been TEUR 8 040 535 and the net profit TEUR 64 840.

DERECOGNITION OF ALSO LOGISTICS SERVICES GMBH

On August 1, 2015, the ALSO Group lost control over 100 % of the voting shares in ALSO Logistics Services GmbH. However, ALSO still has significant influence and therefore recognizes this company at equity. The derecognition of ALSO Logistics Services GmbH and the associated impairment on loans resulted in a loss of TEUR 4 566, which is recognized as other financial expenses ► see Note 4.5.

BUSINESS COMBINATIONS IN 2014

ACQUISITION OF ALSO CLOUD OY

On March 21, 2014, the ALSO Group acquired 100 % of the voting shares of ALSO Cloud Oy. ALSO Cloud Oy, an unlisted company with registered office in Helsinki, Finland, is specialized in the development of cloud brokerage enablement platforms. The objective of the acquisition is to strengthen and further develop the expertise in the Cloud business. The Cloud Control Panel of ALSO Cloud Oy will be available to resellers in all countries in which ALSO operates.

The provisional purchase price allocation as at December 31, 2014 was completed in 2015. There was no change in the measurement of the acquired assets.

The goodwill mainly reflects the expected synergy effects from the Cloud business.

ACQUISITION OF ALPHA INTERNATIONAL B.V.

On May 28, 2014, the ALSO Group acquired 100 % of the voting shares of Alpha International B.V., an unlisted company with registered office in Nijmegen, Netherlands, which distributes printer consumables in Europe. The objective of the acquisition is to further strengthen ALSO's Supply business in all countries in which Alpha and ALSO are represented. In addition, ALSO will further expand its existing activities in the Benelux countries, in order to occupy a leading role in the future.

The provisional purchase price allocation as at December 31, 2014 was completed in 2015. There was no change in the measurement of the acquired assets.

Goodwill mainly reflects the expected synergy effects from the Supply business.

ACQUISITION OF WELTBILD LOGISTICS CENTER IN AUGSBURG

On October 5, 2014, the ALSO Group, through its subsidiaries ALSO Mobility Services GmbH and ALSO Logistics Services GmbH, acquired the logistics center of the Weltbild Publishing Group and signed a contract for the performance of logistics services for the Weltbild Group. The objective of the acquisition was to expand the logistics services sector and the mobility business.

The provisional purchase price allocation as at December 31, 2014 was completed in 2015. There was no change in the overall measurement of the acquired net assets.

The negative goodwill of TEUR 2 151 was recognized in the statement of comprehensive income in 2014 as financial income and mainly related to a purchase price reduction for the operating losses of the acquiring companies that were still expected at the acquisition date.

TEUR 1 000 of the consideration transferred was reimbursed by the seller in 2015. This reimbursement had already been taken into account in the purchase price allocation as of December 31, 2014.

ACQUISITION OF NON-CONTROLLING INTEREST IN DRUCKERFACHMANN.DE GMBH

By exercising a put option, on December 17, 2014, ALSO acquired the remaining 25 % of the share capital of druckerfachmann.de GmbH for TEUR 699. The transaction resulted in an effect of TEUR 28, which was directly recognized in the retained earnings in 2014.

4. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

4.1 SEGMENT INFORMATION

EUR 1 000	Central Europe 2015	Central Europe 2014	Northern/Eastern Europe 2015	Northern/Eastern Europe 2014	Adjustments 2015	Adjustments 2014	Group 2015	Group 2014
Net sales to third parties	5 883 395	5 455 909	1 792 158	1 653 042	0	0	7 675 553	7 108 951
Revenue from services to third parties	113 502	122 221	2 903	6 477	125	128	116 530	128 826
Net sales to other segments	143 104	130 839	9 749	3 035	−152 853	−133 874	0	0
TOTAL NET SALES	**6 140 001**	**5 708 969**	**1 804 810**	**1 662 554**	**−152 728**	**−133 746**	**7 792 083**	**7 237 777**
EBITDA	**112 985**	**101 257**	**25 809**	**21 607**	**1 203**	**1 032**	**139 997**	**123 896**
As % of total net sales	*1.8 %*	*1.8 %*	*1.4 %*	*1.3 %*			*1.8 %*	*1.7 %*
Depreciation and amortization	−22 534	−20 442	−3 896	−3 895	−3 653	−3 555	−30 083	−27 892
OPERATING PROFIT (EBIT)	**90 451**	**80 815**	**21 913**	**17 712**	**−2 450**	**−2 523**	**109 914**	**96 004**
As % of total net sales	*1.5 %*	*1.4 %*	*1.2 %*	*1.1 %*			*1.4 %*	*1.3 %*
Net financial income/expense	−12 316	−10 819	−1 500	−2 303	−5 335	−998	−19 151	−14 120
PROFIT BEFORE TAX (EBT)	**78 135**	**69 996**	**20 413**	**15 409**	**−7 785**	**−3 521**	**90 763**	**81 884**
As % of total net sales	*1.3 %*	*1.2 %*	*1.1 %*	*0.9 %*			*1.2 %*	*1.1 %*
SEGMENT ASSETS	**1 449 358**	**1 512 789**	**459 166**	**366 730**	**−148 767**	**−167 703**	**1 759 757**	**1 711 816**
SEGMENT LIABILITIES	**1 024 379**	**1 094 525**	**320 770**	**247 218**	**−78 206**	**−83 878**	**1 266 943**	**1 257 865**
INVESTMENTS								
In property, plant and equipment	4 466	5 130	5 102	811	779	674	10 347	6 615
In intangible assets	1 973	1 884	66	39	1 365	3 427	3 404	5 350
Average headcount	2 672	2 493	840	831	137	102	3 649	3 426
Headcount at year end	2 417	2 894	935	837	136	105	3 488	3 836

The following definitions of headcount apply:

– Average headcount: average number of full-time equivalent positions excluding temporary employees
– Headcount at year end: number of full-time equivalent positions excluding temporary employees

The segment reporting is based on the management approach. The results of the operating segments are regularly reviewed by the Chief Operating Decision Maker (CODM), Prof. Dr. Ing. Gustavo Möller-Hergt, CEO, in order to allocate the resources to the segments.

The reconciliation (Adjustments) of the segment results to the consolidated results contains centralized activities of the holding companies in Switzerland, Finland, and Germany (headquarter activities) which are not allocated to the segments. The allocation of the net sales is determined by the place where invoicing occurs. Revenues, as well as assets and liabilities (mainly trade receivables and payables), between the segments are eliminated in the “Adjustments” column. The assets and liabilities contain all balance sheet items that are directly attributable to the segments.

Profit before tax (EBT) contains all income and expenses that are directly attributable to the respective operating segments. It also includes direct allocations of centrally occurring expenses. EBT is the main performance indicator in the ALSO Group.

A reconciliation of the management reporting to the segment reporting is not required, since internal and external reporting are based on the same accounting principles.

DETAILS OF THE RECONCILIATION

EUR 1 000	2015	2014
Costs for shareholders/mark-up for management fees/other centralized costs	1 203	1 032
TOTAL AT EBITDA LEVEL	**1 203**	**1 032**
Depreciation and amortization	–3 653	–3 555
Net financial result	–5 335	–998
TOTAL AT EBT LEVEL	**–7 785**	**–3 521**

Concerning net financial result, please ► refer to Note 3.

GEOGRAPHICAL INFORMATION

EUR 1 000	Total net sales	Non-current assets*
SWITZERLAND		
2015	802 300	62 984
2014	774 273	63 545
GERMANY		
2015	3 467 121	130 071
2014	3 579 956	144 356
OTHERS		
2015	3 522 662	52 311
2014	2 883 548	45 755
GROUP		
2015	7 792 083	245 366
2014	7 237 777	253 656

* Without deferred tax assets, derivative financial instruments and financial assets

CUSTOMERS ACCOUNTING FOR MORE THAN 10 % OF GROUP SALES REVENUE

Sales revenue received by the ALSO Group from a single customer in the Central Europe segment was EUR 907 million (previous year: EUR 977 million).

4.2 PERSONNEL EXPENSES

EUR 1 000	2015	2014
Salaries and wages	–180 062	–166 697
Social and pension costs	–32 165	–31 809
TOTAL PERSONNEL EXPENSES	**–212 227**	**–198 506**

4.3 EMPLOYEE BENEFITS

The employee post-employment benefit plans of the ALSO Group comply with the legal requirements of the respective countries. There are defined benefit plans in Germany, Netherlands, Austria, and Switzerland. The defined benefit plan in Switzerland (ALSO pension fund) covers 86.9 % (previous year: 87.9 %) of plan assets and 86.8 % (previous year: 87.0 %) of the present value of the expected obligations of the ALSO Group.

DEFINED BENEFIT PLAN

			2015			2014
EUR 1 000	ALSO pension fund	Other defined benefit plans	Total	ALSO pension fund	Other defined benefit plans	Total
Fair value of plan assets	53 609	8 054	61 663	49 863	6 865	56 728
Present value of defined benefit obligations	–76 369	–11 642	–88 011	–67 527	–10 098	–77 625
Of which financed by funds	–76 369	–11 580	–87 949	–67 527	–9 997	–77 524
Of which financed by provisions	0	–62	–62	0	–101	–101
DEFICIT	**–22 760**	**–3 588**	**–26 348**	**–17 664**	**–3 233**	**–20 897**
Reported in the statement of financial position as:						
Employee benefit liabilities	–22 760	–3 588	–26 348	–17 664	–3 233	–20 897

DEFINED BENEFIT PLAN SWITZERLAND

Post-employment benefit plans in Switzerland are governed by the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG), which stipulates that post-employment benefit plans must be managed by independent, legally autonomous bodies. Post-employment benefit plans are overseen by a regulator as well as by a state supervisory body. The ultimate governing body of a post-employment benefit plan (Board of Trustees) is composed of equal numbers of employee and employer representatives.

Plan participants are insured against the financial consequences of old age, disability, and death. The various benefits are defined in regulations, with the BVG specifying the minimum benefits that are to be provided. The employer and the employee pay contributions to the post-employment benefit plan. In case of an underfunding, various measures can be taken, such as adjusting the pension commitment by altering the conversion rates or increasing current contributions. Under certain conditions the employer is obliged to make additional restructuring contributions. The BVG prescribes how the employees and the employer jointly fund any restructuring measures.

The Swiss post-employment benefit plan, the ALSO Pension Fund, has the legal form of a foundation. All actuarial risks are borne by the foundation. These risks consist of demographic risks (primarily life expectancy) and financial risks (primarily the discount rate and the return on the plan assets), which are regularly assessed by the Board of Trustees. In addition, a report is prepared annually in accordance with IFRS requirements as well as an actuarial report prepared in accordance with the requirements of the BVG.

The Board of Trustees is responsible for the investment of the assets. It defines the investment strategy as often as necessary – especially in the case of significant market developments or changes to the structure of the plan participants – and at least once annually. When defining the investment strategy, the Board of Trustees takes account of the foundation's objectives, benefit obligations, and risk capacity. The investment strategy is defined in the form of a long-term target asset structure (investment policy).

The Board of Trustees delegates implementation of the investment strategy and management of the plan assets to an external asset manager. The Board of Trustees monitors compliance with the investment strategy and development of the plan assets several times a year.

NET POST-EMPLOYMENT BENEFIT EXPENSES FOR DEFINED BENEFIT PLANS

			2015			2014
EUR 1 000	ALSO pension fund	Other defined benefit plans	Total	ALSO pension fund	Other defined benefit plans	Total
Current service cost	–4 114	–514	–4 628	–2 987	–419	–3 406
Past service cost	2 929	23	2 952	0	21	21
Net interest employee benefit	–214	–65	–279	–189	–52	–241
NET POST-EMPLOYMENT BENEFIT EXPENSES	**–1 399**	**–556**	**–1 955**	**–3 176**	**–450**	**–3 626**

In 2015, the number of employees insured at the ALSO pension fund in accordance with the BVG was reduced significantly. This resulted in negative past service cost of TEUR 2 929.

REMEASUREMENT OF DEFINED BENEFIT PLANS

EUR 1 000	ALSO pension fund 2015	Other defined benefit plans 2015	Total 2015	ALSO pension fund 2014	Other defined benefit plans 2014	Total 2014
Actuarial gains/losses:						
Changes in demographic assumptions	0	0	0	0	–20	–20
Changes in financial assumptions	–2 036	–267	–2 303	–8 358	–2 154	–10 512
Return on plan assets (excluding interest income)	–2 045	–53	–2 098	2 467	588	3 055
Effect of change in asset ceiling	0	0	0	0	0	0
TOTAL REMEASUREMENT RECOGNIZED IN OTHER COMPREHENSIVE INCOME	**–4 081**	**–320**	**–4 401**	**–5 891**	**–1 586**	**–7 477**

CHANGE IN FAIR VALUE OF PLAN ASSETS

EUR 1 000	ALSO pension fund 2015	Other defined benefit plans 2015	Total 2015	ALSO pension fund 2014	Other defined benefit plans 2014	Total 2014
JANUARY 1	**49 863**	**6 865**	**56 728**	**43 975**	**5 479**	**49 454**
Interest income	685	139	824	989	173	1 162
Return on plan assets (excluding interest income)	–2 045	–53	–2 098	2 467	588	3 055
Employee contributions	1 668	137	1 805	1 435	123	1 558
Employer contributions	2 275	591	2 866	1 956	597	2 553
Net benefits (paid) received	–4 334	0	–4 334	–1 931	–149	–2 080
Exchange differences	5 497	375	5 872	972	54	1 026
DECEMBER 31	**53 609**	**8 054**	**61 663**	**49 863**	**6 865**	**56 728**

CHANGE IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS

EUR 1 000	ALSO pension fund 2015	Other defined benefit plans 2015	Total 2015	ALSO pension fund 2014	Other defined benefit plans 2014	Total 2014
JANUARY 1	**67 527**	**10 098**	**77 625**	**54 240**	**7 264**	**61 504**
Service cost	4 114	514	4 628	2 987	419	3 406
Past service cost	–2 929	–23	–2 952	0	–21	–21
Interest cost	899	204	1 103	1 178	224	1 402
Actuarial loss	2 036	267	2 303	8 358	2 174	10 532
Employee contributions	1 668	137	1 805	1 435	123	1 558
Net benefits (paid) received	–4 334	–42	–4 376	–1 931	–167	–2 098
Exchange differences	7 388	487	7 875	1 260	82	1 342
DECEMBER 31	**76 369**	**11 642**	**88 011**	**67 527**	**10 098**	**77 625**

INVESTMENT STRUCTURE OF PLAN ASSETS

	2015			2014		
	ALSO pension fund	Other defined benefit plans*	Total*	ALSO pension fund	Other defined benefit plans*	Total*
Cash and cash equivalents	6.2 %	0.0 %	5.4 %	11.6 %	0.0 %	10.2 %
Equity instruments	30.4 %	0.0 %	26.4 %	29.8 %	0.0 %	26.2 %
Bonds	34.8 %	0.0 %	30.3 %	39.1 %	0.0 %	34.4 %
Real estate	15.5 %	0.0 %	13.5 %	9.4 %	0.0 %	8.3 %
Other investments	13.1 %	100.0 %	24.4 %	10.1 %	100.0 %	20.9 %
TOTAL	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**

* Weighted values

The ALSO benefit plans do not hold any investments in financial instruments or real estate that are owned or used by the ALSO Group.

Cash and cash equivalents are invested with financial institutions that possess at least an “A” rating.

Equity instruments are investments in mutual funds for which there is a quoted market price (Level 1 of the fair value hierarchy). No direct investments are made. The assets also do not contain any shares of ALSO Holding AG.

Investments in bonds are undertaken solely via funds for which there is a quoted market price (Level 1 of the fair value hierarchy). There are no direct investments.

Investments in real estate are undertaken solely via real estate funds. There are no direct holdings of real estate. There is an active market in the real estate funds (Level 2 of the fair value hierarchy).

Other investments mainly comprise investments in hedge funds and private equity as well as reinsurances.

MAIN ACTUARIAL ASSUMPTIONS

	2015			2014		
	ALSO pension fund	Other defined benefit plans*	Total*	ALSO pension fund	Other defined benefit plans*	Total*
Discount rate	1.0 %	1.9 %	1.1 %	1.2 %	2.0 %	1.3 %
Future salary increases	1.5 %	0.8 %	1.4 %	1.5 %	0.8 %	1.4 %
Future pension increases	0.0 %	0.4 %	0.1 %	0.0 %	0.4 %	0.1 %
Mortality table	BVG 2010	n/a	BVG 2010	BVG 2010	n/a	BVG 2010

* Weighted values

The present value of the defined benefit obligation (DBO) is determined annually by independent actuaries using the projected unit credit method. Actuarial assumptions are required for this purpose.

SENSITIVITIES OF THE MAIN ACTUARIAL ASSUMPTIONS

The main actuarial assumptions were identified to be the discount rate and the future development of salaries and wages. The following effects on the DBO can be expected:

- An increase/decrease of 0.5 percentage points in the discount rate would result in a decrease in the DBO of 9 % or an increase in the DBO of 10 % respectively.
- An increase/decrease of 0.5 percentage points in the expected development of salaries and wages would result in an increase/decrease in the DBO of 2 % respectively.

The sensitivity analysis is based on realistically possible changes as of the end of the reporting year. Each change in a significant actuarial assumption was analyzed separately as part of the test. Interdependencies were not taken into account.

NET PENSION COST FOR DEFINED CONTRIBUTION PLANS

EUR 1 000	2015	2014
Employer contributions	1 433	1 414

4.4 OTHER OPERATING EXPENSES/INCOME

OTHER OPERATING EXPENSES

EUR 1 000	2015	2014
Leasing expenses	–19 585	–18 433
Maintenance and repair expenses	–14 833	–15 282
Marketing and administrative expenses	–101 014	–90 869
Insurance, consulting and other operating expenses	–38 988	–31 590
TOTAL OTHER OPERATING EXPENSES	**–174 420**	**–156 174**

OTHER OPERATING INCOME

EUR 1 000	2015	2014
Gains on sales of property, plant and equipment	33	18
Other operating income	19 157	15 755
TOTAL OTHER OPERATING INCOME	**19 190**	**15 773**

Other operating income mainly comprises contributions from suppliers, insurance payments, and company-produced assets.

4.5
NET FINANCIAL INCOME/EXPENSE

FINANCIAL INCOME

EUR 1 000	2015	2014
Interest income	570	233
Exchange gains, net	133	0
Fair value adjustments of contingent considerations (Note 6.2)	0	421
Fair value adjustments of call options (Note 6.2)	843	665
Negative goodwill from acquisitions	102	2 151
Other financial income	188	295
TOTAL FINANCIAL INCOME	**1 836**	**3 765**

Concerning negative goodwill, please ► refer to Note 3.

FINANCIAL EXPENSES

EUR 1 000	2015	2014
Interest expenses	–13 594	–14 042
Factoring fees	–2 190	–3 086
Net interest employee benefits	–279	–241
Fair value adjustments of contingent considerations (Note 6.2)	–110	0
Exchange losses, net	0	–96
Other financial expenses	–5 336	–669
TOTAL FINANCIAL EXPENSES	**–21 509**	**–18 134**
FINANCIAL RESULT	**–19 673**	**–14 369**

Concerning other financial expenses, please ► refer to Note 3.

EXCHANGE DIFFERENCES

EUR 1 000	2015	2014
Exchange differences recognized in financial result	133	–96
Exchange differences recognized in gross margin	–3 591	–2 009
TOTAL EXCHANGE DIFFERENCES	**–3 458**	**–2 105**

4.6
INCOME TAXES

The main elements contributing to the difference between the expected tax rate for the Group and the effective tax rate are:

INCOME TAX EXPENSES

EUR 1 000	2015	2014
Income taxes in the reporting period	−30 155	−25 221
Income taxes in prior periods	−1 450	−804
TOTAL CURRENT INCOME TAX	**−31 605**	**−26 025**
Reduction in deferred tax rate	−332	−65
Changes in temporary differences	4 037	5 078
TOTAL DEFERRED TAX	**3 705**	**5 013**
TOTAL INCOME TAX EXPENSE	**−27 900**	**−21 012**

ANALYSIS OF TAX EXPENSE

EUR 1 000	2015	2014
PROFIT BEFORE TAX (EBT)	**90 763**	**81 884**
Expected tax rate (weighted)	26.1 %	26.6 %
Expected income tax expense	−23 689	−21 787
Utilization of previously unrecognized tax losses	2 557	3 871
Income tax losses not recognized	−1 395	−1 254
Income not subject to tax	455	724
Non-deductible expenses	−5 564	−1 704
Change in deferred tax rate	−332	−65
Tax effect from prior periods	127	−625
Withholding tax on Group dividends	−89	−109
Other factors	30	−63
EFFECTIVE INCOME TAX EXPENSE	**−27 900**	**−21 012**
Effective income tax rate	30.7 %	25.7 %

The weighted tax rate is calculated from the income tax rates that are expected to apply for the Group companies in the respective tax jurisdictions. The increase in the effective tax rate from 25.7 % in 2014 to 30.7 % in 2015 mainly results from taxable non-deductible expenses in relation to ALSO Logistics Services GmbH.

In 2015, in the tax jurisdictions that are relevant for ALSO, there were no material changes in the applicable income tax rates.

TAX EFFECTS IN OTHER COMPREHENSIVE INCOME

EUR 1 000	2015	2014
Tax effects on items that will not subsequently be reclassified to profit or loss		
Remeasurement of defined benefit plans	575	1 021
SUBTOTAL	**575**	**1 021**
Tax effects on items that may subsequently be reclassified to profit or loss		
Foreign currency adjustments on loans at foreign subsidiaries	325	110
Fair value adjustment on cash flow hedges	17	391
SUBTOTAL	**342**	**501**
TOTAL TAX EFFECTS IN OTHER COMPREHENSIVE INCOME	**917**	**1 522**

DEFERRED TAXES

	Statement of financial position				Recognized in income taxes	
	Deferred tax assets		Deferred tax liabilities			
EUR 1 000	2015	2014	2015	2014	2015	2014
Temporary differences						
Current assets	955	466	3 731	3 346	–116	–107
Property, plant and equipment	225	237	3 580	2 751	–80	639
Intangible assets	1 268	147	2 063	4 553	3 392	2 677
Recognized tax loss carry-forwards	3 098	3 141	0	0	153	1 936
Provisions and employee benefits	4 457	3 466	463	327	15	–412
Liabilities	3 098	1 918	1 430	251	13	97
Other temporary differences	0	0	0	291	328	183
TOTAL	**13 101**	**9 375**	**11 267**	**11 519**	**3 705**	**5 013**
Offsetting	–4 962	–3 758	–4 962	–3 758	0	0
TOTAL DEFERRED TAXES	**8 139**	**5 617**	**6 305**	**7 761**	**3 705**	**5 013**

CHANGES IN DEFERRED TAXES (NET)

EUR 1 000	2015	2014
JANUARY 1	**–2 144**	**–7 559**
Effect of acquisitions	632	–851
Changes in temporary differences	4 622	6 535
Exchange differences	–1 276	–269
DECEMBER 31	**1 834**	**–2 144**

TAX LOSS CARRY-FORWARDS

EUR 1 000	2015	2014
TOTAL TAX LOSS CARRY-FORWARDS	**100 257**	**101 138**
Of which recognized as deferred tax assets	12 772	12 435
TOTAL TAX LOSS CARRY-FORWARDS NOT RECOGNIZED	**87 485**	**88 703**
Tax effect on unrecognized tax loss carry-forwards	19 328	20 333
Total unrecognized tax loss carry-forwards expiring:		
in two to five years (weighted tax rate 2015: 20.0 %; previous year: 20.0 %)	9 382	9 002
in six to ten years (weighted tax rate 2015: 20.0 %; previous year: 20.4 %)	27 428	24 067
No expiry (weighted tax rate 2015: 23.6 %; previous year: 24.5 %)	50 675	55 634

The loss carry-forwards existing at December 31, 2015 and 2014 derive mainly from Norway, Sweden, and Finland.

In 2014, ALSO capitalized a deferred tax asset for the amount of TEUR 2 475 in Norway. This was based on tax losses that had occurred before 2011. ALSO regards it as sufficiently probable that in the future taxable profits will occur that are equal to the amount of the deferred tax asset.

For tax loss carry-forwards in the amount of TEUR 87 485, no deferred tax assets are recognized since they cannot be offset against other Group profits and it is unlikely that the entities carrying the tax losses forward will have future taxable profits against which to offset the related tax benefit.

As at December 31, 2015, there were no deferred tax liabilities for retained earnings amounting to TEUR 35 735 (previous year: TEUR 36 253) in subsidiaries which are liable to tax in the event of a dividend payment. There are no plans for dividend payment in the foreseeable future from those retained earnings.

5. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31

5.1 CASH AND CASH EQUIVALENTS

EUR 1 000	2015	2014
Cash at bank and on hand	40 000	24 156
TOTAL CASH AND CASH EQUIVALENTS	**40 000**	**24 156**

5.2
TRADE RECEIVABLES

EUR 1 000	2015	2014
Trade receivables (gross)	545 505	589 268
Provision for bad debts	–2 298	–2 281
TOTAL TRADE RECEIVABLES	**543 207**	**586 987**

EUR 1 000	2015	2014
Trade receivables past due but not impaired		
< 90 days	29 257	26 590
90 to 180 days	1 614	1 062
> 180 days to 1 year	569	174
> 1 year	25	233
TOTAL TRADE RECEIVABLES PAST DUE BUT NOT IMPAIRED	**31 465**	**28 059**

At the reporting date, trade receivables past due but not impaired contain no indications that the customers will not meet their payment obligations. As at the date of preparation of these consolidated financial statements, material portions of those receivables have been paid.

ALSO has sold or assigned trade receivables to independent factoring companies.Please ► refer to Note 6.8.

EUR 1 000	2015	2014
STATUS OF BAD DEBT PROVISION AS AT JANUARY 1	**2 281**	**2 453**
Exchange differences	12	–4
Creation	1 105	1 562
Release	–416	–155
Utilization	–684	–1 575
STATUS OF BAD DEBT PROVISION AS AT DECEMBER 31	**2 298**	**2 281**
Trade receivables write-offs	–2 123	–1 835
Income from payments for trade receivables previously written-off	252	346

5.3
INVENTORIES

EUR 1000	2015	2014
Inventories	722 622	636 336
Downpayments to suppliers	1 032	413
Inventory provision	–9 276	–10 251
TOTAL INVENTORIES	**714 378**	**626 498**

For most inventories, there are limited-duration price-protection guarantees from the vendors/manufacturers. The ALSO companies usually purchase goods in local currency. A recognizable loss of value due to low inventory turnover, ageing, etc. is taken into account through inventory provisions.

In the reporting period, inventory for the amount of TEUR 7 232 623 (previous year: TEUR 6 711 088) was recognized as cost of goods sold in the consolidated statement of comprehensive income. This includes changes in inventory provisions totaling TEUR 976 recognized as income. In the previous year, TEUR 81 was recognized as income.

5.4
PREPAID EXPENSES, ACCRUED INCOME AND OTHER RECEIVABLES

EUR 1000	2015	2014
Miscellaneous tax receivables	14 096	4 657
Receivables from factors	158 259	183 236
Other receivables	29 043	15 431
OTHER RECEIVABLES	**201 398**	**203 324**
Prepaid expenses and accrued income	4 136	9 174
TOTAL PREPAID EXPENSES, ACCRUED INCOME AND OTHER RECEIVABLES	**205 534**	**212 498**

Receivables from factors ► see Note 6.8 consist of dilution reserves of TEUR 96 996 (previous year: TEUR 95 492) from ongoing sales of receivables and flexibly callable claims of TEUR 61 263 (previous year: TEUR 87 744).

Other receivables consist mainly of receivables from vendors.

5.5
PROPERTY, PLANT AND EQUIPMENT

EUR 1 000	Land and buildings	Equipment	Other property, plant and equipment	Total
JANUARY 1, 2015	**53 952**	**21 627**	**10 072**	**85 651**
Additions	854	5 432	4 061	10 347
Effect of acquisitions	4 047	1 264	336	5 647
Disposals	0	–5 817	–449	–6 266
Reclassifications	4 653	–4 891	238	0
Depreciation	–2 301	–4 860	–3 543	–10 704
Exchange differences	3 777	134	529	4 440
DECEMBER 31, 2015	**64 982**	**12 889**	**11 244**	**89 115**
OVERVIEW AS AT DECEMBER 31, 2015				
Acquisition costs	76 168	39 217	29 884	145 269
Accumulated depreciation/impairment	–11 186	–26 328	–18 640	–56 154
DECEMBER 31, 2015	**64 982**	**12 889**	**11 244**	**89 115**
Of which finance leases	0	0	1 943	1 943
JANUARY 1, 2014	**45 809**	**14 067**	**10 152**	**70 028**
Additions	2 016	1 087	3 512	6 615
Effect of acquisitions	7 516	11 197	55	18 768
Disposals	–17	–121	–53	–191
Depreciation	–1 989	–4 637	–3 686	–10 312
Exchange differences	617	34	92	743
DECEMBER 31, 2014	**53 952**	**21 627**	**10 072**	**85 651**
OVERVIEW AS AT DECEMBER 31, 2014				
Acquisition costs	62 446	43 684	25 480	131 610
Accumulated depreciation/impairment	–8 494	–22 057	–15 408	–45 959
DECEMBER 31, 2014	**53 952**	**21 627**	**10 072**	**85 651**
Of which finance leases	0	0	1 694	1 694

Land and buildings comprises land and buildings used for operational purposes.

In 2015, disposals are mainly a result of the derecognition of ALSO Logistics Services GmbH.

Gains from the sale of property, plant, and equipment are recognized in other operating income and amount to TEUR 33 (previous year: TEUR 18).

5.6
INTANGIBLE ASSETS

EUR 1 000	Goodwill	Customer lists	Other intangible assets	Total
JANUARY 1, 2015	**139 633**	**16 662**	**11 710**	**168 005**
Additions	0	0	3 404	3 404
Effect of acquisitions	0	1 170	876	2 046
Disposals	0	0	–374	–374
Amortization	0	–14 424	–4 955	–19 379
Exchange differences	1 245	943	361	2 549
DECEMBER 31, 2015	**140 878**	**4 351**	**11 022**	**156 251**
OVERVIEW AS AT DECEMBER 31, 2015				
Acquisition costs	140 878	72 977	30 554	244 409
Accumulated amortization/impairment	0	–68 626	–19 532	–88 158
DECEMBER 31, 2015	**140 878**	**4 351**	**11 022**	**156 251**
JANUARY 1, 2014	**131 178**	**27 871**	**8 537**	**167 586**
Additions	0	0	5 350	5 350
Effect of acquisitions	8 949	1 884	2 024	12 857
Disposals	0	0	0	0
Amortization	0	–13 324	–4 256	–17 580
Exchange differences	–494	231	55	–208
DECEMBER 31, 2014	**139 633**	**16 662**	**11 710**	**168 005**
OVERVIEW AS AT DECEMBER 31, 2014				
Acquisition costs	139 633	68 013	26 602	234 248
Accumulated amortization/impairment	0	–51 351	–14 892	–66 243
DECEMBER 31, 2014	**139 633**	**16 662**	**11 710**	**168 005**

In 2014, goodwill was increased mainly by the acquisition of ALSO Cloud Oy.

With the exception of goodwill, no intangible assets with indefinite useful lives are capitalized. The average residual amortization period for the customer lists is one year. Other intangible assets consist mainly of software and licenses.

5.7
IMPAIRMENT TEST

EUR 1 000	2015	2014
Carrying amount goodwill Central Europe	125 101	123 230
Carrying amount goodwill Northern/Eastern Europe	15 777	16 403
TOTAL GOODWILL	**140 878**	**139 633**
Discount rate (post tax) goodwill Central Europe	7.0 %	7.9 %
Discount rate (post tax) goodwill Northern/Eastern Europe	7.2 %	8.0 %
Growth rate sales revenue for residual value Central Europe	1.0 %	1.0 %
Growth rate sales revenue for residual value Northern/Eastern Europe	1.0 %	1.0 %
Expected average EBITDA margin Central Europe (residual value)	1.7 %	1.7 %
Expected average EBITDA margin Northern/Eastern Europe (residual value)	1.0 %	1.0 %

Goodwill is monitored and tested for impairment by means of value-in-use calculations of two groups of cash-generating units. The value in use is the present value of the discounted cash flows. It is based on planning assumptions over a three-year period, plus residual values which have been approved by Management. The discount rates applied, and the average growth rate in net sales are set out in the above table.

The value-in-use calculation for the group of cash-generating units is sensitive to assumptions relating to the balance sheet structure, gross margin, and cost structure. The balance sheet structure and gross margin are derived from historical values as well as from strategic and economic changes. The cost structure is adapted to the expected gross margin.

The value in use is substantially higher than the reported net assets. Even a material change in the base data, e.g. a sustained deterioration in the gross margin, or a change in the balance sheet and cost structure, would not cause an impairment of the goodwill.

5.8
CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

	2015		2014	
EUR 1 000	Carrying amount	Interest rate	Carrying amount	Interest rate
CURRENT FINANCIAL LIABILITIES				
Bank loans	33 802	0.5 to 1.7 %	1 837	0.5 to 1.8 %
Finance lease	882	2.0 to 3.0 %	1 323	1.0 to 3.0 %
Liabilities from factoring	25 651	1.0 to 1.4 %	1 767	1.2 %
Contingent consideration from acquisitions of subsidiaries	6 444		0	
Third-party loans	284		4 031	
TOTAL CURRENT FINANCIAL LIABILITIES	**67 063**		**8 958**	
NON-CURRENT FINANCIAL LIABILITIES				
Bank loans	60 900	0.7 to 5.3 %	57 232	0.9 to 5.3 %
Bonded loan	126 096	2.1 to 3.0 %	129 972	2.4 to 3.1 %
Finance lease	1 202	2.0 to 3.0 %	662	1.0 to 3.0 %
Contingent consideration from acquisitions of subsidiaries	0		5 992	
Third-party loans	1 031		256	
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**189 229**		**194 114**	
TOTAL FINANCIAL LIABILITIES	**256 292**		**203 072**	

COVENANTS

Certain financial liabilities are subject to covenant clauses, under which stipulated financial key figures must be attained. As at December 31, 2015, all covenants were met.

5.9
ACCRUED EXPENSES, DEFERRED INCOME AND OTHER PAYABLES

EUR 1 000	2015	2014
ACCRUED EXPENSES AND DEFERRED INCOME	**43 027**	**38 471**
Miscellaneous tax payables	77 616	82 477
Liabilities from factoring (continuing involvement)	53 482	29 931
Accrued interest from factoring	669	658
Other payables to third parties	9 059	11 292
Other payables to related parties (see Note 6.6)	219	281
OTHER PAYABLES	**141 045**	**124 639**
TOTAL ACCRUED EXPENSES, DEFERRED INCOME AND OTHER PAYABLES	**184 072**	**163 110**

Accrued expenses, deferred income, and other payables are recognized in the statement of financial position at nominal value. They comprise short-term expense accruals and deferred income relating to revenue for subsequent accounting periods already received, as well as accruals for services not yet invoiced. Tax payables include value added and other tax liabilities.

For liabilities from factoring, please ► refer to Notes 6.8.

5.10
PROVISIONS

EUR 1 000	Guarantees, returned goods, complaints	Litigations	Restructuring	Other provisions	Total
JANUARY 1, 2015	**3 964**	**1 325**	**69**	**5 833**	**11 191**
Creation	2 544	167	0	3 186	5 897
Effect of acquisitions	99	0	0	1 438	1 537
Utilization	−3 224	−444	−55	−2 672	−6 395
Release	0	−348	0	−249	−597
Exchange differences	16	0	0	8	24
DECEMBER 31, 2015	**3 399**	**700**	**14**	**7 544**	**11 657**
Current provisions	2 823	694	14	3 944	7 475
Non-current provisions	576	6	0	3 600	4 182
TOTAL 2015	**3 399**	**700**	**14**	**7 544**	**11 657**
JANUARY 1, 2014	**4 422**	**1 261**	**164**	**3 840**	**9 687**
Creation	2 955	508	0	2 352	5 815
Effect of acquisitions	0	0	0	95	95
Utilization	−3 413	−254	−95	−226	−3 988
Release	0	−190	0	−228	−418
Exchange differences	0	0	0	0	0
DECEMBER 31, 2014	**3 964**	**1 325**	**69**	**5 833**	**11 191**
Current provisions	3 224	1 077	69	3 757	8 127
Non-current provisions	740	248	0	2 076	3 064
TOTAL 2014	**3 964**	**1 325**	**69**	**5 833**	**11 191**

There is an existing guarantee provision for the amount of TEUR 3 399 for the risk of expenses that have not yet occurred but which are expected to occur before the end of the guarantee period that was granted. It is expected that the greater part of the provision will be utilized in the next fiscal year, or at the latest within two years.

The provisions for litigation contain claims for damages as well as legal costs for various pending court cases. For significant parts of the litigation, a settlement is expected in the next fiscal year.

Other provisions contain long-service benefits, other employee allowances, and provisions for various risks. Utilization normally takes place within five years.

The creation of other provisions in 2015 relates mainly to expected costs in relation to ALSO Logistics Services GmbH.

Utilization of other provisions in 2015 relates mainly to the result of tax audits. The corresponding provision was created in 2014.

5.11
EQUITY

As at December 31, 2015, the number of registered shares each with a nominal value of CHF 1.00 per share totaled 12 848 962. The share capital is unchanged compared to 2014.

Authorized and conditional share capital comprises 2 500 000 shares with a nominal value of CHF 1.00 per share.

TREASURY SHARES

	Number	Value EUR 1 000
JANUARY 1, 2015	**28 089**	**1 194**
Additions	0	0
Disposals	0	0
DECEMBER 31, 2015	**28 089**	**1 194**
JANUARY 1, 2014	**28 089**	**1 194**
Additions	0	0
Disposals	0	0
DECEMBER 31, 2014	**28 089**	**1 194**

MAJOR SHAREHOLDERS

	12.31.2015	12.31.2014
Special Distribution Holding GmbH, Dusseldorf (Germany) */**	51.30 %	51.30 %
Schindler Pars International Ltd., Hergiswil (Switzerland) **/***	27.97 %	28.23 %
Bestinver Gestion, S.G.I.I.C. S.A., Madrid (Spain)	5.97 %	5.83 %
LB(Swiss) Investment AG, Zurich (Switzerland)	3.18 %	****
SaraSelect, c/o J. Safra Sarasin Investmentfonds AG, Basel (Switzerland)	3.00 %	3.00 %

Source: Share register as of December 31 (without nominees)
* Controlling shareholder: Walter P.J. Droege through Droege International Group AG
** Act together as group of shareholders
*** Held 100 percent by Schindler Holding AG
**** Voting rights below the notifiable threshold value of three percent

REGULATIONS REGARDING THE RESTRICTED TRANSFERABILITY OF SHARES

In accordance with Art. 5 of the Articles of Association, the Board of Directors may refuse to register an acquirer of shares as a full shareholder (i.e. as a shareholder with voting rights) unless the acquirer expressly declares that they have acquired the shares in their own name and on their own account.

RETAINED EARNINGS

The distribution of retained earnings is subject to restrictions:

- Special reserves of ALSO Holding AG can only be distributed after a corresponding resolution by the Annual General Meeting.
- The reserves of subsidiaries are first distributed to the parent company in accordance with local tax regulations and legislation.

OPTING-OUT

The Articles of Association contain an opting-out clause.

5.12 OTHER RESERVES

EUR 1000	Cash flow hedge reserve	Exchange differences	Remeasurement of defined benefit plans	**Total other reserves**
JANUARY 1, 2015	**–5339**	**1038**	**–11387**	**–15688**
Net profit Group	0	0	0	0
Other comprehensive income	455	1833	–3826	–1538
TOTAL COMPREHENSIVE INCOME	**455**	**1833**	**–3826**	**–1538**
Distributions to shareholders	0	0	0	0
Remeasurement of put options on shares of non-controlling interests	0	0	0	0
DECEMBER 31, 2015	**–4884**	**2871**	**–15213**	**–17226**
JANUARY 1, 2014	**252**	**2413**	**–4931**	**–2266**
Net profit Group	0	0	0	0
Other comprehensive income	–5591	–1375	–6456	–13422
TOTAL COMPREHENSIVE INCOME	**–5591**	**–1375**	**–6456**	**–13422**
Distributions to shareholders	0	0	0	0
Remeasurement of put options on shares of non-controlling interests	0	0	0	0
DECEMBER 31, 2014	**–5339**	**1038**	**–11387**	**–15688**

5.13
EARNINGS PER SHARE/DIVIDEND PER SHARE

		2015	2014
NET PROFIT GROUP	**EUR**	**63 143 000**	**61 415 000**
Shares issued (weighted)	Number of shares	12 848 962	12 848 962
Less treasury shares (weighted)	Number of shares	−28 089	−28 089
Available shares for calculation (weighted)	Number of shares	12 820 873	12 820 873
BASIC EARNINGS PER SHARE	**EUR**	**4.93**	**4.79**
DILUTED NET PROFIT GROUP	**EUR**	**63 143 000**	**61 415 000**
Shares issued (weighted) for calculation	Number of shares	12 820 873	12 820 873
Adjustment for dilution from options	Number of shares	461	918
Diluted shares	Number of shares	12 821 334	12 821 791
DILUTED EARNINGS PER SHARE	**EUR**	**4.92**	**4.79**

The company has 28 089 treasury shares in its portfolio. In the above table, these treasury shares are deducted from the total number of shares outstanding. The diluted figures include the effect of the option program.

The Board of Directors will propose to the Annual General Meeting on March 17, 2016, that a distribution to shareholders for the amount of TCHF 24 360 (CHF 1.90 per share) be paid for the financial year 2015. In the prior year, a distribution to shareholders was made for the amount of TCHF 20 513 (CHF 1.60 per share).

5.14
INVESTMENTS IN ASSOCIATES

EUR 1 000	2015	2014
JANUARY 1	**1 083**	**0**
Additions	0	823
Share of income of associates	522	249
Dividends from associates	−422	0
Exchange differences	108	11
DECEMBER 31	**1 291**	**1 083**

6. FURTHER INFORMATION ON THE CONSOLIDATED FINANCIAL STATEMENTS

6.1 CONTINGENT LIABILITIES

At ALSO Deutschland GmbH, lawsuits are pending associated with alleged infringements of MP3 patents of a plaintiff. These relate to various products and vendors. Neither the company nor the vendors can definitively identify which products of which vendors are affected. Various analyses have been performed with the vendors that are involved. According to the relevant stipulations of patent law, ALSO Deutschland GmbH bears joint and several liability. In 2012, some of the vendors that are involved could reach agreement with the patent owners. The settlements do not imply any negative consequences for ALSO. In financial year 2015, the state of the proceedings has not significantly changed. On January 27, 2016, a judgment that is not yet legally effective was issued by the Karlsruhe Higher Regional Court requiring notification, omission, the surrender of any infringing products, and the payment of compensation to be determined based on the notification that has yet to be made. Legal remedies are currently being evaluated. Significant vendors have agreed to accept any potential obligations. The remaining joint and several liability is not recognized in the statement of financial position, since it is not quantifiable at the present time.

ALSO Deutschland GmbH has also received a written demand for information and payment of copyright fees on external hard disks in connection with a tariff that was published in Germany on November 3, 2011. This was the first time that a tariff was published for this category of device. The tariff relates to various products and vendors. The tariff has been applied retrospectively from January 1, 2008, with tariffs of EUR 5.00 for simple external hard disks and EUR 34.00 for multimedia hard disks. Past experience indicates that the final results of negotiations between vendors, distributors, and Bitkom (industry association) on the one hand, and the copyright collecting agencies on the other hand, are substantially below the initially published tariffs. The amount of the contingent liabilities can therefore not be estimated with sufficient certainty. In addition, it is highly probable that the legal conditions for a retrospective publication to be effective are not fulfilled. A liability of ALSO Deutschland GmbH for the period from January 1, 2008, to November 3, 2011, has therefore not been recognized in the statement of financial position.

According to the majority opinion of the vendors, distributors, Bitkom, and their legal advisors, it is unlikely that the tariff can be applied retrospectively. Should this opinion prove false, and the tariffs be applied retrospectively, this would have a material effect on the capital, financial and income situation of the ALSO Group.

6.2 FINANCIAL INSTRUMENTS

HEDGING TRANSACTIONS

EUR 1 000	Contract value	Replacement value positive	Replacement value negative	Risk	Hedging instruments
Cash Flow Hedge	159 000	0	5 243	Interest	Interest rate swap
TOTAL DECEMBER 31, 2015	**159 000**	**0**	**5 243**		
Cash Flow Hedge	212 900	0	6 164	Interest	Interest rate swap
TOTAL DECEMBER 31, 2014	**212 900**	**0**	**6 164**		

Various cash flow hedges (interest rate swaps) became ineffective in 2015 due to negative interest rates (LIBOR). As a result, measurement changes have therefore been recognized directly in financial result since these cash flow hedges became ineffective. This resulted in financial income of TEUR 566. Furthermore, these hedging transactions were reclassified from equity to financial expenses in the amount of TEUR 657.

In 2014, the effectiveness of cash flow hedges was 100 %. No reclassifications of hedging transactions from equity to the statement of comprehensive income took place.

For further information about hedging transactions please ► see Note 6.7.

CLASSES OF FINANCIAL INSTRUMENTS 2015

EUR 1000	Loans and receivables	At fair value through profit or loss	Amortized cost	Hedge accounting	Non-financial instruments	**Carrying amount 12.31.2015**
FINANCIAL ASSETS						
Trade receivables (Note 5.2)	543 207					**543 207**
Prepaid expenses, accrued income and other receivables (Note 5.4)	187 302				18 232	**205 534**
Financial assets	196					**196**
Current derivative financial instruments		1 646				**1 646**
FINANCIAL LIABILITIES						
Financial liabilities (Note 5.8)		6 444	249 848			**256 292**
Trade payables			765 896			**756 896**
Accrued expenses, deferred income and other payables (Note 5.9)			63 429		120 643	**184 072**
Current derivative financial instruments		429				**429**
Non-current derivative financial instruments		4 387		5 243		**9 630**

In 2015, the net gain from financial instruments measured at fair value through profit or loss (mainly forward exchange contracts, call options and contingent considerations from acquisitions) amounted to TEUR 3 439.

The carrying amount of the financial instruments is essentially the fair value.

CLASSES OF FINANCIAL INSTRUMENTS 2014

EUR 1 000	Loans and receivables	At fair value through profit or loss	Amortized cost	Hedge accounting	Non-financial instruments	**Carrying amount 12.31.2014**
FINANCIAL ASSETS						
Trade receivables (Note 5.2)	586 987					**586 987**
Prepaid expenses, accrued income and other receivables (Note 5.4)	198 667				13 831	**212 498**
Financial assets	491					**491**
Current derivative financial instruments		165				**165**
Non-current derivative financial instruments		665				**665**
FINANCIAL LIABILITIES						
Financial liabilities (Note 5.8)		1 360	201 712			**203 072**
Trade payables			836 136			**836 136**
Accrued expenses, deferred income and other payables (Note 5.9)			42 162		120 948	**163 110**
Current derivative financial instruments		370				**370**
Non-current derivative financial instruments		484		6 164		**6 648**

In 2014, the net gain from financial instruments measured at fair value through profit or loss (mainly forward exchange contracts, call options and contingent considerations from acquisitions) amounted to TEUR 4 078.

The carrying amount of the financial instruments is essentially the fair value.

FAIR VALUE HIERARCHY

ALSO applies the following measurement hierarchy to determine the fair value of financial instruments:

Level 1: Listed, unchanged market price in active markets.
Level 2: Measurement methods in which all assumptions that have a material impact on the fair value are indirectly or directly available.
Level 3: Measurement methods with assumptions that have a material impact on the fair value which are not publicly available.

FAIR VALUE OF THE FINANCIAL INSTRUMENTS 2015

EUR 1 000	Level 1	Level 2	Level 3	Fair value 12.31.2015
FINANCIAL ASSETS				
Current derivative financial instruments		77	1 569	**1 646**
Forward exchange contracts		*77*		***77***
Call options			*1 569*	***1 569***
FINANCIAL LIABILITIES				
Contingent consideration from acquisitions of subsidiaries			–6 444	**–6 444**
Current derivative financial instruments		–276	–153	–429
Forward exchange contracts		*–276*		***–276***
Put options on non-controlling interests			*–153*	***–153***
Non-current derivative financial instruments		–6 462	–3 168	–9 630
Interest rate swaps		*–6 462*		***–6 462***
Put options on non-controlling interests			*–3 168*	***–3 168***
TOTAL FINANCIAL INSTRUMENTS LEVEL 3			**–8 196**	

FAIR VALUE OF THE FINANCIAL INSTRUMENTS 2014

EUR 1 000	Level 1	Level 2	Level 3	Fair value 12.31.2014
FINANCIAL ASSETS				
Current derivative financial instruments		165		**165**
Forward exchange contracts		*165*		***165***
Non-current derivative financial instruments			665	**665**
Call options			*665*	***665***
FINANCIAL LIABILITIES				
Contingent consideration from acquisitions of subsidiaries			–1 360	**–1 360**
Current derivative financial instruments		–370		**–370**
Forward exchange contracts		*–370*		***–370***
Non-current derivative financial instruments		–6 495	–153	**–6 648**
Interest rate swaps		*–6 495*		***–6 495***
Put options on non-controlling interests			*–153*	***–153***
TOTAL FINANCIAL INSTRUMENTS LEVEL 3			**–848**	

RECONCILIATION OF FINANCIAL INSTRUMENTS WITHIN LEVEL 3

EUR 1 000	2015	2014
JANUARY 1	**−848**	**−2579**
Recognition of contingent consideration from the acquisition of subsidiaries	−4 827	0
Fair value adjustments of contingent consideration from the acquisition of subsidiaries recognized in financial result	−110	427
Recognition of call options in financial result	843	659
Exercise of put options on non-controlling interests	0	699
Fair value adjustments of put options recognized in equity	−3 168	−28
Exchange differences	−86	−26
DECEMBER 31	**−8 196**	**−848**

In 2015 and 2014 respectively, there were no transfers of financial instruments between Level 1 and Level 2. There were also no transfers into or out of Level 3.

MEASUREMENT TECHNIQUES OF FINANCIAL INSTRUMENTS WITHIN LEVEL 2 AND 3

Forward exchange contracts are measured based on observable forward rates and spot rates and are recognized at their positive or negative replacement value. Interest rate swaps are measured based on the net present value of observable forward rates and recognized in the statement of financial position at their positive or negative replacement value respectively.

The fair value of contingent considerations from the acquisition of subsidiaries, put options on shares of non-controlling interests and call options is calculated based on contractually agreed measurement methods. These calculations are based on the expected future operating profits of subsidiaries and, therefore, depend on assumptions that are neither directly nor indirectly observable in the market. The expected future operating profits are based on medium-term plans which cover a period of three years. Those plans are reviewed by the management of ALSO.

A change in the underlying expected future profits would have the following effect on the fair value:

SENSITIVITY OF FINANCIAL INSTRUMENTS WITHIN LEVEL 3

EUR 1 000	2015	2014
5 % increase in the expected future results	−233	19
5 % reduction in the expected future results	208	−178

6.3
PLEDGED OR ASSIGNED ASSETS SERVING AS COLLATERAL FOR OWN LIABILITIES

EUR 1000	2015	2014
Inventories	35 411	21 003
Property, plant and equipment	24 842	20 248
TOTAL ASSETS PLEDGED	**60 253**	**41 251**

The property, plant, and equipment shown above has been pledged as collateral against existing mortgages in Switzerland and Austria. The inventories have been pledged as collateral against trade payables in Finland and against bank loans respectively credit lines in Poland.

6.4
RENTAL AND LEASING COMMITMENTS

PAYMENTS FOR FIXED-TERM CONTRACTS (OPERATING LEASE)

EUR 1 000	2015	2014
Due in 1st year	21 450	20 859
Due in 2nd–5th year	48 352	49 367
Due from the 6th year onwards	30 522	26 115

Rental agreements for some buildings of the ALSO Group include options to extend the rental period.

PAYMENTS FOR FIXED-TERM CONTRACTS (FINANCE LEASE)

EUR 1 000	2015	2014
Due in 1st year	925	1 377
Due in 2nd–5th year	1 242	694
	2 167	**2 071**
Minus interest expense component	–83	–86
TOTAL FINANCIAL DEBT FROM FINANCE LEASE (NOTE 5.8)	**2 084**	**1 985**
Of which current	882	1 323
Of which non-current	1 202	662

The finance leases mainly comprise IT systems and printers in Germany and Switzerland.

CASH RECEIPTS AS LESSOR

EUR 1 000	2015	2014
Due in 1st year	533	563
Due in 2nd–5th year	1 625	588
Due from the 6th year onwards	223	0

Individual companies of the ALSO Group act as lessor for office and warehouse space for indefinite terms. The leases can be terminated at 2 or 15 months' notice.

6.5 SUBSIDIARIES

Country	Head Office	Company	Participation* 12.31.2015	Participation* 12.31.2014	Share capital in 1 000	Currency	Code
Switzerland	Emmen	ALSO Holding AG			12 849	CHF	S
	Emmen	ALSO Schweiz AG	100 %	100 %	100	CHF	D
	Thun	NRS Printing Solutions AG	100 %	100 %	100	CHF	S
	Emmen	Quatec AG	100 %	100 %	100	CHF	S
	Stans	Bachmann Mobile Kommunikation AG	30 %	30 %	100	CHF	S
Denmark	Tåstrup	ALSO A/S	100 %	100 %	39 000	DKK	D
Germany	Soest	ALSO Deutschland GmbH	100 %	100 %	20 000	EUR	D
	Osnabrück	NT plus GmbH	100 %	100 %	12 500	EUR	D
	Osnabrück	SEAMCOM GmbH & Co. KG	100 %	100 %	203	EUR	D
	Osnabrück	SEAMCOM Verwaltungs GmbH	100 %	100 %	26	EUR	S
	Straubing	ALSO MPS GmbH	100 %	100 %	100	EUR	S
	Berlin	druckerfachmann.de GmbH	100 %	100 %	200	EUR	S
	Berlin	LumIT GmbH (formerly pluscart.de GmbH)	100 %	100 %	25	EUR	S
	Soest	ALSO IS GmbH	100 %	100 %	100	EUR	S
	Soest	ALSO IH GmbH	100 %	100 %	25	EUR	S
	Soest	Impaso Online Services GmbH	100 %	100 %	25	EUR	S
	Staufenberg	Fulfilment Plus GmbH	100 %	100 %	50	EUR	S
	Pullach i. Isartal	SINAS Beteiligungs GmbH & Co. Vermietungs-KG**	0 %	0 %	9	EUR	S
	Soest	MEDIUM GmbH	80 %	80 %	25	EUR	D
	Frankfurt am Main	Pestinger GmbH	74.8 %	74.8 %	26	EUR	D
	Stuttgart	Beamer & more GmbH	51.0 %	51.0 %	25	EUR	D

Country	Head Office	Company	Participation* 12.31.2015	Participation* 12.31.2014	Share capital in 1 000	Currency	Code
	Berlin	ALSO Enterprise Services GmbH (formerly CORA-IT GmbH)	100 %	100 %	100	EUR	S
	Berlin	ALSO bringback GmbH (formerly Lumit GmbH)	100 %	100 %	25	EUR	S
	Berlin	Webinstore AG	99.99 %	99.99 %	500	EUR	S
	Soest	ALSO Mobility Services GmbH	100 %	100 %	25	EUR	S
	Soest	ALSO Logistics Services GmbH i. L. ***	100 %	100 %	25	EUR	S
Finland	Tampere	ALSO Nordic Holding Oy	100 %	100 %	10 000	EUR	S
	Tampere	ALSO Finland Oy	100 %	100 %	841	EUR	D
	Helsinki	ALSO Cloud Oy	100 %	100 %	11	EUR	S
	Helsinki	ALSO Cloud Solutions Oy	100 %	100 %	3	EUR	S
France	Gennevilliers	ALSO France S.A.S.	100 %	100 %	14 500	EUR	D
	Gennevilliers	LAFI Logiciels Application Formation Information S.A.S	100 %	100 %	400	EUR	S
Netherlands	Nieuwegein	ALSO Nederland B.V.	100 %	100 %	1 000	EUR	D
	Nijmegen	ALSO Digital Holding B.V.	51 %	51 %	18	EUR	S
	Nijmegen	ALSO Digital B.V.	100 %	100 %	18	EUR	S
	Nijmegen	Alpha International B.V.	100 %	100 %	18	EUR	D
Norway	Sandefjord	ALSO AS	100 %	100 %	11 063	NOK	D
Estonia	Tallinn	ALSO Eesti OÜ	100 %	100 %	192	EUR	D
Latvia	Mārupe	SIA "ALSO Latvia"	100 %	100 %	1 200	EUR	D
Lithuania	Kaunas	UAB "ALSO Lietuva"	100 %	100 %	1 883	EUR	D
Austria	Gross-Enzersdorf	ALSO Austria GmbH	100 %	100 %	100	EUR	D
Poland	Warsaw	ALSO Polska sp. z o.o.	99.99 %	–	41 705	PLN	D
	Goleniow	MLS sp. z o.o.	100 %	–	5 000	PLN	D
	Goleniow	Blue Bridge sp. z o.o.	100 %	–	100	PLN	S
	Szczecin	iTerra sp. z o.o.	100 %	–	3 250	PLN	D
Sweden	Malmö	ALSO Sweden AB	100 %	100 %	1 000	SEK	D

Codes: D = Distribution, S = Service/Holding company
* Participation equals ALSO Holding AG's direct or indirect voting interest in the company.
** Regarding the consolidation of SINAS Beteiligungs GmbH & Co. Vermietungs-KG, please refer to Note 2.5
*** Regarding the consolidation of ALSO Logistics Services GmbH, please refer to Note 2.5

6.6 TRANSACTIONS WITH RELATED PARTIES

Existing receivables and payables at the reporting date are unsecured. Receivables from ALSO Logistics Services GmbH were impaired in the amount of TEUR 13 631. There are no guarantees, pledges, or other contingent liabilities in favor of related parties. The following transactions and volumes took place with related parties:

TRANSACTIONS WITH PRINCIPAL SHAREHOLDERS

EUR 1 000	2015	2014
Net sales to Droege Group	9 618	7 320
Operating expenses Droege Group	–6 132	–4 502
Trade receivables Droege Group	15	3 919
Trade payables Droege Group (Note 5.9)	–219	–281

The distributions of TEUR 9 916 to Droege and TEUR 5 448 to Schindler that were decided at the General Meeting of March 12, 2015 were paid on March 19, 2015.

LIABILITIES TO ALSO PENSION FUND

EUR 1 000	2015	2014
ALSO Holding AG	–15	–12
ALSO Schweiz AG	–266	0

TRANSACTIONS WITH KEY MANAGEMENT

EUR 1 000	2015	2014
Salaries *	3 946	4 653
Contributions to pension plans	228	159
Anniversary bonuses or other special payments	0	0
Retirement bonuses	0	0
Employee shares/options	0	0
TOTAL COMPENSATION	**4 174**	**4 812**

* Fixed compensation (salaries and flat-rate expenses), bonuses, Board of Directors' fees, employer contributions for social security, and other non-monetary benefits/reductions

OPTION CONDITIONS

Year of issue	Right to	Exercise period	Exercise price in CHF*	Market price then applicable in CHF*	**Open on 12.31.2015** Number
2008	Shares	May 1, 2011 to April 30, 2017	67.20	21.70	1 602
2010	Shares	May 1, 2013 to April 30, 2019	45.50	12.03	531
2011	Shares	May 1, 2014 to April 30, 2020	45.40	16.88	1 574
TOTAL					**3 707**

* In the interest of comparability, no conversion to euro was made.

In the reporting year, no options became exercisable. 5 179 options were exercised. No options were issued or granted. Furthermore no options were forfeited or expired. At December 31, 2015, 3 707 options were exercisable. The options are valued according to the Hull-White model, which explicitly takes account of the effects of the restriction period and of an early exercise of the options. The fair value of the options was recognized in profit and loss, and one third (vesting period) was charged to personnel expenses, lastly in 2013.

6.7 FINANCIAL RISK MANAGEMENT

PRINCIPLES OF RISK MANAGEMENT

In relation to its financial assets and liabilities, ALSO is exposed to special risks arising from changes in exchange rates and interest rates. In addition to these market risks, there are also liquidity and credit risks. The objective of financial risk management is to control and limit these market risks by ongoing operational and financial activities. For this purpose, and depending on the estimated risk, selected hedging instruments are used. Derivative financial instruments are used exclusively as hedging instruments, i.e. they are not used for trading or speculative purposes. To minimize the default risk, the material hedging transactions are only entered into with leading financial institutions.

At regular intervals, the appropriateness of the risk management and the internal control system is reviewed by the Board of Directors and modified if necessary. This ensures that the Board of Directors and the Group Management are completely and promptly informed of material risks. In addition, monthly internal reports on the financial position of the company allow any risks arising from the ongoing business to be recognized as early as possible, and corresponding countermeasures to be initiated. For this purpose, Accounting and Controlling constantly adapt their reporting systems to changing conditions.

For optimal cash management, the management of liquidity not required for ongoing operations and the long-term financing of the Group is centralized. The treasury function also records, monitors, and controls financial risks based on information provided by the Board of Directors and Group Management.

CREDIT RISK

Credit risk is the risk of economic loss resulting from a counterparty being unable or unwilling to fulfill its contractual payment obligations. Credit risk thus includes not only the immediate default risk, but also the risk of a worse credit rating along with the risk of concentration of individual risks.

In its operational business, as well as in some of its financing activities, ALSO is exposed to a default risk. In the financial area, ALSO manages the resulting risk position by the diversification of financial institutions and by verification of the financial strength of each counterparty based on publicly available ratings, as well as on publicly available ad-hoc information about the financial institutions.

CREDIT QUALITY DECEMBER 31, 2015

EUR 1 000	AA–	A+	A	BBB+	BBB	No Rating	Total
Cash and cash equivalents (Note 5.1)	928	102	6 031	29 762	1 986	1 191	**40 000**
Receivables from factoring (Note 5.4)	23 183	69 102	33 570	2 257	9 195	20 952	**158 259**
	12 %	35 %	20 %	16 %	6 %	11 %	**100 %**

CREDIT QUALITY DECEMBER 31, 2014

EUR 1 000	AA–	A+	A	BBB+	BBB	No Rating	Total
Cash and cash equivalents (Note 5.1)	1 474	1 649	19 990	0	0	1 043	**24 156**
Receivables from factoring (Note 5.4)	76 377	64 692	26 407	0	0	15 760	**183 236**
	38 %	32 %	22 %	0 %	0 %	8 %	**100 %**

The credit quality of financial institutions is displayed based on public ratings by Standard & Poor's. The rating code is a letter code that indicates the default risk of a debtor (country, company) and hence allows easy assessment of its creditworthiness. An independent, statistically determinable and validatable probability of default can be assigned to each rating code.

AAA Risk of default is virtually zero.
AA Safe investment, with slight risk of default.
A The investment is safe provided that no unforeseen eventualities impair the overall economy or the industry.
BBB The investment is sufficient save but more dependent on economic developments than the above categories.
< BBB Mainly investments for which no public rating exists.

Ratings may be modified by the addition of a plus (+) or minus (–) sign to move the rating up or down within the rating group.

At the reporting date, no value adjustments were necessary on cash and cash equivalents or receivables from factors.

In the operational area, ALSO limits the default risk by constantly monitoring customers' credit ratings and setting credit limits based thereon. The operational companies of the Group have largely insured their open trade receivables by means of credit insurances. The credit insurances generally cover defaults for 85 to 95 % of the insured amounts. The residual credit default risk on trade receivables is therefore considered by ALSO to be limited, particularly since it is further minimized by the large number of customers and their wide geographical distribution. In addition, to further reduce default risks, certain receivables were completely sold.

Resulting from this sale are receivables from factors amounting to TEUR 158 259 (previous year: TEUR 183 236) ► see Note 5.4, which are spread over several factoring partners. The largest receivable from a single factoring partner is for TEUR 54 300 (previous year: TEUR 57 561). During the long-standing business relationships with the factoring companies, no losses on receivables have occurred. The risk of loss on receivables from factoring partners is not insured with credit insurances. The default risk of loss is minimized by ALSO through regular evaluation of the factoring partners.

Receivables which have not been sold, and for which payment is in arrears, are impaired by individual amounts based on recent experience. Experience from the past indicates that this risk can be considered to be low ► see also Note 5.2. The maximum credit risk (including derivative financial instruments with a positive market value) is represented by the carrying amounts of the financial assets. ALSO has not issued any financial guarantees in favor of third parties.

LIQUIDITY RISKS

The central liquidity risk management system ensures that the Group is always in a position to fulfill its payment obligations promptly. ALSO continuously monitors its liquidity with a detailed cash flow plan on a daily basis. Extensive planning ensures furthermore that sufficient liquidity is available in the medium and long term.

ALSO's objective is to obtain liquidity corresponding to the necessary timing. Since the main requirement for finance is to cover the operational business activities, which are subject to large seasonal fluctuations, over the year as a whole most of the sources of funds are short-term. The necessary funds are mainly obtained by selling existing receivables to factoring companies and supplemented by bank lines of credit that are available at short notice. At the reporting date, the unutilized available credit lines with banks amounted to EUR 321 million (previous year: EUR 312 million) and the flexibly callable receivables from factoring companies amounted to EUR 61 million (previous year: EUR 88 million).

The following table shows the financial liabilities of the Group by expiration date. The information is based on contractually agreed undiscounted interest and amortization payments. Forward purchases and sales of foreign currencies are not included in the financial derivatives. Since the forward transactions do not cause any net negative cash flow, they do not present a liquidity risk to ALSO.

FINANCIAL LIABILITIES BY EXPIRATION DATE 2015

EUR 1 000	Carrying amount 12.31.2015	Total cash flow	Up to 1 year	1 to 5 years	More than 5 years
Trade payables	765 896	765 896	765 896	0	0
Other liabilities	63 429	63 429	63 429	0	0
Loans from banks and third parties and bonded loans	222 113	236 683	37 883	146 691	52 109
Liabilities from factoring	25 651	25 774	25 774	0	0
Contingent consideration from the acquisition of subsidiaries	6 444	6 444	6 444	0	0
Finance lease	2 084	2 167	925	1 242	0
TOTAL	**1 085 617**	**1 100 393**	**900 351**	**147 933**	**52 109**
DERIVATIVE FINANCIAL INSTRUMENTS					
Put options	3 321	3 606	153	3 453	0
Interest rate swaps (net)		6 681	2 439	4 128	114

FINANCIAL LIABILITIES BY EXPIRATION DATE 2014

EUR 1 000	Carrying amount 12.31.2014	Total cash flow	Up to 1 year	1 to 5 years	More than 5 years
Trade payables	836 136	836 136	836 136	0	0
Other liabilities	42 162	42 162	42 162	0	0
Loans from banks and third parties and bonded loans	195 095	209 207	11 343	153 643	44 221
Contingent consideration from the acquisition of subsidiaries	5 992	6 142	0	3 806	2 336
Finance lease	1 985	2 071	1 377	694	0
TOTAL	**1 081 370**	**1 095 718**	**891 018**	**158 143**	**46 557**
DERIVATIVE FINANCIAL INSTRUMENTS					
Put options	153	162	0	162	0
Interest rate swaps (net)		6 673	1 707	4 560	406

The table includes all instruments held on December 31, 2015 and 2014 respectively, for which payments had already been contractually agreed. Plan figures for future new liabilities are not included. Foreign currency amounts were translated at the year-end exchange rate. The variable interest payments from the financial instruments were calculated using the interest rates fixed at December 31, 2015 and 2014, respectively. Financial liabilities that can be repaid at any time are always assigned to the earliest maturity date, irrespective of the fact that the greater part of these financial liabilities is revolving.

INTEREST RATE RISKS

ALSO's interest rate risks relate mainly to current financial liabilities with variable interest rates. Interest rate fluctuations cause changes in the interest income and expense of the interest-bearing assets and liabilities. ALSO is particularly exposed to interest rate risks in EUR, CHF, and DKK.

The interest rate management is handled centrally. Short-term interest rate risks are only partially hedged, a material part of interest-bearing liabilities hence remaining exposed to interest rate fluctuations.

Taking into account the existing and planned debt structure, interest derivatives are used if necessary to meet the bandwidths recommended by central Group treasury and prescribed by management. Since ALSO uses fixed as well as variable interest-bearing instruments, interest risks may result from an increase as well as a decrease in market interest rates.

SENSITIVITY ANALYSIS

Interest rate risks are evaluated by means of sensitivity analyses. These sensitivity analyses demonstrate the effects of changes in market interest rates on unsecured variable interest expense and income, as well as on equity, when all other variables remain constant.

The change in the market interest rates affects the value and the effectiveness of the hedging instruments and therefore affects equity and the financial result. If the market interest rate on December 31, 2015 and 2014 respectively, had been 100 base points higher/lower, the effect would have been as follows:

SENSITIVITY OF INTEREST RATES 2015

EUR 1000	Effect on the financial result	Effect on the equity
Market interest rates +100 bps	−4834	+4232
Market interest rates −100 bps	−3048	−1959

Because the market interest rates in 2015 were at almost 0 percent, financing costs would not decrease further in the event of a reduction of −100 bps. Additional financing costs would even be incurred on the interest rate swaps. The hedging instruments used by ALSO would also become partially ineffective according to IFRS and the negative measurement changes when they became ineffective would be recognized directly in net financial result (recognized in equity when effective). This is purely a valuation effect that is non-recurring and does not result in any outflow of cash for ALSO.

This analysis is based on the assumption that the amount at the respective reporting date corresponds closely to the average amount utilized during the year.

SENSITIVITY OF INTEREST RATES 2014

EUR 1000	Effect on the financial result	Effect on the equity
Market interest rates +100 bps	−4293	+7182
Market interest rates −100 bps	+4293	−7182

EXCHANGE RATE RISKS

A material part of the cash flows of the operational companies occurs in currencies which are not the functional currencies of those subsidiaries. ALSO is therefore exposed to foreign currency risks. Foreign currency risks are only hedged if they affect the cash flow of the Group. Exchange rate risks that arise in the consolidated financial statements through the translation of statements of comprehensive income and statements of financial position of subsidiaries are not hedged.

In the purchasing area, a certain amount is conducted in foreign currencies, especially EUR (where it is not the functional currency) and in USD. To hedge this exchange rate risk, Central Treasury hedges the purchasing volumes of the operating companies outside their functional currency.

Group-internal loans between subsidiaries with different functional currencies give rise to foreign currency risks. ALSO hedges most of these risks. Speculative borrowing or lending in foreign currencies is not permitted. Transaction-related foreign currency risks are also monitored and the corresponding net exposures in the various currencies are calculated.

By regular use of forward contracts, ALSO constantly reduces the exchange rate risk so that there is no material exchange rate risk to the Group. The table below shows the main unsecured net exposures of the Group at the end of 2015 and 2014 respectively. These usually reflect the open risks over the year.

UNHEDGED NET EXPOSURE

EUR 1 000	EUR/USD	EUR/SEK	EUR/CHF	EUR/GBP	EUR/DKK	EUR/PLN
December 31, 2015	19 527	15 869	8 680	1 076	4 564	6 418
December 31, 2014	36 621	8 737	843	6 099	2 581	100

SENSITIVITY ANALYSIS

If, on December 31, 2015 and 2014 respectively, the EUR had been 10 % stronger/weaker relative to the reporting date balances in those currencies, and all other variables had remained unchanged, the consolidated statement of comprehensive income and shareholders' equity (net, after tax) would have been TEUR 3 652 higher/lower (previous year: TEUR 3 922). The disclosed net exposures are mainly offset by inventories which are held in foreign currencies. Those inventories will be sold within a short period of time and would therefore largely compensate the effects explained above on the statement of comprehensive income.

Exchange differences resulting from the translation of financial statements of entities whose functional currency is not the euro are not included in the sensitivity analysis.

CAPITAL MANAGEMENT

The overriding objective of capital management at ALSO is to maintain an appropriate equity base in order to preserve the trust of investors, customers, and the market, and to support future developments in the core business. The internal target value for the ratio of equity to total assets has been defined as 25 to 35 %.

The capital management serves to maintain an optimal Group-wide capital structure which not only gives ALSO sufficient financial flexibility, but also maintains a high credit rating.

The equity structure can be maintained or modified by means of the dividend policy, capital repayments, and, if necessary, capital increases.

The capital structure is monitored on the basis of the net financial debt and reported equity. Net financial debt comprises interest-bearing financial liabilities less cash and cash equivalents.

EUR 1 000	12.31.2015		12.31.2014	
Current financial liabilities	67 063		8 958	
Non-current financial liabilities	189 229		194 114	
TOTAL FINANCIAL LIABILITIES (NOTE 5.8)	**256 292**		**203 072**	
./. Cash and cash equivalents (Note 5.1)	–40 000		–24 156	
Net financial debt	216 292	12 %	178 916	10 %
Reported equity	492 814	28 %	453 951	27 %
Equity and net financial debt	709 106	40 %	632 867	37 %
TOTAL LIABILITIES AND EQUITY	**1 759 757**	**100 %**	**1 711 816**	**100 %**

6.8 FACTORING

ALSO has sold or assigned trade receivables to independent factoring companies. To the extent that a significant transfer of risk takes place, these transactions reduce the total receivables of the Group.

RECEIVABLES FULLY DERECOGNIZED IN THE STATEMENT OF FINANCIAL POSITION

If the sale of trade receivables transfers all material rewards and risks to the factoring company, under IAS 39 these receivables are fully derecognized and a corresponding receivable from the factoring company is recognized ► see Note 5.4.

Due to the contractual terms of the factoring program, ALSO is exposed to certain residual risks even after the trade receivables are sold. For the time period between maturity and payment of the sold receivables, ALSO is obliged to pay interest to the factoring company (interest risk for late payments).

RESIDUAL RISKS OF FULLY DERECOGNIZED RECEIVABLES

EUR 1 000	Carrying amount/ fair value of loss risk	Theoretical maximum loss risk
Interest risk for late payment	88	1 472
TOTAL DECEMBER 31, 2015	**88**	**1 472**
Interest risk for late payment	54	1 421
TOTAL DECEMBER 31, 2014	**54**	**1 421**

Taking into account ongoing creditworthiness checks, the large number of customers, and their historical payment behavior, ALSO expects that interest of TEUR 88 (previous year: TEUR 54) for late payments will be due on sold receivables at December 31, 2015. Corresponding accruals for these amounts were therefore made at December 31, 2015 and 2014, respectively.

Should the theoretical case occur of default on payment of all receivables that have been sold, ALSO would have to pay interest to the factors for the time period between maturity of the sold receivables and a contractually agreed latest date. As at December 31, 2015, the theoretical maximum value at risk from this loss was estimated at TEUR 1 472 (previous year: TEUR 1 421).

RECEIVABLES NOT FULLY DERECOGNIZED IN THE STATEMENT OF FINANCIAL POSITION

In some agreements, neither complete transfer nor complete retention of the rewards and risks of the receivables can be assumed. Under these agreements, the trade receivables are not fully derecognized, and a residual amount remains recognized in the statement of financial position. Under IAS 39, this residual amount represents a so-called "continuing involvement".

The trade receivables of TEUR 543 207 (previous year: TEUR 586 987 ► see Note 5.2) therefore contain a continuing involvement for the amount of TEUR 53 275 (previous year: TEUR 29 791). This is composed of the residual interest risk for late payments of TEUR 1 134 (previous year: TEUR 1 504), the residual credit risk of TEUR 38 440 (previous year: TEUR 17 673), and the residual exchange rate risk of TEUR 13 701 (previous year: TEUR 10 614).

Due to the continuing involvement, there is a corresponding obligation for the amount of TEUR 53 275 (previous year: TEUR 29 791), which is recognized in accrued expenses, deferred income and other payables. In addition, there is an accrual for the amount of TEUR 119 (previous year: TEUR 86) for the fair value of the residual risk of the continuing involvement. Only the change in the true uncollectibility and interest risk is recognized through profit and loss.

NET OBLIGATION 2015

EUR 1 000	Carrying amount/fair value
Asset from continuing involvement	53 275
Obligation from continuing involvement	53 394
NET OBLIGATION AT DECEMBER 31, 2015	**−119**

NET OBLIGATION 2014

EUR 1 000	Carrying amount/fair value
Asset from continuing involvement	29 791
Obligation from continuing involvement	29 877
NET OBLIGATION AT DECEMBER 31, 2014	**−86**

At the reporting date, the gross amount of these sold receivables with continuing involvement was TEUR 429 768 (previous year: TEUR 387 442).

LIABILITY FROM FACTORING 2015

EUR 1 000	Fair value of the remaining risk	Obligation from continuing involvement	Total liability from factoring
Receivables fully derecognized	88	0	88
Receivables not fully derecognized	119	53 275	53 394
DECEMBER 31, 2015 (NOTE 5.9)	**207**	**53 275**	**53 482**

LIABILITY FROM FACTORING 2014

EUR 1 000	Fair value of the remaining risk	Obligation from continuing involvement	Total liability from factoring
Receivables fully derecognized	54	0	54
Receivables not fully derecognized	86	29 791	29 877
DECEMBER 31, 2014 (NOTE 5.9)	**140**	**29 791**	**29 931**

In financial year 2015, interest of TEUR 354 for late payments was recognized as financial expense (previous year: TEUR 448). This interest relates to the continuing involvement in the receivables that have been fully derecognized as well as those that have not been fully derecognized.

6.9
EVENTS AFTER THE REPORTING PERIOD

No material events occurred after the reporting period.

6.10
APPROVAL OF THE ALSO GROUP CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were released for publication by the Board of Directors of ALSO Holding AG on February 8, 2016, and will be submitted to the Annual General Meeting of March 17, 2016, for approval.

REPORT OF THE STATUTORY AUDITOR ON THE CONSOLIDATED FINANCIAL STATEMENTS

As statutory auditor, we have audited the consolidated financial statements of ALSO Holding AG, which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes ► pages 93 to 148 for the year ended December 31, 2015.

BOARD OF DIRECTORS' RESPONSIBILITY

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards as well as the International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements for the year ended December 31, 2015 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

REPORT ON OTHER LEGAL REQUIREMENTS

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Bruno Häfliger	**Roger Leu**
Audit expert	*Audit expert*
Auditor in charge	

Lucerne, February 8, 2016

PROFIT AND LOSS STATEMENT OF ALSO HOLDING AG

CHF 1 000	**2015**	2014
Service revenue	17 240	14 227
Investment revenue	23 786	35 065
Other operating income	37	79
Service expenses	–7 478	–6 550
Personnel expenses	–7 130	–6 374
Other operating expenses	–5 572	–4 637
Depreciation	–199	–198
Financial income	7 832	8 781
Financial expenses	–12 029	–10 518
Direct tax expenses	–53	–132
NET PROFIT	**16 434**	**29 743**

BALANCE SHEET OF ALSO HOLDING AG

ASSETS

CHF 1 000	12.31.2015	12.31.2014
Cash	16	15
Other current receivables		
From third parties	24	28
From Group companies	121 450	166 413
Prepaid expenses and accrued income	309	241
TOTAL CURRENT ASSETS	**121 799**	**166 697**
Loans to Group companies	149 240	159 407
Investments	513 505	502 860
Intangible assets	689	888
TOTAL NON-CURRENT ASSETS	**663 434**	**663 155**
TOTAL ASSETS	**785 233**	**829 852**

LIABILITIES AND EQUITY

CHF 1 000	12.31.2015	12.31.2014
Other current payables		
To third parties	2 649	109
To Group companies (interest-bearing)	61 653	85 107
Accrued expenses and deferred income	13 126	13 014
TOTAL CURRENT LIABILITIES	**77 428**	**98 230**
Liabilities to banks (interest-bearing)	136 626	156 279
TOTAL NON-CURRENT LIABILITIES	**136 626**	**156 279**
TOTAL LIABILITIES	**214 054**	**254 509**
Share capital	12 849	12 849
Legal capital reserves		
Capital contribution reserve	283 585	304 099
Share-premium reserve	8 618	8 618
Legal reserves		
General reserve	1 100	1 100
Special reserve	90 000	90 000
Retained earnings		
Balance brought forward	160 133	130 390
Net profit	16 434	29 743
Treasury shares	–1 540	–1 456
TOTAL SHAREHOLDERS' EQUITY	**571 179**	**575 343**
TOTAL LIABILITIES AND EQUITY	**785 233**	**829 852**

NOTES TO THE FINANCIAL STATEMENTS OF ALSO HOLDING AG

GENERAL

The financial statements of ALSO Holding AG, with registered office in Emmen, Switzerland, comply with the requirements of the Swiss Code of Obligations (SCO). The 2015 financial statements were prepared in accordance with the Swiss Accounting Legislation for the first time (Title 32 of the Swiss Code of Obligations). To ensure comparability, prior year balance sheet and profit and loss statement information was adjusted to the new classification requirements.

BASIS OF PREPARATION

Assets are valued at no higher than acquisition cost. All changes in value are recognized in the profit and loss statement. Due to their similarity investments are usually grouped together and tested for impairment once a year. Intangible assets are amortized over five years. Gains and losses from disposals of treasury shares, including transaction costs, are recognized directly in legal reserves. Liabilities are valued at nominal value.

All current assets and liabilities denominated in foreign currencies are translated according to the exchange rates applicable on the balance sheet date. For non-current assets and liabilities the imparity principle is applied. Income and expenses denominated in foreign currencies and all foreign exchange transactions are translated using the exchange rates as of the transaction dates. Resulting foreign exchange differences are recognized in the profit and loss statement.

Derivatives with positive replacement values are recognized at their acquisition cost. Derivatives with negative replacement values are recognized at their fair values.

CAPITAL

	Total in CHF 12.31.2015	Number of shares	Nominal value per share in CHF
Subscribed capital	12848962	12848962	1.00
Authorized capital increase (unclaimed)	2500000	2500000	1.00
Conditional capital increase (unclaimed)	2500000	2500000	1.00

TREASURY SHARES

	Date	Number	Value in TCHF	Price in CHF
JANUARY 1, 2014		**28089**	**1390**	**49.50**
Additions		–		
Disposals		–		
Revaluation	12.31.2014		66	
DECEMBER 31, 2014		**28089**	**1456**	**51.85**
Additions		–		
Disposals		–		
Revaluation	12.31.2015		84	
DECEMBER 31, 2015		**28089**	**1540**	**68.80**

The value of treasury shares was increased to their historic cost of acquisition in order to comply with Swiss Accounting Legislation. This was recognized in finance result.

MAJOR SHAREHOLDERS

	12.31.2015	12.31.2014
Special Distribution Holding GmbH, Dusseldorf (Germany) */**	51.30 %	51.30 %
Schindler Pars International Ltd., Hergiswil (Switzerland) **/***	27.97 %	28.23 %
Bestinver Gestion, S.G.I.I.C. S.A., Madrid (Spain)	5.97 %	5.83 %
LB(Swiss) Investment AG, Zurich (Switzerland)	3.18 %	****
SaraSelect, c/o Sarasin Investmentfonds AG, Basel (Switzerland)	3.00 %	3.00 %

Share register as of December 31 (without nominees)
* Controlling shareholder: Walter P.J. Droege through Droege International Group AG
** Act together as group of shareholders
*** Held 100 percent by Schindler Holding AG
**** Voting rights below the notifiable threshold value of three percent

CONTINGENT LIABILITIES

CHF 1 000	2015	2014
Conditional liabilities towards third parties	554 120	674 181
Letters of comfort	p. m.	p. m.
TOTAL	**554 120**	**674 181**

The contingent liabilities of ALSO Holding AG cover the conditional liabilities for bank guarantees, borrowing arrangements and delivery commitments of the Group companies.

LIABILITIES TO DEFINED BENEFIT PLANS

CHF 1 000	2015	2014
ALSO pension fund	16	15
TOTAL	**16**	**15**

NUMBER OF FULL-TIME EQUIVALENT POSITIONS

In 2015, the average number of full-time equivalent positions was 13 (previous year: 12).

INFORMATION ABOUT DIRECTLY OR INDIRECTLY CONTROLLED INVESTMENTS

Country	Head office	Company	Participation* 12.31.2015	Participation* 12.31.2014	Share capital in 1000	Currency	Code
Switzerland	Emmen	ALSO Holding AG			12849	CHF	S
	Emmen	ALSO Schweiz AG	100%	100%	100	CHF	D
	Thun	NRS Printing Solutions AG	100%	100%	100	CHF	S
	Emmen	Quatec AG	100%	100%	100	CHF	S
	Stans	Bachmann Mobile Kommunikation AG	30%	30%	100	CHF	S
Denmark	Tåstrup	ALSO A/S	100%	100%	39000	DKK	D
Germany	Soest	ALSO Deutschland GmbH	100%	100%	20000	EUR	D
	Osnabrück	NT plus GmbH	100%	100%	12500	EUR	D
	Osnabrück	SEAMCOM GmbH & Co. KG	100%	100%	203	EUR	D
	Osnabrück	SEAMCOM Verwaltungs GmbH	100%	100%	26	EUR	S
	Straubing	ALSO MPS GmbH	100%	100%	100	EUR	S
	Berlin	druckerfachmann.de GmbH	100%	100%	200	EUR	S
	Berlin	LumIT GmbH (formerly pluscart.de GmbH)	100%	100%	25	EUR	S
	Soest	ALSO IS GmbH	100%	100%	100	EUR	S
	Soest	ALSO IH GmbH	100%	100%	25	EUR	S
	Soest	Impaso Online Services GmbH	100%	100%	25	EUR	S
	Staufenberg	Fulfilment Plus GmbH	100%	100%	50	EUR	S
	Pullach i. Isartal	SINAS Beteiligungs GmbH & Co. Vermietungs-KG	0%	0%	9	EUR	S
	Soest	MEDIUM GmbH	80%	80%	25	EUR	D
	Frankfurt am Main	Pestinger GmbH	74.8%	74.8%	26	EUR	D
	Stuttgart	Beamer & more GmbH	51.0%	51.0%	25	EUR	D
	Berlin	ALSO Enterprise Services GmbH (formerly CORA-IT GmbH)	100%	100%	100	EUR	S
	Berlin	ALSO bringback GmbH (formerly Lumit GmbH)	100%	100%	25	EUR	S
	Berlin	Webinstore AG	99.99%	99.99%	500	EUR	S
	Soest	ALSO Mobility Services GmbH	100%	100%	25	EUR	S
	Soest	ALSO Logistics Services GmbH i. L.	100%	100%	25	EUR	S
Finland	Tampere	ALSO Nordic Holding Oy	100%	100%	10000	EUR	S
	Tampere	ALSO Finland Oy	100%	100%	841	EUR	D
	Helsinki	ALSO Cloud Oy	100%	100%	11	EUR	S
	Helsinki	ALSO Cloud Solutions Oy	100%	100%	3	EUR	S
France	Gennevilliers	ALSO France S.A.S.	100%	100%	14500	EUR	D
	Gennevilliers	LAFI Logiciels Application Formation Information S.A.S	100%	100%	400	EUR	S
Netherlands	Nieuwegein	ALSO Nederland B.V.	100%	100%	1000	EUR	D

INFORMATION ABOUT DIRECTLY OR INDIRECTLY CONTROLLED INVESTMENTS

Country	Head office	Company	Participation* 12.31.2015	Participation* 12.31.2014	Share capital in 1000	Currency	Code
	Nijmegen	ALSO Digital Holding B.V.	51 %	51 %	18	EUR	S
	Nijmegen	ALSO Digital B.V.	100 %	100 %	18	EUR	S
	Nijmegen	Alpha International B.V.	100 %	100 %	18	EUR	D
Norway	Sandefjord	ALSO AS	100 %	100 %	11 063	NOK	D
Estonia	Tallinn	ALSO Eesti OÜ	100 %	100 %	192	EUR	D
Latvia	Mārupe	SIA "ALSO Latvia"	100 %	100 %	1 200	EUR	D
Lithuania	Kaunas	UAB "ALSO Lietuva"	100 %	100 %	1 883	EUR	D
Austria	Gross-Enzersdorf	ALSO Austria GmbH	100 %	100 %	100	EUR	D
Poland	Warsaw	ALSO Polska sp. z o.o.	99.99 %	–	41 705	PLN	D
	Goleniow	MLS sp. z o.o.	100 %	–	5 000	PLN	D
	Goleniow	Blue Bridge sp. z o.o.	100 %	–	100	PLN	S
	Szczecin	iTerra sp. z o.o.	100 %	–	3 250	PLN	D
Sweden	Malmö	ALSO Sweden AB	100 %	100 %	1 000	SEK	D

Codes: D = Distribution, S = Service/Holding company
* Participation equals ALSO Holding AG's direct or indirect voting interest in the company.

PARTICIPATIONS, CONVERSION RIGHTS AND OPTIONS

In accordance with Art. 25 of the Articles of Association, no participations, conversion rights or options are granted to members of the Board of Directors or Group Management.

The existing participations, conversion rights, and options of the members of the Board of Directors and Group Management and their related parties are as follows:

BOARD OF DIRECTORS

	12.31.2015	
	Number of shares	Number of options
Prof. Dr. Ing. Gustavo Möller-Hergt, Chairman/Executive Member	–	–
Walter P.J. Droege, Vice Chairman	6592032	–
Prof. Dr. Karl Hofstetter	2000	–
Prof. Dr. Rudolf Marty	10	–
Frank Tanski	–	–
Prof. Dr. Peter Athanas	–	–
Dr. Olaf Berlien	–	–
TOTAL	**6594042**	**–**

BOARD OF DIRECTORS

	12.31.2014	
	Number of shares	Number of options
Prof. Dr. Ing. Gustavo Möller-Hergt, Chairman/Executive Member	–	–
Walter P.J. Droege, Vice Chairman	6592032	–
Prof. Dr. Karl Hofstetter	2000	–
Prof. Dr. Rudolf Marty	10	–
Frank Tanski	–	–
Prof. Dr. Peter Athanas	–	–
Dr. Olaf Berlien	–	–
TOTAL	**6594042**	**–**

Prof. Dr. Ing. Gustavo Möller-Hergt has been a member of Group Management since 2011 and a member and Chairman of the Board of Directors since March 13, 2014. All other members of the Board of Directors are non-executive members.

GROUP MANAGEMENT

Neither in the reporting year nor in the prior year did the members of Group Management receive participations, conversion rights, or options.

ADDITIONAL DISCLOSURES, STATEMENT OF CASH FLOWS AND STATUS REPORT

In accordance with Art. 961d, Paragraph 1, of the Swiss Code of Obligations, additional disclosures, the statement of cash flows and the status report are dispensed with, as the ALSO Holding AG prepares the consolidated financial statements in accordance with a generally accepted financial reporting standard.

EVENTS AFTER THE REPORTING PERIOD

These financial statements were released for publication by the Board of Directors of ALSO Holding AG on February 8, 2016, and will be submitted to the Annual General Meeting of March 17, 2016, for approval.

No material events occurred after the reporting period.

There are no further matters requiring disclosure according to the Swiss Code of Obligations (SCO) Art. 959c.

PROPOSAL OF THE BOARD OF DIRECTORS TO THE ANNUAL GENERAL MEETING OF MARCH 17, 2016

CHF 1 000	2015	2014
Brought forward, January 1	160 133	128 850
Transfer reserve for treasury shares	0	1 540
BROUGHT FORWARD, DECEMBER 31	**160 133**	**130 390**
Net profit	16 434	29 743
Dissolution of reserve from contribution in kind	24 360	20 513
TOTAL AVAILABLE EARNINGS	**200 927**	**180 646**
DISBURSEMENT OF RESERVE FROM CONTRIBUTION IN KIND	**–24 360**	**–20 513**
Balance to be carried forward	176 567	160 133

REPORT OF THE STATUTORY AUDITOR ON THE FINANCIAL STATEMENTS

As statutory auditor, we have audited the accompanying financial statements of ALSO Holding AG, which comprise the profit and loss statement, balance sheet and notes ► pages 150 to 157, for the year ended December 31, 2015.

BOARD OF DIRECTORS' RESPONSIBILITY

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements for the year ended December 31, 2015 comply with Swiss law and the company's articles of incorporation.

REPORT ON OTHER LEGAL REQUIREMENTS

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors. We further confirm that the proposed appropriation of available earnings and reserves complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Bruno Häfliger	**Roger Leu**
Audit expert	*Audit expert*
Auditor in charge	

Lucerne, February 8, 2016

FINANCIAL CALENDAR 2016

17 MAR
ANNUAL GENERAL MEETING

26 APR
MEDIA RELEASE: SELECTED KEY FIGURES AT MARCH 31

26 JUL
PUBLICATION HALF-YEAR REPORT

27 OCT
MEDIA RELEASE: SELECTED KEY FIGURES AT SEPTEMBER 30

23 FEB 17
ANNUAL RESULTS MEDIA CONFERENCE

IMPRINT

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The original German language version is binding.

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ILLUSTRATIONS
Onformative, Berlin, Germany
PRINT
Eberl Print GmbH, Immenstadt im Allgäu, Germany

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