ALSO

Annual Report 2014

Key figures

	2014	2013	2012 [1]	2011 [2]
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (MIO EUR)				
Net sales	7 237.8	6 532.6	6 297.0	6 209.3
Gross margin	462.8	428.6	418.0	400.2
EBITDA	123.9	113.5	109.4	91.4
Profit before taxes (EBT)	81.9	72.6	64.0	39.8
Net profit Group	60.9	50.1	45.5	26.7
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (MIO EUR)	**12.31.2014**	**12.31.2013**	**12.31.2012 [1]**	**12.31.2011**
Cash and cash equivalents	24.2	41.6	5.5	4.9
Other current assets	1 426.1	1 210.1	1 076.5	998.7
Non-current assets	261.5	241.1	254.0	258.5
TOTAL ASSETS	**1 711.8**	**1 492.8**	**1 336.0**	**1 262.1**
Current liabilities	1 025.4	932.2	869.6	799.5
Non-current liabilities	232.4	139.3	77.6	110.9
Equity	454.0	421.3	388.8	351.7
TOTAL LIABILITIES	**1 711.8**	**1 492.8**	**1 336.0**	**1 262.1**
Equity ratio	26.5 %	28.2 %	29.1 %	27.9 %
CONSOLIDATED STATEMENT OF CASH FLOWS (MIO EUR)	**2014**	**2013**	**2012 [1]**	**2011 [2]**
Free cash flow	−12.8	51.4	16.4	89.1
Cash flow before changes working capital	88.3	71.3	61.9	53.7
Investments in property, plant and equipment	6.3	5.6	4.6	3.1
KEY FIGURES	**2014**	**2013**	**2012 [1]**	**2011 [2]**
Gross margin as % of net sales	6.4 %	6.6 %	6.6 %	6.4 %
Net profit Group as % of net sales	0.8 %	0.8 %	0.7 %	0.4 %
Return on equity (ROE)	13.4 %	11.9 %	11.7 %	7.6 %
Net financial debt/EBITDA	1.44	0.67	1.04	1.25
Average headcount during the year [3]	3 426	3 155	2 985	3 171
EBITDA per employee in EUR 000	36.2	36.0	36.6	28.8
SHARES OF ALSO HOLDING AG	**2014**	**2013**	**2012 [1]**	**2011**
Number of registered shares, nominal value CHF 1.00 per share	12 848 962	12 848 962	12 848 962	12 848 962
Dividend per registered share (CHF)	1.60 [4]	1.40	1.20	0.70
Earnings per share EPS (CHF)	5.77	4.81	4.28	2.72
Equity per registered share (CHF)	42.49	40.25	36.53	33.32
Market capitalization at December 31 (Mio CHF)	666.2	636.0	587.8	539.7
Price-earnings ratio (P/E ratio)	9.0	10.3	10.7	15.4

1) Figures adjusted for restatement
2) Since February 8, 2011, ALSO
3) Basis: full-time equivalent positions excluding temporary employees
4) Proposal of the Board of Directors

Contents

Enablers

MICHEL STEINER
Key Account Manager,
Sales Division Solutions

RAMONA STROEHER
Product Manager

JAN BOGDANOVICH
Head of Professional
Services

MARTIN CHROIS
Business Unit Manager,
Software & Cloud

JÖRG RÖMER
Head of Business Unit
E-Business

ALSO's European B2B marketplace for ICT

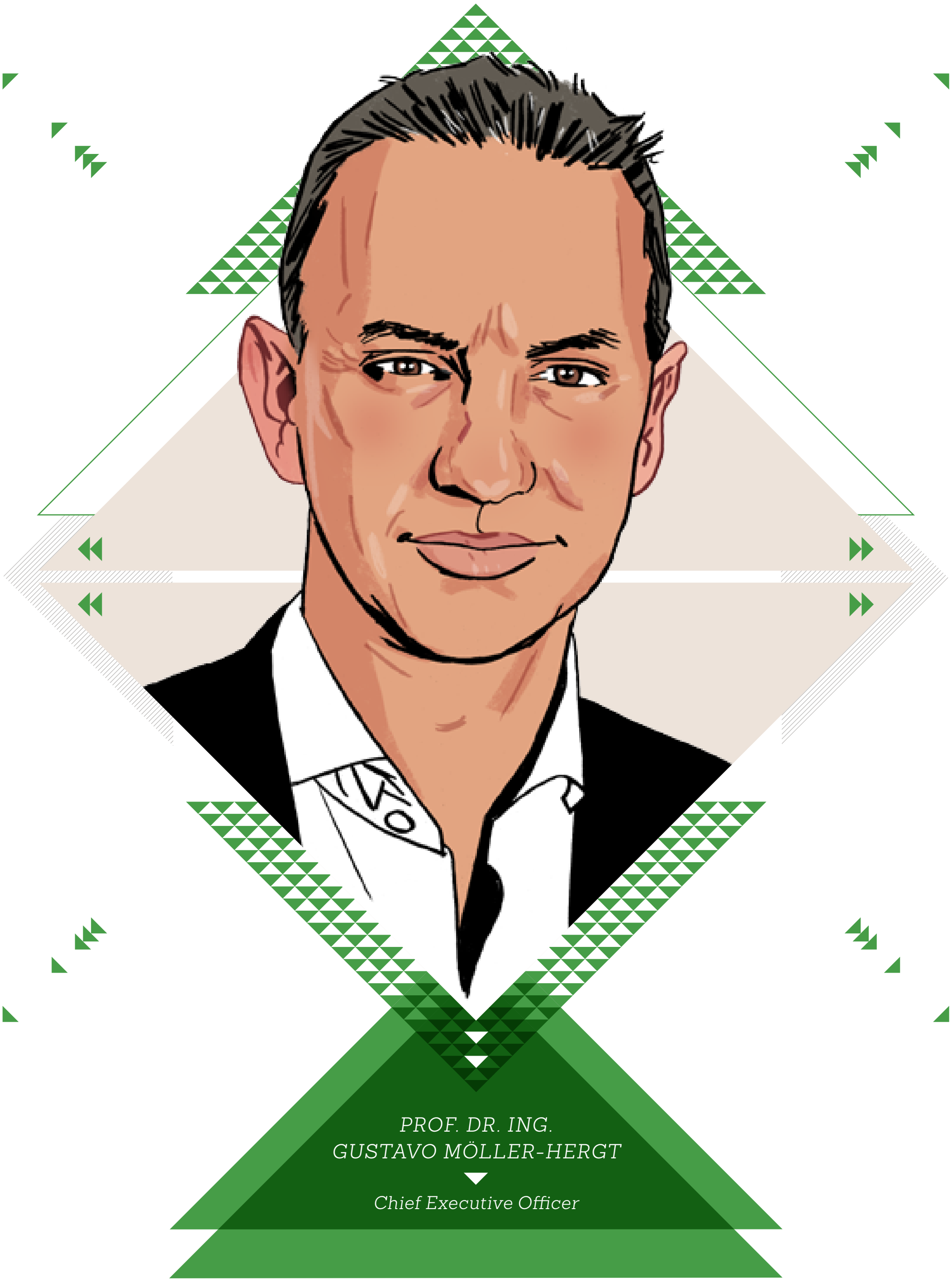
Through the digital revolution, new business models are constantly coming into existence. Our customers, the providers and buyers of hardware, software, and services, need a strong partner at their side, who enables them to fully achieve their existing potential and to translate their new business ideas into reality.

Our vision was to create a marketplace for the ICT industry. A marketplace in which individual services can be downloaded from logistics, financial, supply, solutions, digital, and IT platforms. Through the continuous further development of our platforms, we have turned this vision into reality: ALSO's European B2B marketplace is the trading center for goods and services of the ICT industry. Exactly tailored to the needs and requirements of the most diverse customers.

That makes ALSO a competent, reliable, and sustainable partner.

FOR CUSTOMERS.
FOR EMPLOYEES. FOR INVESTORS.


PROVIDERS
Hardware-, software- and consumables-vendors
Service providers
Financial Services
Needs-related portfolio
Efficient processing of payments
Uncomplicated online fulfillment
Supply Services
High availability
Reliable delivery
Competitive prices
Logistics Services
Optimal cut-off times
Highly diverse single-item and batch sizes
Extensive multi-channel capability
ALSO's B2B Marketplace
Solutions Services
Customized portfolio
Short project planning phase
Profound product knowledge
IT Services
Individualized provision of data
Easy system integration
State-of-the-art security standards
Digital Services
Qualified service portfolio
Automatic readying
Easy handling
BUYERS
Corporate resellers — SMB resellers
Value added resellers — Retailers — Etailers



PROF. DR. ING.
GUSTAVO MÖLLER-HERGT

Chief Executive Officer

Customer-focused

PROF. DR. ING.
GUSTAVO
MÖLLER-HERGT

As CEO of ALSO Holding AG, he looks back on a positive year. Not only increasing revenue and profitability make ALSO successful, but also the growth in future-oriented themes.

We are the European B2B marketplace for the ICT industry.

Gustavo Möller-Hergt, how did the ICT market develop in 2014?

G.M.-H. Better than expected. For 2014, we took a very cautious view of the market. In fact, growth came in at five percent. That's very good news.

How did ALSO perform in this market?

G.M.-H. I'm very satisfied with the results. We maintained our position in the market. And we're talking about a very high level. We focused ourselves very sharply and were able to grow additionally in future-oriented and more profitable sectors.

Can you give an example?

G.M.-H. In computers and components we're growing overproportionally. Also in the Unified Communications Systems category we're growing twice as fast as the market! Software and licenses is another sector which is doing well for ALSO. That's about software for computer centers and virtualization solutions, but also about security and CRM software to manage customer relationships. In the last few years we've invested heavily in these sectors.

A long-term focus?

G.M.-H. Software will continue to be one of the most interesting sectors for us for the next few years. For example, we've just signed a contract with a vendor in the USA whose CRM software is very easy for small and medium-sized businesses to use through the cloud. Highly interesting!

So you're totally satisfied?

G.M.-H. No, for goodness sake, that would be boring! We've got lots of plans in the telecommunications sector. We want to benefit even more from the smartphone market, which is growing very fast. We've reorganized ourselves at the European level to systematically harvest this market and hired more people with expertise. And we've also invested in the infrastructure. Our existing warehouses that are specialized on small items are running at full capacity. So we've bought a new warehouse in Augsburg from where we offer many logistical services and where we can specialize on small items like mobile telephones, as I just mentioned.

That means that the focus is still on the Distribution business?

G.M.-H. Of course, distribution is the basis of our business. It's not without reason that the M in our MORE strategy stands for Maintain. Optimal ordering times, additional services, and seamless multichannel capability are essential here.

But that costs a lot of money, doesn't it?

G.M.-H. That's why we're constantly working on better processes. Since O stands for Optimize. We don't just want growth at any price. Growth can be expensive if you don't concentrate on improving the processes and, in the end, the results. We're doing that with our Profit Improvement Program (PIP) and our Process Optimization Program (POP).

How far are you with those?

G.M.-H. Those are not things that you can achieve at the touch of a button, but are a continuous process. In 2012 in Germany, we started with POP to organize the processes more tightly and to cut costs. We're now seeing the successes. Germany serves as the best-practice benchmark for all other countries. In 2014 we implemented the programs in France, Scandinavia, and Finland. We'll see successes there in 2015.

R stands for Reinvent. ALSO will reinvent itself. What is happening there?

G.M.-H. We have worked consistently on decoupling our business models. Because one thing is clear: you need different structures and people in the Service business than in the Supply business. There, you've got to work very long-term, it's about trust and credibility. It's great to see how far we already are. The growth that we've achieved in the Solutions sector in Germany, for instance, is a clear success for our Reinvent strategy.

around **3.2**

BILLION EUROS SALES REVENUE FROM WEBSHOP AND EDI

The Solutions business is attractive for many companies. What can ALSO do better than others?

G.M.-H. We have the great advantage that we supply virtually all customers in the ICT industry. There's practically nobody else that can build up the Solutions and Service business on such a broad base. And with our financial strength, we can invest in platforms that help our customers to optimize their businesses. Just recently, for example, we invested in a so-called Cloud Control Panel. Our customers use it to configure their cloud services. That's an investment that a reseller can't necessarily make on its own.

That goes far beyond the Distribution business.

G.M.-H. Here, we see ourselves as enablers.

With that, you mean that ALSO enables its customers to do new business?

G.M.-H. Yes, for example with analysis tools for e-commerce, which we invested in last year. We're also constantly optimizing our webshop, so that our customers can optimally inform themselves and place their orders. And we've created new services in financing, from our leasing tool to credit-rating information on the internet.

So a totally trouble-free package?

G.M.-H. We don't offer anything superfluous but focus on what the resellers need … uncomplicatedly and efficiently. In all of our acquisitions, the question is always: what can we do for our customers so that they generate more business? It can be Managed Printing Services or the Cloud Control Panel that I just mentioned. That's the fourth element of MORE: E for Enhance.

Aren't you concerned that the cloud will threaten your revenue in Distribution?

G.M.-H. I think it's wrong to see every change as a threat. The digital business in the cloud is an opportunity.

And anyone who doesn't invest in it is threatened …

G.M.-H. That's right. But whoever is fast enough, and has the courage to invest in such platforms, will create additional business. The cloud is the warehouse of the future. And with our cloud platform, which is now live in all twelve countries, we enable our resellers to develop.

How easily?

G.M.-H. Very easily. If I can work with it, anyone can!

So in a few years' time, ALSO will be a purely digital distributor?

G.M.-H. In the last few years we've changed enormously, and we'll go on changing. For a long time now, broadline distribution has only been part of our business. It's an excellent business, and the perfect base on which to build other platforms. The current relaunch of our website makes it absolutely clear: we are the European B2B marketplace for the ICT industry.

MICHEL STEINER

*Key Account Manager,
Sales Division Solutions*

Close to the business

MICHEL STEINER

supports Swiss specialist retailers who construct computer centers or equip large end-customers with IT. His task is to optimize his customers' efficiency with creative services from initial consulting to delivery.

Making our customers more competitive

Michel Steiner, you're out of the office now, aren't you?

M.S. Yes, as always. I'm with our partners more than I'm in the office. That's the only way I can know their needs. But today, I've also got a list of new customers that I want to contact. Customers that are in the cloud, so-called service providers, that we want to get to know. Caring for existing customers is important, but we also mustn't miss gaining new ones.

What expectations do these customers have of ALSO?

M.S. When we're sitting at our computers we have the feeling that IT is getting easier all the time. But in the background, it's constantly becoming more complex. And for the retailers, that has become a real problem. But we can help them, because with our experts we remove some of the complexity again. We bring information together, bundle it, and pass on to our customers what is important for them. So we provide a sort of information logistics service.

Why is ALSO particularly able to do that?

M.S. In the last few years, we've got much closer to our resellers' business processes. In many cases, the vendors don't know exactly what these customers do at all. We know our partners and understand their challenges and problems. Because the partner involves us in complex questions and, with our knowledge, we can give him concrete assistance, the work is a lot of fun.

Does that mean there is always a purely theoretical answer to such complex questions?

M.S. We can do a lot of highly concrete planning on paper. In addition, however, for practical testing, at our Swiss headquarters in Emmen we have a large demonstration center where servers and storage systems of the major vendors are available to our customers for testing.

How can they be tested?

M.S. In the demonstration center, together with our customers, we can install their software and try out whether it really works like the vendor promises. Or whether you have to wait five minutes for the database to load. That way, our customers can find out quickly and reliably whether their solution functions. They see immediately whether they need a large or a medium-sized system or whether perhaps even a small system would be sufficient.

Does ALSO only get involved when there is a concrete order?

M.S. Retailers often call up long before they order to ask what exactly they need. I recently had a project where a customer built a computer center and we were already involved nine months before construction began.

That's unusual, isn't it?

M.S. Yes, very unusual. But also very successful. To begin with, we only helped the customer with the planning. That involved things like cameras, access systems, cooling, and the power supply. Then we supplied the security systems, which were worth half a million Swiss francs, and in the end we supplied the entire computer center. Which goes to show that the added value that we contribute is appreciated.

Because you help to save real money?

M.S. Everything we do is always aimed at saving the customer time or money. We complement his expertise with know-how that he himself does not possess.

Can you give us an example?

M.S. Imagine you're a specialist retailer with 20 employees and you land a major project. Your customer expects you to know everything from A to Z. But that's impossible, you can't know everything anymore. There used to be just Microsoft and Microsoft.

Nowadays there are dozens of different software vendors…

M.S. …and a new one comes into the market every day. Apart from which, in such projects there's usually not only software from several different vendors but also hardware. So what I'm describing can be considerably more complex. That's exactly where I see our opportunity: we've got the specialists. If the specialist retailer tells us he's getting out of his depth, we can help him. Even to the extent of going with him to the end-customer and advising him.

What do your customers gain from that?

M.S. We're confronted with so many topics and receive hundreds of inquiries a day from specialist retailers. So we can develop concepts and configurations more efficiently than a specialist retailer, who is only occasionally involved in such broadly-based projects. And if the customer wants, ALSO can take over the management of the entire process: from defining the requirements, through the technical specifications, to the detailed configuration of the servers, storage, networks, and supervisory systems.

The new services will also bring added value…

M.S. I'm currently handling a project for a Swiss public authority which has invited tenders for 300 new notebooks. Eight HP retailers immediately submitted offers for identical products, with identical purchase prices, and similar services. Because there was no other way to differentiate between the tenderers, there was likely to be a strong focus on the price. One of our customers offered to buy the end-customer's 300 old notebooks from him. That was made possible by a new service of ALSO, which allows specialist retailers to re-sell used devices to ALSO without complication.

So the retailer received the order…

M.S. …and the end-customer was delighted that he also received something for his old devices. But we've also got more services in the program. For example, our partner could have easily and inexpensively stored the 300 new notebooks at ALSO if the end-customer had wanted to receive the devices in batches and the specialist retailer had temporarily had no warehouse capacity available.

around **1.5**

BILLION EUROS NET SALES IN THE SOLUTIONS-SECTOR

Have you got another example?

M.S. I recently had a huge project for the Canton of Zurich. It was for two or three hundred notebooks, monitors, servers, printers, and so on. Great. And when the devices arrived bit by bit, we collected them all together in a central storage area of ours at Emmen. That sounds simple, but in fact is highly complex.

And it saves the retailer a lot of work because he doesn't have to receive a delivery of one sort or another every day…

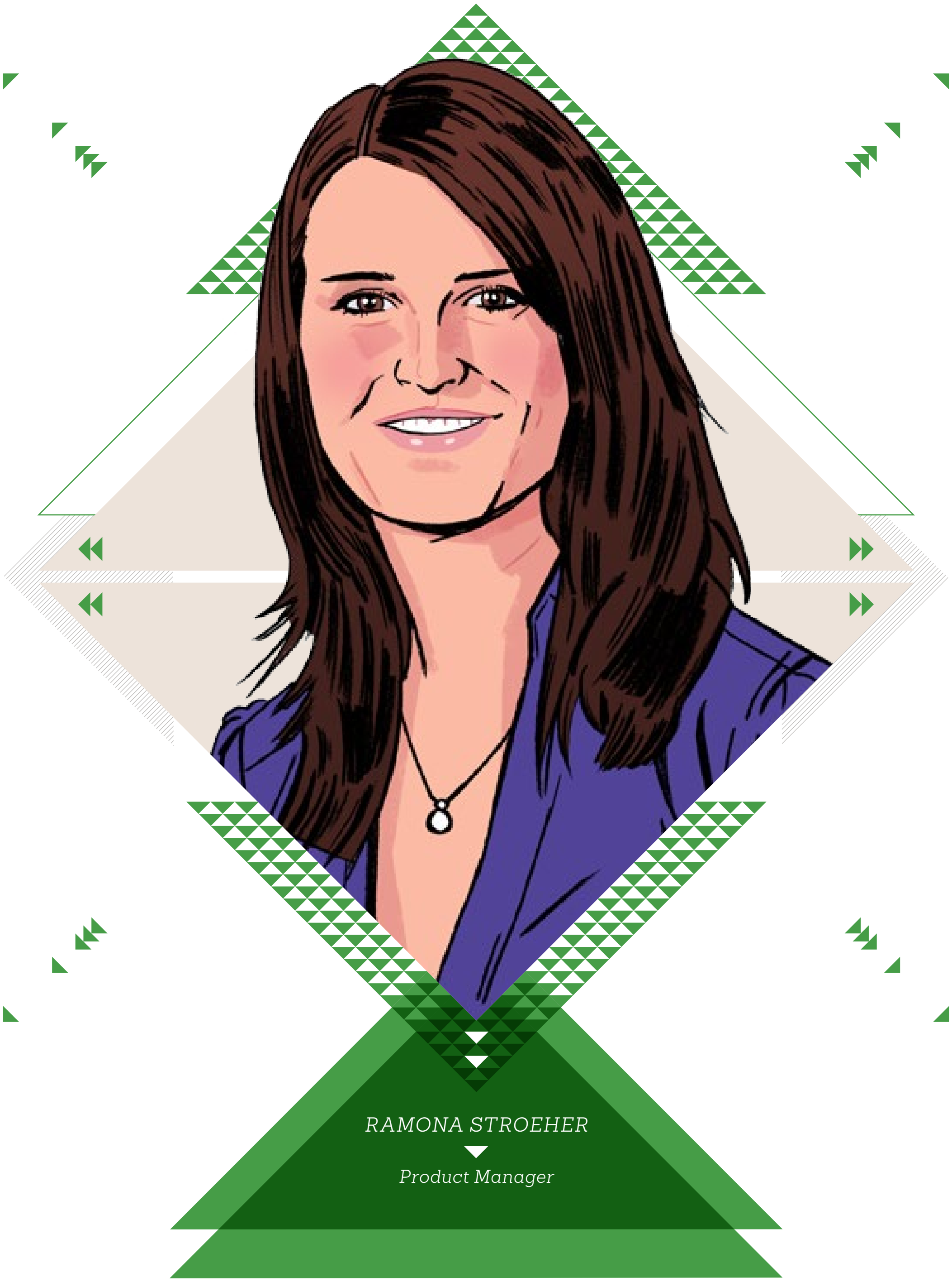
M.S. That's exactly the point of consolidated delivery. But in this particular case, the delivery itself was not without problems. The goods had to be delivered to the Bahnhofstrasse in Zurich, where you can't spend several hours of the day unloading.

A horror scenario for the specialist retailer!

M.S. The retailer didn't have to do anything concerning the delivery process. We had the street closed off and within an hour we had transported the entire shipment into the offices. That's also an added value that differentiates ALSO from its competitors. We not only think with them, we also think beyond them and have the necessary experience with such complex processes.

That calls for a lot of trust, doesn't it?

M.S. For me, the trust of our partners is paramount. We've got such long business relationships that trust is present and functions outstandingly well. I'm a bedrock of the company, I've been with ALSO for 18 years, and there are many more people in key positions who have been with us a long time. That also gives the customer a high level of trust. People who didn't come only yesterday and will be gone again tomorrow. When the customer buys from us, he doesn't only buy the product, he also buys our experience, our competence, our commitment – in other words, a piece of ALSO.


RAMONA STROEHER
Product Manager

Everything at the right time

RAMONA STROEHER

She helps to ensure that the supermarkets of an electronic specialist retailer throughout Germany receive the goods they order quickly, efficiently, and reliably. Together with her colleagues, the product manager is one of the many important links in the ALSO supply chain.

moving packages from A to B is only one part of our services.

What exactly do you and your colleagues in Straubing do?

R.S. Our team is basically the interface between our customer, which is a large chain of specialist supermarkets, and the vendors and their salespeople in the field. We maintain close contact with around 70 vendors, with whom we discuss new products and from whom we order merchandise. That may consist of notebooks, accessories, or software. In addition, our team is the 24-hour contact partner for the supermarkets.

Your team ensures that the new tablet is in the shop ready for the sales launch when the customers are queuing outside the door at 10 am?

R.S. Our job is to make sure that the right quantity of the right product is in stock at the right price and with the right delivery period. For example, when a new tablet comes onto the market, we go to the customer with the product data and our price. If he wants to list the product, we order it from the vendor. As soon as the tablets arrive in our warehouse in Braunschweig, the specialist retailers know about it from our price list, which we send out daily: ALSO now has the product, so they can order it. And they receive the merchandise the next day.

So why do your customers need daily price lists?

R.S. The lists inform the specialist retailers as well as the vendor's field salespeople which products are in stock at ALSO and at what price. From the list they can also see what is in transit and what we have re-ordered. That way, our customers can see at a glance whether a product that they want to order is in stock.

Can't they look directly in ALSO's system? That would be a lot easier ...

R.S. That's only possible if our customer's inventory control system allows it. However, most of our large customers can already order automatically via a so-called EDI link.

HAVING THE RIGHT PRODUCT AT THE RIGHT PRICE WITH THE RIGHT DELIVERY PERIOD AND THE RIGHT QUANTITY IN STOCK, THIS IS OUR JOB.

EDI?

R.S. Electronic Data Interchange. That means that the customer can type an order into their system, which with a mouse-click is then transferred directly into ALSO's system.

Thinking further, ALSO should also be able to link the vendors into the system. Then the specialist retailers could not only see whether a notebook is in stock, but also whether and when new merchandise from the vendor will arrive in ALSO's warehouse.

R.S. Some vendors are already linked via EDI. Their delivery dates are automatically transferred to our system and can also be seen by the specialist retailers.

The specialist retailer's inventory management system would then only need to notify when it needs replenishment – and your team could find themselves another job ...

R.S. In Lithuania, ALSO has already been testing replenishment for some time. Since October, together with two software vendors, we also offer this facility ourselves. We first define the minimum and maximum quantities of a product that should be in inventory at the specialist retailer. Our system then automatically enquires the stock level at all supermarkets once or twice a week and independently orders replenishments. That's called Vendor Managed Inventory, VMI.

Couldn't you do that with all products.

R.S. No, actually not. It works for small quantities of software or accessories, but we would be unlikely to include notebooks in VMI. It would be a lot of work, because our colleagues in the warehouse would no longer be able to include several orders on a single packing slip. But we can offer individual vendors significant added value with VMI.

We are always hearing that ALSO can do more than just move packages from A to B. In what way can you really offer your vendors added value?

R.S. Moving packages from A to B is only one of our services. In many cases we can also offer the vendors an additional service. For example, if the vendor wants to offer a particular promotion, we can commission the products at our warehouse in Braunschweig. For instance a bundle with a notebook and a PC. Or a printer and an ink cartridge. Then we pack them together in the warehouse and ship them as a single package. Or we create a new product, with its own article number and its own barcode.

So basically, very simple …

R.S. But the vendors lack the logistical facilities to do it themselves. Whereas we can do it relatively easily. In such a case we first check with our colleagues in the warehouse, and, if they have sufficient warning, they can easily throw an additional ink cartridge in with each of 3 000 printers.

Throw it in? Don't they have to bother about the appearance of what they deliver?

R.S. For shipping to the specialist retailer, the appearance of the packaging isn't so important. But in the shop it matters much more. We are now touching on the topic of rackjobbing. That's where employees of a subsidiary company are paid by the vendor to go to the specialist retailers and pack the shelves. It's their job to make sure the products are optimally positioned.

around **2.0**

BILLION EUROS
NET SALES EDI

Or the specialist retailer might phone and say they have a carton with keyboards and mice that they want to be attractively packaged again.

R.S. That's right. This service helps the vendor as well as the specialist retailer – and in the end, of course, us too.

What other new ideas have you got to make business easier for the retailers?

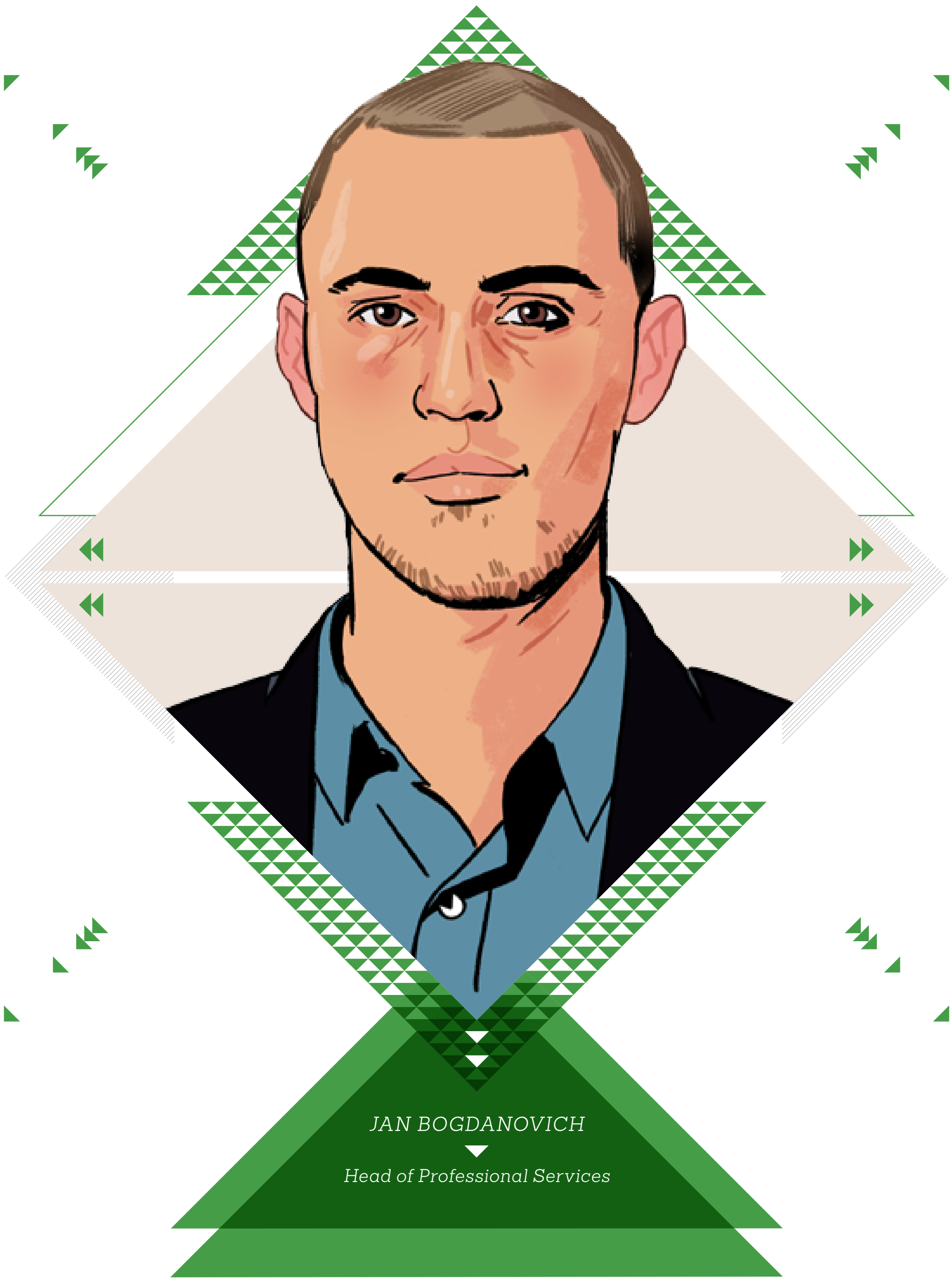
R.S. Our currently biggest project is to put software distribution sales onto a new basis. Instead of a package containing a CD-ROM, the end-customer now buys a box with an activation card inside it which he scratches to expose his PIN code.

Like with an iTunes card?

R.S. Exactly. After making his purchase, the purchaser can immediately log on to the internet platform and download the software he has bought.

But that doesn't really change much for the purchaser.

R.S. No, but the procedure has extreme advantages for the specialist retailer. For example, he has no more problems with theft, since the box itself is valueless. The activation code on the box is only activated at the cash desk, which is why we call it Point Of Sales Activation, or POSA. Then, we only charge the specialist retailer when the box is actually sold. So he no longer has to invest money in expensive merchandise that only gathers dust on his shelves. With POSA, surplus inventories and returned merchandise belong to the past.


JAN BOGDANOVICH
Head of Professional Services

Enabling cloud services

JAN BOGDANOVICH

When servers, software, and services wander off into the clouds, the marketplace must be there too. Jan Bogdanovich, Head of Professional Services in the Latvian capital city of Riga, is working with his team to make ALSO, with its Control Panel, the most attractive provider of cloud services.

The reseller can decide which service he wants to obtain from which supplier.

Jan Bogdanovich, for many normal computer users, cloud services still sound like cloudy visions. How widespread are offerings in the cloud to date?

J.B. I'm sure you already use various applications in the cloud.

Really?

J.B. Almost all of us use webmail, music streaming, or data-storage media such as Dropbox.

That's right. So that means that for business applications no-one can survive any more without cloud computing?

J.B. Cloud services are growing enormously quickly. Even many smaller companies already have their mail servers and backups in the cloud. In this respect, none of our partners wants to miss a major trend. Especially when, according to a study, by 2018 more than three quarters of worldwide data traffic will be processed through the cloud, or, in other words, through networked computer centers.

So companies no longer fear for their data?

J.B. There is an absolutely clear trend to hybrid solutions. Companies want to use offerings from the public cloud: for example, Microsoft Office 365, an offering that is publicly accessible. At the same time, they want critical company data to remain in the private cloud, in their own computer center. With our marketplace for cloud solutions, we bring all of these offerings, irrespective of whether they are public or private, together in one place for our specialist traders.

What do you offer the customers?

J.B. We can help them to master this increasingly complex business. Every year, so many new offerings in cloud computing come onto the market. None of the smaller systems houses can handle them alone. So we select qualified offerings. When doing so, we work closely together with our customers. During the test phase, we listened very carefully to what they really need.

more than 250

CLOUD SERVICES AT THE START

What exactly is ALSO Control Panel?

J.B. It's a tool that provides cloud solutions from various different suppliers. The reseller can decide which service he wants to obtain from which supplier. It's a local marketplace for selected cloud solutions and services where our partners can assemble, sell, and manage cloud services according to the principle of modularity. That may sound complicated but works very simply. Each specialist retailer can create their own individual marketplace in minutes. They can define which services they want to offer and can also integrate their own services and products.

Can you explain that with an example?

J.B. Take a systems house that supports physicians' offices. With ALSO Control Panel the systems house can offer cloud services that are specifically tailored to these customers. In addition to infrastructure – data storage and computer capacity – the applications could include, for example, patient administration, appointments management, and virus protection. Other services, like training courses, can also be integrated in the marketplace. The systems house can then enter its own selling prices and create offers and invoices at a mouseclick.

If I understand this correctly, it changes ALSO's business model very little.

J.B. Exactly. Just like in the classical distribution model, we earn our money by buying services from vendors and selling them to specialist retailers. The business model stays the same, only it is digital.

THE BUSINESS MODEL STAYS THE SAME, ONLY IT IS DIGITAL.

So ALSO has a webshop for digital products?

J.B. It's naturally much more than a webshop. We have also integrated numerous additional services and functions into the platform. But then it starts to get a bit technical …

Let's try anyway …

J.B. Assume that a specialist retailer has created an offering in his marketplace and that the customer accepts the offer. The specialist retailer then opens the customer in his system and adds all the necessary information. For example, the number of users and the domain of the end-customer. With a mouse-click, the order is then sent to the respective vendor for commissioning.

Commissioning?

J.B. That means the fully automated readying. The end-customer receives all the cloud services that he ordered, ready-configured for his users. The specialist retailer does not concern himself with installations or anything like that. He also receives the invoice data automatically. So you see, ALSO not only helps with the selling, but also takes care of the entire after-sales administration for our partners.

So cloud business is no longer something only for highly specialized systems houses?

J.B. No, our offering is aimed at newcomers to the cloud as well as customers who already do business with cloud services.

But how should I, as a newcomer, solve complex technical problems when a customer phones me?

J.B. No problem. We help with support. The specialist retailers no longer have to ask the various providers. In our support, they have a single contact partner for all questions about the various cloud services.

And when I call the hotline, do I land in Bangalore?

J.B. Our support is organized locally. Every country has its own service team, which provides rapid and competent assistance. That's the only way for us to deliver a high quality of support.

But you and your team decide which offerings the customers find in the national marketplaces?

J.B. No, that is also decided by the teams in the countries. Our marketplaces are totally local. That is the clear wish of our customers. Swedish customers, for instance, want to have Swedish solutions in the cloud. That is why we currently only allow services that are hosted on computers in the respective country. In Germany, for example, our hosting partner is Deutsche Telekom.

ALSO wants to be a pioneer in the marketing of cloud services. How was it possible to bring the new platform onto the market so quickly?

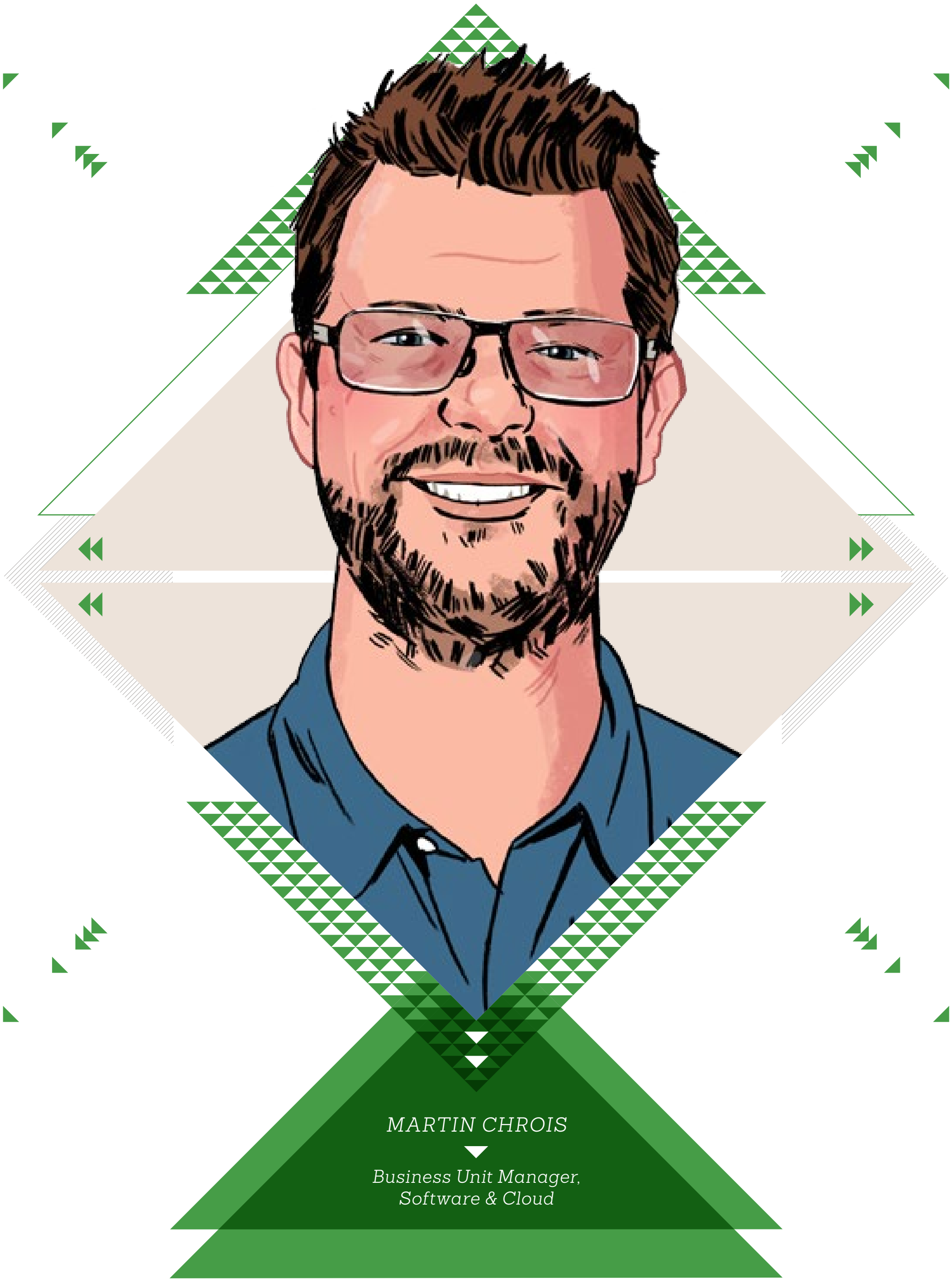
J.B. In this respect, ALSO Holding AG has strengthened its expertise in the cloud business by means of an acquisition. By investing in this new web-based technology our aim has been to build a bridge to the cloud business as quickly as possible.

What is the current status?

J.B. We are moving extremely fast. We are implementing the first responses from those selected partners that already use our platform. And we are working a full speed on new features that our customers want.

Where does the ALSO marketplace go from here?

J.B. The platform is now being rolled out in all countries where ALSO is active. But that is only the beginning of an exciting development.



MARTIN CHROIS

Business Unit Manager,
Software & Cloud

Together we do more business

MARTIN CHROIS

He has been working for 14 years as Sales Manager in Denmark and takes care of the small and medium-sized specialist retailers. Hardly anyone knows the needs of small specialist retailers and systems houses better than he does.

We enable our SMB resellers to sustainably develop their business.

Why do you devote so much thought to the business of small and medium-sized specialist retailers, so-called SMB resellers?

M.C. When the internet arrived and online trading made prices easily comparable, these specialist retailers were confronted with a major challenge: they had to find out what their customers would still pay money for in the future. What sort of added value could they bring to their customers? Suddenly they had not only to sell products quickly and cheaply but also to offer additional benefits.

Have small specialist retailers adapted to the new situation?

M.C. Some of them found a new way very quickly. Others are still struggling to find the right approach. But they also know that they have got to do many things differently than they did before.

Why do you get involved in that? ALSO isn't a management consultancy.

M.C. Small and medium-sized specialist retailers are an important customer segment for ALSO. If we only supply the big players – electronics supermarkets, major systems houses, and e-tailers – we don't create sufficient added value for our vendors. We need to cover the full bandwidth of the market.

And so ...

M.C. ... we define ourselves entirely by how we can supply the SMB segment with ideas that it can use to operate its business in the future. The challenges to these small specialist retailers are also our challenges. We not only deliver things from A to B, but with our marketplace we also cover everything that is necessary for the sustained success of these customers. And the customers themselves can decide which products or services they want to use.

ALSO OPERATES A MARKETPLACE IN WHICH SPECIALIST RETAILERS FIND THE PRODUCTS AND SERVICES THAT THEY NEED TO SUSTAINABLY DEVELOP THEIR BUSINESS.

Many of these specialist retailers previously had nothing to do with ALSO. In 2013 you increased the number of new customers by 30 percent, while net sales in this segment rose by 58 percent. How was that possible?

M.C. It was possible because we have understood that our job is not simply to sell something.

But?

M.C. ALSO operates a marketplace in which specialist retailers find the products and services that they need to sustainably develop their business. Our people call up every single one of these small specialist retailers and ask them what is important for them.

So far, we've talked a lot about the specialist retailers. How does it look with the larger systems houses?

M.C. These customers are mainly concerned with further expanding their solutions business. In some cases, these systems houses are specialized in one product, or develop solutions for a particular industry. And with them we work out what they need to generate more business.

What might that be, for example?

M.C. There are many new companies that only supply cloud services to their customers. We discuss with them whether it would be beneficial for them also to offer their customers notebooks, telephones, and the related hardware.

How do you mean that?
That isn't their core business.

M.C. We want to enable them to offer the end-customers total solutions. I'm convinced that, in the future, many corporate customers will do business with the people who take the best care of their entire IT environment. They will pay a monthly fee per user for hardware, software, and service. With this model, they will only pay for what they really use. And if we succeed in managing this model with ALSO Control Panel, it will change the ground-rules in this market.

But doesn't that also mean that, at the latest by then, you will make no further progress in classical sales business with the systems houses?

M.C. That is already the case. The systems houses don't buy a single printer to put in their warehouse. They only order from us when they have already sold something to a customer.

around
50 000
SMB RESELLERS

So how can you stimulate their sales?

M.C. We define with each individual partner the path they should pursue to develop their business in the future. We then make annual plans for the next steps: training courses, market-introduction plans, cooperations with vendors, events, and so on.

Those are all expensive measures. Can the systems houses afford such investments in their future business?

M.C. We believe that the investments must pay off, for the specialist retailers as well as ourselves. We also talk to the vendors' product managers and develop joint projects with them which allow the specialist retailers to directly convert their investments in training or whatever into new business.

Do you also help them financially?

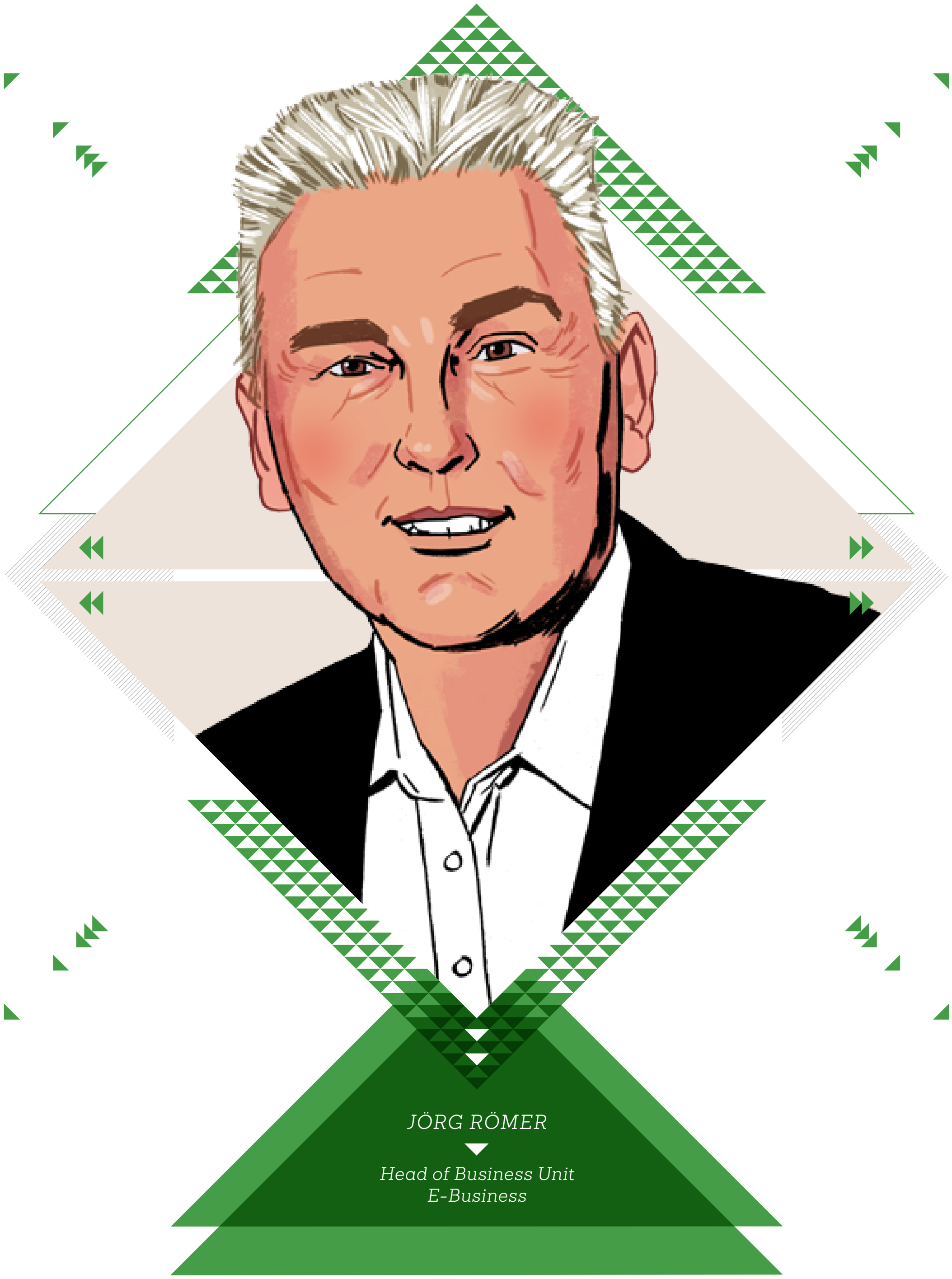
M.C. We can't actually lend them any money. But if a rather small systems house has good contacts with large companies and wants to respond to an invitation to tender, we're in a good position to help them. In many cases, for these specialist retailers financing is the biggest obstacle in such a project.

What sort of support can you offer?

M.C. For example, we can find a financing partner, who then makes a financing offer to the end-customer. That way, the specialist retailer is not involved in the financing. He does not bear the enormous financial default risk and need not worry about things like the customer's creditworthiness. Many customers are very appreciative of such services …

… and you don't have to always only discuss prices and costs.

M.C. No, exactly. Instead, we can talk about how together we can do more business.



JÖRG RÖMER

Head of Business Unit E-Business

A huge offering

JÖRG RÖMER

Is responsible for ALSO's biggest webshop. In the ALSO Shop in Germany, customers can buy 160 000 articles, from printer cables to servers. And additional service offerings are constantly being added, which land in the customer's shopping basket at a mouseclick.

We get around 12 000 visitors a day to our website.

Jörg Römer, what sort of people buy from the ALSO Shop?

J.R. The customers are typically small and medium-sized resellers. For example, a classical small specialist retailer who also has an on-street shop. Or a medium-sized systems house. And more than 90 percent of all active customers purchase electronically at least once a month.

You generate net sales of 400 million euros with the ALSO Shop in Germany. How many customers a day visit your website?

J.R. We get between 10 000 and 12 000 visitors a day. Not all of whom are purchasers, since the shop is also an information system for all of our customers. For the big systems houses, for example. Because in the shop they find information about all the products, along with images and accessories, or corresponding services.

So doesn't the Shop make distribution consultants redundant?

J.R. No, in larger projects the consultants can help more effectively. But offers can be obtained from the webshop at least as quickly and easily as if the customer would pick up the telephone and call the sales department. Besides which, the shop is always accessible. If you like, it's the sales consultant for standard inquiries, who is available 24 hours a day, seven days a week.

The ALSO Shop was elected Best Online Shop again in the CRN Distribution Award 2014. What do you do better than others?

J.R. We obviously have a huge offering and very comprehensive information. But we also take enormous trouble with customer guidance. For example, we have initiated so-called product consultants. Together with them, our customers can search systematically and easily in segments for products with specific characteristics.

Can you give us an example?

J.R. Let's assume you're looking for a display. It should be height-adjustable, swivelable, and tiltable, and cost no more than 200 euros. In a few seconds you can easily find one from the hundreds of displays that we have on offer. And it completely fulfils the needs of the end-customer or the tender in which you are participating.

WE'RE EXPERIENCING A SUBSTANTIAL DEMAND FOR CREATIVE FINANCING MODELS.

The bigger the choice, the better the search function has to be, isn't that right?

J.R. Of course. We have invested a lot of the company's time and money in adapting the search to the requirements of the specialist retailers and have processed a lot of feedback from our customers. But we have now reached the point where the customers are very satisfied with the product search.

Can I, as a specialist retailer, also buy software from you occasionally?

J.R. Of course, why not? That's a major part of our business in the Shop.

Can the business with the licenses also be transacted digitally?

J.R. For a long time, we sent our license keys by post. They then had to be registered. So the whole process took several days. Then, in 2013, we invested in a Dutch supplier and introduced electronic software distribution (ESD). Now, the customer simply adds the product to his shopping basket and, along with it, receives the corresponding license key and a link to where he can download the product. So it doesn't even take a minute.

around 1.2
BILLION EUROS
NET SALES WEBSHOP

Is that so special? I can also buy movies and music on the internet and download them immediately…

J.R. Yes, but what's important with software is for the licensing key to be securely transmitted between the business partners. Among the distributors, we're definitely pioneers in this respect. ESD has taken off tremendously quickly. The advantages are clear: zero delivery time, no shipping costs, no warehousing. And the software is always the latest version.

As well as the 160 000 articles, don't you also have to offer services online? That's what specialist retailers will earn money with in the future, isn't it?

J.R. ALSO wants to make it easy for specialist retailers to offer services to their customers. And naturally, for that, we also want to use the Shop or another electronic platform. Imagine you order a notebook and want a specific software installed on it. We already do that as part of the commissioning of large orders. But in the future, we also want to offer such additional services as standard, and for individual products, in the Shop.

And what is already available in the Shop?

J.R. We already offer many services in the Shop, which we are constantly optimizing. An example is third-party shipments. We ship the order in a plain carton with a layout packing slip from the specialist retailer to his end-customer. Once the specialist retailer has set the procedure up, he can decide for every order whether ALSO should ship the goods normally or in his name.

Are there also services in the Shop that your specialist retailers can resell directly?

J.R. What's new, for instance, is our "Print and go". That's a kind of flat rate from the Managed Print Services segment in which the printer itself isn't really sold. All that the specialist retailer buys for his end-customer is this flat rate in our Shop. The device is set up, unpacked, and put into operation. If the printer develops a fault, a service technician comes. And for the complete package, the customer pays only a monthly flat rate plus a small charge per page.

That's an offering for customers who would rather invest their money in marketing campaigns or new employees.

J.R. We're experiencing a substantial demand for creative financing models. That's why we also offer a leasing option for many articles in the Shop. By clicking on the leasing symbol, the specialist retailer can create a leasing offer for a server, printer, or computer for their end-customer in seconds.

That way the specialist retailer avoids the financial risk, doesn't he?

J.R. In the Shop, we want to offer as much security as possible. To provide this, since recently in the ALSO Shop, our customers can also obtain creditworthiness information and take out sales-credit insurance against a possible payment default. That way, they're on the safe side.

Jörg Römer, you have now been responsible for the eCommerce area for 16 years. Could you have imagined, when you started, that one day your employer would earn a large part of its sales revenue electronically?

J.R. No-one believed that it would become so big. We were one of the first to bring anything like this onto the market. It was an innovative step, which has turned out to be right. In the last 16 years, we've come a long way, and for the years ahead we see a whole array of possibilities. We've got lots of plans.

ALSO in brief

around **350**
PROVIDERS
deliver
160 000
ARTICLES

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

around **1.200.000.000**
Euros
NET SALES
WEBSHOP

around **50 000**
SMB
RESELLERS

of around **100 000**
BUYERS

around **7.200.000.000**

EUROS
TOTAL NET SALES

ALSO: SUSTAINABLE GROWTH

Net sales in billion euros

2014	7.24
2013	6.53
2012	6.30
2011	6.21

+16.6 %

EAT in million euros

2014	60.9
2013	50.1
2012	45.5
2011	26.7

+128.1 %

Cash flow before changes working capital in million euros

2014	88.3
2013	71.3
2012	61.9
2011	53.7

+64.4 %

Return on equity (ROE) in percent

2014	13.4 %
2013	11.9 %
2012	11.7 %
2011	7.6 %

+76.3 %

SUSTAINABLE APPRECIATION FOR SHAREHOLDERS

Dividend per share in CHF

2014	1.60
2013	1.40
2012	1.20
2011	0.70

+128.6 %

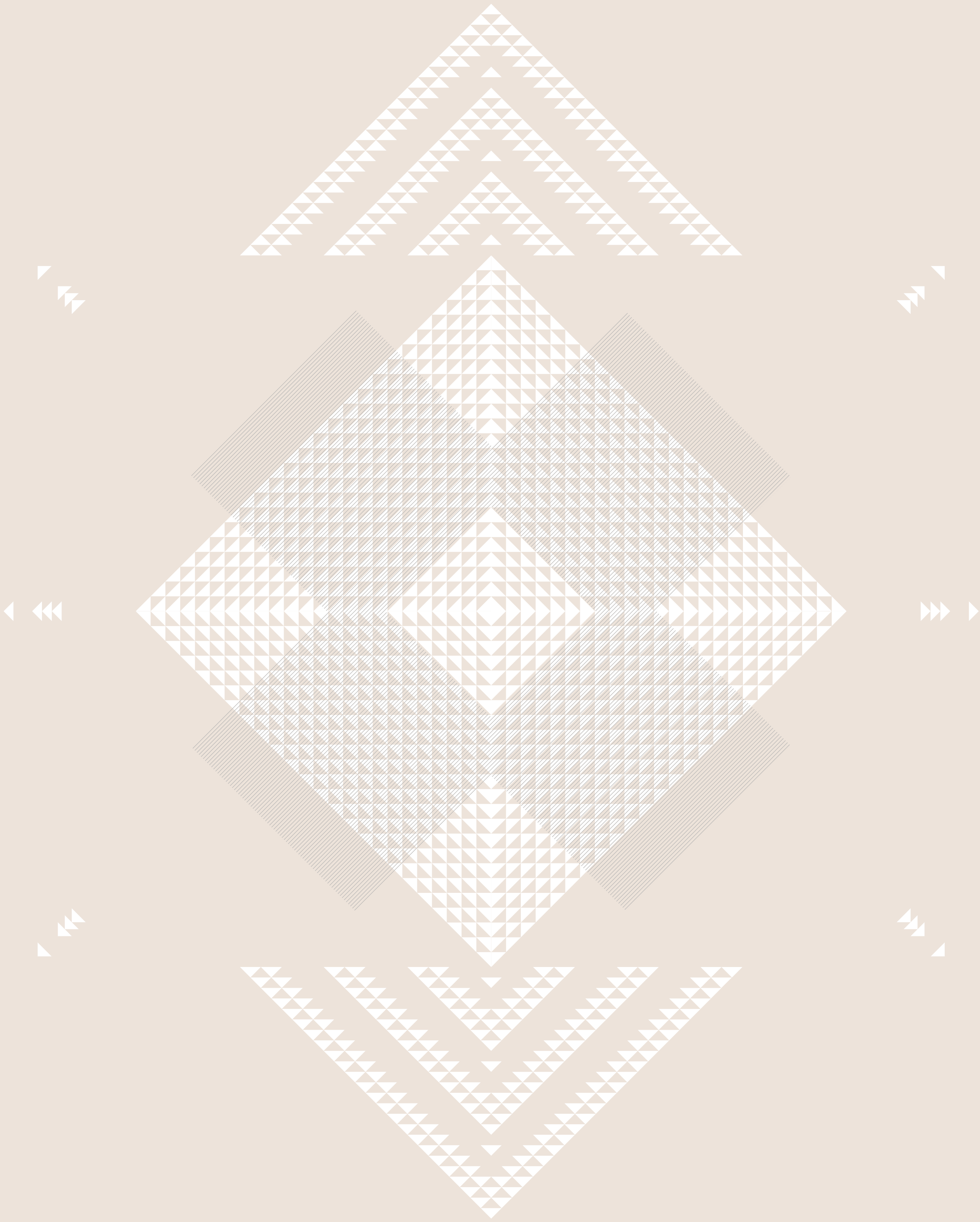
Earnings per share in CHF

2014	5.77
2013	4.81
2012	4.28
2011	2.72

+112.1 %

1

Status Report



Dear shareholders

We look back on a successful and challenging fiscal year 2014. Thanks to the clear implementation of our strategy, excellent customer basis, a strong product portfolio, and a good buyer breadth, as well as the first-class efforts of our employees, the ALSO Group again succeeded in achieving outstanding results. The growth in Germany, Norway, and Sweden, the improvement in the results in Finland, and a substantial cost reduction at the same time as investments in new sectors, were significant highlights. However, in 2014 the ALSO Group also had to fight against a strong headwind. In particular, the negative price development in Switzerland, as well as distribution problems in France, confronted the Group with challenges. But we addressed these issues proactively and decisively. So the Group is well positioned to sustainably increase its profitability in 2015.

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.

We were closely involved in all decisions that were of material significance for the company by Group Management. To the extent provided for in the Organizational Regulations, and after thorough consultation and review of the detailed documents that were submitted to us.

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. 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.

As preparation for our meetings we regularly received detailed reports from Group Management. It was therefore always possible for us in the committees to critically appraise the reports and decision-making documents of Group Management and, where necessary, to contribute suggestions before we, after careful examination and consideration, took decisions. Outside the meetings, we were continuously informed of the current business situation by means of the monthly reports.

In the reporting year, the Board of Directors held seven regular meetings. In September 2014, at a special joint meeting of the Board of Directors with Group Management and the Senior Vice Presidents, corporate strategy issues were discussed in detail. In August 2014, an extraordinary meeting of the Board of Directors was held on investment matters.

Although at each of three meetings, one member of the Board of Directors was absent, the meetings were quorate. All committee meetings were also 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:

GENERAL MEETING

At its meeting of February 6, 2014, the Board of Directors discussed the report of the statutory auditor, PricewaterhouseCoopers AG (PwC), on the consolidated financial statements and financial statements for 2013. The further proposals to the General Meeting 2014 were also discussed. These particularly included the proposal regarding the appropriation of retained earnings.

BUDGET AND INVESTMENT PLANNING

At the meeting in February 2014, the budget and investment plan for 2014 that was presented by Group Management was discussed in detail. After taking into account the expected macroeconomic environment, the plan was approved.

One of the most important investment decisions of the year was the planned construction of a new warehouse in Finland, which will become operational in 2016. Various alternatives regarding the location, size, and degree of automation were discussed. The respective economic effects were jointly evaluated with representatives of Group Management. The investment proposal was handled in detail at the meeting in September 2014 and at the meeting of the Board Committee in December 2014. The investment was approved.

ACQUISITIONS

The acquisitions of Alpha International B.V. as specialist for printer consumables, of ALSO Cloud Oy as Cloud Control Panel Provider, and the investment in the Swiss service specialist Bachmann Mobile Kommunikation AG, were discussed in detail with Group Management. Following intensive questioning and testing of the business models, the acquisitions were approved.

At an extraordinary meeting in August 2014, Group Management informed us in detail about the capacity utilization situation at the various warehouses of the ALSO Group. The possibility of the acquisition of the warehouse at Augsburg (Weltbildverlag) was also discussed, which rapidly enabled the logistical processing of small items (telephones and tablets). This warehouse makes it possible for ALSO to offer logistical services for Weltbild and other potential customers and, in the medium term, also to achieve overall optimization of the leased warehouses. The acquisition was approved.

ORGANIZATION

At the meeting in July 2014, Group Management submitted the proposal to introduce a matrix organization. Its purpose is to accelerate the development of the various business fields. We discussed, analyzed, and approved the advantages and disadvantages of this new organization structure. At the same time, following the reorganization in France, it was decided to reduce Group Management to three members.

In January 2014, the performance of the members of Group Management in 2013 was discussed and the performance bonuses that they would be awarded were decided.

IMPLEMENTATION OF THE MINDER INITIATIVE

Since January 1, 2014, the Ordinance Against Excessive Compensation in Listed Companies (VegüV) has been in force. In fiscal year 2014, ALSO already substantially completed the implementation of VegüV and, at the Annual General Meeting of March 13, 2014, decided inter alia on an amendment to the Articles of Incorporation.

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. 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 seven meetings, at all of 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 sectors, individual countries, and regions. At each meeting, the income situation of the Group was reviewed and discussed in detail. The Board Committee also continuously discusses the potential impact of the global economic situation and resulting negative effects as well as the development of individual product categories, vendors, and distribution channels.

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 two meetings. In February 2014, in addition to the analysis of the financial statements for fiscal year 2013, the Audit Committee also discussed the audit plans for the external and internal auditors. 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. The Audit Committee also had itself informed about progress on implementation of the Compliance Program and the focal issues in Corporate Governance for 2014.

Also in 2014, the ALSO Group further deepened the Compliance Program that was implemented in the previous year, with emphasis on corruption prevention and the avoidance of cartel infringements. The use of e-learning to teach employees about compliance issues in the respective local language was completed at all ALSO country companies. First incident-independent Compliance Audits were performed in Latvia and Austria, in which an external compliance specialist confirmed the adequate implementation of the Compliance Program at the companies.

COMPENSATION COMMITTEE | At the Annual General Meeting of March 13, 2014, the Compensation Committee was elected by the General Meeting for the first time. In the reporting year it held one meeting, 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 was discussed. At the meeting of January 20, 2015, the Compensation 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. In relation to the implementation of VegüV, the committee discussed the concept for amendment of the contracts of Group Management which it proposed to the Board of Directors at its meeting of February 5, 2015.

AUDIT OF THE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS 2014

PwC audited the consolidated financial statements and financial statements for 2014 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 5, 2015, 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 1.60 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 of the financial statements 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 General Meeting for approval on March 12, 2015.

THANKS

On behalf of the ALSO Group, I wish to thank all our stakeholders. Firstly, our customers, the 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.

Thanks also go to our managing directors and senior vice presidents for their leadership and expertise as well as for implementing our strategy, which in the last three years was, and still is, the most important element in the success of the Group. Special thanks also to all of our employees throughout Europe for their great personal efforts, their performance, and their continuing commitment, and to the employee representatives for the good collaboration.

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.

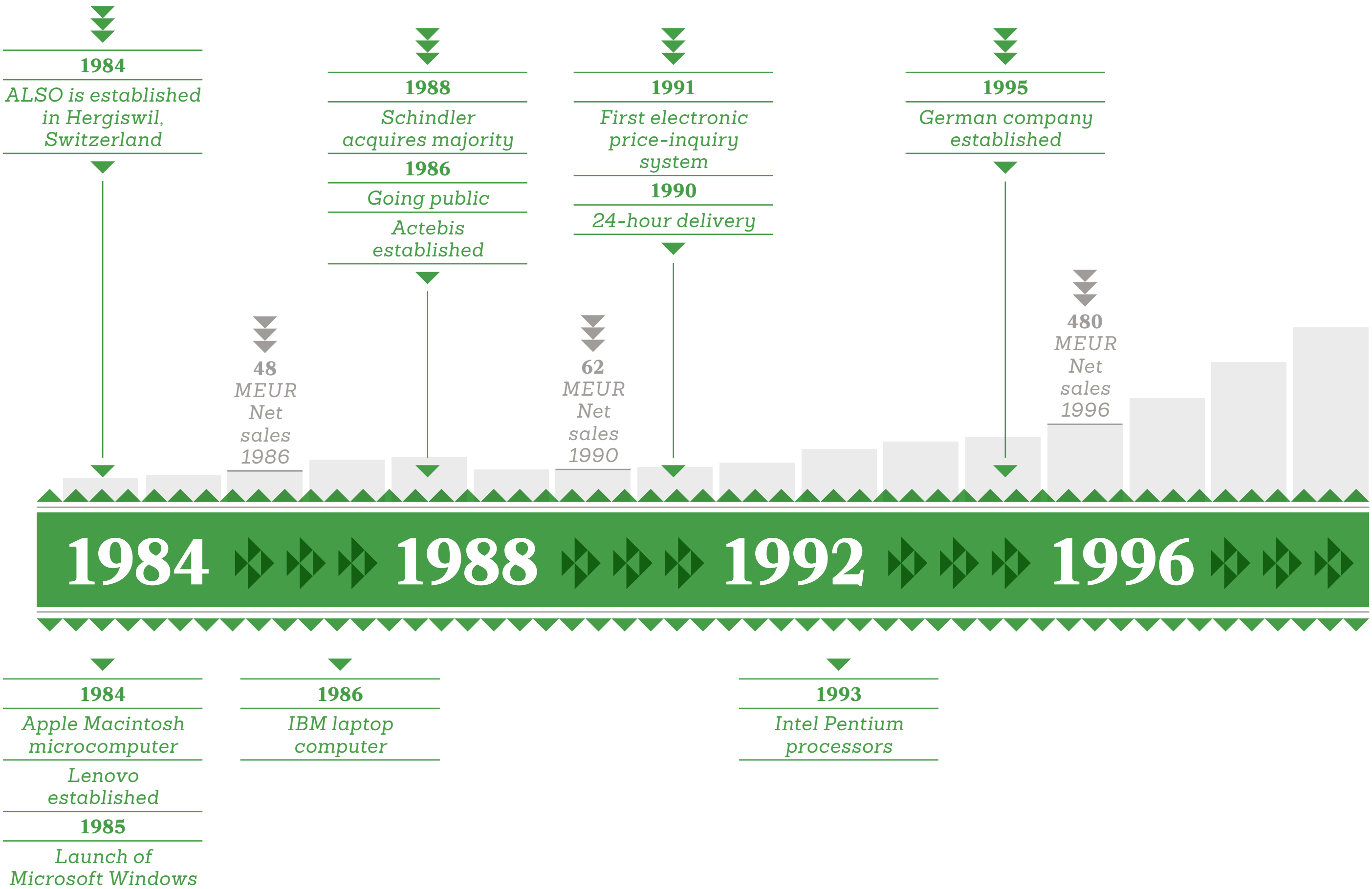
Möller-Hergt

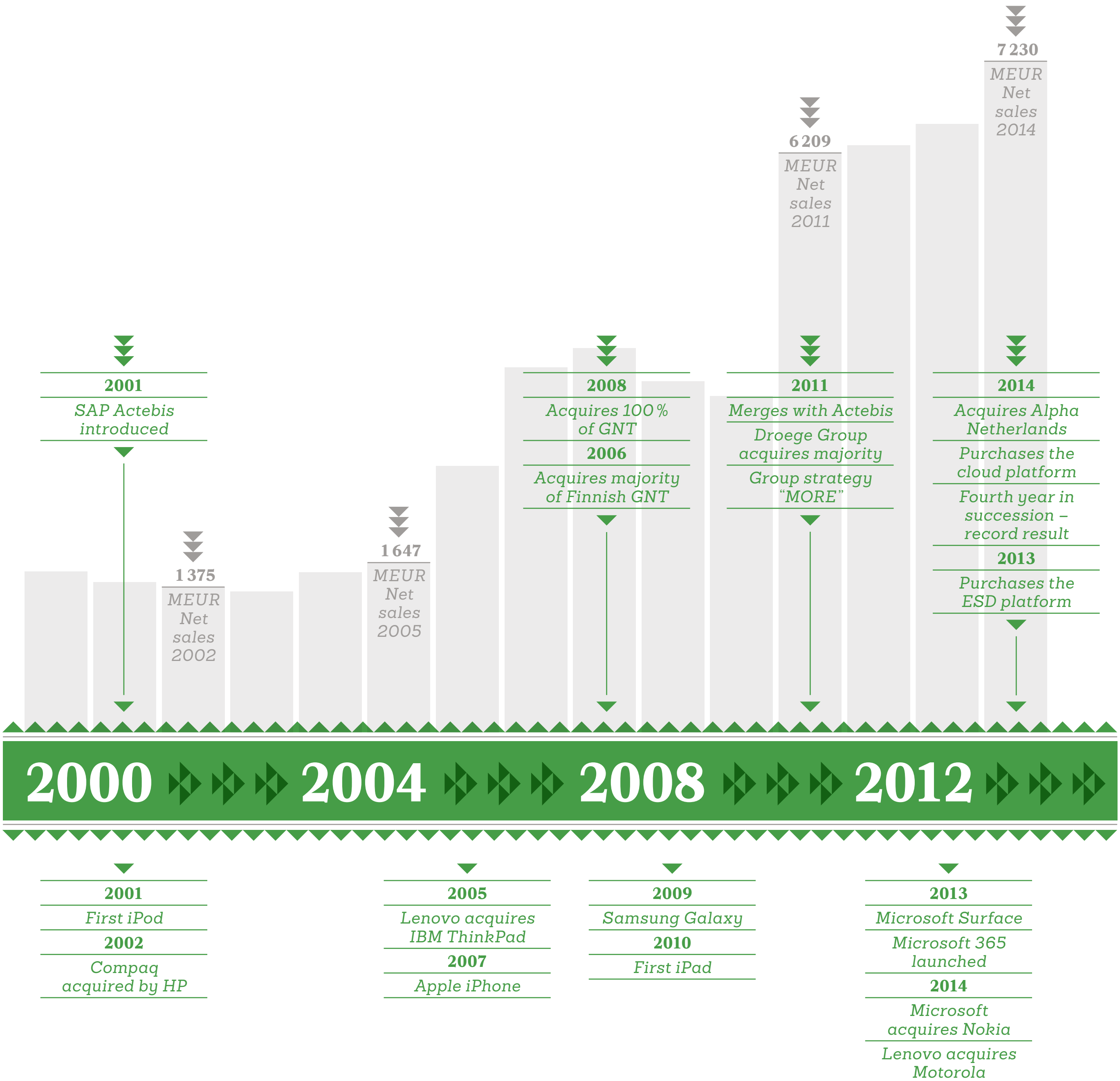
PROF. DR. ING. GUSTAVO MÖLLER-HERGT
Chairman of the Board of Directors of ALSO Holding AG

The ALSO Group

STILL ON SUCCESSFUL PATH IN JUBILEE YEAR

2014 will go down as a milestone in the history of the company. ALSO celebrated its thirtieth anniversary and attained its best-ever result. In the last 30 years, the company has developed from a start-up firm into a Group that is active throughout Europe. During this period, ALSO has repeatedly demonstrated its ability to successfully manage change at the same time as maintaining its quality- and customer-orientation. The company has continuously invested in further development of the Supply, Solutions, und Services business models. And that's how ALSO established a European B2B marketplace for the ICT industry.




2001
SAP Actebis introduced
1 375
MEUR Net sales 2002
1 647
MEUR Net sales 2005
2008
Acquires 100 % of GNT
2006
Acquires majority of Finnish GNT
6 209
MEUR Net sales 2011
2011
Merges with Actebis
Droege Group acquires majority
Group strategy "MORE"
7 230
MEUR Net sales 2014
2014
Acquires Alpha Netherlands
Purchases the cloud platform
Fourth year in succession – record result
2013
Purchases the ESD platform
2000
2004
2008
2012
2001
First iPod
2002
Compaq acquired by HP
2005
Lenovo acquires IBM ThinkPad
2007
Apple iPhone
2009
Samsung Galaxy
2010
First iPad
2013
Microsoft Surface
Microsoft 365 launched
2014
Microsoft acquires Nokia
Lenovo acquires Motorola

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, the ALSO companies supply a very heterogeneous buyer structure; and in a third step, this very heterogeneous buyer structure 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 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.

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 vendors. 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 vendor.

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 vendors that do not have their own infrastructure for selling their products, ALSO offers access to the various markets through logistics, warehousing, and distribution.

OUR SUPPLIERS

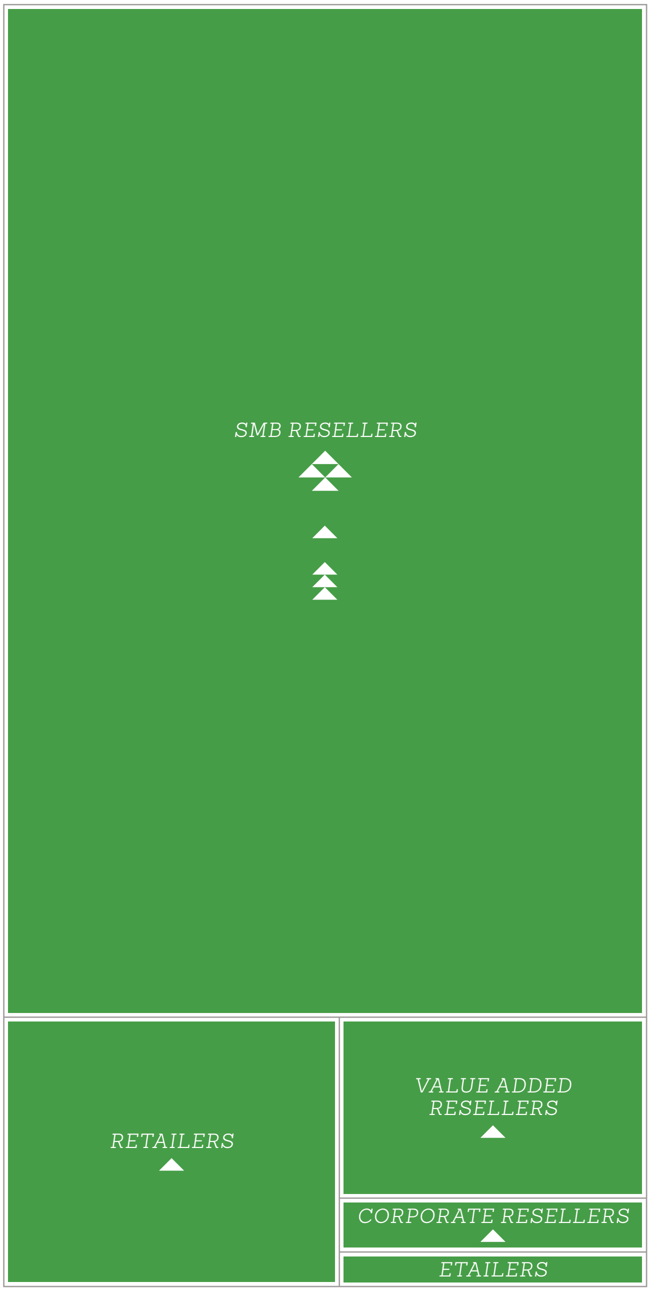
Our main suppliers are the leading transport companies, major credit insurers, and banks. The collaboration is not restricted to the purchase of services, but also includes the joint development of services, which are offered through our B2B marketplace.

OUR SHAREHOLDERS

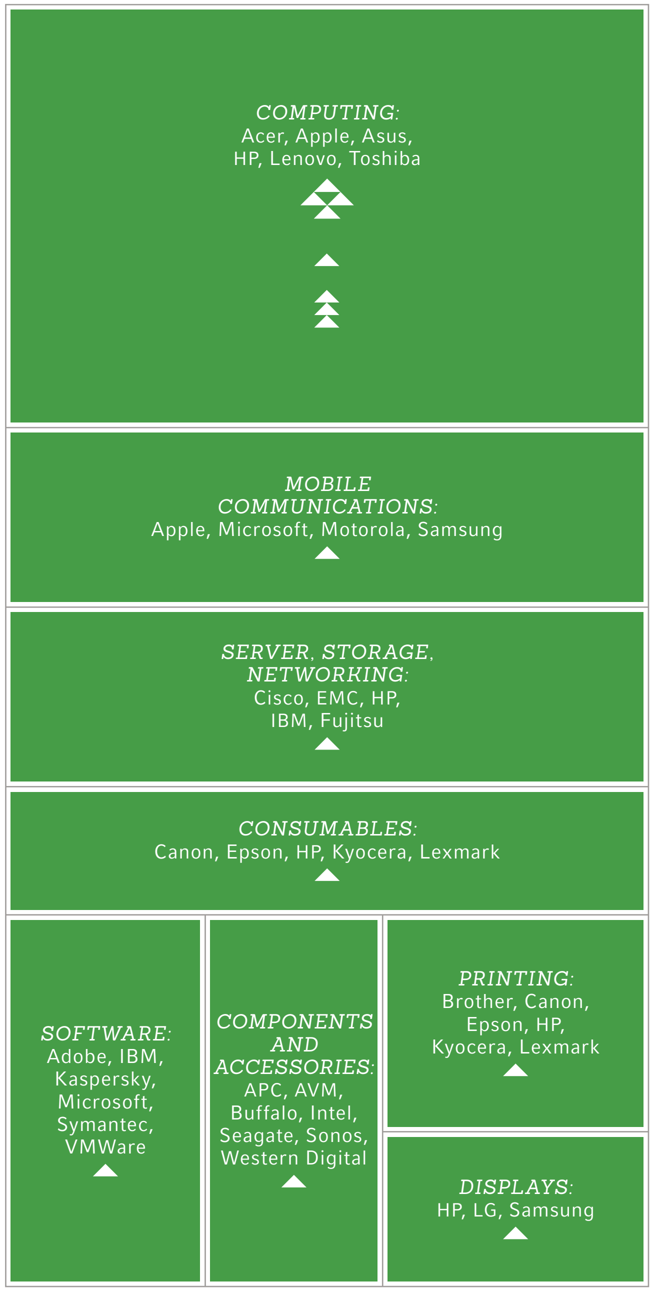
Besides a 20.47 percent free float of small and institutional investors, there is a clear majority ownership structure. Our two main shareholders are Schindler Pars International Ltd. (28.23 percent) and Special Distribution Holding GmbH (51.30 percent).

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.

AROUND 100 000 BUYERS



AROUND 350 PROVIDERS (EXTRACT)



Special Distribution Holding GmbH, with registered office in Düsseldorf, 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.

OUR EMPLOYEES

In 2014, ALSO had an annual average of 3426 employees from 50 nations, which is 271 more employees than in previous year (+8.6 percent). The increase arose from the acquisitions and the expansion in the Solutions and Services sectors. Personnel expenses in the reporting year amounted to 198.5 million euros, which was an increase of 10.0 percent from the previous year.

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

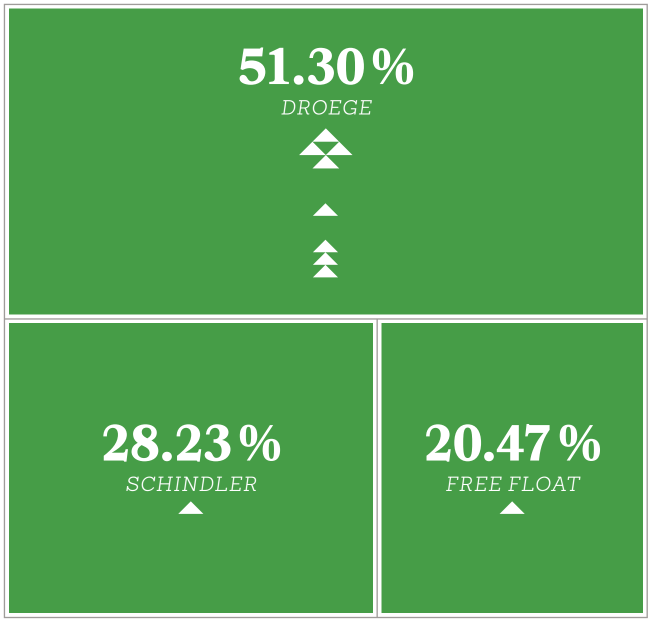
The age structure of our employees is balanced and displays a good mixture between highly qualified employees, internationally experienced managers, and young talents. Through our training program and cooperations with universities we have access to qualified young professionals.

OUR GROUP STRUCTURE AND ORGANIZATION

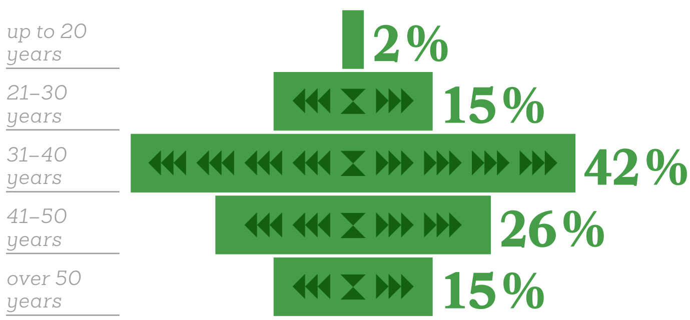
The Board of Directors of ALSO Holding AG is responsible for the highest level of management. It defines the strategic, organizational, and financial goals of the Group. In addition, there are three committees: the Compensation Committee, Board Committee, and Audit Committee. The Board of Directors has delegated the management of the day-to-day business of the company to the CEO of the Group. The three-member Group Management is composed of the CEO, CFO, and President for Supply Services. The Board Committee advises and supervises Group Management.

The company is represented in twelve 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, and Sweden). Together, the twelve country companies, and all other companies that are controlled directly or indirectly by ALSO Holding AG, form the ALSO Group. The company is further subdivided into Supply Services, Solution Services, Small & Medium Business Services, Logistics Services, Financial Services, IT Services, and Digital Services.

SHAREHOLDER STRUCTURE



AGE STRUCTURE OF ALSO GROUP EMPLOYEES AT DECEMBER 31, 2014



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:

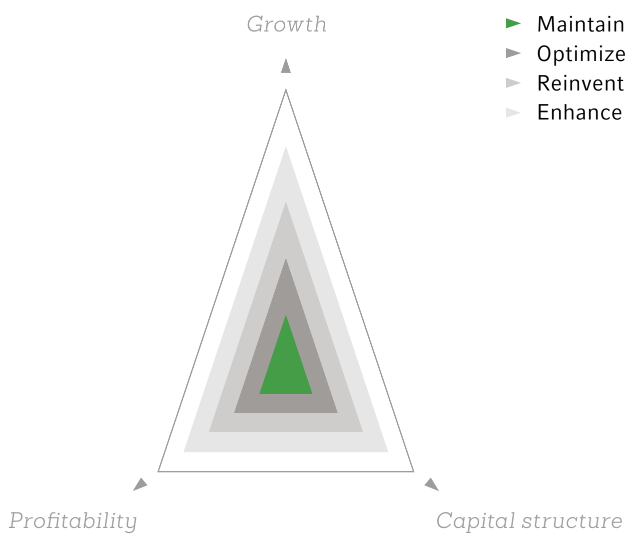
M for **MAINTAIN** stands for securing the transactional business model, based on which the Service and Solutions business will be further expanded to attain the targeted growth and income goals.

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 transactions business model at the same time as generating additional growth with the Solutions and Service business models.

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

THE MORE STRATEGY PROGRAM



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 twelve 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 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. In 2012, ALSO executed a decoupling of the existing models in order to intensify their development. The drivers of the transactional business model – the traditional supply business – are scale effects. The driver of the consulting-oriented business in the traditional Solutions sector is the qualified parameterization and testing of IT projects. All other Service businesses are based on the Process Engineering business model. As a result, the different business models have different risk structures and the diversification increases the stability of the company.

PLATFORMS

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, reliable delivery, competitive prices

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, profound product knowledge

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

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 fulfilment is included in the service offering. A pan-European track-and-trace system enables constant order tracking irrespective of the shipper being used.

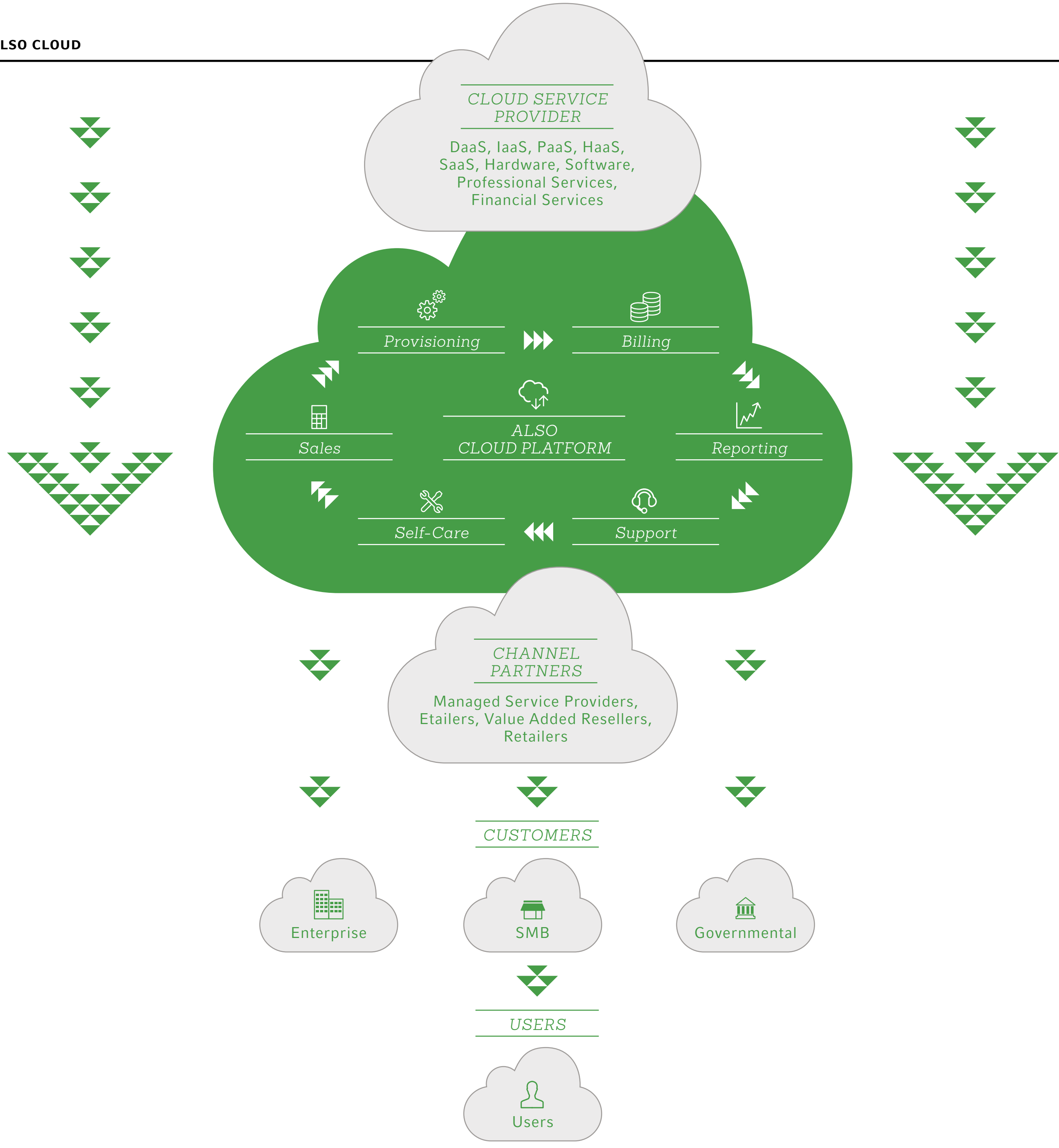
► Optimal cut-off times, highly diverse single-item and batch sizes, extensive multi-channel capability

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, easy handling

ALSO CLOUD


CLOUD SERVICE PROVIDER
DaaS, IaaS, PaaS, HaaS, SaaS, Hardware, Software, Professional Services, Financial Services
Provisioning
Billing
Sales
ALSO CLOUD PLATFORM
Reporting
Self-Care
Support
CHANNEL PARTNERS
Managed Service Providers, Etailers, Value Added Resellers, Retailers
CUSTOMERS
Enterprise
SMB
Governmental
USERS
Users

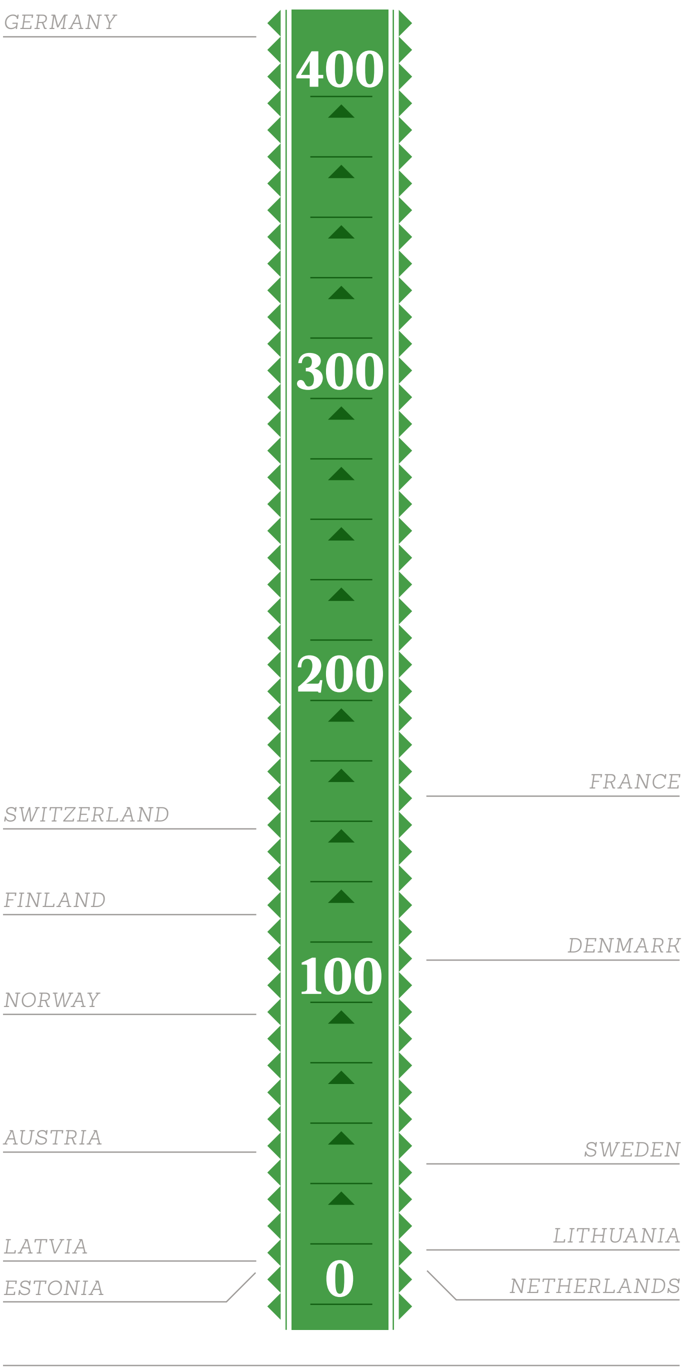
IT SERVICES

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 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

SALES REVENUE OF ALSO WEBSHOP BY COUNTRIES

(AROUND 1.2 BILLION EUROS)



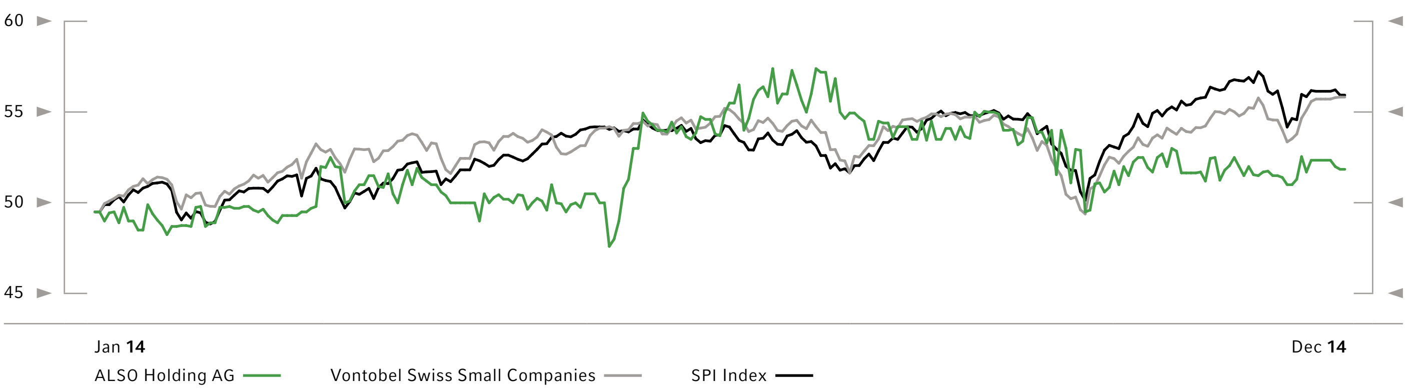
market report

SHARE PRICE DEVELOPMENT IN THE REPORTING YEAR

During the reporting year, the price of the ALSO share developed positively. At the beginning of 2014, the price was CHF 49.00. At the end of July 2014, after ALSO communicated its half-yearly figures, the share price reached its high for the year at CHF 57.50. However, on account of ongoing uncertainty in the eurozone, the markets continued to be volatile. In the second half of the year, selling pressure on our share increased. In the third quarter of 2014, the price oscillated around CHF 52. Taken over the full reporting year, the ALSO share displayed good resilience in this market environment and at the end of the fiscal year closed at a price of CHF 51.85 per share, representing an increase of 5.8 percent from the start of the year.

Compared to the market average, the ALSO share displays relatively low volatility. This is attributable to the stability of our business models. The investor therefore has the opportunity to acquire a stable form of investment with an attractive yield. Including the dividend, the total yield on a share that was bought on January 1, 2014, was 8.7 percent. This is much higher than many other forms of investment such as fixed-interest securities or on-demand deposits with banks. For natural persons liable to tax in Switzerland, the attractiveness of the share is further increased through distributions from capital reserves being free of tax. The possibility of future tax-free distributions adds to the attractiveness of the share.

SHARE PRICE CHART (IN CHF)



On December 31, 2014, the total market valuation of ALSO was CHF 666 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 equitiy of CHF 545 million, the asset backing of the market capitalization at December 31, 2014, amounted to around 82 percent.

KEY FIGURES OF THE ALSO SHARE IN 2014

	2014
Number of registered shares with a nominal value of 1.00 per share	12 848 962
Dividend per share (CHF)	1.60 [1)]
Equity per registered share (CHF)	42.49
Registered share price high (CHF)	57.50
Registered share price low (CHF)	47.55
Market capitalization at December 31 (CHF million)	666

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 2015, the Board of Directors proposes a distribution to the shareholders from the reserve from contribution in kind of CHF 1.60 per share. This represents a total dividend payment of CHF 20.5 million. In view of the massive upward revaluation of the Swiss franc, this represents a distribution of 32 percent of the Group net profit (exchange rate of January 30, 2015). In the previous year, 29 percent of the Group net profit was distributed. The proposal will be submitted to the shareholders for approval at the Annual General Meeting of March 12, 2015.

DEVELOPMENT OF THE DIVIDEND

	2014	2013	2012	2011
Dividend per share (CHF)	1.60 [1)]	1.40	1.20	0.70
Earnings per share (CHF)	5.77	4.81	4.28	2.72

1) Proposal of the Board of Directors

Business development of the Group

GENERAL ECONOMIC SITUATION

In 2014, the global economy expanded only very modestly. Because of the weak economy in some euro countries, slow growth in North America, the crises in Ukraine and the Middle East, as well as the relatively low growth rates in emerging markets, global GDP growth in 2014 was only 3.3 percent. For the eurozone, UBS Research forecasts GDP growth of +0.8 percent (previous year −0.4 percent).

ICT MARKET

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 5.4 percent compared to the previous year. Development in the market for desktop computing was extremely positive (+15.5 percent), resulting from the withdrawal of support for the Windows XP operating system. Growth was also derived from the smartphones and tablets categories. The Business Customers (B2B) sector grew by 4.9 percent and the End-Consumer (B2C) sector by 6.6 percent compared to the previous year. In the B2B sector, all categories that are required for data centers declined because of the increasing use of cloud solutions.

CENTRAL EUROPE MARKET SEGMENT

According to Context, in the central European countries that are relevant for ALSO*, the ICT distribution market grew by 5.1 percent. In the comparable reporting year, ALSO grew by 2.1 percent. Growth was especially pleasing in Germany (+3.1 percent), with sales increases in the computing components, mobile, and desktop computing sector.

NORTHERN/EASTERN EUROPE MARKET SEGMENT

According to Context, the ICT distribution market* also developed positively in this region (+6.6 percent). By comparison, ALSO's growth was only moderate (+1.5 percent). In a shrinking market, ALSO Norway expanded (+1.6 percent), while ALSO Sweden derived substantial growth (+7.0 percent) from increased sales of notebooks und tablet PCs.

In accordance with its strategy, the ALSO Group focused on sustainable profitable growth. Despite the resulting deliberate refusal of low-margin business, we could maintain our market position.

* Excluding Baltics and/or Netherlands

DISTRIBUTION MARKET 2014 IN THE COUNTRIES RELEVANT FOR ALSO (NET SALES IN MILLION EUROS)

* Includes iPod accessories, MP3/MP4 players, standalone GPS devices, and others
Source: CONTEXT Distribution Panel 2014

BUSINESS DEVELOPMENT OF THE GROUP

In fiscal 2014, 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 10.8 percent to 7.2 billion euros. EBITDA increased by 9.2 percent to 123.9 million euros. Profit before taxes (EBT) rose by 12.8 percent from the previous year to 81.9 million euros. Group net profit climbed to 60.9 million euros and thereby exceeded the previous year's level by 21.6 percent.

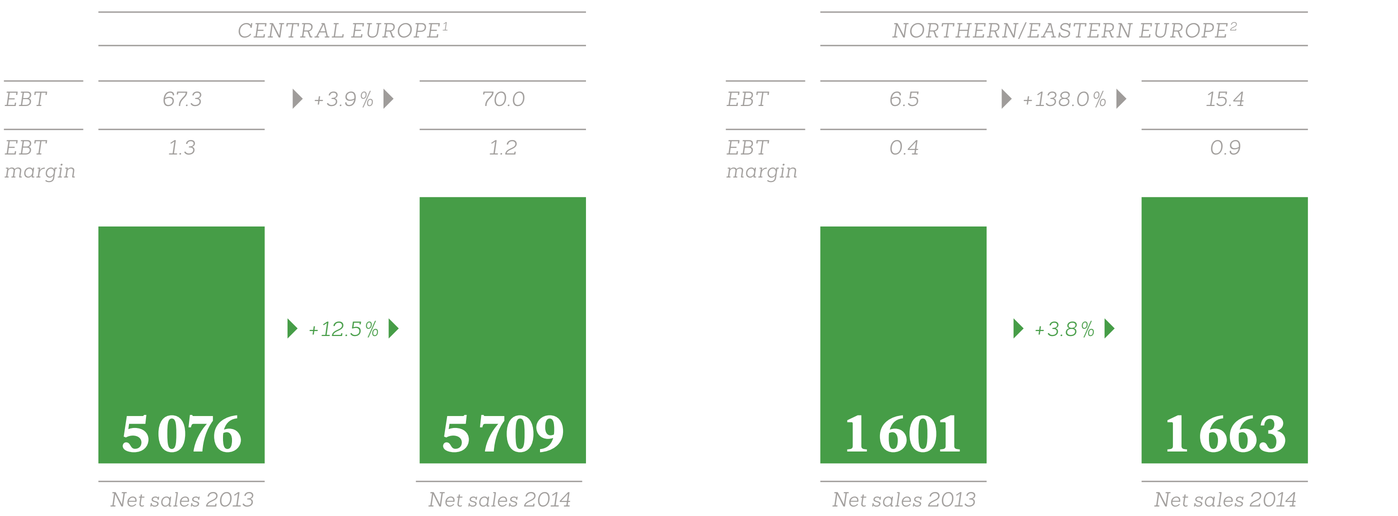
CENTRAL EUROPE AND NORTHERN/EASTERN EUROPE MARKET SEGMENTS

The company is represented in twelve 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, and Sweden).

In the Central Europe market segment, ALSO increased its net sales by 12.5 percent from 5 076 million euros in the previous year to 5 709 million euros. This mainly resulted from the acquisition of Alpha International B.V. and the pleasingly strong growth in Germany. Profit before taxes (EBT) improved by 3.9 percent from 67.3 million euros to 70.0 million euros. Germany, Netherlands, and the acquisition of Alpha contributed to the improvement in EBT. The EBT margin was 1.2 percent, after 1.3 percent in the previous year. Distribution problems in France and heavy pressure on prices in Switzerland resulted in slightly weaker results in those countries.

In the Northern/Eastern Europe market segment, net sales rose by 3.8 percent compared to the previous year, from 1 601 million euros to 1 663 million euros. Profit before taxes (EBT) climbed by 138.0 percent, from 6.5 million euros to 15.4 million euros, and the EBT margin from 0.4 percent to 0.9 percent. The increase resulted mainly from improvements in Sweden and Norway. The successful restructuring of Finland also had a substantial positive effect.

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



1) Austria, France, Germany, Netherlands, Switzerland

2) Denmark, Estonia, Finland, Latvia, Lithuania, Norway, Sweden

INVESTMENTS AND ACQUISITIONS

The investments and acquisitions of the ALSO Group were in line with the MORE strategy and amounted to 74.3 million euros.

Investments in property, plant and equipment and intangible assets totaled around 12.0 million euros (previous year 9.0 million euros). The ratio of investments to EBITDA was 9.7 percent (previous year 7.9 percent). Cash used for acquisitions in 2014 amounted to around 62.3 million euros.

MAINTAIN: SAP implementation in France, replacement investments in warehouse equipment and data centers

OPTIMIZE: Investments in IT Business Intelligence, CRM, and Webshop Tracking

REINVENT: IT software for the expansion of services and EDI from Cloud Services to resellers

ENHANCE: Alpha, Cloud Control Panel, Augsburg logistics

In mid-2014, ALSO completed the acquisition of Alpha. The company distributes printer consumables in Europe. The acquisition strengthens ALSO's expertise in the Supply business in all countries where Alpha and ALSO are represented. In addition, ALSO significantly improves its market position in the Benelux countries and thereby creates the basis for further growth in the region.

With the purchase of Nervogrid (now ALSO Cloud), ALSO acquired a Cloud Control Panel that was already successfully implemented in the market in Finland. In the second half-year, ALSO created the electronic data interchange with the ERP system that is necessary to network resellers and service providers. It is online in all twelve ALSO countries and resellers can sell cloud solutions and configure them for their customers.

The acquisition of the warehouse at Augsburg is part of the Services business model. At the new location, ALSO provides logistics services for the Weltbild Group. The goal is to provide logistics services from the site for further customers and to use the warehouse for shipping small items such as mobility.

The investments and acquisitions will contribute decisively to achieving the ambitious growth targets. ALSO will continue with its investment policy also in the future. For fiscal 2015, ALSO has budgeted around 10 million euros for investments in property, plant and equipment.

INVESTMENTS AND ACQUISITIONS

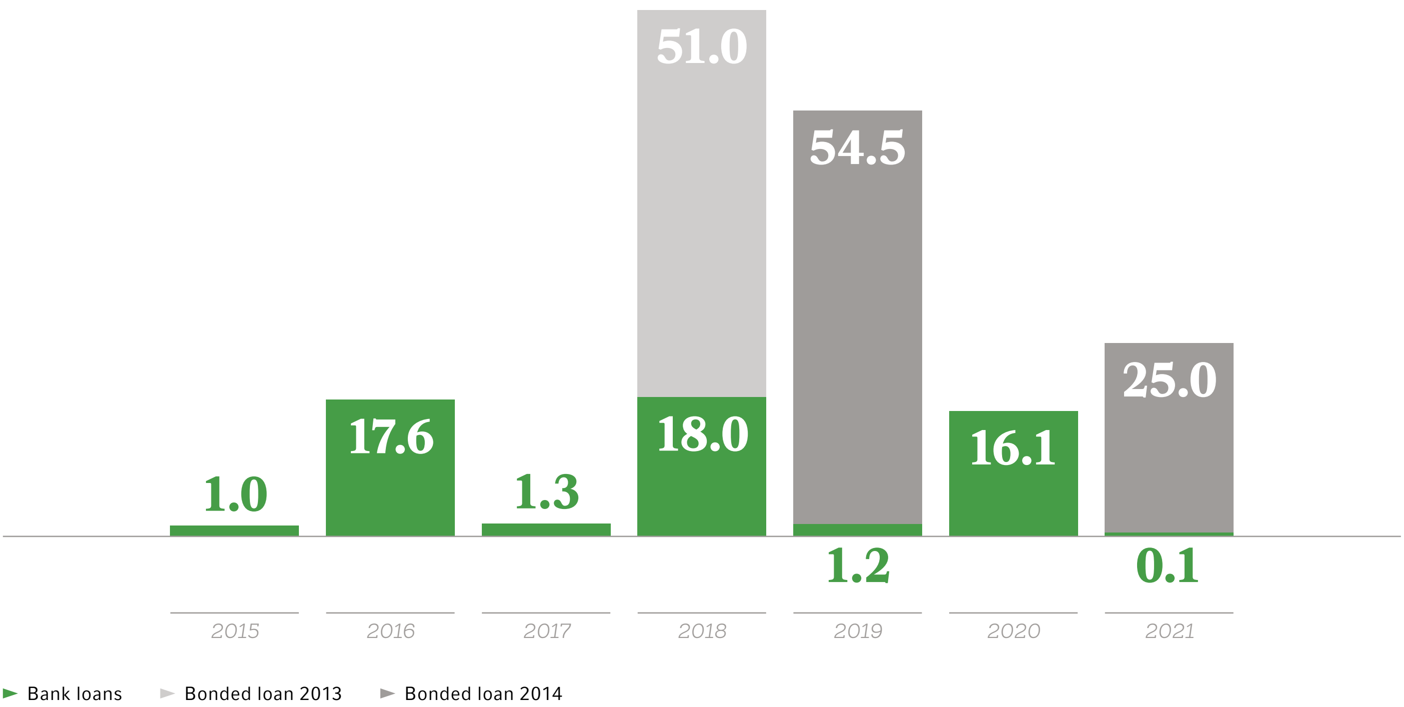
EUR 1000	2014	2013	2012
INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	**11965**	**9002**	**10667**
of which in land and buildings	2016	528	725
of which in warehouse equipment	1087	1496	4005
of which in other property, plant and equipment	3512	4142	2580
of which in other intangible assets	5350	2836	3357
Investments in property, plant and equipment as a percentage of EBITDA	9.7 %	7.9 %	9.8 %
ACQUISITIONS	**62308**	**2320**	**11388**
ALSO Cloud Oy, Helsinki, Finland	9042	–	–
ALSO Logistics Services GmbH, Soest, Germany	16686	–	–
Alpha International B.V., Nijmegen, Netherlands	36175	–	–
TOTAL INVESTMENTS AND ACQUISITIONS	**74273**	**11322**	**22055**

SOLID FINANCING STRUCTURE

ALSO's goal is to secure the necessary liquidity for financing its operating business to match the required maturities at the best possible conditions. The greater part of the financing is required to cover the working capital needs of the Group. In view of the seasonality of the business, the working capital requirement is subject to short-term fluctuations. The necessary cash is mainly obtained by selling existing receivables to factoring companies. This is supplemented by bank lines of credit that are available at short notice. In addition, in 2013 and 2014, ALSO substantially increased the proportion of long-term financing by placing bonded loans in the capital market. When doing so, to minimize risk, attention was paid to obtaining a broadly diversified duration structure at favorable financing conditions. Short-term bank lines and factoring were correspondingly reduced.

In the reporting year, bonded loans for the amount of 79.5 million euros were successfully placed. The total amount is spread over several tranches with terms of five and seven years. In view of the still historically low interest rates, ALSO has used this favorable point in time to further optimize its financing at attractive conditions in the capital market. By this means, the goal was achieved of increasing flexibility, as well as optimizing the refinancing costs and maturity structure of the financial debt, in order to support future growth. The maturity profile displays a good distribution of repayments over the years 2016 to 2021.

MATURITY PROFILE (IN MILLION EUROS)



CONSOLIDATED STATEMENT OF CASH FLOWS

Cash flow from operating activities before changes in net working capital was around 88.3 million euros and 23.8 percent above the previous year. The increase was mainly attributable to the higher Group net profit in 2014. It is available to ALSO for its operational and strategic further development and can be regarded as sustainable cash.

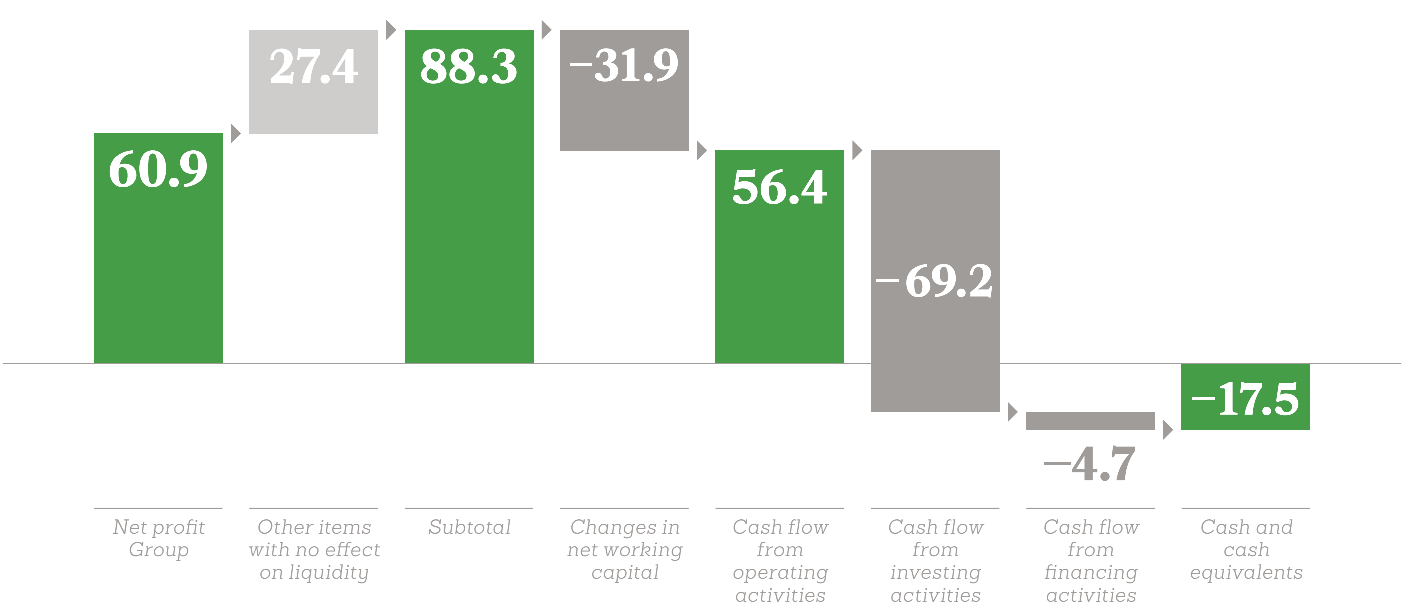
Cash flow from operating activities that remained after deducting the change in net working capital was 56.4 million euros. The amount of the change is strongly dependent on seasonal effects, and the timing of customer sales and payments, and fluctuates between periods. Reduced sales of trade receivables normally result in a negative cash flow from the change in net working capital. The cash flow from the increase in inventories was −56.2 million euros. The increased inventories compared to the previous year resulted from a range of possibilities for purchasing various products for the first quarter at favorable conditions. This effect was compensated by +51.9 million euros from correspondingly higher trade payables. The residual effect resulted mainly from changes in receivables. It includes mutually offsetting effects from higher sales revenue, lower sales of receivables of the ALSO companies, and the change in the financing structure of the newly acquired Alpha.

The cash flow was further reduced by investments in property, plant and equipment, and acquisitions, for the amount of 69.2 million euros.

In the cash flow from financing activities, there were further negative cash flows from the distribution to the shareholders of 14.7 million euros and from the net repayment of bank loans, especially release of the Alpha financing, amounting to 74.5 million euros. The positive cash flow from entry into non-current liabilities, especially from the new bonded loan, was 84.5 million euros.

With cash and cash equivalents of 24.2 million euros, receivables collectable at short notice with factoring companies of 87.7 million euros, and bank credits available at short notice of 312 million euros, the ALSO Group has a high level of liquidity.

CONSOLIDATED STATEMENT OF CASH FLOWS (IN MILLION EUROS)



Outlook

ECONOMIC SITUATION

Overall economic growth in the eurozone is forecast to be weak. For 2015, increasing foreign and domestic demand is expected to produce gradual growth. According to UBS Research, this should result in annual GDP in the eurozone increasing by an average of 1.2 percent. Through necessary structural reforms and a credible budget policy, as well as public and private investments, growth in 2016 should accelerate to 1.6 percent.

MARKET OUTLOOK

The outlook for economic development in 2015 remains subdued. For the ICT market (excluding IT and telecommunication services) in the ALSO countries*, the Gartner market research institute forecasts total growth in end-user spending of 2.8 percent.

DEVICES

After an increase in 2014 resulting from replacement investments for desktop PCs and notebooks, in 2015 a reduction in sales revenue is expected. In the Central Europe market segment, this decline can be compensated by rising expenditure in the mobile phones sector, but not in the Northern/Eastern European market segment. In the mobile phones sector generally, slightly slower growth than in the previous year is expected, with the Central European market segment expanding more rapidly than the Northern/Eastern European market segment. Whereas in 2014 spending on printers remained unchanged from 2014, in 2015 a slight increase is anticipated.

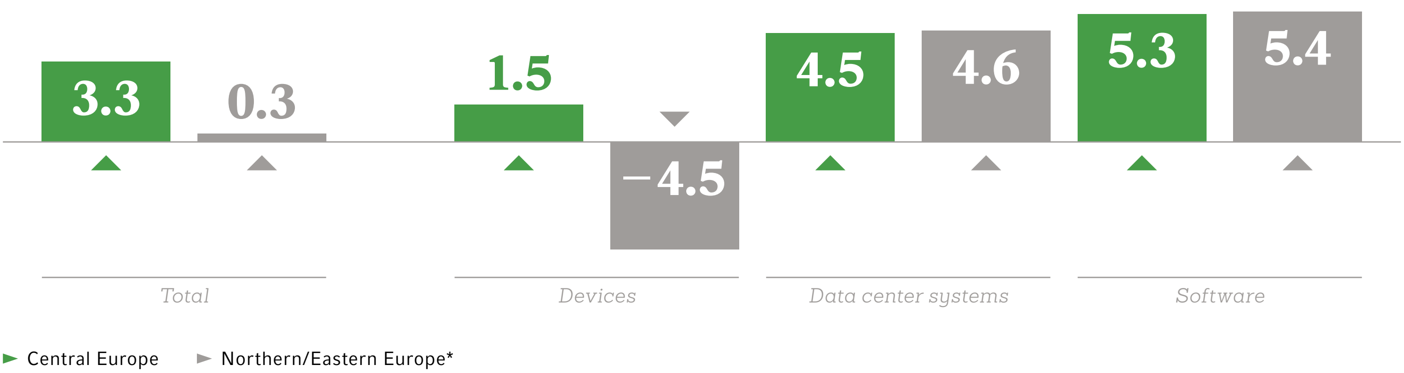
SOFTWARE

In the Applications Software sector, the growth-driver is Customer Relationship Management (CRM), followed by Enterprise Resource Planning (ERP) and Business Intelligence & Analytics software. In the Infrastructure Software environment, growth is supported by database management systems, since more and more organizations will modernize their entire data structure. Driving trends are, for example, the requirement to integrate disparate data types and data sources as well as the transition from operational and historical data to real-time and forecast values. Further contributors to the positive development in this sector are software for IT operations as well as for application infrastructure and middleware.

DATA CENTER SYSTEMS

In the last few years, reservations about the business environment limited expenditure in the data centers sector. Consequently, the lifetime of the installed base was extended beyond its normal duration. However, through its obsolescence, the installed base is now entering a more dynamic replacement cycle, especially for servers, since Windows 2003 is no longer supported. A similar situation is encountered in the network equipment and external controller-based storage sectors, where growth is also expected.

DEVELOPMENT OF END-CONSUMER SPENDING 2015 BY SECTOR IN THE ALSO COUNTRIES (IN PERCENT)



* Excl. Baltics
Chart created by ALSO based on Gartner Research, Source: Gartner, Inc., Gartner Market Databook, 4Q14 Update
Analysts: Ken Newbury, Kathryn Hale, George Shiffler III, Steve Cramoysan, Ranjit Atwal, Jonathon Hardcastle, Colleen Graham, publication date: December 30, 2014

ALSO

Again in 2015, the focus will be on consistent implementation of the MORE strategy and further development of the various business models (S3).

MAINTAIN: Further harmonization of ERP Landscape and Business Intelligence Tools, introduction of CRM, expansion of the Solutions portfolio

OPTIMIZE: Further development of PIP/POP, mobility, Benelux, and Web Tracking, introduction of Competence Center, improvement of Online Platform

REINVENT: Expand Services and Cloud

ENHANCE: Acquisitions in new regions and services

ALSO continues to strive for a target payout-ratio of 25 to 35 percent.

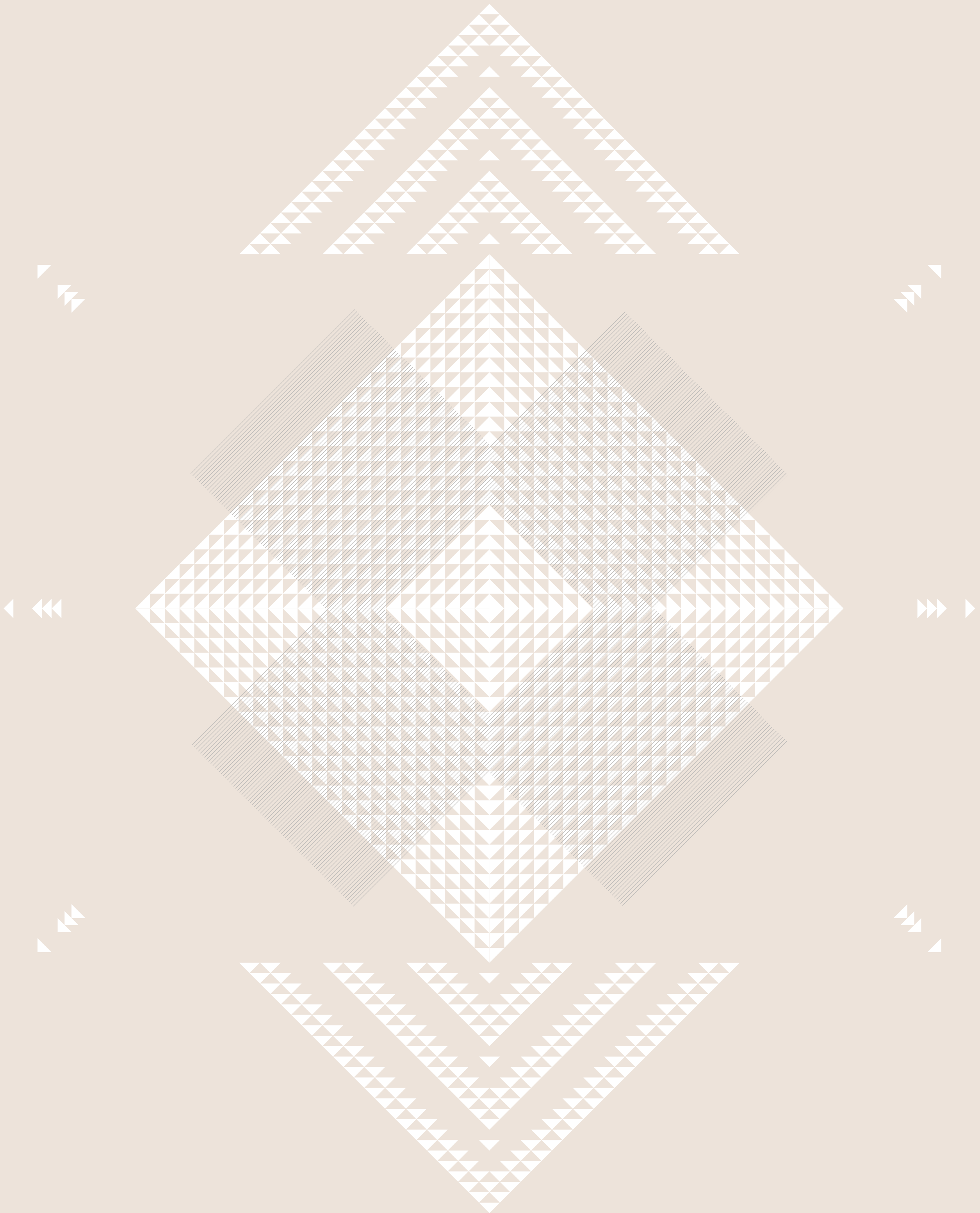
Following the successful merger of Alpha and ALSO Netherlands, the focus will be on expanding our provider and buyer portfolio. This will improve our market positon and profitability. In the future, ALSO will increase its efficiency and effectiveness by bundling various functions and sharing best-practices throughout Europe. In a pilot project, based on the competence of Alpha, a start will be made with the printer consumables sector. In a further project in 2015, we are focusing on optimizing companies or business units with below-average contribution to income. Based on a detailed analysis of the causes and backgrounds, improvement measures will be defined and implemented. In 2015 in Switzerland, ALSO will consistently confront the challenge of the strong Swiss franc with cost- and margin-optimization measures.

Following the successful integration of the ALSO Cloud Control Panel in 2015, first sales revenues in the Digital Services sector are expected. To identify further service providers, we offer the ALSO platforms for young, ambitious, innovative companies in the growth phase to scale their business models. For this purpose, together with the Droege Group, a venture capital program has been started. In 2014, during Channel Trends+Visions, its own trade fair in Germany, ALSO announced the first winners of the ALSO Start-Up Award. In the next few years, the advent of Industry 4.0, Big Data, and Cloud will stimulate additional expenditure throughout the ICT industry. In view of these forecasts, ALSO expects a positive market development.

Source: "Gartner Market Databook, 4Q14 Update" (December 2014)
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.

2

Corporate Governance



Corporate Governance

This Corporate Governance Report contains the information that is stipulated by the revised Directive on Information Relating to Corporate Governance of the SIX Swiss Exchange that came into force on October 1, 2014, and follows its structure. Since January 1, 2014, the Ordinance Against Excessive Compensation in Listed Companies (VegüV) has been in force.

In fiscal year 2014, ALSO already largely completed implementation of the Ordinance Against Excessive Compensation in Listed Companies (VegüV) and, for this purpose, inter alia at the Annual General Meeting of March 13, 2014, decided to amend the Articles of Association. 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

BOARD OF DIRECTORS OF ALSO HOLDING AG

Prof. Dr. Ing. Gustavo Möller-Hergt	Chairman, executive member
Walter P.J. Droege	Vice-Chairman, non-executive member
Prof. Dr. Rudolf Marty	Non-executive member
Prof. Dr. Karl Hofstetter	Non-executive member
Frank Tanski	Non-executive member
Prof. Dr. Peter Athanas	Non-executive member
Dr. Olaf Berlien	Non-executive member

Status December 31, 2014

For a list of the Group’s subsidiaries and affiliated companies, see page 140 of the Financial Report.

GROUP MANAGEMENT

Prof. Dr. Ing. Gustavo Möller-Hergt	Chief Executive Officer (CEO)
Dr. Ralf Retzko	Chief Financial Officer (CFO)
Torben Qvist	Member of Group Management/ Senior Vice President for Supply Services

Status December 31, 2014

FUNCTIONAL RESPONSIBILITY

For every country in which ALSO is active, a Managing Director bears the overall operational responsibility. In addition, there are Senior Vice Presidents, who are responsible Groupwide for Supply, Solutions, Small & Medium Business, Logistics, Financial, IT, and Digital Services.

1.2
SIGNIFICANT SHAREHOLDERS

SIGNIFICANT SHAREHOLDERS

	12.31.2014	12.31.2013
Special Distribution Holding GmbH, Düsseldorf (Germany) */**	51.30 %	51.30 %
Schindler Pars International Ltd., Hergiswil (Switzerland) **/***	28.23 %	28.40 %
Bestinver Gestion, S.G.I.I.C. S.A., Madrid (Spain)	5.83 %	6.91 %
SaraSelect, c/o Sarasin Investmentfonds AG, Basel (Switzerland)	3.00 %	3.10 %

Participation according to the share register as per December 31 (without nominees)
* Act together as group of shareholders
** Controlling shareholder: Walter P. J. Droege through Droege International Group AG
*** Held 100 % by Schindler Holding AG

Notifications during the financial year in compliance with Art. 20 SESTA may be viewed at:
| ► HTTP://WWW.SIX-EXCHANGE-REGULATION.COM/PUBLICATIONS/PUBLISHED_NOTIFICATIONS/MAJOR_SHAREHOLDERS_EN.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-OWNERSHIP

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

2

CAPITAL STRUCTURE

2.1

CAPITAL

CAPITAL

	Total in CHF	Number of registered shares	Nominal value per share in CHF
Ordinary share capital	12 848 962	12 848 962	1.00
Authorized capital	2 500 000	2 500 000	1.00
Conditional capital	2 500 000	2 500 000	1.00

Status December 31, 2014

The market capitalization of the ALSO Group at December 31, 2014 was CHF 666 mio. The shares of ALSO Holding AG have been listed on SIX Swiss Exchange since 1986 (symbol: ALSN, security no.: 2 459 027).

2.2

AUTHORIZED AND CONDITIONAL CAPITAL

At December 31, 2014, the company has authorized share capital and conditional share capital of CHF 2 500 000 each. 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 can be downloaded as a pdf document at ► WWW.ALSO.COM/GOTO/ARTICLESOFASSOCIATION.

2.3

CHANGES IN CAPITAL DURING THE LAST THREE YEARS

	Number of registered shares	Total nominal value in CHF
Share capital at January 1, 2012	12 848 962	12 848 962
Change in share capital 2012	–	–
Share capital at December 31, 2012	12 848 962	12 848 962
Change in share capital 2013	–	–
Share capital at December 31, 2013	12 848 962	12 848 962
Change in share capital 2014	–	–
Share capital at December 31, 2014	12 848 962	12 848 962

2.4 SHARES AND PARTICIPATION CERTIFICATES

At December 31, 2014, the ordinary share capital amounts to CHF 12 848 962. 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.

2.5 PROFIT-SHARING CERTIFICATES

The company has not issued any profit-sharing certificates.

2.6 LIMITATIONS ON TRANSFERABILITY AND NOMINEE REGISTRATIONS

2.6.1 LIMITATIONS ON TRANSFERABILITY

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.

2.6.2 REGISTRATION OF NOMINEES

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

2.7 CONVERTIBLE BONDS AND OPTIONS

At December 31, 2014, ALSO Holding AG had not issued any convertible bonds or options.

3
BOARD OF DIRECTORS

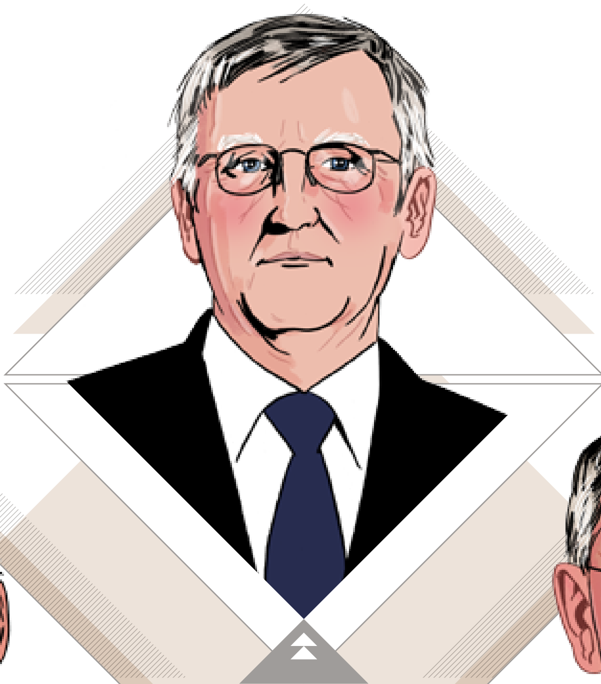
3.1
MEMBERS OF THE BOARD OF DIRECTORS, ACTIVITIES, AND VESTED INTERESTS

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.

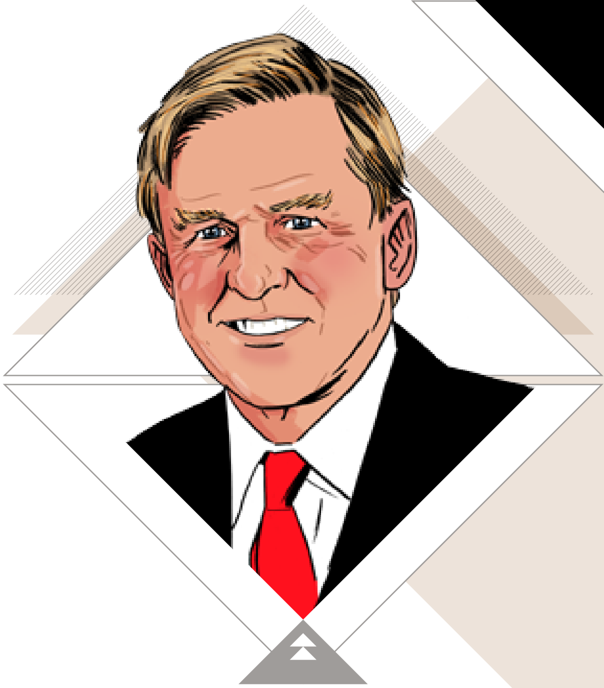
Name	Nationality	Position	Since
Prof. Dr. Ing. Gustavo Möller-Hergt	DE	Chairman	2014
Walter P.J. Droege	DE	Vice-Chairman	2011
Prof. Dr. Rudolf Marty	CH	Member	1993
Prof. Dr. Karl Hofstetter	CH	Member	1996
Frank Tanski	DE	Member	2011
Prof. Dr. Peter Athanas	CH	Member	2014
Dr. Olaf Berlien	DE	Member	2014

CHANGES IN THE BOARD OF DIRECTORS

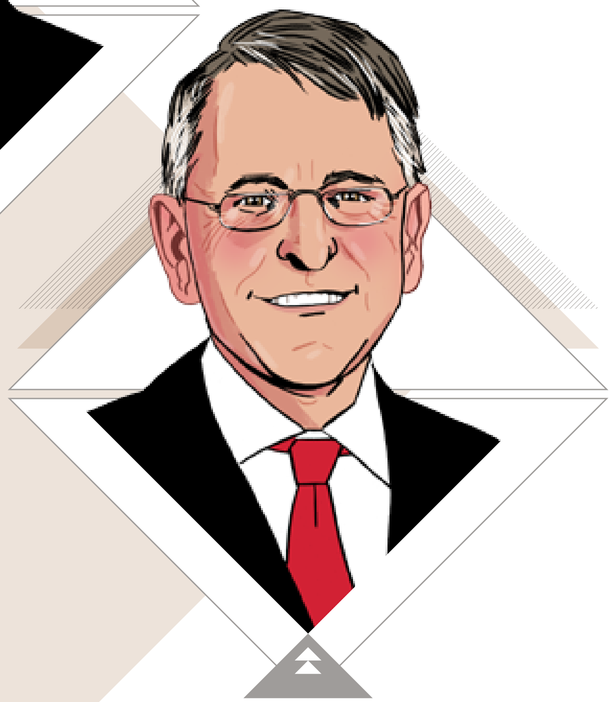
Thomas C. Weissmann resigned as member of the Board of Directors with effect from the date of the General Meeting 2014. The General Meeting 2014 elected Prof. Dr. Ing. Gustavo Möller-Hergt, Prof. Dr. Peter Athanas, and Dr. Olaf Berlien as new members of the Board of Directors. In addition, Prof. Dr. Ing. Gustavo Möller-Hergt was elected by the shareholders to Chairman of the Board of Directors.



WALTER P. J. DROEGE
Chairman of the Board Committee



PROF. DR. PETER ATHANAS
Chairman of the Compensation Committee



PROF. DR. RUDOLF MARTY
Chairman of the Audit Committee

Members of the Board of Directors

ACTIVITIES AND VESTED INTERESTS

PROF. DR. PETER ATHANAS

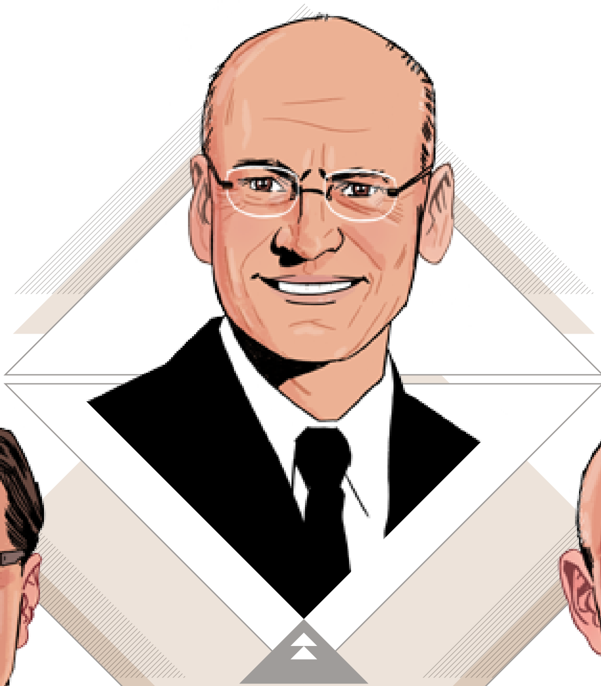
Member of the Board of Directors of ALSO Holding AG since 2014. | **CAREER MILESTONES** | ► Senior Executive Vice President Corporate Development of Schindler Holding AG. Formerly member of the Board of Directors and of the Executive Committee of the Board of the Schindler Group. Chairman of the Board 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, Zürich, Switzerland, member of the Board 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, a Curator of the Werner Siemens-Foundation, Zug, Switzerland. Professor of National and International Tax Law at the University of St. Gallen, Switzerland.

WALTER P. J. DROEGE

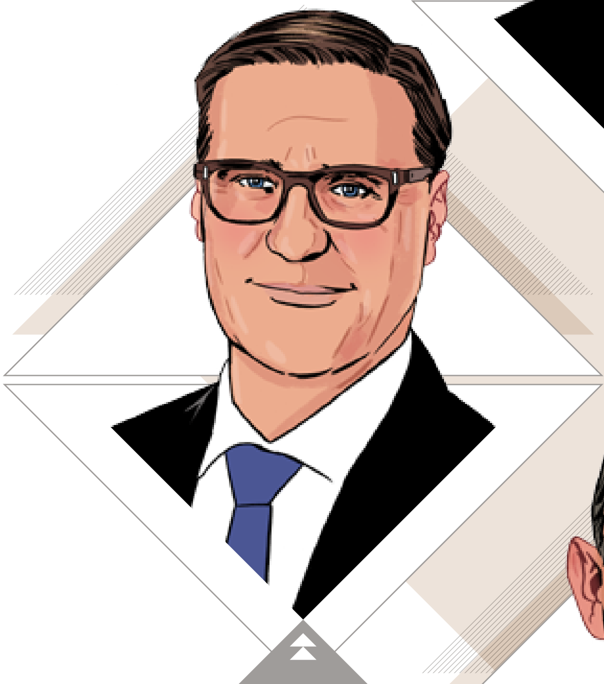
Member and Vice-Chairman of the Board of Directors of ALSO Holding AG since 2011. | **CAREER MILESTONES** | ► Founder and sole director of Droege International Group AG, Düsseldorf, Germany, which is wholly owned by the Walter P. J. Droege family. | **EDUCATION** | ► Diploma in Business Management | **OTHER ACTIVITIES AND VESTED INTERESTS** | ► Member of the supervisory boards and advisory boards of various subsidiaries within the Droege International Group AG; member of the Advisory Board of Deutsche Bank, Düsseldorf; member of the Advisory Board of HSBC Trinkaus & Burkhardt AG, Düsseldorf, Germany; Vice-Chairman of the Supervisory Board of Trenkwalder International AG and of Trenkwalder Beteiligungs GmbH, both of Schwadorf, Austria; non-executive and non-independent director, Dutech Holdings Limited, Singapore (until September 30, 2014); member of the Advisory Board of Weltbild Holding GmbH, Augsburg, Germany (since September 29, 2014).

PROF. DR. RUDOLF MARTY

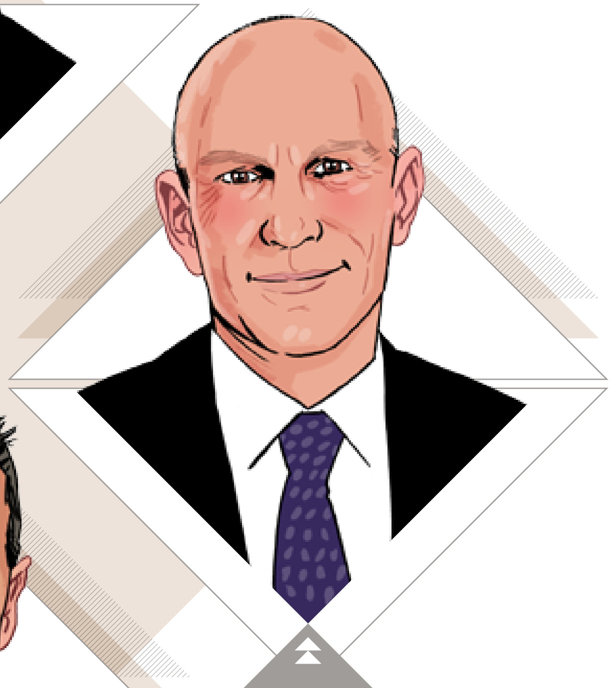
Member of the Board of Directors of ALSO Holding AG since 1993. | **CAREER MILESTONES** | ► Owner of OPEXIS GmbH, Horw, Switzerland, and Chairman and majority shareholder of Advexo AG, Lucerne, Switzerland. Previously he was Managing Partner of "itopia – corporate information technology", Zurich, Switzerland. After his studies he worked as 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** | ► Lecturer in information technology, Zurich University; Chairman of the Gebert Rüf Stiftung, Zurich and Basel.



**PROF. DR.
KARL HOFSTETTER**



DR. OLAF BERLIEN



FRANK TANSKI

**PROF. DR. ING.
GUSTAVO MÖLLER-HERGT**
*Chairman of the
Board of Directors*

DR. OLAF BERLIEN

Member of the Board of Directors of ALSO Holding AG since 2014. | **CAREER MILESTONES** | ► As of January 1, 2015 appointed as Chief Executive 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 and a doctorate in economics. | **OTHER ACTIVITIES AND VESTED INTERESTS** | ► Member of the Advisory Board of Diehl Stiftung & Co. KG, Nürnberg, Deutschland.

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, und Harvard (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. 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, and Chief Representative of Droege International Group AG, Düsseldorf, 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 March 13, 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. He held various positions with the Warsteiner Group, finally as Chief Executive Officer and Chief Representative. He was a member of the Supervisory Board of SIAC in Douala, Cameroon, and 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, Düsseldorf, Germany.

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 holds 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 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 General Meeting for a period of office of one year.

There is no statutory age limit. However, 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 financial year in which they reach the age of 70. In exceptional cases, the Board of Directors may decide to waive this ruling.

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.

3.4.2
COMMITTEES

The Board of Directors may delegate the preparation and execution of its decisions to committees or to individual Board members. The Board of Directors has appointed three standing committees: the Board Committee (BC), the Audit Committee, and the Compensation 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 Committee, whose election and dismissal lie within the competence of the 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 of the wholesale, financial, corporate governance, and risk control areas.

COMPENSATION OF THE BOARD COMMITTEE

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

Status December 31, 2014

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 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.

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.

COMPOSITION OF THE AUDIT COMMITTEE

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

Status December 31, 2014

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 external auditors and verification that shortcomings are corrected and recommendations of the auditors 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 audit companies and of their independence
- evaluation of the collaboration between statutory audit companies 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 external auditors.

3.4.2.3 COMPENSATION COMMITTEE

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

COMPOSITION OF THE COMPENSATION COMMITTEE

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

Status December 31, 2014

According to Art. 21 of the Articles of Association, the Compensation 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 may delegate further tasks concerning compensation, human resources, and related areas to the Compensation Committee. The organization, working methods, and reporting of the Compensation Committee are laid down in a set of regulations.

In its function as Nominations Committee the Compensation Committee has the following responsibilities and authorities:

- 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

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 Group's strategic orientation.

In 2014, the Board of Directors met for a total of eight meetings, including one strategy meeting and two telephone conferences.

The BC normally meets every two months. In the year under review, seven meetings were held.

The Audit Committee meets for half-day or full-day meetings as often as its business requires. Concerning the year under review, the Audit Committee met twice.

The Compensation Committee meets as frequently as its business requires. The Compensation Committee has held one meeting, which related to the reporting year.

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 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 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:

- the pursuit of strategic objectives and enforcement of these objectives using action plans
- defining the product mix as well as the marketing and sales policy
- defining logistical concepts and structures
- approving the budgets and financial results of the Group companies

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 ALSO 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 REVISED SWISS CODE OF BEST PRACTICE FOR CORPORATE GOVERNANCE OF OCTOBER 2014

The members of the Board of Directors plan to perform an annual self-evaluation of their working methods and efficiency.

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

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. ALSO plans to evaluate further measures, such as the introduction of a Lead Director Concept.

4. GROUP MANAGEMENT

4.1 MEMBERS OF GROUP MANAGEMENT, ACTIVITIES, AND VESTED INTERESTS

Name	Nationality	Position
Prof. Dr. Ing. Gustavo Möller-Hergt	DE	Chief Executive Officer (CEO)
Dr. Ralf Retzko	DE	Chief Financial Officer (CFO)
Torben Qvist	DK	Member of Group Management/Senior Vice President for Supply Services

Status December 31, 2014

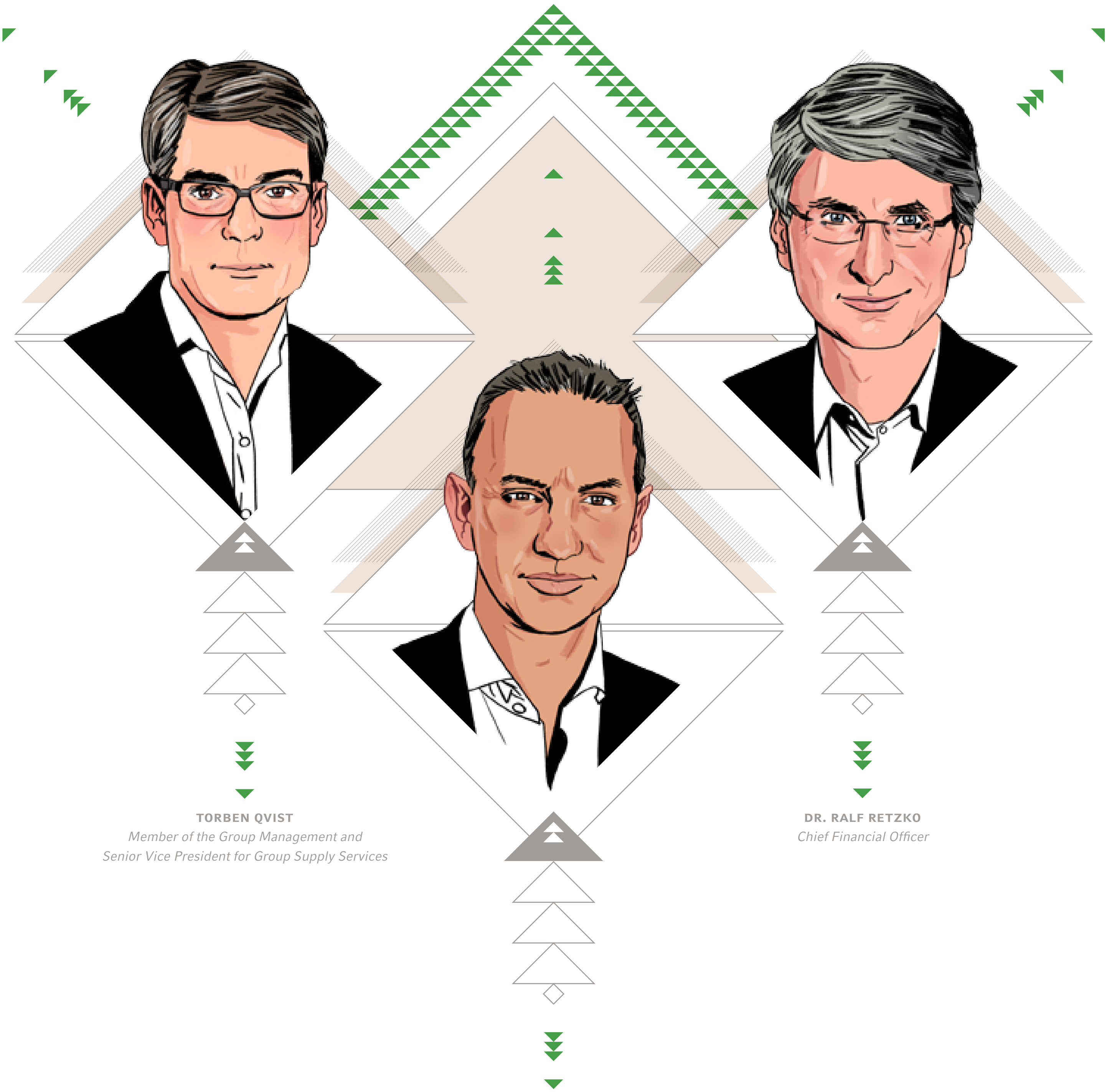
Changes in Group Management: Marc Schnyder, Managing Director of the Group company in Switzerland, left the Group on January 31, 2014. Ivan Renaudin, Managing Director of the Group companies in France and Netherlands, ceased to be a member of Group Management on August 19, 2014. A decision regarding a possible successor in Group Management will be taken in due course.

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 holds 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.



TORBEN QVIST
Member of the Group Management and Senior Vice President for Group Supply Services

DR. RALF RETZKO
Chief Financial Officer

PROF. DR. ING. GUSTAVO MÖLLER-HERGT
Chief Executive Officer

Members of Group Management

ACTIVITIES AND VESTED INTERESTS

PROF. DR. ING. GUSTAVO MÖLLER-HERGT

Member of the Board of Directors of ALSO Holding AG and Chairman since March 13, 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. He held various positions with the Warsteiner Group, finally as Chief Executive Officer and Chief Representative. He was a member of the Supervisory Board of SIAC in Douala, Cameroon, and 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, Düsseldorf, Germany.

TORBEN QVIST

Since 2011 a member of the Group Management and since 2014 Senior Vice President for the Supply Services of the ALSO-Group. | **CAREER MILESTONES** | ► Until 2014 Managing Director of the three northern European ALSO group companies in Denmark, Norway, and Sweden. Before that in various functions in the Actebis Group, including Managing Director of Actebis in Denmark and of the Actebis companies in Norway and Sweden. Member of the Executive Board of the Actebis Group. Following his studies, he held positions with various IT companies, including that of Managing Director of Berendsen Computer Products and of Computer 2000, Denmark. | **EDUCATION** | ► Studies in marketing and economics at the Danish Handelsakademie, Copenhagen, Denmark.

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.

5. SHAREHOLDERS' RIGHTS OF PARTICIPATION

5.1 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 General Meetings comply with legal requirements and the Articles of Association. Every shareholder may personally participate in the 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. 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.

The Board of Directors elects the Independent Proxy, with the right of substitution, at annual intervals. His period 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 General Meeting.

5.2 STATUTORY QUORUM REQUIREMENTS

Unless a qualified majority is stipulated by law, the 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. In the case of a tie, the Chairman has the casting vote.

5.3 CONVENING OF GENERAL MEETINGS

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. Shareholders who collectively represent at least 10 % of the share capital may convene a General Meeting. When doing so, they must indicate the matters to be discussed and the corresponding proposals.

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.

5.4 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 5 % 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 General Meeting.

5.5 REGISTRATION IN THE SHARE REGISTER

Only shareholders who are recorded in the share register as shareholders with voting rights at the closing date are entitled to attend a 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 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 General Meeting in the Swiss Official Gazette of Commerce. There are no exceptions to the rule regarding the closing date.

6. CHANGE OF CONTROL AND DEFENSE MEASURES

6.1 DUTY TO MAKE AN OFFER

According to Art. 32 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").

6.2 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.

7. AUDITORS

7.1 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.

7.2 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:

CHF 1000	Fees 2014	Fees 2013
Audit	748	742
Audit related services	123	29
Tax and other services	271	207
TOTAL	**1 142**	**978**

7.3
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. Regarding the financial statements for the fiscal year 2014, one meeting between the full Board of Directors and the auditors was held.

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

8.
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. Simultaneous with their notification to SIX Swiss Exchange, and for two years thereafter, ad hoc announcements can be viewed at | ► WWW.ALSO.COM/GOTO/MEDIARELEASES.

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, upto-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.

FINANCIAL CALENDAR

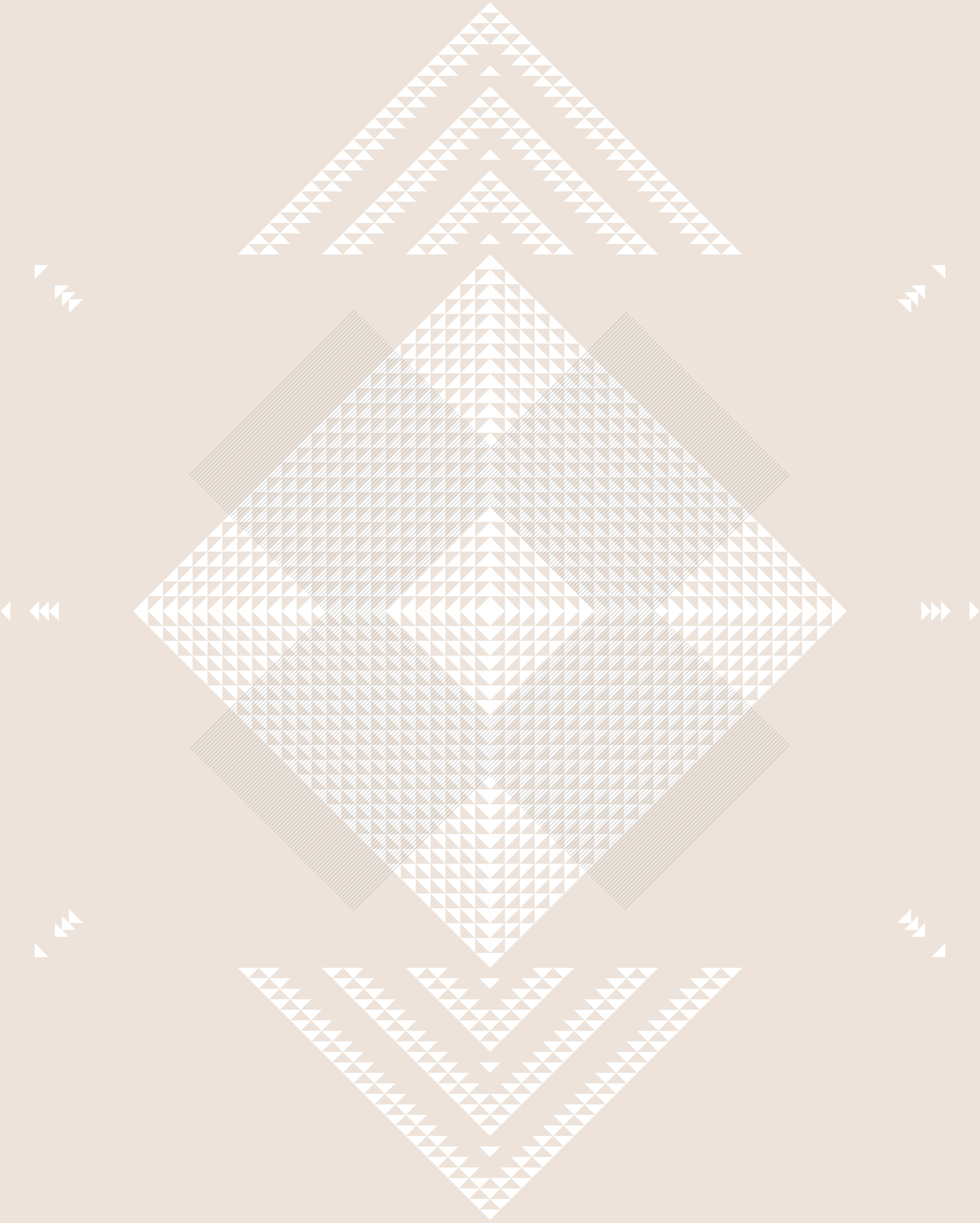
Annual General Meeting	March 12, 2015
Media release: selected key figures at March 31	April 23, 2015
Publication half-year report	July 28, 2015
Media release: selected key figures at September 30	October 27, 2015
Annual Results Media Conference	February 23, 2016

9.
IMPORTANT CHANGES OCCURRING AFTER THE BALANCE SHEET DATE

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

3

Compensation Report



Compensation Report

This Compensation Report contains information about the compensation of the members of the Board of Directors and Group Management that was formerly contained in the Corporate Governance Report and Financial Statements of ALSO Holding AG. As a consequence of the Ordinance Against Excessive Compensation in Listed Companies (VegüV), which became effective on January 1, 2014, all information concerning compensation of the Board of Directors and Group Management is now contained in the Compensation Report.

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. Its performance-related compensation is also designed to encourage an entrepreneurial attitude and approach.

The most important principles are that:

- compensation is based on performance and the market, and is embedded in an overall market-related compensation system
- decisions relating to compensation are fair and transparent

2. EFFECTS OF THE ORDINANCE AGAINST EXCESSIVE COMPENSATION IN LISTED COMPANIES ON ALSO

In fiscal year 2014, ALSO already largely completed implementation of the VegüV and for this purpose inter alia at the Annual General Meeting of March 13, 2014 decided to amend the Articles of Association. At the Annual General Meeting of March 12, 2015, the Board of Directors will propose to the shareholders amendments to the Articles of Association, in order to also implement the remaining requirements of VegüV. These relate particularly to the details of voting by the General Meeting on compensation and on the principles of performance-related compensation.

The following table provides an overview of the most important stipulations and effects of VegüV for ALSO and how these were implemented in fiscal year 2014:

Stipulations of the Ordinance	Implementation and Effects
ELECTION OF THE MEMBERS AND CHAIRMAN OF THE BOARD OF DIRECTORS The General Meeting shall elect the members of the Board of Directors and its Chairman individually.	According to Art. 9 of the Articles of Association, the General Meeting now has the non-transferable authority to individually elect the members and Chairman of the Board of Directors.
ELECTION OF THE COMPENSATION COMMITTEE The General Meeting shall elect the members of the Compensation Committee individually.	According to Art. 9 and 21 of the Articles of Association, the General Meeting now has the non-transferable authority to individually elect the members of the Compensation Committee.
RESPONSIBILITIES OF THE COMPENSATION COMMITTEE The Articles of Association shall define the principles of the tasks and responsibilities of the Compensation Committee.	Art. 21 of the Articles of Association now contains the principles of the tasks and authorities of the Compensation Committee: ► Preparation of all relevant decisions of the Board of Directors relating to the compensation of the members of the Board of Directors and Group Management; submission of 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 may delegate further tasks concerning compensation, human resources, and related areas to the Compensation Committee. The organization, working methods, and reporting of the Compensation Committee are laid down in a set of regulations.

Stipulations of the Ordinance	Implementation and Effects
PERMISSIBLE ACTIVITIES OF MEMBERS OF THE BOARD OF DIRECTORS AND GROUP MANAGEMENT The number of permissible activities of the members of the Board of Directors and Group Management shall be stipulated in the Articles of Association.	Art. 24 of the Articles of Association now stipulates that the members of the Board of Directors and Group Management may exercise a maximum of ten activities as a member of the highest management or directorial body of other legal entities that are required to be registered in the Commercial Register and are not controlled by 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. All members of the Board of Directors and Group Management currently exercise fewer activities than would be permitted under the new Art. 24 of the Articles of Association.
DURATION OF CONTRACTS AND NOTICE PERIODS The maximum duration of limited-duration directorship contracts of the members of the Board of Directors, and of limited-duration employment contracts of Group Management, shall not exceed one year; the maximum notice period of unlimited-duration contracts shall not exceed one year.	Art. 24 of the Articles of Association now stipulates that the duration of limited-duration contracts, as well as the notice period of unlimited-duration contracts, shall not exceed one year. The employment contracts of Group Management will be amended no later than in the first half of 2015. The limited-duration employment contracts of Prof. Dr. Ing. Gustavo Möller-Hergt and Dr. Ralf Retzko will be converted into unlimited-duration contracts with a maximum notice period of one year.
LOANS, CREDITS, AND POST-EMPLOYMENT BENEFITS The amounts of loans, credits, and post-employment benefits that are not based on occupational benefit schemes for members of the Board of Directors and Group Management shall be stated in the Articles of Association.	Art. 25 of the Articles of Association now stipulates that the company does not grant loans or credits to members of the Board of Directors or Group Management. The Articles of Association also do not provide for any payments of post-employment benefits that are not based on occupational benefit schemes.
PRINCIPLES FOR THE GRANT OF PARTICIPATIONS The principles for the grant of participations, conversion rights, and options to the members of the Board of Directors and Group Management shall be stated in the Articles of Association.	Art. 25 of the Articles of Association stipulates that ALSO does not grant participations, conversion rights, or options to members of the Board of Directors or Group Management.
INDEPENDENT PROXY The representation of voting rights by the governing bodies or depositary banks is not permitted. The only permissible form of institutional representation of voting rights is by the Independent Proxy.	Art. 12 of the Articles of Association stipulates that, at annual intervals, the General Meeting shall elect an Independent Proxy with the right of substitution. His period 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 General Meeting.

3. COMPENSATION SYSTEM

3.1 BOARD OF DIRECTORS

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

3.2 GROUP MANAGEMENT

Members of Group Management, under the chairmanship of Prof. Dr. Ing. Gustavo Möller-Hergt, receive compensation consisting of fixed as well as performance-related (variable) components.

The fixed components consist of a monthly salary and, from case-to-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. The variable compensation is composed of the following components:

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 remaining member 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.

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 members of Group Management in 2011 and 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)".

3.3 CAPITAL PARTICIPATION PLAN

At the General Meeting of March 13, 2014, it was decided that no grants of participations, conversion rights, or options may be made to members of the Board of Directors or Group Management (Art. 25 of the Articles of Association).

3.4 EMPLOYMENT CONTRACTS AND SPECIAL AGREEMENTS

Employment contracts up to the end of February 2016 currently still exist with Prof. Dr. Ing. Gustavo Möller-Hergt and Dr. Ralf Retzko. The contracts automatically renew for two years unless terminated at the end of this period. Either party may terminate the contract by giving notice six months before the end of the two-year period. In the first half of 2015, these existing fixed-duration employment contracts will be converted into unlimited-duration contracts with a maximum notice period of one year.

The employment contract with Torben Qvist was already renewed in the reporting year and has a notice period of six months if terminated by the employee or twelve months if terminated by ALSO.

The employment contracts with the members of Group Management do not provide for termination payments or for compensation in the case of a change of control ("golden parachutes").

4. RESPONSIBILITIES AND PROCEDURES FOR DETERMINATION OF COMPENSATION

The compensation system and any amendments thereto are reviewed by the Compensation Committee and submitted to the Board of Directors for decision-making and approval. In fiscal year 2014, no external consultants were called upon.

4.1 COMPOSITION AND TASKS OF THE COMPENSATION COMMITTEE

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

The Compensation Committee was elected by the General Meeting for the first time at the Annual General Meeting of March 13, 2014. It is currently composed of the following three members of the Board of Directors:

COMPOSITION OF THE COMPENSATION COMMITTEE

Prof. Dr. Peter Athanas	Non-executive board member	Chairman
Walter P.J. Droege	Non-executive board member	Member
Frank Tanski	Non-executive board member	Member

Status December 31, 2014

According to Art. 21 of the Articles of Association, the Compensation 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 may delegate further tasks concerning compensation, human resources, and related areas to the Compensation Committee. The organization, working methods, and reporting of the Compensation Committee are laid down in a set of regulations.

In the reporting year, and until the election of the Compensation Committee at the General Meeting, the Board Committee (BC) that was appointed by the Board of Directors also exercised the function of a compensation committee and in this capacity prepared the decisions of the Board of Directors on personnel matters.

After, and subject to, the approval of VegüV by the General Meeting, and following its complete implementation, the determination of the definitive compensation (determination of the salary, salary range) is at the discretion of the Board of Directors. This normally takes place at the beginning of the respective fiscal year. The actual amount of the bonus is normally determined in the first quarter of the following year. The new Compensation Committee may make proposals to the Board of Directors for amendments to the compensation system.

5. COMPENSATION FOR THE REPORTING YEAR

5.1 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.
- These variable compensation elements of the members of Group Management are normally paid out in the first quarter of the following 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 the member's former activities in a governing body of the company, 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.
- No securities (sureties, guarantees, etc.) were granted to any member of the Board of Directors or Group Management in the year under review. Neither ALSO Holding AG nor any Group company has waived any claims against any member of the Board of Directors or Group Management.

5.2
AGGREGATE COMPENSATION – BOARD OF DIRECTORS

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 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 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 Committee (pro rata temporis)
7) Thomas C. Weissmann resigned from the Board of Directors with effect from the date of the General Meeting of March 13, 2014.

5.3
AGGREGATE COMPENSATION – GROUP MANAGEMENT

CHF 1 000	Fixed compensation	Variable compensation			
	Cash (gross)	Cash bonus (gross)	Non-cash benefits/ miscellaneous	Pension expenses	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 departing members of Group Management

In the reporting period, variable compensation for Prof. Dr. Ing. Gustavo Möller-Hergt was 70 % (previous year: 67 %) of his total compensation. For the members of Group Management, the average variable compensation was 67 % (previous year: 60 %).

6.
COMPENSATION FOR THE PRIOR 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 year 2013, subject to the amplifications and restrictions as stated under 5.1.

6.2
AGGREGATE COMPENSATION – BOARD OF DIRECTORS

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

CHF 1000	Fixed cash (gross)	Pension expenses	Total 2013
Thomas C. Weissmann, Chairman [1]	125	–	125
Walter P.J. Droege, Vice Chairman [1, 3]	125	–	125
Peter Bühler [2, 5]	–	–	–
Alfons Frenk [1, 6]	27	–	27
Prof. Dr. Karl Hofstetter	80	5	85
Herbert H. Jacobi [5]	–	–	–
Prof. Dr. Rudolf Marty [2, 4]	90	6	96
Frank Tanski [2]	80	–	80
TOTAL COMPENSATION	**527**	**11**	**538**

All members of the Board of Directors were non-executive members.
1) Member of the Board Committee
2) Member of the Audit Committee
3) Includes compensation as Chairman of the Board Committee
4) Including compensation as Chairman of the Audit Committee
5) Peter Bühler and Herbert H. Jacobi resigned from the Board of Directors at the Annual General Meeting of March 7, 2013.
6) Alfons Frenk resigned from the Board of Directors in July 2013. His compensation is included until the end of July, 2013.

6.3
AGGREGATE COMPENSATION – GROUP MANAGEMENT

CHF 1000	Fixed compensation	Variable compensation			
	Cash (gross)	Cash bonus (gross)	Non-cash benefits/ miscellaneous	Pension expenses	Total 2013
Group Management					
Total	1 467	3 136	64	562	**5 229**
Highest individual compensation					
Prof. Dr. Ing. Gustavo Möller-Hergt	308	1 053	19	192	**1 572**

7. COMPENSATION PAID TO FORMER MEMBERS OF GOVERNING BODIES

In the reporting year, no remuneration was paid to former members of the Board of Directors or Group Management. A contractually agreed benefit payment of CHF 50 669 was made to a former member of Group Management.

In the prior year, in association with the termination of the contract of a former member of Group Management, variable compensation for the amount of CHF 113 910, and a benefit payment of CHF 41 196, were paid.

8. 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.

9. LOANS AND BORROWING FACILITIES

9.1 CURRENT AND FORMER MEMBERS OF THE GOVERNING BODIES

At the General Meeting of March 13, 2014, it was decided that the company may not grant any loans or credits to members of the Board of Directors or Group Management (Art. 25 of the Articles of Association). 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, 2014.

9.2 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, 2014.

Report of the Statutory Auditor on the compensation report

We have audited the compensation report of ALSO Holding AG (paragraphs 5. to 9. on pages 84 to 87) for the year ended December 31, 2014.

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 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, 2014 complies with Swiss law and articles 14–16 of the Ordinance.

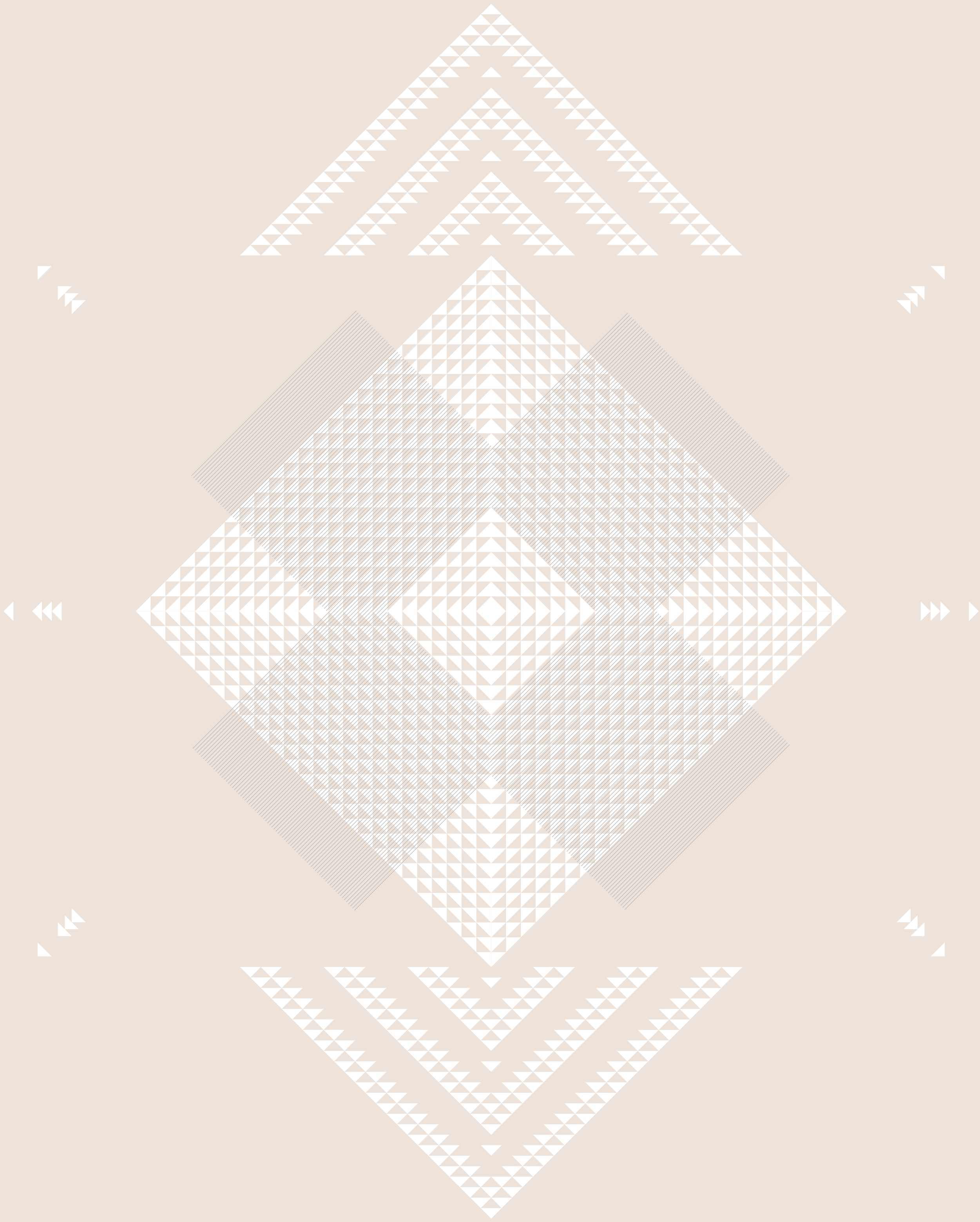
PricewaterhouseCoopers AG

BRUNO HÄFLIGER	**ROGER LEU**
Audit expert	*Audit expert*
Auditor in charge	

Lucerne, February 5, 2015

4

Financial Report



Consolidated Statement of Comprehensive Income

EUR 1000	Note	2014		2013	
TOTAL NET SALES	4.1	**7237777**	100.0 %	**6532577**	100.0 %
Cost of goods sold and services provided		−6774974		−6103972	
GROSS PROFIT		**462803**	6.4 %	**428605**	6.6 %
Personnel expenses	4.2	−198506		−180276	
Other operating expenses	4.4	−156174		−150081	
Other operating income	4.4	15773		15294	
EBITDA		**123896**	1.7 %	**113542**	1.7 %
Depreciation and amortization	5.5/5.6	−27892		−26153	
OPERATING PROFIT (EBIT)		**96004**	1.3 %	**87389**	1.3 %
Financial income	4.5	3765		3078	
Financial expenses	4.5	−18134		−17897	
Share of income of associates	5.14	249		0	
PROFIT BEFORE TAX (EBT)		**81884**	1.1 %	**72570**	1.1 %
Income taxes	4.6	−21012		−22484	
NET PROFIT GROUP		**60872**	0.8 %	**50086**	0.8 %
Items that will not be subsequently reclassified to profit or loss					
Remeasurement of defined benefit plans		−7477		−1148	
Tax effects	4.6	1021		172	
SUBTOTAL		**−6456**		**−976**	
Items that may be subsequently reclassified to profit or loss					
Exchange differences		−1485		−3347	
Fair value adjustments on cash flow hedges		−5982		202	
Tax effects	4.6	501		−182	
SUBTOTAL		**−6966**		**−3327**	
OTHER COMPREHENSIVE INCOME		**−13422**		**−4303**	
TOTAL COMPREHENSIVE INCOME		**47450**		**45783**	
Net profit Group attributable to:					
Shareholders of ALSO Holding AG		61415		50428	
Non-controlling interests		−543		−342	
Total comprehensive income attributable to:					
Shareholders of ALSO Holding AG		47993		46125	
Non-controlling interests		−543		−342	
EARNINGS PER SHARE IN EUR*					
Basic earnings per share	5.13	4.75		3.91	
Diluted earnings per share	5.13	4.75		3.91	

* 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 1000	Note	12.31.2014		12.31.2013	
CURRENT ASSETS					
Cash and cash equivalents	5.1	24 156		41 629	
Trade receivables	5.2	586 987		473 818	
Inventories	5.3	626 498		501 118	
Prepaid expenses, accrued income and other receivables	5.4	212 498		234 522	
Derivative financial instruments	6.2	165		531	
TOTAL CURRENT ASSETS		**1 450 304**	85 %	**1 251 618**	84 %
NON-CURRENT ASSETS					
Property, plant and equipment	5.5	85 651		70 028	
Intangible assets	5.6	168 005		167 586	
Financial assets		491		5	
Investments in associates	5.14	1 083		0	
Derivative financial instruments	6.2	665		500	
Deferred tax assets	4.6	5 617		3 025	
TOTAL NON-CURRENT ASSETS		**261 512**	15 %	**241 144**	16 %
TOTAL ASSETS		**1 711 816**	100 %	**1 492 762**	100 %

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

LIABILITIES AND EQUITY

EUR 1000	Note	12.31.2014		12.31.2013	
CURRENT LIABILITIES					
Financial liabilities	5.8	8 958		6 263	
Trade payables		836 136		766 248	
Accrued expenses, deferred income and other payables	5.9	163 110		144 660	
Derivative financial instruments	6.2	370		1 401	
Tax liabilities		8 680		7 488	
Provisions	5.10	8 127		6 125	
TOTAL CURRENT LIABILITIES		**1 025 381**	60 %	**932 185**	62 %
NON-CURRENT LIABILITIES					
Financial liabilities	5.8	194 114		111 979	
Provisions	5.10	3 064		3 562	
Derivative financial instruments	6.2	6 648		1 126	
Deferred tax liabilities	4.6	7 761		10 584	
Employee benefits	4.3	20 897		12 050	
TOTAL NON-CURRENT LIABILITIES		**232 484**	13 %	**139 301**	10 %
TOTAL LIABILITIES		**1 257 865**	73 %	**1 071 486**	72 %
EQUITY					
Share capital		9 960		9 960	
Capital reserves		203 525		218 272	
Treasury shares	5.11	−1 194		−1 194	
Cash flow hedge reserve		−5 339		252	
Exchange differences		1 038		2 413	
Remeasurement of defined benefit plans		−11 387		−4 931	
Retained earnings		257 762		196 780	
EQUITY ATTRIBUTABLE TO ALSO SHAREHOLDERS		**454 365**	27 %	**421 552**	28 %
Non-controlling interests		−414		−276	
TOTAL EQUITY		**453 951**	27 %	**421 276**	28 %
TOTAL LIABILITIES AND EQUITY		**1 711 816**	100 %	**1 492 762**	100 %

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

Consolidated Statement of Changes in equity

EUR 1000	Note	Share capital	Capital reserves	Treasury shares	Other reserves*	Retained earnings	Equity attributable to share-holders	Non-controlling interests	Total
JANUARY 1, 2014		**9960**	**218272**	**−1194**	**−2266**	**196780**	**421552**	**−276**	**421276**
Net profit Group		0	0	0	0	61415	61415	−543	60872
Other comprehensive income		0	0	0	−13422	0	−13422	0	−13422
TOTAL COMPREHENSIVE INCOME		**0**	**0**	**0**	**−13422**	**61415**	**47993**	**−543**	**47450**
Distributions to shareholders	5.13	0	−14747	0	0	0	−14747	0	−14747
Remeasurement of put options on shares of non-controlling interests	2.7	0	0	0	0	−433	−433	405	−28
DECEMBER 31, 2014		**9960**	**203525**	**−1194**	**−15688**	**257762**	**454365**	**−414**	**453951**
JANUARY 1, 2013		**9960**	**230733**	**−1194**	**2037**	**147435**	**388971**	**−183**	**388788**
Net profit Group		0	0	0	0	50428	50428	−342	50086
Other comprehensive income		0	0	0	−4303	0	−4303	0	−4303
TOTAL COMPREHENSIVE INCOME		**0**	**0**	**0**	**−4303**	**50428**	**46125**	**−342**	**45783**
Distributions to shareholders	5.13	0	−12461	0	0	0	−12461	−40	−12501
Acquisition of non-controlling interests	3	0	0	0	0	−1058	−1058	392	−666
Remeasurement of put options on shares of non-controlling interests	2.7	0	0	0	0	−25	−25	−103	−128
DECEMBER 31, 2013		**9960**	**218272**	**−1194**	**−2266**	**196780**	**421552**	**−276**	**421276**

* See Note 5.12

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

Consolidated Statement of Cash Flows

EUR 1000	2014	2013
NET PROFIT GROUP	**60872**	**50086**
Depreciation and amortization	27892	26153
Change of provisions and employee benefits	2450	−761
Losses from the sale of non-current assets	4	67
Other non-cash items	−2937	−4242
SUBTOTAL	**88281**	**71303**
Change in trade receivables	−39722	−53633
Change in receivables from factoring	21378	−31560
Change in inventories	−56163	−48263
Change in prepaid expenses, accrued income and other receivables	−1860	−1383
Change in trade payables	51935	120629
Change in accrued expenses, deferred income and other payables	−7415	3784
CASH FLOW FROM OPERATING ACTIVITIES	**56434**	**60877**
Net cash flow from acquisitions of subsidiaries (see Note 3)	−57311	−2008
Net cash flow from acquisitions of associates	−815	0
Additions to property, plant and equipment	−6266	−5595
Additions to intangible assets	−5350	−2231
Disposals of property, plant and equipment	187	346
Disposals of financial assets	362	0
CASH FLOW FROM INVESTING ACTIVITIES	**−69193**	**−9488**
Distributions to shareholders	−14747	−12461
Distributions to non-controlling interests	0	−40
Proceeds from increase of financial liabilities	84542	51469
Repayments of financial liabilities	−74508	−54209
CASH FLOW FROM FINANCING ACTIVITIES	**−4713**	**−15241**
EXCHANGE DIFFERENCES	**−1**	**−68**
CHANGE IN CASH AND CASH EQUIVALENTS	**−17473**	**36080**
Cash and cash equivalents at January 1	41629	5549
CASH AND CASH EQUIVALENTS AT DECEMBER 31	**24156**	**41629**
Included in cash flow from operating activities		
Income taxes paid	23190	21333
Interest paid	15481	16298
Interest received	194	175

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 2014 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, 2014, 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:

- IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
- Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
- Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)
- IFRIC 21 Levies

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, 2017*
- Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) – *effective July 1, 2014*
- Annual improvements 2010 to 2012 – *effective July 1, 2014*
- Annual improvements 2011 to 2013 – *effective July 1, 2014*
- 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 and IFRS 15, 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. 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 2014

The following companies were acquired by the ALSO Group in 2014 and are since then 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 (formerly Nervogrid Oy)	100.00 %
	Helsinki	ALSO Cloud Solutions Oy (formerly Nervogrid Solutions Oy)	100.00 %
Germany	Soest	ALSO Mobility Services GmbH	100.00 %
	Soest	ALSO Logistics Services GmbH	100.00 %

CHANGES IN 2013

The following companies were acquired by the ALSO Group in 2013 and are since then included in the scope of consolidation:

Country	Domicile	Company name	Voting interest
Netherlands	Nijmegen	ALSO Digital Holding B.V.	51.00 %
	Nijmegen	ALSO Digital B.V. (held through ALSO Digital Holding B.V.)	100.00 %
Germany	Berlin	CORA-IT GmbH	100.00 %
	Berlin	Lumit GmbH	100.00 %
	Berlin	Webinstore AG	99.99 %

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 on shares 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 the profits of the entity and reduced by dividend payments received from the entity. The carrying amount of investments in associates is composed of the shares in the net assets of the investments and a goodwill amount.

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 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 EUR

		Year-end rate		Average rate	
		2014	2013	2014	2013
USA	USD	1.2141	1.3791	1.3285	1.3281
Switzerland	CHF	1.2024	1.2276	1.2146	1.2311
Norway	NOK	9.0420	8.3630	8.3544	7.8067
Denmark	DKK	7.4453	7.4593	7.4548	7.4579
Sweden	SEK	9.3930	8.8591	9.0985	8.6515

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, cashflow 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 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. In the future, the Cloud Control Panel of ALSO Cloud Oy will be available to resellers in all countries in which ALSO operates.

The consideration transferred for 100 % of the voting shares was TEUR 9 122. In the purchase price allocation, a fair value of the net assets of TEUR 467 was identified. Goodwill of TEUR 8 655 was recognized.

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

The acquisition-related costs of TEUR 270 associated with the acquisition of the voting shares were recognized as other operating expenses. The fair value of the trade receivables was TEUR 400.

No contingent liabilities were recognized.

The goodwill for the total amount of TEUR 8 655 is not tax-deductible.

Since information is still outstanding, the purchase price allocation that was performed on March 21, 2014, and revised at the reporting date is provisional.

Since the date of the acquisition, ALSO Cloud Oy has contributed TEUR 2 902 to the net sales and TEUR –893 to the net profit of ALSO.

At December 31, 2014, the purchase price of TEUR 9 122 had been fully paid out.

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 consideration transferred for 100 % of the voting shares was TEUR 36 500. In the purchase price allocation, a fair value of the net assets of TEUR 36 206 was identified. Goodwill of TEUR 294 was recognized.

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

The acquisition-related costs of TEUR 214 (thereof TEUR 77 recognized in 2013) associated with the acquisition of the voting shares were recognized as other operating expenses. Cash for the amount of TEUR 325 was acquired. The fair value of trade receivables amounts to TEUR 56 413 and consists of gross contractual amounts of TEUR 56 770 and a provision for bad debts in the amount of TEUR 357.

No contingent liabilities were recognized.

The goodwill for the total amount of TEUR 294 is not tax-deductible.

Since information is still outstanding, the purchase price allocation that was performed on May 28, 2014, and revised at the reporting date is provisional.

Since the date of the acquisition, Alpha International B.V. has contributed TEUR 450 840 to the net sales and TEUR 3 832 to the net profit of ALSO.

At December 31, 2014, the full purchase price of TEUR 36 500 had been fully paid out.

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 consideration transferred for the acquired assets and liabilities was TEUR 16 686. In the purchase price allocation, a fair value of the net assets of TEUR 18 837 was identified. The negative goodwill of TEUR 2 151 is recognized in the statement of comprehensive income as financial income and mainly relates to a purchase price reduction for the operating losses of the acquiring companies that were still expected at the acquisition date.

The acquisition-related costs of TEUR 107 associated with acquisition of the assets and liabilities were recognized as other operating expenses. The fair value of the trade receivables was TEUR 510.

The negative goodwill for the total amount of TEUR 2 151 has no taxable impact.

Since information is still outstanding, the purchase price allocation that was performed on October 5, 2014, and revised at the reporting date is provisional.

Since the date of the acquisition, ALSO Mobility Services GmbH and ALSO Logistics Services GmbH have contributed a total of TEUR 7 320 to the net sales and TEUR 291 to the net profit of the ALSO Group.

Until December 31, 2014, a part of the purchase price in the amount of TEUR 12 094 of total TEUR 16 686 was paid.

ASSETS AND LIABILITIES FROM BUSINESS COMBINATIONS

				Fair values at the date of acquisition
EUR 1000	Alpha International B.V.*	ALSO Mobility Services GmbH and ALSO Logistics Services GmbH*	ALSO Cloud Oy and ALSO Cloud Solutions Oy*	Total
CURRENT ASSETS				
Cash and cash equivalents	325	–	80	405
Trade receivables	56413	510	400	57323
Inventories	67954	–	–	67954
Prepaid expenses, accrued income and other receivables	285	113	60	458
TOTAL CURRENT ASSETS	**124977**	**623**	**540**	**126140**
NON-CURRENT ASSETS				
Property, plant and equipment	46	18622	100	18768
Intangible assets	2132	422	1354	3908
Financial assets	–	–	5	5
Deferred tax assets	44	53	101	198
TOTAL NON-CURRENT ASSETS	**2222**	**19097**	**1560**	**22879**
TOTAL ASSETS	**127199**	**19720**	**2100**	**149019**
CURRENT LIABILITIES				
Financial liabilities	77299	–	194	77493
Trade payables	11376	–	262	11638
Accrued expenses, deferred income and other payables	1021	–	288	1309
Tax liabilities	623	514	128	1265
Provisions	95	–	–	95
TOTAL CURRENT LIABILITIES	**90414**	**514**	**872**	**91800**
NON-CURRENT LIABILITIES				
Financial liabilities	–	–	660	660
Deferred tax liabilities	579	369	101	1049
TOTAL NON-CURRENT LIABILITIES	**579**	**369**	**761**	**1709**
TOTAL LIABILITIES	**90993**	**883**	**1633**	**93509**
Total net assets	36206	18837	467	55510
Goodwill	294	–	8655	8949
Negative goodwill	–	–2151	–	–2151
CONSIDERATION TRANSFERRED	**36500**	**16686**	**9122**	**62308**
ANALYSIS OF CASH FLOWS FROM THE ACQUISITIONS				
Cash acquired	325	–	80	405
Cash paid	–36500	–12094	–9122	–57716
NET CASH OUTFLOW	**–36175**	**–12094**	**–9042**	**–57311**

* Provisional amounts

CONSEQUENCES OF THE ACQUISITIONS

If the acquisitions had taken place at the beginning of the year, the net revenue of ALSO for the period would have been TEUR 7570301 and the net profit TEUR 63929.

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. The transaction resulted in an effect of TEUR 28, which was directly recognized in the retained earnings.

BUSINESS COMBINATIONS IN 2013

ACQUISITION OF ALSO DIGITAL HOLDING B.V.

On February 18, 2013, the ALSO Group acquired 51% of the voting shares of ALSO Digital Holding B.V. (formerly Atomblock B.V.), an unlisted company with registered office in Nijmegen, Netherlands, which operates platforms for electronic software distribution (ESD) and point-of-sales activation (POSA). The objective of the acquisition is to offer new business opportunities to resellers and manufacturers throughout Europe.

The provisional purchase price allocation as at December 31, 2013 was completed in 2014. There was no change in the measurement of the acquired assets.

The goodwill of TEUR 2060 mainly reflects the expected synergy effects from accessing new fields of business.

OTHER ACQUISITIONS

In 2013, ALSO acquired shares in various smaller companies that are active in the IT services business (see Note 2.5). Even viewed collectively, these acquisitions have no material effects on the capital, financial, income, or cash flow situation of ALSO.

At the date of their first-time consolidation, the equity of CORA-IT GmbH and Lumit GmbH exceeded the agreed purchase price by TEUR 600. This negative goodwill was recognized in 2013 in the statement of comprehensive income as financial income and represented a reduction in the purchase price for the amount of at that time expected future operational losses of the companies.

4.
NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

4.1
SEGMENT INFORMATION

EUR 1000	Central Europe 2014	Central Europe 2013	Northern/Eastern Europe 2014	Northern/Eastern Europe 2013	Adjustments 2014	Adjustments 2013	Group 2014	Group 2013
Net sales to third parties	5455909	4835432	1653042	1597594	0	0	7108951	6433026
Revenue from services to third parties	122221	96312	6477	3119	128	120	128826	99551
Net sales to other segments	130839	144174	3035	667	−133874	−144841	0	0
TOTAL NET SALES	**5708969**	**5075918**	**1662554**	**1601380**	**−133746**	**−144721**	**7237777**	**6532577**
EBITDA	**101257**	**98486**	**21607**	**13313**	**1032**	**1743**	**123896**	**113542**
As % of total net sales	*1.8 %*	*1.9 %*	*1.3 %*	*0.8 %*			*1.7 %*	*1.7 %*
Depreciation and amortization	−20442	−19353	−3895	−3934	−3555	−2866	−27892	−26153
OPERATING PROFIT (EBIT)	**80815**	**79133**	**17712**	**9379**	**−2523**	**−1123**	**96004**	**87389**
As % of total net sales	*1.4 %*	*1.6 %*	*1.1 %*	*0.6 %*			*1.3 %*	*1.3 %*
Net financial income/expense	−10819	−11792	−2303	−2907	−998	−120	−14120	−14819
PROFIT BEFORE TAX (EBT)	**69996**	**67341**	**15409**	**6472**	**−3521**	**−1243**	**81884**	**72570**
As % of total net sales	*1.2 %*	*1.3 %*	*0.9 %*	*0.4 %*			*1.1 %*	*1.1 %*
SEGMENT ASSETS	**1512789**	**1301017**	**366730**	**353330**	**−167703**	**−161585**	**1711816**	**1492762**
SEGMENT LIABILITIES	**1094525**	**971891**	**247218**	**237665**	**−83878**	**−138070**	**1257865**	**1071486**
INVESTMENTS								
in property, plant and equipment	5130	4219	811	786	674	1161	6615	6166
in intangible assets	1884	1304	39	20	3427	1512	5350	2836
AVERAGE HEADCOUNT	**2493**	**2183**	**831**	**878**	**102**	**94**	**3426**	**3155**
HEADCOUNT AT YEAR END	**2894**	**2304**	**837**	**838**	**105**	**98**	**3836**	**3240**

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 1000	2014	2013
Costs for shareholders/mark-up for management fees/other centralized costs	1 032	1 743
TOTAL AT EBITDA LEVEL	**1 032**	**1 743**
Depreciation and amortization	–3 555	–2 866
Net financial result	–998	–120
TOTAL AT EBT LEVEL	**–3 521**	**–1 243**

GEOGRAPHICAL INFORMATION

EUR 1000	Total net sales	Non-current assets*
SWITZERLAND		
2014	774 273	63 545
2013	770 283	70 243
GERMANY		
2014	3 579 956	144 356
2013	3 439 628	130 158
OTHERS		
2014	2 883 548	45 755
2013	2 322 666	37 213
GROUP		
2014	7 237 777	253 656
2013	6 532 577	237 614

* 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 962 mio. (previous year: EUR 922 mio.).

4.2
PERSONNEL EXPENSES

EUR 1000	2014	2013
Salaries and wages	–166 697	–151 220
Social and pension costs	–31 809	–29 038
Employee shares/options	0	–18
TOTAL PERSONNEL EXPENSES	**–198 506**	**–180 276**

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 87.9 % (previous year: 88.9 %) of plan assets and 87.0 % (previous year: 88.2 %) of the present value of the expected obligations of the ALSO Group.

DEFINED BENEFIT PLAN

			2014			2013
EUR 1000	ALSO pension fund	Other defined benefit plans	Total	ALSO pension fund	Other defined benefit plans	Total
Fair value of plan assets	49 863	6 865	56 728	43 975	5 479	49 454
Present value of defined benefit obligations	–67 527	–10 098	–77 625	–54 240	–7 264	–61 504
of which financed by funds	–67 527	–9 997	–77 524	–54 240	–7 174	–61 414
of which financed by provisions	0	–101	–101	0	–90	–90
DEFICIT	**–17 664**	**–3 233**	**–20 897**	**–10 265**	**–1 785**	**–12 050**
Reported in the statement of financial position as:						
Employee benefit liabilities	–17 664	–3 233	–20 897	–10 265	–1 785	–12 050

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

			2014			2013
EUR 1000	**ALSO pension fund**	**Other defined benefit plans**	**Total**	**ALSO pension fund**	**Other defined benefit plans**	**Total**
Current service cost	–2 987	–419	–3 406	–2 484	–375	–2 859
Past service cost	0	21	21	0	0	0
Net interest employee benefit	–189	–52	–241	–147	–42	–189
NET POST-EMPLOYMENT BENEFIT EXPENSES	**–3 176**	**–450**	**–3 626**	**–2 631**	**–417**	**–3 048**

REMEASUREMENT OF DEFINED BENEFIT PLANS

			2014			2013
EUR 1000	**ALSO pension fund**	**Other defined benefit plans**	**Total**	**ALSO pension fund**	**Other defined benefit plans**	**Total**
Actuarial gains/losses:						
Changes in demographic assumptions	0	–20	–20	0	–191	–191
Changes in financial assumptions	–8 358	–2 154	–10 512	–1 664	–1 007	–2 671
Return on plan assets (excluding interest income)	2 467	588	3 055	1 114	600	1 714
Effect of change in asset ceiling	0	0	0	0	0	0
TOTAL REMEASUREMENT RECOGNIZED IN OTHER COMPREHENSIVE INCOME	**–5 891**	**–1 586**	**–7 477**	**–550**	**–598**	**–1 148**

CHANGE IN FAIR VALUE OF PLAN ASSETS

			2014			2013
EUR 1000	ALSO pension fund	Other defined benefit plans	Total	ALSO pension fund	Other defined benefit plans	Total
January 1	43 975	5 479	49 454	40 532	4 468	45 000
Interest income	989	173	1 162	794	150	944
Return on plan assets (excluding interest income)	2 467	588	3 055	1 114	600	1 714
Employee contributions	1 435	123	1 558	1 310	123	1 433
Employer contributions	1 956	597	2 553	1 800	533	2 333
Net benefits (paid) received	−1 931	−149	−2 080	−913	−257	−1 170
Exchange differences	972	54	1 026	−662	−138	−800
DECEMBER 31	**49 863**	**6 865**	**56 728**	**43 975**	**5 479**	**49 454**

CHANGE IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS

			2014			2013
EUR 1000	ALSO pension fund	Other defined benefit plans	Total	ALSO pension fund	Other defined benefit plans	Total
January 1	54 240	7 264	61 504	49 563	5 709	55 272
Service cost	2 987	419	3 406	2 484	375	2 859
Past service cost	0	−21	−21	0	0	0
Interest cost	1 178	224	1 402	941	192	1 133
Actuarial loss	8 358	2 174	10 532	1 664	1 198	2 862
Employee contributions	1 435	123	1 558	1 310	123	1 433
Net benefits received (paid)	−1 931	−167	−2 098	−913	−257	−1 170
Exchange differences	1 260	82	1 342	−809	−76	−885
DECEMBER 31	**67 527**	**10 098**	**77 625**	**54 240**	**7 264**	**61 504**

INVESTMENT STRUCTURE OF PLAN ASSETS

			2014			2013
	ALSO pension fund	Other defined benefit plans*	Total*	ALSO pension fund	Other defined benefit plans*	Total*
Cash and cash equivalents	11.6%	0.0%	10.2%	6.4%	0.0%	5.7%
Equity instruments	29.8%	0.0%	26.2%	28.1%	0.0%	25.0%
Bonds	39.1%	0.0%	34.4%	41.5%	0.0%	36.9%
Real estate	9.4%	0.0%	8.3%	13.2%	0.0%	11.7%
Other investments	10.1%	100.0%	20.9%	10.8%	100.0%	20.7%
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.

PRINCIPAL ACTUARIAL ASSUMPTIONS

			2014			2013
	ALSO pension fund	Other defined benefit plans*	Total*	ALSO pension fund	Other defined benefit plans*	Total*
Discount rate	1.2%	2.0%	1.3%	2.2%	3.1%	2.3%
Future salary increases	1.5%	0.8%	1.4%	1.5%	0.9%	1.4%
Future pension increases	0.0%	0.4%	0.1%	0.0%	0.4%	0.0%
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 1000	2014	2013
Employer contributions	1 414	1 188

4.4
OTHER OPERATING EXPENSES/INCOME

OTHER OPERATING EXPENSES

EUR 1000	2014	2013
Leasing expenses	−18 433	−17 662
Maintenance and repair expenses	−15 282	−15 392
Marketing and administrative expenses	−90 869	−90 389
Insurance, consulting and other operating expenses	−31 590	−26 638
TOTAL OTHER OPERATING EXPENSES	**−156 174**	**−150 081**

OTHER OPERATING INCOME

EUR 1000	2014	2013
Gains on sales of property, plant and equipment	18	22
Other operating income	15 755	15 272
TOTAL OTHER OPERATING INCOME	**15 773**	**15 294**

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

4.5
NET FINANCIAL INCOME/EXPENSE

FINANCIAL INCOME

EUR 1000	2014	2013
Interest income	233	976
Fair value adjustments of contingent considerations (Note 6.2)	421	1 167
Fair value adjustments of call options (Note 6.2)	665	0
Negative goodwill from acquisitions	2 151	600
Other financial income	295	335
TOTAL FINANCIAL INCOME	**3 765**	**3 078**

Concerning negative goodwill, please refer to Note 3.

FINANCIAL EXPENSES

EUR 1000	2014	2013
Interest expenses	−14 042	−13 726
Factoring fees	−3 086	−3 236
Net interest employee benefits	−241	−189
Exchange losses, net	−96	−27
Other financial expenses	−669	−719
TOTAL FINANCIAL EXPENSES	**−18 134**	**−17 897**
FINANCIAL RESULT	**−14 369**	**−14 819**

EXCHANGE DIFFERENCES

EUR 1000	2014	2013
Exchange differences recognized in financial result	−96	−27
Exchange differences recognized in gross margin	−2 009	4 988
TOTAL EXCHANGE DIFFERENCES	**−2 105**	**4 961**

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 1000	2014	2013
Income taxes in the reporting period	–25 221	–24 433
Income taxes in prior periods	–804	–274
TOTAL CURRENT INCOME TAX	**–26 025**	**–24 707**
Change in deferred tax rate	–65	79
Changes in temporary differences	5 078	2 144
TOTAL DEFERRED TAX	**5 013**	**2 223**
TOTAL INCOME TAX EXPENSE	**–21 012**	**–22 484**

ANALYSIS OF TAX EXPENSE

EUR 1000	2014	2013
PROFIT BEFORE TAX (EBT)	**81 884**	**72 570**
EXPECTED TAX RATE (WEIGHTED)	**26.6 %**	**27.1 %**
Expected income tax expense	–21 787	–19 662
Utilization of previously unrecognized tax losses	3 871	1 254
Income tax losses not recognized	–1 254	–3 153
Income not subject to tax	724	656
Non-deductible expenses	–1 704	–1 763
Change in deferred tax rate	–65	79
Tax effect from prior periods	–625	397
Withholding tax on Group dividends	–109	–187
Other factors	–63	–105
EFFECTIVE INCOME TAX EXPENSE	**–21 012**	**–22 484**
EFFECTIVE INCOME TAX RATE	**25.7 %**	**31.0 %**

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 reduction in the effective tax rate from 31.0 % in 2013 to 25.7 % in 2014 mainly results from the capitalization of tax-loss carry-forwards in Norway. Further information is contained in the disclosure under Tax Loss Carry Forwards.

In 2014, 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 1000	2014	2013
Tax effects on items that will not subsequently be reclassified to profit or loss		
Remeasurement of defined benefit plans	1 021	172
SUBTOTAL	**1 021**	**172**
Tax effects on items that may subsequently be reclassified to profit or loss		
Foreign currency adjustments on loans at foreign subsidiaries	110	–87
Fair value adjustment on cash flow hedges	391	–95
SUBTOTAL	**501**	**–182**
TOTAL TAX EFFECTS IN OTHER COMPREHENSIVE INCOME	**1 522**	**–10**

DEFERRED TAXES

			Statement of financial position		Recognized in income taxes	
	Deferred tax assets		Deferred tax liabilities			
EUR 1000	2014	2013	2014	2013	2014	2013
Temporary differences						
Current assets	466	617	3 346	3 796	–107	–468
Property, plant and equipment	237	284	2 751	3 042	639	254
Intangible assets	147	76	4 553	6 493	2 677	3 214
Recognized tax loss carry-forwards	3 141	1 307	–	–	1 936	–475
Provisions and employee benefits	3 466	2 531	327	76	–412	13
Liabilities	1 918	1 996	251	497	97	–160
Other temporary differences	–	–	291	466	183	–155
TOTAL	**9 375**	**6 811**	**11 519**	**14 370**	**5 013**	**2 223**
Offsetting	–3 758	–3 786	–3 758	–3 786	0	0
TOTAL DEFERRED TAXES	**5 617**	**3 025**	**7 761**	**10 584**	**5 013**	**2 223**

CHANGES IN DEFERRED TAXES (NET)

EUR 1000	2014	2013
JANUARY 1	**–7559**	**–9876**
Effect of acquisitions	–851	16
Changes in temporary differences	6535	2213
Exchange differences	–269	88
DECEMBER 31	**–2144**	**–7559**

TAX LOSS CARRY-FORWARDS

EUR 1000	2014	2013
TOTAL TAX LOSS CARRY-FORWARDS	**101138**	**109218**
Of which recognized as deferred tax assets	12435	5886
TOTAL TAX LOSS CARRY-FORWARDS NOT RECOGNIZED	**88703**	**103332**
Tax effect on unrecognized tax loss carry-forwards	20333	24698
Total unrecognized tax loss carry-forwards expiring:		
in two to five years (weighted tax rate 2014: 20.0 %; previous year: 20.0 %)	9002	3985
in six to ten years (weighted tax rate 2014: 20.4 %; previous year: 20.2 %)	24067	24475
No expiry (weighted tax rate 2014: 24.5 %; previous year: 25.3 %)	55634	74872

The loss carry-forwards existing at December 31, 2014 and 2013 derive mainly from Norway, Sweden, and Finland.

In 2014, ALSO capitalized a deferred tax asset for the amount of TEUR 2475 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 88703, 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, 2014, there were no deferred tax liabilities for retained earnings amounting to TEUR 36253 (previous year: TEUR 33875) 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 1000	2014	2013
Cash at bank and on hand	24 156	41 629
TOTAL CASH AND CASH EQUIVALENTS	**24 156**	**41 629**

5.2 TRADE RECEIVABLES

EUR 1000	2014	2013
Trade receivables (gross)	589 268	476 271
Provision for bad debts	–2 281	–2 453
TOTAL TRADE RECEIVABLES	**586 987**	**473 818**

EUR 1000	2014	2013
Trade receivables past due but not impaired		
< 90 days	26 590	37 616
90 to 180 days	1 062	563
> 180 days to 1 year	174	725
> 1 year	233	326
TOTAL TRADE RECEIVABLES PAST DUE BUT NOT IMPAIRED	**28 059**	**39 230**

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 1000	2014	2013
STATUS OF BAD DEBT PROVISION AS AT JANUARY 1	**2 453**	**3 125**
Exchange differences	–4	–11
Creation	1 562	681
Release	–155	–447
Utilization	–1 575	–895
STATUS OF BAD DEBT PROVISION AS AT DECEMBER 31	**2 281**	**2 453**
Trade receivables write-offs	–2 891	–2 232
Income from payments for trade receivables previously written-off	346	312

5.3
INVENTORIES

EUR 1000	2014	2013
Inventories	636 336	511 239
Downpayments to suppliers	413	13
Inventory provision	–10 251	–10 134
TOTAL INVENTORIES	**626 498**	**501 118**

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 6 711 088 (previous year: TEUR 6 052 567) was recognized as cost of goods sold in the consolidated statement of comprehensive income. This includes changes in inventory provisions totaling TEUR 81 recognized as income. In the previous year, TEUR 473 was recognized as expense.

5.4
PREPAID EXPENSES, ACCRUED INCOME AND OTHER RECEIVABLES

EUR 1000	2014	2013
Miscellaneous tax receivables	4 657	3 856
Receivables from factors	183 236	206 747
Other receivables	15 431	11 897
OTHER RECEIVABLES	**203 324**	**222 500**
Prepaid expenses and accrued income	9 174	12 022
TOTAL PREPAID EXPENSES, ACCRUED INCOME AND OTHER RECEIVABLES	**212 498**	**234 522**

Receivables from factors (see Note 6.8) consist of dilution reserves of TEUR 95 492 (previous year: TEUR 88 368) from ongoing sales of receivables and flexibly callable claims of TEUR 87 744 (previous year: TEUR 118 379).

Other receivables consist mainly of receivables from vendors.

5.5
PROPERTY, PLANT AND EQUIPMENT

EUR 1000	Land and buildings	Equipment	Other property, plant and equipment	Total
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	1 694	0	1 694
JANUARY 1, 2013	**43 235**	**17 318**	**9 334**	**69 887**
Additions	528	1 496	4 142	6 166
Effect of acquisitions	4 430	7	340	4 777
Disposals	0	–263	–133	–396
Depreciation	–1 848	–4 287	–3 608	–9 743
Exchange differences	–536	–204	77	–663
DECEMBER 31, 2013	**45 809**	**14 067**	**10 152**	**70 028**
OVERVIEW AS AT DECEMBER 31, 2013				
Acquisition costs	52 273	31 690	22 867	106 830
Accumulated depreciation/ impairment	–6 464	–17 623	–12 715	–36 802
DECEMBER 31, 2013	**45 809**	**14 067**	**10 152**	**70 028**
Of which finance leases	0	3 250	0	3 250

Property, plant, and equipment is insured for a total of EUR 337.7 million (previous year: EUR 178.7 million).

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

Gains from the sale of property, plant, and equipment are recognized in other operating income and amount to TEUR 18 (previous year: TEUR 22).

5.6
INTANGIBLE ASSETS

EUR 1000	Goodwill	Customer lists	Other intangible assets	Total
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**
JANUARY 1, 2013	**130 675**	**41 136**	**8 986**	**180 797**
Additions	0	0	2 836	2 836
Effect of acquisitions	2 275	122	177	2 574
Disposals	0	0	−15	−15
Amortization	0	−13 022	−3 388	−16 410
Exchange differences	−1 772	−365	−59	−2 196
DECEMBER 31, 2013	**131 178**	**27 871**	**8 537**	**167 586**
OVERVIEW AS AT DECEMBER 31, 2013				
Acquisition costs	131 178	65 426	20 863	217 467
Accumulated amortization/impairment	0	−37 555	−12 326	−49 881
DECEMBER 31, 2013	**131 178**	**27 871**	**8 537**	**167 586**

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

In 2013, goodwill arose mainly from the acquisition of ALSO Digital.

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 1000	2014	2013
Carrying amount goodwill Central Europe	123 230	113 930
Carrying amount goodwill Northern/Eastern Europe	16 403	17 248
TOTAL GOODWILL	**139 633**	**131 178**
Discount rate (post tax) goodwill Central Europe	7.9 %	8.2 %
Discount rate (post tax) goodwill Northern/Eastern Europe	8.0 %	8.3 %
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

EUR 1000	2014 Carrying amount	2014 Interest rate	2013 Carrying amount	2013 Interest rate
CURRENT FINANCIAL LIABILITIES				
Bank loans	1837	0.5–1.8 %	2224	0.6–2.0 %
Finance lease	1323	1.0–3.0 %	1380	2.7–4.6 %
Third-party loans	4031		2633	
Other liabilities	1767		26	
TOTAL CURRENT FINANCIAL LIABILITIES	**8958**		**6263**	
NON-CURRENT FINANCIAL LIABILITIES				
Bank loans	57232	0.9–5.3 %	56909	0.9–5.3 %
Bonded loan	129972	2.4–3.1 %	50727	2.8–3.0 %
Finance lease	662	1.0–3.0 %	1759	2.7–4.6 %
Contingent consideration from acquisitions of subsidiaries	5992		1755	
Third-party loans	256		829	
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**194114**		**111979**	
TOTAL FINANCIAL LIABILITIES	**203072**		**118242**	

BONDED LOAN

ALSO placed a EUR 75 million bonded loan on April 17, 2014 and a EUR 4.5 million bonded loan on May 30, 2014. The total amount is divided into several tranches with terms of five and seven years. In the previous year, ALSO placed a EUR 51 million bonded loan. The total amount is divided into several tranches with terms of five years. ALSO uses interest rate swaps to hedge the variable interest rate over the period of the loan.

COVENANTS

Certain financial liabilities are subject to covenant clauses, under which stipulated financial key figures must be attained. As at December 31, 2014, all covenants were met.

5.9 ACCRUED EXPENSES, DEFERRED INCOME AND OTHER PAYABLES

EUR 1000	2014	2013
ACCRUED EXPENSES AND DEFERRED INCOME	**38471**	**37843**
Miscellaneous tax payables	82477	80773
Liabilities from factoring (continuing involvement)	29931	14496
Accrued interest from factoring	658	696
Other payables to third parties	11292	9930
Other payables to related parties (see Note 6.6)	281	922
OTHER PAYABLES	**124639**	**106817**
TOTAL ACCRUED EXPENSES, DEFERRED INCOME AND OTHER PAYABLES	**163110**	**144660**

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 Note 6.8.

5.10
PROVISIONS

EUR 1000	Guarantees, returned goods, complaints	Litigations	Restructuring	Other provisions	Total
JANUARY 1, 2014	**4422**	**1261**	**164**	**3840**	**9687**
Creation	2955	508	0	2352	5815
Effect of acquisitions	0	0	0	95	95
Utilization	−3413	−254	−95	−226	−3988
Release	0	−190	0	−228	−418
Exchange differences	0	0	0	0	0
DECEMBER 31, 2014	**3964**	**1325**	**69**	**5833**	**11191**
Current provisions	3224	1077	69	3757	8127
Non-current provisions	740	248	0	2076	3064
TOTAL 2014	**3964**	**1325**	**69**	**5833**	**11191**
JANUARY 1, 2013	**4425**	**1877**	**1692**	**3385**	**11379**
Creation	3725	73	1493	580	5871
Effect of acquisitions	0	0	0	836	836
Utilization	−3728	−205	−2571	−929	−7433
Release	0	−484	−450	−8	−942
Exchange differences	0	0	0	−24	−24
DECEMBER 31, 2013	**4422**	**1261**	**164**	**3840**	**9687**
Current provisions	3413	930	164	1618	6125
Non-current provisions	1009	331	0	2222	3562
TOTAL 2013	**4422**	**1261**	**164**	**3840**	**9687**

There is an existing guarantee provision for the amount of TEUR 3964 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.

The creation of restructuring provisions in 2013 relates to the restructuring that was conducted in Finland. These provisioned costs were already largely utilized in 2013. The remaining utilization of the provision in 2013 was mainly for the costs associated with the closure of two logistics centers of Medium. For one of these logistics centers a successor lessee was found in 2013 and the provisioned rental costs were reversed.

Other provisions contain provisions for long-service benefits, other employee allowances, and miscellaneous other provisions. Utilization normally takes place within five years. The creation of other provisions in 2014 relates to the result of tax audits.

5.11
EQUITY

As at December 31, 2014, 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 2013.

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 1000
JANUARY 1, 2014	**28 089**	**1 194**
Additions	0	0
Disposals	0	0
DECEMBER 31, 2014	**28 089**	**1 194**
JANUARY 1, 2013	**28 089**	**1 194**
Additions	0	0
Disposals	0	0
DECEMBER 31, 2013	**28 089**	**1 194**

MAJOR SHAREHOLDERS

	12.31.2014	12.31.2013
Special Distribution Holding GmbH, Düsseldorf (Germany) */**	51.30 %	51.30 %
Schindler Pars International Ltd., Hergiswil (Switzerland) **/***	28.23 %	28.40 %
Bestinver Gestion, S.G.I.I.C., S.A. Madrid (Spain)	5.83 %	6.91 %
Sarasin Investmentfonds AG, Basel (Switzerland)	3.00 %	3.10 %

Participation according to the share register as per December 31 (without nominees)
* Controlling shareholder: Walter P. J. Droege through Droege International Group AG
** Act together as group of shareholders
*** Held 100 % by Schindler Holding AG

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, 2014	**252**	**2 413**	**–4 931**	**–2 266**
Net profit Group	0	0	0	0
Other comprehensive income	–5 591	–1 375	–6 456	–13 422
TOTAL COMPREHENSIVE INCOME	**–5 591**	**–1 375**	**–6 456**	**–13 422**
Distributions to shareholders	0	0	0	0
Remeasurement of put options on shares of non-controlling interests	0	0	0	0
DECEMBER 31, 2014	**–5 339**	**1 038**	**–11 387**	**–15 688**
JANUARY 1, 2013	**145**	**5 847**	**–3 955**	**2 037**
Net profit Group	0	0	0	0
Other comprehensive income	107	–3 434	–976	–4 303
TOTAL COMPREHENSIVE INCOME	**107**	**–3 434**	**–976**	**–4 303**
Distributions to shareholders	0	0	0	0
Acquisition of non-controlling interests	0	0	0	0
Remeasurement of put options on shares of non-controlling interests	0	0	0	0
DECEMBER 31, 2013	**252**	**2 413**	**–4 931**	**–2 266**

5.13
EARNINGS PER SHARE/ DIVIDEND PER SHARE

		2014	2013
NET PROFIT GROUP	**EUR**	**60872000**	**50086000**
Shares issued (weighted)	NUMBER OF SHARES	12848962	12848962
Less treasury shares (weighted)	NUMBER OF SHARES	–28089	–28089
Available shares for calculation (weighted)	NUMBER OF SHARES	12820873	12820873
BASIC EARNINGS PER SHARE	**EUR**	**4.75**	**3.91**
Diluted net profit Group	EUR	60872000	50086000
Shares issued (weighted) for calculation	NUMBER OF SHARES	12820873	12820873
Adjustment for dilution from options	NUMBER OF SHARES	918	98
Diluted shares	NUMBER OF SHARES	12821791	12820971
DILUTED EARNINGS PER SHARE	**EUR**	**4.75**	**3.91**

The company has 28089 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 12, 2015, that a distribution to shareholders for the amount of TCHF 20513 (CHF 1.60 per share) be paid for the financial year 2014. In the prior year, a distribution to shareholders was made for the amount of TCHF 17949 (CHF 1.40 per share).

5.14
INVESTMENTS IN ASSOCIATES

EUR 1000	2014	2013
JANUARY 1	**0**	**0**
Additions	823	0
Share of income of associates	249	0
Exchange differences	11	0
DECEMBER 31	**1083**	**0**

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. Significant vendors have agreed to accept any potential obligations. 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. Since then, the state of the proceedings has not significantly changed. 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 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 was 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. The proposal was adjudicated by the responsible arbitration tribunal. The proposed settlement foresaw substantially lower tariffs for the period from 2008 to 2010. The settlement proposal was not accepted by either of the disputing parties. Appeals were lodged, and the proceedings are now being pursued by the Munich Higher Regional Court. The current state of the proceedings therefore does not permit any other quantification than that of the previous year. 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 retrospectively applied. 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 1000	Contract value	Replacement value Positive	Replacement value Negative	Risk	Hedging instruments
Cash Flow Hedge	212 900	0	6 164	Interest	Interest rate swap
TOTAL DECEMBER 31, 2014	**212 900**	**0**	**6 164**		
Cash Flow Hedge	154 876	500	763	Interest	Interest rate swap
TOTAL DECEMBER 31, 2013	**154 876**	**500**	**763**		

The effectiveness of cash flow hedges is 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 2014

EUR 1000	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 amounted to TEUR 2 992.

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

CLASSES OF FINANCIAL INSTRUMENTS 2013

EUR 1000	Loans and receivables	At fair value through profit or loss	Amortized cost	Hedge accounting	Non-financial instruments	Carrying amount 12.31.2013
FINANCIAL ASSETS						
Trade receivables (Note 5.2)	473818					**473818**
Prepaid expenses, accrued income and other receivables (Note 5.4)	218644				15878	**234522**
Financial assets	5					**5**
Current derivative financial instruments		531				**531**
Non-current derivative financial instruments				500		**500**
FINANCIAL LIABILITIES						
Financial liabilities (Note 5.8)		1755	116487			**118242**
Trade payables			766248			**766248**
Accrued expenses, deferred income and other payables (Note 5.9)			26044		118616	**144660**
Current derivative financial instruments		1401				**1401**
Non-current derivative financial instruments		363		763		**1126**

In 2013, the net gain from financial instruments measured at fair value through profit or loss amounted to TEUR 2530.

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 2014

EUR 1000	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			–1360	–1360
Current derivative financial instruments		–370		–370
Forward exchange contracts		*–370*		*–370*
Non-current derivative financial instruments		–6495	–153	–6648
Interest rate swaps		*–6495*		*–6495*
Put options on non-controlling interests			*–153*	*–153*
TOTAL FINANCIAL INSTRUMENTS LEVEL 3			**–848**	

FAIR VALUE OF THE FINANCIAL INSTRUMENTS 2013

EUR 1000	Level 1	Level 2	Level 3	Fair value 12.31.2013
FINANCIAL ASSETS				
Current derivative financial instruments		531		**531**
Forward exchange contracts		*531*		***531***
Non-current derivative financial instruments		500		**500**
Interest rate swaps		*500*		***500***
FINANCIAL LIABILITIES				
Contingent consideration from acquisitions of subsidiaries			–1755	**–1755**
Current derivative financial instruments		–730	–671	**–1401**
Forward exchange contracts		*–730*		***–730***
Put options on non-controlling interests			*–671*	***–671***
Non-current derivative financial instruments		–973	–153	**–1126**
Interest rate swaps		*–973*		***–973***
Put options on non-controlling interests			*–153*	***–153***
TOTAL FINANCIAL INSTRUMENTS LEVEL 3			**–2579**	

RECONCILIATION OF FINANCIAL INSTRUMENTS WITHIN LEVEL 3

EUR 1000	2014	2013
JANUARY 1	**–2579**	**–3611**
Recognition of contingent consideration from the acquisition of subsidiaries	0	–166
Fair value adjustments of contingent consideration from the acquisition of subsidiaries recognized in financial result	427	1167
Recognition of call options in financial result	659	0
Exercise of put options on non-controlling interests	699	0
Fair value adjustments of put options recognized in personnel expenses	0	104
Fair value adjustments of put options recognized in equity	–28	–128
Exchange differences	–26	55
DECEMBER 31	**–848**	**–2579**

In 2014 and 2013 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 1000	2014	2013
5 % increase in the expected future results	19	–212
5 % reduction in the expected future results	–178	212

6.3
PLEDGED OR ASSIGNED ASSETS SERVING AS COLLATERAL FOR OWN LIABILITIES

EUR 1000	2014	2013
Inventories	21 003	21 007
Property, plant and equipment	20 248	20 644
TOTAL ASSETS PLEDGED	**41 251**	**41 651**

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.

6.4
RENTAL AND LEASING COMMITMENTS

PAYMENTS FOR FIXED-TERM CONTRACTS (OPERATING LEASE)

EUR 1000	2014	2013
Due in 1st year	20 859	18 944
Due in 2nd–5th year	49 367	47 336
Due from the 6th year onwards	26 115	31 902

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

PAYMENTS FOR FIXED-TERM CONTRACTS (FINANCE LEASE)

EUR 1000	2014	2013
Due in 1st year	1 377	1 466
Due in 2nd–5th year	694	1 826
	2 071	**3 292**
Minus interest expense component	–86	–153
TOTAL FINANCIAL DEBT FROM FINANCE LEASE (NOTE 5.8)	**1985**	**3139**
Of which current	1 323	1 380
Of which non-current	662	1 759

The finance leases mainly comprise warehouse automation systems and IT systems in Finland and Germany.

CASH RECEIPTS AS LESSOR

EUR 1000	2014	2013
Due in 1st year	563	432
Due in 2nd–5th year	588	614

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* 12.31.2014	Participation* 12.31.2013	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 %	–	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 %	75 %	200	EUR	S
	Berlin	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
	Dortmund	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	CORA-IT GmbH	100 %	100 %	100	EUR	S
	Berlin	Lumit GmbH	100 %	100 %	25	EUR	S
	Berlin	Webinstore AG	99.99 %	99.99 %	500	EUR	S
	Soest	ALSO Mobility Services GmbH	100 %	–	25	EUR	S
	Soest	ALSO Logistics Services GmbH	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 (formerly Nervogrid Oy)	100 %	–	11	EUR	S
	Helsinki	ALSO Cloud Solutions Oy (formerly Nervogrid Solutions Oy)	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

Country	Head office	Company	Participation* 12.31.2014	Participation* 12.31.2013	Share capital in 1000	Currency	Code
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 %	–	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	ALSO Latvia SIA	100 %	100 %	1 210	EUR	D
Lithuania	Kaunas	UAB ALSO Lietuva	100 %	100 %	6 500	LTL	D
Austria	Gross-Enzersdorf	ALSO Austria GmbH	100 %	100 %	100	EUR	D
Sweden	Malmö	ALSO Sweden AB	100 %	100 %	1 000	SEK	D
	Upplands Väsby	ALSO Actebis AB**	–	100 %	5 000	SEK	D

Codes: D = Distribution; S = Service/holding company
* Participation equals ALSO Holding AG's direct or indirect voting interest in the company.
** As at January 1, 2014, ALSO Sweden AB and ALSO Actebis AB merged. The merged company conducts its business under the name of ALSO Sweden AB.
*** Regarding the consolidation of SINAS Beteiligungs GmbH & Co. Vermietungs-KG, please refer to Note 2.5.
**** Regarding the increase of the participation in druckerfachmann.de GmbH please refer to Note 3.

6.6 TRANSACTIONS WITH RELATED PARTIES

Existing receivables and payables at the reporting date are unsecured. No impairments of receivables were necessary. There are also 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 1000	2014	2013
Net sales to Droege Group	7 320	0
Operating expenses Droege Group	–4 502	–3 612
Trade receivables Droege Group	3 919	0
Trade payables Droege Group (Note 5.9)	–281	–922

The distributions of TEUR 7 584 to Droege and TEUR 4 199 to Schindler that were decided at the General Meeting of March 13, 2014 were paid on March 20, 2014.

LIABILITIES TO ALSO PENSION FUND

EUR 1000	2014	2013
ALSO Holding AG	–12	–16

TRANSACTIONS WITH KEY MANAGEMENT

EUR 1000	2014	2013
Salaries*	4653	4379
Contributions to pension plans	159	523
Anniversary bonuses or other special payments	0	0
Retirement bonuses	0	0
Employee shares/options	0	0
TOTAL COMPENSATION	**4812**	**4902**

* 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 12.31.2014 Number
2008	Shares	May 1, 2011 to April 30, 2017	67.20	21.70	1602
2010	Shares	May 1, 2013 to April 30, 2019	45.50	12.03	3407
2011	Shares	May 1, 2014 to April 30, 2020	45.40	16.88	3877
TOTAL					**8886**

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

In the reporting year, 3877 options became exercisable and no options were exercised. No options were issued or granted. Furthermore no options were forfeited or expired. At December 31, 2014, 8886 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 with TEUR 18.

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 fulfil 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, 2014

EUR 1000	AA–	A+	A	A–	No Rating	Total
Cash and cash equivalents (Note 5.1)	1474	1649	19990	247	796	**24156**
Receivables from factoring (Note 5.4)	76377	64692	26407	0	15760	**183236**
	38 %	32 %	22 %	0 %	8 %	**100 %**

CREDIT QUALITY DECEMBER 31, 2013

EUR 1000	AA–	A+	A	A–	No Rating	Total
Cash and cash equivalents (Note 5.1)	1937	6	37637	0	2049	**41629**
Receivables from factoring (Note 5.4)	22740	39741	0	143552	714	**206747**
	10 %	16 %	15 %	58 %	1 %	**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.
< A	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 183 236 (previous year: TEUR 206 747) (see Note 5.4), which are spread over several factoring partners. The largest receivable from a single factoring partner is for TEUR 57 561 (previous year: TEUR 70 767). 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 for third parties.

LIQUIDITY RISKS

The central liquidity risk management system ensures that the Group is always in a position to fulfil 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 312 million (previous year: EUR 300 million) and the flexibly callable receivables from factoring companies amounted to EUR 88 million (previous year: EUR 118 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 2014

EUR 1000	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)		6 674	1 707	4 560	406

FINANCIAL LIABILITIES BY EXPIRATION DATE 2013

EUR 1000	Carrying amount 12.31.2013	Total cash flow	Up to 1 year	1 to 5 years	More than 5 years
Trade payables	766 248	766 248	766 248	0	0
Other liabilities	26 044	26 044	26 044	0	0
Loans from banks and third parties and bonded loans	113 348	126 783	7 409	99 595	19 780
Contingent consideration from the acquisition of subsidiaries	1 755	1 838	0	1 838	0
Finance lease	3 139	3 292	1 466	1 826	0
TOTAL	**910 534**	**924 205**	**801 167**	**103 259**	**19 780**
DERIVATIVE FINANCIAL INSTRUMENTS					
Put options	824	852	689	163	0
Interest rate swaps (net)		3 437	845	2 592	0

The table includes all instruments held on December 31, 2014 and 2013 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, 2014 and 2013, 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 of the hedging instruments and therefore affects equity and the financial result. If the market interest rate on December 31, 2014 and 2013 respectively, had been 100 base points higher/lower, the effect would have been as follows:

SENSITIVITY OF INTEREST RATES

EUR 1000	Effect on the financial result	Effect on the equity
December 31, 2014	± 4243	± 7936
December 31, 2013	± 3500	± 4624
(± 100 bps)		

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.

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 2014 and 2013 respectively. These usually reflect the open risks over the year.

UNHEDGED NET EXPOSURE

EUR 1000	EUR/USD	EUR/NOK	EUR/SEK	EUR/CHF	EUR/GBP
December 31, 2014	36 621	1 442	8 737	843	6 099
December 31, 2013	21 177	8 854	1 081	5 455	169

SENSITIVITY ANALYSIS

If, on December 31, 2014 and 2013 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 3 735 higher/lower (previous year: TEUR 1 394). 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 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 Groupwide 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 1000	12.31.2014		12.31.2013	
Current financial liabilities	8 958		6 263	
Non-current financial liabilities	194 114		111 979	
TOTAL FINANCIAL LIABILITIES (NOTE 5.8)	**203 072**		**118 242**	
./. Cash and cash equivalents (Note 5.1)	–24 156		–41 629	
Net financial debt	178 916	10 %	76 613	5 %
Reported equity	453 951	27 %	421 276	28 %
Equity and net financial debt	632 867	37 %	497 889	33 %
TOTAL LIABILITIES AND EQUITY	**1 711 816**	**100 %**	**1 492 762**	**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 1000	Carrying amount/ fair value of loss risk	Theoretical maximum loss risk
Interest risk for late payment	54	1 421
TOTAL DECEMBER 31, 2014	**54**	**1 421**
Interest risk for late payment	63	1 581
TOTAL DECEMBER 31, 2013	**63**	**1 581**

Taking into account ongoing creditworthiness checks, the large number of customers, and their historical payment behavior, ALSO expects that interest of TEUR 54 (previous year: TEUR 63) for late payments will be due on sold receivables at December 31, 2014. Corresponding accruals for these amounts were therefore made at December 31, 2014 and 2013, 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, 2014, the theoretical maximum value at risk from this loss was estimated at TEUR 1 421 (previous year: TEUR 1 581).

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 586 987 (previous year: TEUR 473 818, see Note 5.2) therefore contain a continuing involvement for the amount of TEUR 29 791 (previous year: TEUR 14 375).This is composed of the residual interest risk for late payments of TEUR 1 504 (previous year: TEUR 1 226), the residual credit risk of TEUR 17 673 (previous year: TEUR 11 481), and the residual exchange rate risk of TEUR 10 614 (previous year: TEUR 1 668).

Due to the continuing involvement, there is a corresponding obligation for the amount of TEUR 29 791 (previous year: TEUR 14 375), which is recognized in accrued expenses, deferred income and other payables. In addition, there is an accrual for the amount of TEUR 86 (previous year: TEUR 58) 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 2014

EUR 1000	Carrying amount/fair value
Asset from continuing involvement	29791
Obligation from continuing involvement	–29877
NET OBLIGATION AT DECEMBER 31, 2014	**–86**

NET OBLIGATION 2013

EUR 1000	Carrying amount/fair value
Asset from continuing involvement	14375
Obligation from continuing involvement	–14433
NET OBLIGATION AT DECEMBER 31, 2013	**–58**

At the reporting date, the gross amount of these sold receivables with continuing involvement was TEUR 387442 (previous year: TEUR 341302).

LIABILITY FROM FACTORING 2014

EUR 1000	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	29791	29877
DECEMBER 31, 2014 (NOTE 5.9)	**140**	**29791**	**29931**

LIABILITY FROM FACTORING 2013

EUR 1000	Fair value of the remaining risk	Obligation from continuing involvement	Total liability from factoring
Receivables fully derecognized	63	0	63
Receivables not fully derecognized	58	14375	14433
DECEMBER 31, 2013 (NOTE 5.9)	**121**	**14375**	**14496**

In financial year 2014, interest of TEUR 448 for late payments was recognized as financial expense (previous year: TEUR 451). 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

On January 15, 2015, the Swiss National Bank (SNB) discontinued the minimum exchange rate of CHF 1.20 per euro.

As a result, the euro fell substantially relative to the Swiss franc. At the reporting date, the exchange had stabilized at parity (January 30, 2015: 1 euro = CHF 1.04).

ALSO presents its figures in euros. The upward revaluation of the Swiss franc in mid-January 2015 had no effect on the capital, financial, and income situation or cash flows of ALSO for fiscal year 2014.

As of today, its effect on 2015 cannot yet be fully quantified. On average, the prices for products in CHF will tend rather to fall. It is assumed, however, that a compensating effect (positive and negative effects) can be obtained.

No further 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 5, 2015, and will be submitted to the Annual General Meeting of March 12, 2015, for approval.

6.11 RISK ASSESSMENT

The Board of Directors of ALSO Holding AG undertakes systematic risk assessments, based on which measures to manage risk in the company are defined and continuously monitored.

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 91 to 150), for the year ended December 31, 2014.

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, 2014 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
Audit expert
Auditor in charge

Roger Leu
Audit expert

Lucerne, February 5, 2015

Profit and loss statement of ALSO Holding AG

CHF 1000	2014	2013
Service revenue	14 227	10 384
Investment revenue	35 065	55 284
Other operating income	79	72
Financial income	8 781	7 143
TOTAL INCOME	**58 152**	**72 883**
Service expenses	–6 550	–4 386
Personnel expenses	–6 374	–5 130
Other operating expenses	–4 835	–4 080
Financial expenses	–10 518	–3 421
Tax expenses	–132	–355
TOTAL EXPENSES	**–28 409**	**–17 372**
NET PROFIT	**29 743**	**55 511**

Balance sheet of ALSO Holding AG

ASSETS

CHF 1000	12.31.2014	12.31.2013
Cash	15	28
Treasury shares	1 456	1 390
Receivables		
from third parties	28	33
from Group companies	166 413	102 329
Prepaid expenses and accrued income	241	422
TOTAL CURRENT ASSETS	**168 153**	**104 202**
Intangible assets	888	1 086
Investments	502 860	447 157
Loans to Group companies	159 407	157 549
TOTAL NON-CURRENT ASSETS	**663 155**	**605 792**
TOTAL ASSETS	**831 308**	**709 994**

LIABILITIES

CHF 1000	12.31.2014	12.31.2013
Payables		
to third parties	109	73
to Group companies	85 107	76 178
Accrued expenses and deferred income	13 014	6 465
TOTAL CURRENT LIABILITIES	**98 230**	**82 716**
Liabilities to banks	156 279	62 273
TOTAL NON-CURRENT LIABILITIES	**156 279**	**62 273**
TOTAL LIABILITIES	**254 509**	**144 989**
Share capital	12 849	12 849
Legal reserves		
general reserve	1 100	1 100
share-premium reserve	8 618	8 618
reserve for treasury shares	1 540	1 540
capital contribution reserve	304 099	322 048
Special reserve	90 000	90 000
Retained earnings		
balance brought forward	128 850	73 339
net profit	29 743	55 511
TOTAL SHAREHOLDERS' EQUITY	**576 799**	**565 005**
TOTAL LIABILITIES	**831 308**	**709 994**

Notes to the financial Statements of ALSO Holding AG

CAPITAL

	Total in CHF 12.31.2014	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

Capital is unchanged compared to previous year.

TREASURY SHARES

	Date	Number	Value in TCHF	Price in CHF
JANUARY 1, 2013		**28089**	**1285**	**45.75**
Additions		–		
Disposals		–		
Revaluation	12.31.2013		105	
DECEMBER 31, 2013		**28089**	**1390**	**49.50**
Additions		–		
Disposals		–		
Revaluation	12.31.2014		66	
DECEMBER 31, 2014		**28089**	**1456**	**51.85**

MAJOR SHAREHOLDERS

	12.31.2014	12.31.2013
Special Distribution Holding GmbH, Düsseldorf (Germany) */**	51.30 %	51.30 %
Schindler Pars International Ltd., Hergiswil (Switzerland) **/***	28.23 %	28.40 %
Bestinver Gestion, S.G.I.I.C. S.A., Madrid (Spain)	5.83 %	6.91 %
SaraSelect, c/o Sarasin Investmentfonds AG, Basel (Switzerland)	3.00 %	3.10 %

Participation according to the share register as per December 31 (without nominees)
* Controlling shareholder: Walter P. J. Droege through Droege International Group AG
** Act together as group of shareholders
*** Held 100 % by Schindler Holding AG

CONTINGENT LIABILITIES

CHF 1000	12.31.2014	12.31.2013
Conditional liabilities towards third parties	674 181	505 940
Letters of comfort	p. m.	p. m.
TOTAL	**674 181**	**505 940**

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 1000	12.31.2014	12.31.2013
ALSO pension fund	15	20
TOTAL	**15**	**20**

SIGNIFICANT SUBSIDIARIES AND ASSOCIATES

Company, head office	Type	2014 Participation in %	2013 Participation in %	Currency	Share capital
ALSO Schweiz AG, Emmen	D	100.0	100.0	TCHF	100
ALSO IH GmbH, Soest	S	100.0	100.0	TEUR	25
ALSO IS GmbH, Soest	S	100.0	100.0	TEUR	100
ALSO Eesti OÜ, Tallinn	D	100.0	100.0	TEUR	192
SIA "ALSO Latvia", Mārupe	D	100.0	100.0	TEUR	1210
UAB "ALSO Lietuva", Kaunas	D	100.0	100.0	TLTL	6500
ALSO Digital Holding B.V., Nijmegen	S	51.0	51.0	TEUR	18
ALSO Cloud Oy, Helsiniki	S	100.0	–	TEUR	11
Alpha International B.V., Nijmegen	D	100.0	–	TEUR	18

D = Distribution
S = Service-/Holding company

PARTICIPATIONS, CONVERSION RIGHTS AND OPTIONS

At the General Meeting of March 13, 2014, it was decided that no grants of participations, conversion rights, or options may be made to members of the Board of Directors or Group Management. Neither in the reporting year nor in the prior year did ALSO make any grants of participations, conversion rights, or options.

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

CHF 1000	12.31.2014 Number of shares	12.31.2014 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.

BOARD OF DIRECTORS

CHF 1000	12.31.2013 Number of shares	 Number of options*
Thomas C. Weissmann, Chairman**/***	15909	4478
Walter P.J. Droege, Vice-Chairman	6592032	–
Prof. Dr. Karl Hofstetter	2000	–
Prof. Dr. Rudolf Marty	10	–
Frank Tanski	–	–
TOTAL	**6609951**	**4478**

All members of the Board of Directors are non-executive members.
* Vested options only; for fiscal year 2008 no options were granted
** For fiscal year 2007 (date of purchase or grant 2008, expiration of vesting period 2011): 1602
*** For fiscal year 2009 (date of purchase or grant 2010, expiration of vesting period 2013): 2876
} 4478

GROUP MANAGEMENT

Neither in the reporting year nor in the prior year did the members of Group Management receive participations, conversion rights, or options.

RISK ASSESSMENT

The Board of Directors of ALSO Holding AG performs systematic risk assessments, based on which actions to mitigate risks are defined and the identified risks continuously monitored.

There are no further matters requiring disclosure according to the Swiss Code of Obligations (CO) Art. 663b.

PROPOSAL OF THE BOARD OF DIRECTORS TO THE ANNUAL GENERAL MEETING OF MARCH 12, 2015

CHF 1000	2014	2013
BROUGHT FORWARD, DECEMBER 31	**128850**	**73339**
Net profit	29743	55511
Dissolution of reserve from contribution in kind	20513	17949
TOTAL AVAILABLE EARNINGS	**179106**	**146799**
DISBURSEMENT OF RESERVE FROM CONTRIBUTION IN KIND	**–20513**	**–17949**
Balance to be carried forward	158593	128850

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of ALSO Holding AG, which comprise the profit and loss statement, balance sheet and notes (pages 152 to 157), for the year ended December 31, 2014.

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, 2014 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 5, 2015

Financial Calendar

MARCH 12, 2015	*APRIL 23, 2015*	*JULY 28, 2015*	*OCTOBER 27, 2015*	*FEBRUARY 23, 2016*
Annual General Meeting	Media release: selected key figures at March 31	Publication half-year report	Media release: selected key figures at September 30	Annual Results Media Conference

IMPRINT

FOR FURTHER INFORMATION PLEASE CONTACT
ALSO Holding AG
Relindis Wieser
Head of Corporate Communications
Meierhofstrasse 5
CH-6032 Emmen
Tel. +41 41 266 18 00
Fax +41 41 266 18 70
| ► **WWW.ALSO.COM**

The original German language version is binding.

EDITING/CONCEPT AND TEXT
ALSO Holding AG, Emmen, Switzerland

DESIGN AND REALISATION
Strichpunkt, Stuttgart/Berlin, Germany

ILLUSTRATIONS
Chris King, UK

PRINTING
Eberl Print, Immenstadt, Germany

1.
HEAD OFFICE
ALSO Holding AG, Meierhofstrasse 5
CH-6032 Emmen **WWW.ALSO.COM**

2. *DENMARK*
ALSO A/S, Helgeshøj Allé 8–10, Høje Taastr.
DK-2630 Tåstrup **WWW.ALSO.DK**

3. *GERMANY*
ALSO Deutschland GmbH, Lange Wende 43
DE-59494 Soest **WWW.ALSO.DE**

4. *ESTONIA*
ALSO Eesti OÜ, Kalmistu tee 26F, Tallinna linn
Harju maakond, EE-11216 Tallinn **WWW.ALSO.EE**

5. *FINLAND*
ALSO Finland OY, Hatanpään valtatie 48
FI-33900 Tampere **WWW.ALSO.FI**

6. *FRANCE*
ALSO France S.A.S., 10 avenue des Louvresses
FR-92230 Gennevilliers **WWW.ALSOFRANCE.FR**

7. *LATVIA*
SIA “ALSO Latvia”, Liliju iela 29, Mārupe,
Mārupes novads, LV-2167 Mārupe **WWW.LV.ALSO.COM**

8. *LITHUANIA*
UAB “ALSO Lietuva”, Kaunas district, Kumpiu village,
Verslo street 6, LT-54311 Kaunas **WWW.ALSO.LT**

9. *NETHERLANDS*
ALSO Nederland B.V., Archimedesbaan 26
NL-3439 ME Nieuwegein **WWW.ALSO.NL**

10. *NORWAY*
ALSO AS, Østre Kullerød 2
NO-3241 Sandefjord **WWW.ALSO.NO**

11. *AUSTRIA*
ALSO Austria GmbH, Industriestrasse 14
AT-2301 Gross-Enzersdorf **WWW.ALSO.AT**

12. *SWEDEN*
ALSO Sweden AB, Höjdrodergatan 25
SE-212 39 Malmö **WWW.ALSO.SE**

13. *SWITZERLAND*
ALSO Schweiz AG, Meierhofstrasse 5
CH-6032 Emmen **WWW.ALSO.CH**