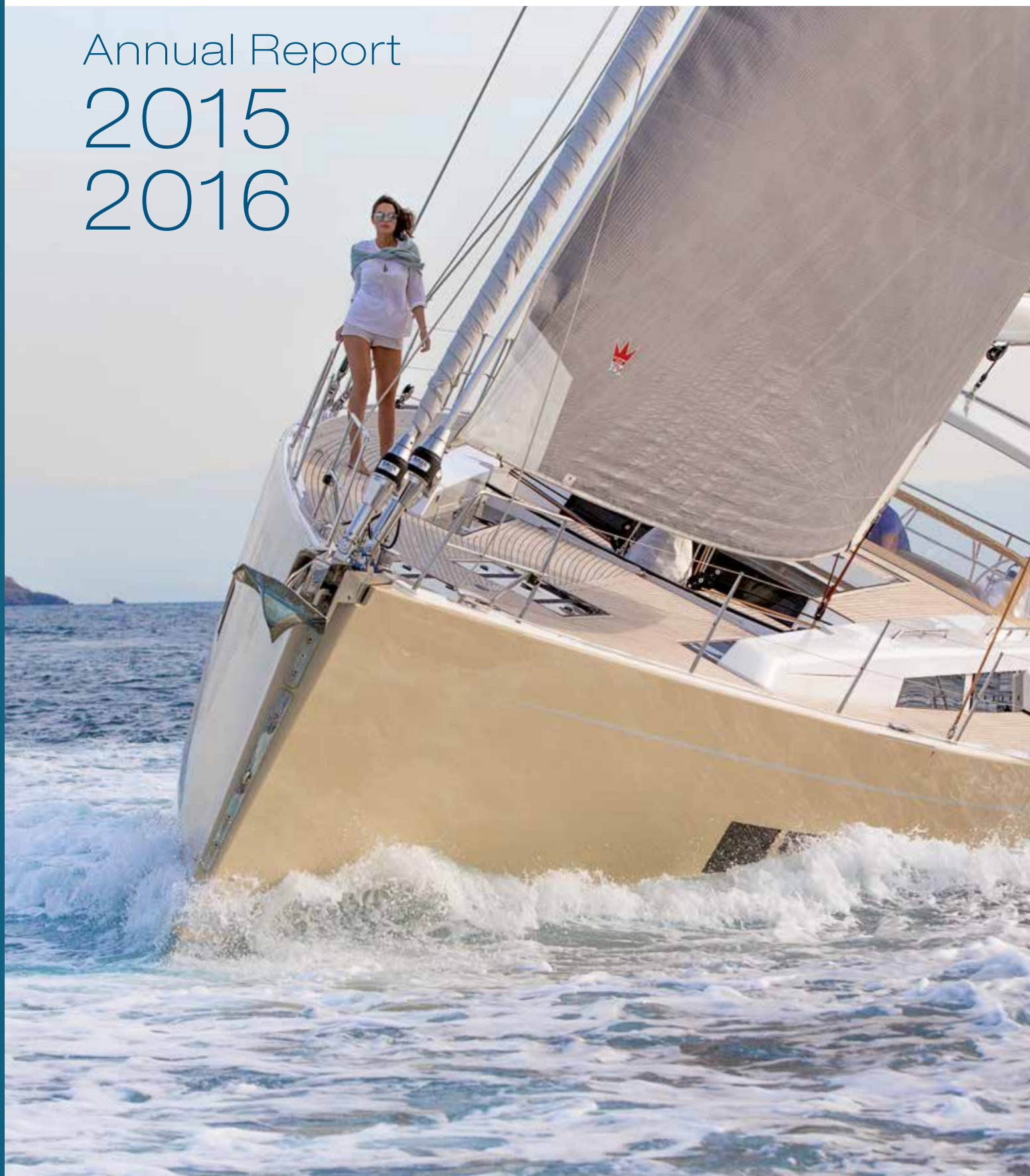
HanseGroup

Annual Report 2015 2016



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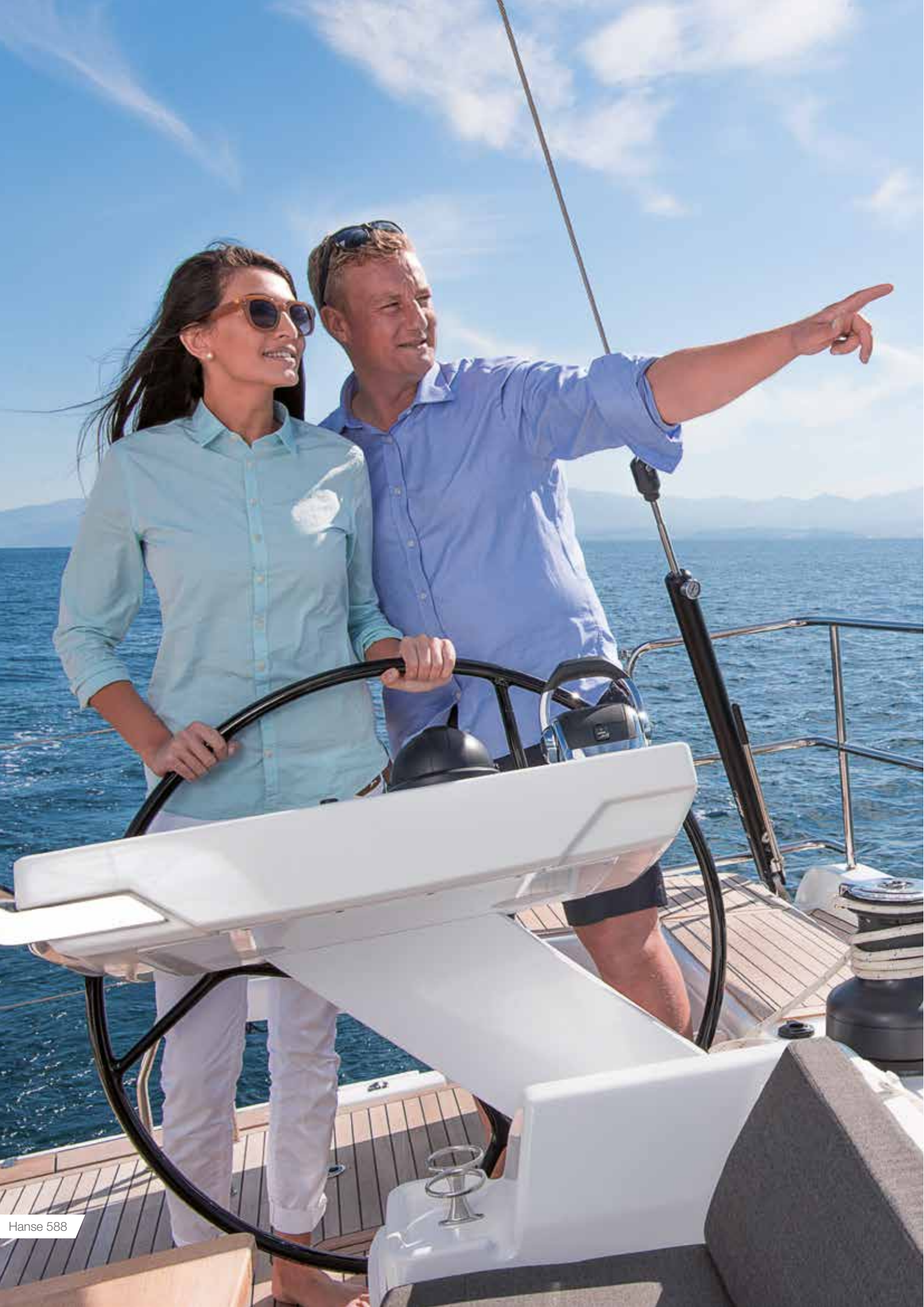
Annual Report 2015/2016



Hanse 588

Greetings from Management

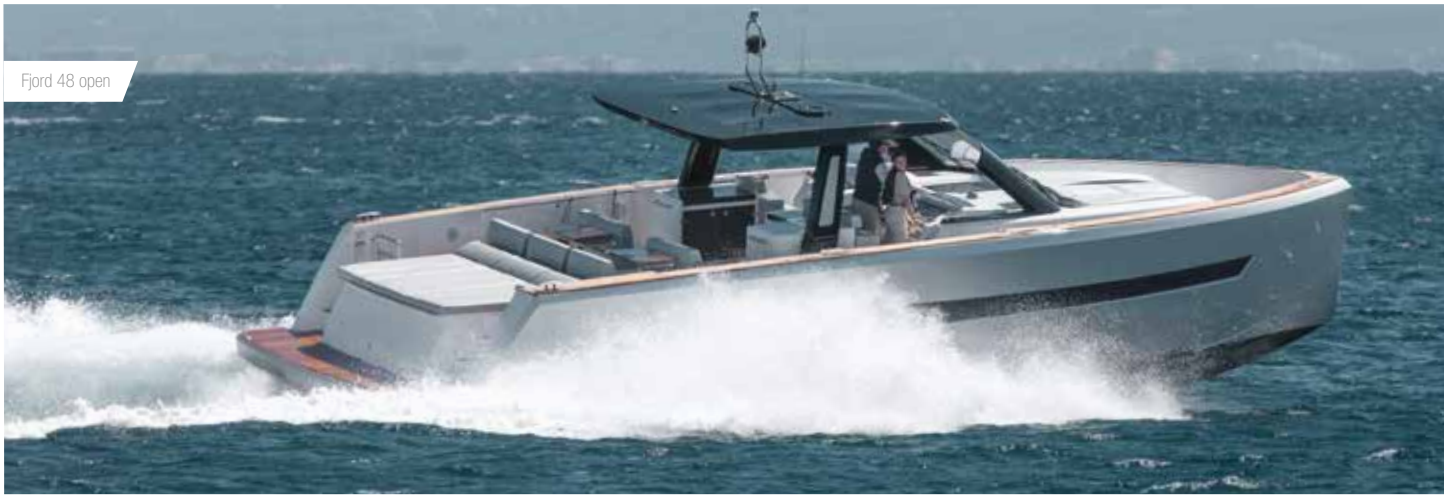
DEAR FRIENDS OF THE HANSEGROUP,

Fiscal year 2015/2016 picked up in a positive way where the trend from last year paved the way and thus brought about the second highest turnover in the 25-year corporate history of HanseYachts AG.

This solid economic situation permitted additional growth for water sports in Europe in general and in particular for the HanseGroup. In this way, sales figures could be increased in Europe as well as in the US for the third time in a row. The reinvigorated sales volume in Spain and Greece also deserves to be mentioned here. Australia and Asia also made positive contributions to this fiscal year. For several years now, the HanseGroup has been showing strong growth in turnover. This did not escape the notice of international yacht dealers and thus new dealers as well as new countries, such as Mexico, Chile and Kuwait, were added to our sales network. We expect moderate growth with sailing yachts and excellent growth with motorboats. We assume that thanks to a young portfolio of products the HanseGroup has succeeded in gaining additional market share, especially in the motorboat sector.

The HanseGroup‘s past fiscal year 2015/2016 has essentially been marked by additional expansion of the motorboat palette of our Sealine brand. Successful models like the Sealine S330 and Sealine C330 have led to respectable increases in sales volume. As a consequence the Sealine F530 was presented in Palma de Mallorca in early summer 2016. The F530 was designed in England by renowned naval architect Bill Dixon and was developed as well as manufactured in Germany by HanseYachts. A steeper stem, wider bow and the largest window area in this class are the new trademark features of this new Sealine. In addition to previous merits such as room, functionality, storage space and brightness, these have now been joined by modernity. We were also able to gain additional international dealers with our new models.

An additional highlight was the launch of the largest sailing yacht ever built by us to date in Greifswald, the Hanse 675; an impressive 21 meters of yacht outfitted with every imaginable luxury: baths with slate walls, a saloon with an American bar and 2 chill-out lounges, up to nine refrigerators, permanently installed bimini, electrically operated sunroof over the saloon and round furniture in a „Wave“ design are just a few of the new and attractive features of the furnishings. The first four yachts had been launched by the end of the fiscal year.



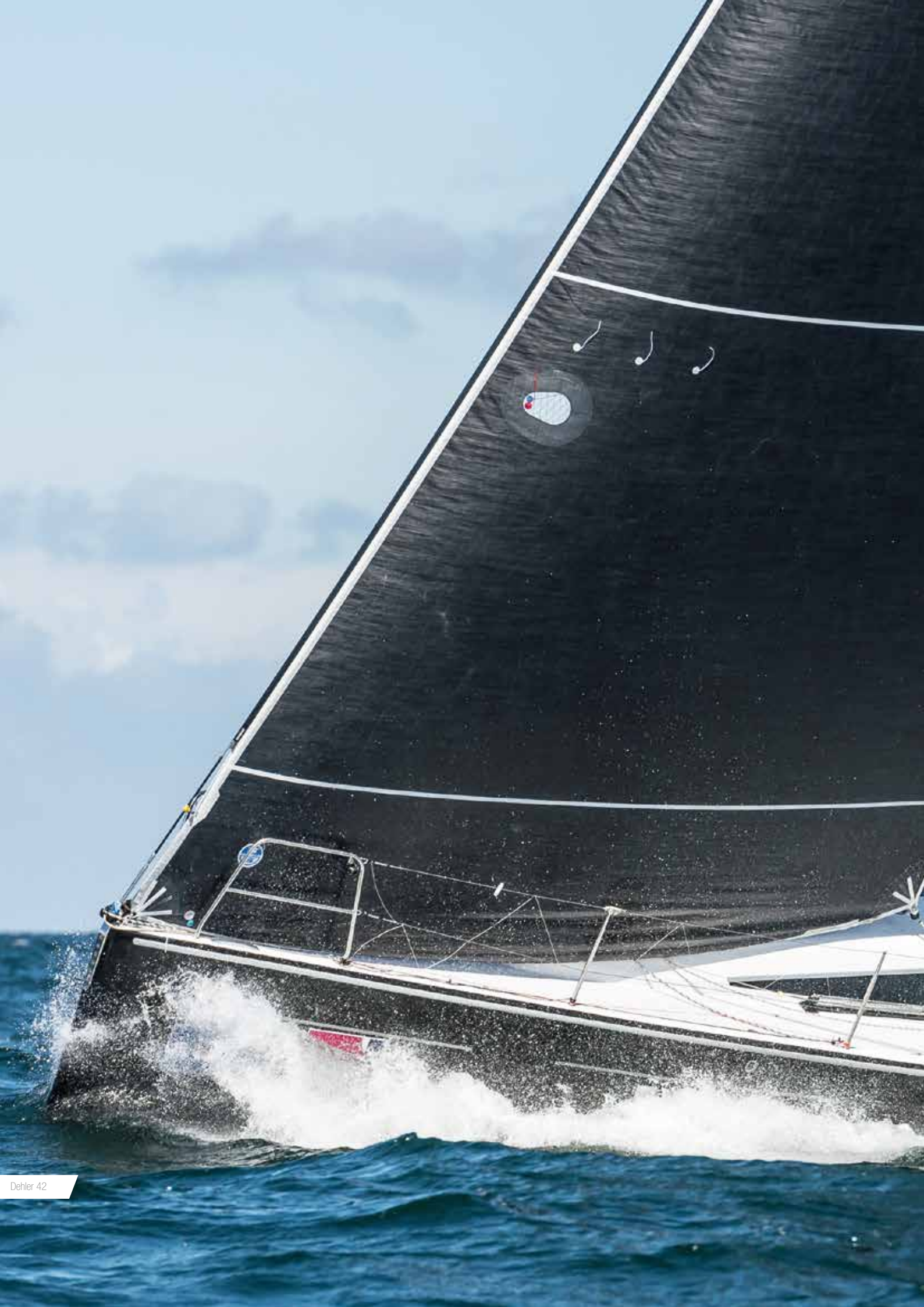
Fjord 48 open

The HanseGroup's volume of incoming orders was excellent in fiscal year 2015/2016 and was once again above that of previous years. This is attributable to our successful implementation of our multiple-brand strategy and development of trend-setting models tailored to the demands of our markets. A comprehensive presentation of our palette of models, including the newly developed ones, at international boat shows has made a major contribution. The past fiscal year has thus accounted for the second best turnover in the history of the HanseGroup. In addition to yachts from the Hanse brand, Sealine, Fjord and Dehler especially made contributions to this success, which in turn were each able to celebrate their greatest turnover ever in the house of Hanse.
Bestseller were Hanse 455 and Dehler 38. It is primarily these models that were booked up for several months in advance in the last fiscal year. The appreciation shown our products by our customers and the trade press as well as their readers is for us both an acknowledgement of our successful work and at the same time an incentive. The newly developed Hanse 315 won the coveted award of „European Boat of the Year" and in the US the title „Boat of the Year Cruising World 2016". The Sealine S330 and C330 both won together the „Boat-of-the-Year" title in England.

For fiscal year 2016/2017 we further expect stable – in some countries even increasing – demand on the market for water sports. However, we also see positive market opportunities in the countries along the Mediterranean coast as well as in the US and in South America. In Northern Europe we are expecting demand to remain unchanged at the current stable level. Thanks to sales revenues from the Sealine brand, the accompanying boost in our capacity utilisation and degression in our fixed costs, we are expecting higher sales revenues, improvement in results and positive earnings before interest, taxes, depreciation and amortization (EBITDA) for the coming fiscal year.

Our employees have performed with extraordinary commitment, tremendous motorboat and sailing savvy and enormous diligence for our enterprise at all of the HanseGroup's venues worldwide. For this reason, we would like to offer each and every one of you our heartfelt thanks for your efforts and contributions.

Water-sports greetings from Greifswald.



Dehler 42

DEAR SHAREHOLDERS,

In the period under review from 1 July 2015 to 30 June 2016, the supervisory board was regularly and intensively occupied with the HanseYachts AG's status and development and fully performed the duties and competencies incumbent upon it by law and pursuant to the Company's Articles of Incorporation with regard to advising and supervising the management board. For this purpose, regular exchanges of information with the management board have been necessary as well as supervision of the Company's management. Cooperation between the management board and the supervisory board has been characterised by a very intensive exchange of information and opinions. The supervisory board has been involved in all essential decisions made by the management board.

The management board has regularly informed the supervisory board in oral and written reports – even outside of board meetings – in particular about the Company's developments in turnover and earnings, its financial status, its risk situation and its risk management as well as the strategic direction of the HanseGroup, its policies on brands and models as well as about personnel questions. These aspects were discussed and reviewed with the management board during meetings of the supervisory board.

In fiscal year 2015/16, 6 meetings of the entire supervisory board were held, either requiring attendance in person or as conference calls; in addition, 4 resolutions were adopted utilising the circulation procedure. The supervisory board was also informed of any events of particular significance occurring between these meetings. The supervisory board has been informed about current developments in business on a monthly basis.

The focus of the deliberations at each meeting of the management and supervisory boards was on current developments in the business of HanseYachts AG and its subsidiaries, on presiding over financing strategies of the HanseGroup, shaping policies regarding models as well as corporate planning.

The object of the first meeting of the supervisory board in fiscal year 2015/2016 on 03 September 2015 concerned the composition of said supervisory board. Mr Purkert was elected as chairman of the board and Dr Forster as vice-chairman of the board. Dr Rageth was elected as chairman of the audit committee with Mr Purkert as well as Dr Forster as additional members of said audit committee. At this meeting, deliberations were held on a capital increase from authorised capital 2014 and approval was granted for it.

The object of the supervisory board meeting on 30 September 2015 was the deliberations on the annual and consolidated financial statements of HanseYachts AG for fiscal year 2014/15 as well as on the report of the management board on relations with affiliated companies (dependent companies report). In addition, the supervisory board adopted a resolution to approve the budget for fiscal year 2015/16 and also concurred with the sale of real estate in France. The supervisory board fixed a target figure of adding 1 female member to the supervisory board by 30 June 2017. As soon as the management board has been expanded by an additional member, a female member is to be recruited. This will correspond to a target figure of 33 %.

Report of the Supervisory Board

At its meeting on 14 October 2015 and on 03 November 2015, deliberations were once again held on a capital increase from Authorised Capital 2014 and a corresponding amendment to the Articles of Association was resolved.

A joint declaration of the supervisory and management boards in accordance with Article 161 of the German Stock Corporation Act (AktG) was adopted on 23 October 2015 and made accessible to the public on HanseYachts' website on an ongoing basis.

At its meeting on 04 November 2015, the supervisory board occupied itself with the annual general meeting and approved the invitation to said general meeting as well as all of the declarations contained therein.

On 17 December 2015, the management board reported to the supervisory board about the improvements in results in comparison to last year and the positive developments in incoming orders. Deepening the Ryck River directly in front of the corporate headquarters of HanseYachts AG by the Waterways and Shipping Authority was also the object of those deliberations as was a notification of a hearing from the Federal Agency for Financial Services Oversight (BaFin) and the new in-house wage agreement about to go into effect for HanseYachts AG. The existing structure of financing and its possibilities for improvement were also discussed. An extension of the management board's contracts was unanimously approved and the chairman of the supervisory board was charged with negotiating with the members of the management board within the framework of parameters discussed thus far.

The focus of the meeting held on 24 March 2016 was placed on the sales report, the current earnings before interest and taxes (EBIT) as well as the outlook for future earnings. The merger of Sealine GmbH, a 100-% subsidiary, into HanseYachts AG was approved as was the liquidation of the French subsidiary, Mediterranean Yacht Service Center SARL, which is no longer actively conducting business.

The object of the meeting held on 16 June 2016 was a report submitted by the management board about developments in business and deliberations about this report. In addition, it was resolved to appoint Mr Fritz Seemann as a member of the audit committee.

The supervisory board of HanseYachts AG consisted of six members in the past fiscal year.

Gert Purkert, Dr Frank Forster and Dr Luzi Rageth were elected for an additional term as members of the supervisory board by the shareholders at the annual meeting on 29 January 2015 and Mr Fritz Seemann was elected as a new member of the supervisory board.

The labour representatives on the supervisory board, Alexander Herbst and Ronny Riechert, were elected by the work force of HanseYachts AG on 20 May 2015. Mr Purkert is the chairman and Dr Forster is the vice-chairman of the supervisory board.

Dr Rageth is the chairman of the audit committee, to which Messrs Purkert, Seemann and Dr Forster belong as additional members. The audit committee is obliged to perform a preliminary audit of the annual financial statements and to prepare a resolution for the supervisory board on finalizing said statements. The supervisory board has no additional committees.

The audit committee met twice in fiscal year 2015/2016. At the first meeting held on 30 September 2015, the committee had the key results of the audit explained to them by the auditors and conducted their own auditing activities. Acceptance of the key points in the audit and a preliminary discussion of the results of the audit of the financial statements have been conducted in place of the audit committee by the chairman of said committee and the auditor.

The object of the second meeting also held on 30 September 2015 was to confer about a proposed resolution

to be presented at the general meeting on the appointment of an auditor for fiscal year 2015/16.

All members took part in the meetings and conferences in person.

In the period reported here, the management board consisted of Dr Jens Gerhard (Marketing, Quality Assurance) and Sven Göbel (Finance, Production).

At the general meeting held on 17 December 2015, Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft in Hamburg was elected as auditors and was then commissioned in this capacity by the supervisory board.

The annual financial statements of HanseYachts AG for the period from 1 July 2015 to 30 June 2016 have been prepared in accordance with the rules of the German Commercial Code (HGB) and the consolidated financial statements for the period from 1 July 2015 to 30 June 2016 have been prepared in accordance with International Financial Reporting Standards (IFRS) as well as the respective management reports appertaining thereto have been audited by Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft and have all been issued an unqualified auditors' opinion. At the meeting on 21 September 2016, the supervisory board and the audit committee had the key results of the audit explained to them by the auditors.

The supervisory board has examined the annual financial statements and consolidated financial statements prepared by the management board as at 30 June 2016, while taking into account the auditors' reports submitted by Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft and did not determine any cause for reservations with respect to the findings of the auditors or the annual financial statements. The supervisory board thereupon examined the annual financial statements and consolidated financial statements prepared by the management board as at 30 June 2016, while taking into account the respective management reports appertaining thereto, and approved them at its meeting on 21 September 2016. The annual financial statements have thus been finalised.

The report of the management board on relations with affiliated enterprises in fiscal year 2015/2016 has also been examined by external auditors and issued an unqualified auditors' opinion that the factual information in said report is correct and the contribution of the enterprise was not unduly high in light of the legal transactions indicated in the report. The supervisory board has examined the report of the management board in particular with regard to correctness and completeness. In accordance with the finalising results of its own examination, the supervisory board has accepted the results of the audit conducted by the auditors. No objections have arisen with respect to the concluding statement contained in the report of the management board on relations with affiliated enterprises.

The members of the supervisory board would like to thank the management board for its constructive cooperation and would also like to thank the shareholders for their confidence in HanseYachts AG. The supervisory board would like to thank everyone involved for their enormous commitment and dedication.

Greifswald, 31 October 2016

Gert Purkert
Chairman of the Supervisory Board

DECLARATION OF THE MANAGEMENT BOARD OF HANSEYACHTS AG IN ACCORDANCE WITH ARTICLE 289A OF THE GERMAN COMMERCIAL CODE (HGB)

This declaration of the management board contains a declaration of compliance in accordance with Article161 of the German Stock Corporation Act in observance of the German Corporate Governance Code (German CGC), details on practises of corporate management and a description of the workings of the management and supervisory boards. In so doing, HanseYachts AG is aiming to ensure that the presentation of management remains lucid and meaningful.
The management and supervisory boards of HanseYachts AG are committed to the German Corporate Governance Code (CGC) and identify with the goals of this Code to promote proper and responsible corporate management, oriented to that which benefits the shareholders, employees and customers.
This fact is evident from a policy of responsible management and supervision of HanseYachts AG based on maximising profitability. This also entails transparently presenting its corporate principles and developments in its business, with the aim of ensuring and reinforcing the confidence of customers, business partners and investors in HanseYachts. Parameters of proper corporate management continue to be close and efficient cooperation between the management board and the supervisory board, regard for shareholders' interests, proper corporate communication, correct accounting and auditing as well as responsible risk management.

HanseYachts AG regards corporate governance as an ongoing process and will continue to follow future developments attentively and make use of them accordingly.

DECLARATION OF COMPLIANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE (GERMAN CGC) IN ACCORDANCE WITH ARTICLE 161 OF THE GERMAN STOCK CORPORATION ACT (AKTG)

Since its last declaration of compliance on 23 October 2015, HanseYachts AG has complied, and will continue to comply, with the recommendations of the Government Commission on the German CGC in the version of 05 May 2015 throughout the period reported here, with the exception of the following deviations and will continue to do this in future with the exception of the following non-conformance:

- Contrary to Item 2.3.3 of the German CGC, shareholders cannot follow the annual general meeting via modern communication channels (e.g. the Internet).

  The management and supervisory boards are of the opinion that the expense involved in setting up facilities for modern communication channels at the general meeting so that shareholders could follow the meeting would be inordinately high, in relation to any advantages to be gained by it in order to address a relatively small additional circle of shareholders.

- Contrary to Item 3.8 of the German CGC (Deductible in the D&O Insurance also for the supervisory board), the D&O insurance taken out by HanseYachts AG for its supervisory board does not provide for a deductible.

  The management and supervisory boards are fundamentally not of the opinion that the motivation and responsibility, with which the members of the supervisory board

discharge their duties, could not be improved upon by means of such a deductible. Consequently, HanseYachts AG is not planning any changes in its current D&O insurance contracts.

- Contrary to the recommendation in accordance with Item 4.2.1 of the German CGC, HanseYachts AG does not have just one, bur two executive spokespersons.

  Both members of the management board have been appointed as executive spokespersons, as said management board and the supervisory board are of the opinion that both members of this management board should be fundamentally equal.

- Contrary to Item 4.2.2, Para. 2, Sentence 3 of the Code, determination of the remuneration for the management board does not take the relation to the remuneration of senior management and the work force into account altogether in the development over time.

  When concluding the management board contracts in accordance with the dictates of the German Stock Corporation Act, the supervisory board took care to ensure that the total remuneration allotted to the members of the management board remained within a commensurate relation to the general wage and salary structures within the company, thereby maintaining so-called "vertical commensurateness" of the management board remuneration. As far as these were substantiated by the examination for vertical commensurateness of management-board remuneration as demanded by the Corporate Governance Code and the reference groups relevant for a comparison as well as the time frame of the comparison have been more closely defined, a deviation will be explained to a certain extent as a precaution. While concluding the currently valid management-board contracts within the framework of an examination for commensurateness, the supervisory board did not distinguish between the reference groups in accordance with Item 4.2.2, Para. 2, Sentence 3 of the Code nor did it conduct any surveys on developments over time regarding wage and salary structures.

- Contrary to Item 4.2.3, Para. 2, Sentence 3 of the Code, the variable remuneration components stipulated in one management-board member's contract do not contain a multi-year basis for assessment.

  The supervisory board does not consider such a basis for assessment to be mandatory in this concrete case. In the opinion of the supervisory board, remuneration of the management-board members is ensured, even without such a basis for assessment in light of the circumstances of this individual case and the structuring of the variable remuneration components, in that remuneration of the members of the management board is duly oriented to sustained developments of their enterprise.

- Contrary to Items 4.2.4 and 4.2.5, Para. 3 of the Code, disclosure of the remuneration for members of the management board will neither be individualised nor broken down according to its constituent parts — in particular according to benefits granted, according to benefits received and the cost of benefits — using a model salary schedule enclosed as a supplement to the Code in the remuneration report.

  At the general meeting on 17 December 2015, the shareholders adopted a resolution to refrain from disclosing management-board remuneration. Against this background, the remuneration can also not be subdivided in the remuneration report on the basis of a model salary schedule enclosed with the German CGC, as this would lead to an individualised disclosure of management-board remuneration and would thus go directly against the resolution adopted at the general shareholders' meeting of 17 December 2015. Moreover, the management and supervisory boards of HanseYachts AG are of the opinion that disclosures on management-board remuneration resulting from the applicable accounting principles utilised by HanseYachts AG are

sufficient. Disclosure of the remuneration for management-board members according to its components — in particular according to benefits granted, according to benefits received and the cost of benefits — using the model salary schedule included as a supplement to the Code in the remuneration report — which in light of the above-mentioned resolution adopted at the general shareholders' meeting on 17 December 2015 may not be individually made public — would not provide any additional relevant information for the capital market.

- Contrary to the recommendations in accordance with Item 5.1.2, Paragraph 2, Sentence 3, an age limit has not been fixed.

  A generalised age limit does not represent a suitable criterion for quality in the opinion of HanseYachts AG and would unnecessarily restrict the search for particularly qualified and experienced candidates. Moreover, the present age structure of the directors and officers (D&O) would not make fixing such an age limit imperative.

- Contrary to the recommendations in accordance with Item 5.3.3 of the German CGC, a nominating committee has not been formed.

  The supervisory board considers it preferable to present the nominations to the general shareholders' meeting for election to the supervisory board in the overall supervisory board in order to permit the diversity already present in said supervisory board to flow into such nominations.

- In the past, recommendations in accordance with No. 5.4.1 of the German CGC (Defining Concrete Goals for the Composition of the Supervisory Board) have not yet been pursued, as a resolution on the goals to be defined has not yet been adopted and will also not be pursued in future.

  In particular, generalised age and/or affiliation limits do not represent suitable criteria for quality in the opinion of HanseYachts AG and would unnecessarily restrict the search for particularly qualified and experienced candidates and would exclude available and qualified members. Moreover, the present age structure of the members of the supervisory board would not make fixing such an age limit imperative. The other examples mentioned in Item 5.4.1. (in particular international activities of the enterprise, potential conflicts of interest, independence in light of Item 5.4.2 and diversity) are to be taken into consideration as a matter of course when looking for suitable members of our supervisory board so that a separate goal in this direction would not be considered necessary.

- Contrary to Item 6.2., there are no disclosures about indirect ownership of stock in the company or of related financial instruments on the part of members of the supervisory board.

  HanseYachts AG publishes information about the shareholdings and stock transactions of the management and supervisory boards. Furthermore, the structure of our shareholders is also disclosed on our website in addition to the stock transactions of our directors and officers (D&O). The supervisory board considers this information to be sufficient.

- The recommendation contained in No. 7.1.2 of the German CGC to make the consolidated financial statements publicly accessible within 90 days after the end of a given fiscal year has not been observed. HanseYachts AG is striving to implement this recommendation in future.

DISCLOSURES ON DIVERSITY

The composition of the supervisory board is orientated to the interests of HanseYachts AG and must ensure effective supervision and guidance of the management board. In determining its composition, the supervisory board thus

has especially to take into consideration the know-how, skills and professional experience necessary to ensure proper performance of their duties and responsibilities. In addition, its composition should first and foremost correspond to the criteria of diversity in the opinion of the supervisory board. In this connection, the supervisory board is also striving to achieve commensurate participation of women.

Consequently, the supervisory board has set a target figure for a percentage of women on said board of 16.6 % by 30 June 2017. When screening potential candidates for the supervisory board, qualified women should be included in the selection process and should be commensurately taken into consideration in the nominations. When the qualifications of several candidates are equal, it should be ascertained if a female candidate should be given preference in light of commensurate participation of women. With a view to HanseYachts AG's other management personnel and with a view to other companies in our sector, the supervisory board considers a participation by women as desirable and the defined target percentage to be achieved by 30 June 2017 as commensurate.

As at 30 June 2016, there were no women on the management board of HanseYachts AG. The supervisory board has also set a goal to appoint a woman to the management board by expanding this body to three members. This would correspond to a target figure of 33.3 %, which the board is striving to achieve by 30 June 2017. For the two managerial levels below the management board, the proportion of female executive personnel is 15 %. A proportion of 21 % should be attained by 30 June 2017.

DISCLOSURES ON CORPORATE MANAGEMENT PRACTISES

HanseYachts makes use of any and all legally stipulated corporate management practises. There are no additional guidelines, such as ethical standards or labour and social standards that are valid company-wide.

PROCEDURES OF THE MANAGEMENT AND SUPERVISORY BOARDS

The supervisory and management boards of HanseYachts AG cooperate closely and trustfully with each other. All relevant questions relating to the business situation and developments, financing as well as strategy and planning are discussed between the two management entities.

The supervisory board advises and monitors the management board in managing the HanseGroup and reviews all major business transactions by examining the relevant documents on the basis of the German Stock Corporation Act and the Articles of Incorporation. The supervisory board is elected at the general shareholders' meeting. The management board is appointed by the supervisory board. The supervisory board decides on the number of members on the management board and determines the chairman (CEO). In the internal bylaws for the management board, the supervisory board stipulates a catalogue of transactions requiring board approval as well as a schedule of responsibilities. The supervisory board acts on the basis of its own rules of procedure.

The supervisory board finalizes the annual financial statements and approves the consolidated financial statements. Each year the chairman of the supervisory board explains the activities of said board in his report to the shareholders and at the general shareholders' meeting. The supervisory board of HanseYachts AG consists of six members. There is also an audit committee, composed of three members of the supervisory board. In addition to advising on examining the annual financial statements, its duties include discussing corporate planning.

The management board currently consists of two members. The management board runs the company on its own responsibility. Individual areas of responsibility are stipulated in the schedule of responsibilities. The heads of the various business units report to the management board about their respective departments/divisions and bear responsibility for

the results of their respective units. The management board reports to the supervisory board comprehensively about planning and developments in business as well as the status of the HanseGroup, including risk management, at regular intervals and in timely fashion, both in writing and at regularly scheduled meetings. The management board takes part in all of the meetings of the supervisory board, reports orally and in writing on the individual items on the agenda as well as on drafts of resolutions and responds to questions of individual members of the supervisory board.

Drafts of resolutions are conveyed to the members of the supervisory board in writing prior to the respective meetings. The possibility of drafting resolutions by circulation procedure is especially used in cases that are particularly urgent.

REMUNERATION OF THE MANAGEMENT BOARD (REMUNERATION REPORT) PURSUANT TO ITEM 4.2.5 OF THE GERMAN CGC

Total remuneration for the management board has been fixed at a commensurate level by the supervisory board. Criteria for determining this commensurate level are, in particular, the responsibilities of the respective member of the management board, personal performance, the situation of the economy, the Company's success and future prospects as well as the usualness of such remuneration in light of that, which is paid in comparable companies and the salary structure otherwise applicable within HanseYachts AG.

Remuneration for the members of the management board is determined by the supervisory board, which regularly assesses the commensurateness of said remuneration. This remuneration comprises a fixed and a variable component. The variable components are dependent on targets that are determined on a yearly basis. There is a ceiling on the variable components. The variable remuneration component is paid once annually, depending on the results of the past fiscal year, relative to achieving the respective stipulated targets. Furthermore, in cases of extraordinary accomplishments, the supervisory board can grant the management board a special bonus that would also have a ceiling. For the fiscal year reported here, the management board has still not received any variable remuneration components, as a resolution on this point has not yet been determined by the supervisory board. No arrangements have been made for pensions.

In the fiscal year that ended on 30 June 2016, total remuneration for the entire management board, including the use of company vehicles and insurance premiums, amounted to EUR 771K (EUR 614K last year). EUR 547K (505K last year) thereof covered fixed salary components and EUR 226K (EUR 109K last year) thereof was paid for variable salary components, while the latter figures were in the form of provisions, as a resolution on this point had not yet been decided by the supervisory board.

At two-year intervals, the supervisory board reviews total remuneration paid to the management board, considering in particular the earnings situation of HanseYachts AG and the performance of individual members, and adjusts said total remuneration accordingly.

Furthermore, HanseYachts has taken out liability insurance for pecuniary damages for directors and officers (D&O insurance) with a commensurate deductible to be borne by the management-board members themselves.

In the event of revocation of an appointment of a member of the management board, the employment contract, and hence payment of remuneration and other benefits provided by HanseYachts AG, shall end on the date, on which said revocation shall have been received. Should the office as a member of the management board expire or be eliminated due to, or as a result of, a change in corporate form or a restructuring measure, HanseYachts or a legal successor thereof shall have, inter alia, the option of terminating the employment contract of the members of the management board with 6 months' notice. If a member of the management board resigns in such a case, any severance payments shall be limited to the income for six months. In case of a change of control, within

2 months after it becomes legally binding, the management board shall be entitled to resign by giving 1 month's notice and to step down on the date said notice shall expire as well as to demand payment of 12 month's salary as compensation for the loss of employment, restricted to a maximum severance payment of their (fixed) remuneration until the regular termination of their contract.

At the general meeting, the chairman of the supervisory board will also inform the shareholders of HanseYachts AG about the basic principles of the remuneration system and any amendments to it.

REMUNERATION OF THE SUPERVISORY BOARD PURSUANT TO SECTION 5.4.6 OF THE GERMAN CGC

Remuneration for members of the supervisory board is determined by the shareholders at the general meeting and has been regulated in Article 14 of the Articles of Incorporation of HanseYachts AG. In addition to reimbursement for expenses, first of all each member of the supervisory board receives fixed annual remuneration of EUR 6000, payable at the end of each fiscal year. In addition each member of the supervisory board receives variable remuneration of EUR 50 for each cent, by which consolidated earnings after taxes per share exceed EUR 1.30. The chairman of the supervisory board receives three times the normal fixed and variable remuneration; the vice-chairman and heads of commissions receive two times the above-mentioned amounts. For the fiscal year reported here, as in previous years, the supervisory board has not received any variable remuneration components.

SHAREHOLDINGS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD PURSUANT TO SECTION 6.2 OF THE GERMAN CGC

The members of the management and supervisory boards of HanseYachts AG do not directly hold any shareholdings above 1% of stock issued by their company that would require disclosure within the scope of Section 6.2 of the German CGC. The total holdings of the two management-board members in the stock issued by HanseYachts AG amounts to 1.39 %, whereby board member Sven Göbel and board member Dr Jens Gerhardt each holds the same amount of stock at 0.64%.

HanseYachts AG publishes extensive information about the shareholdings and stock transactions of the management and supervisory boards. Stock transactions falling under Article 19 of the Market Abuse Directive on mandatory disclosure of so-called Directors' Dealings have always been appropriately published on the website of HanseYachts AG.

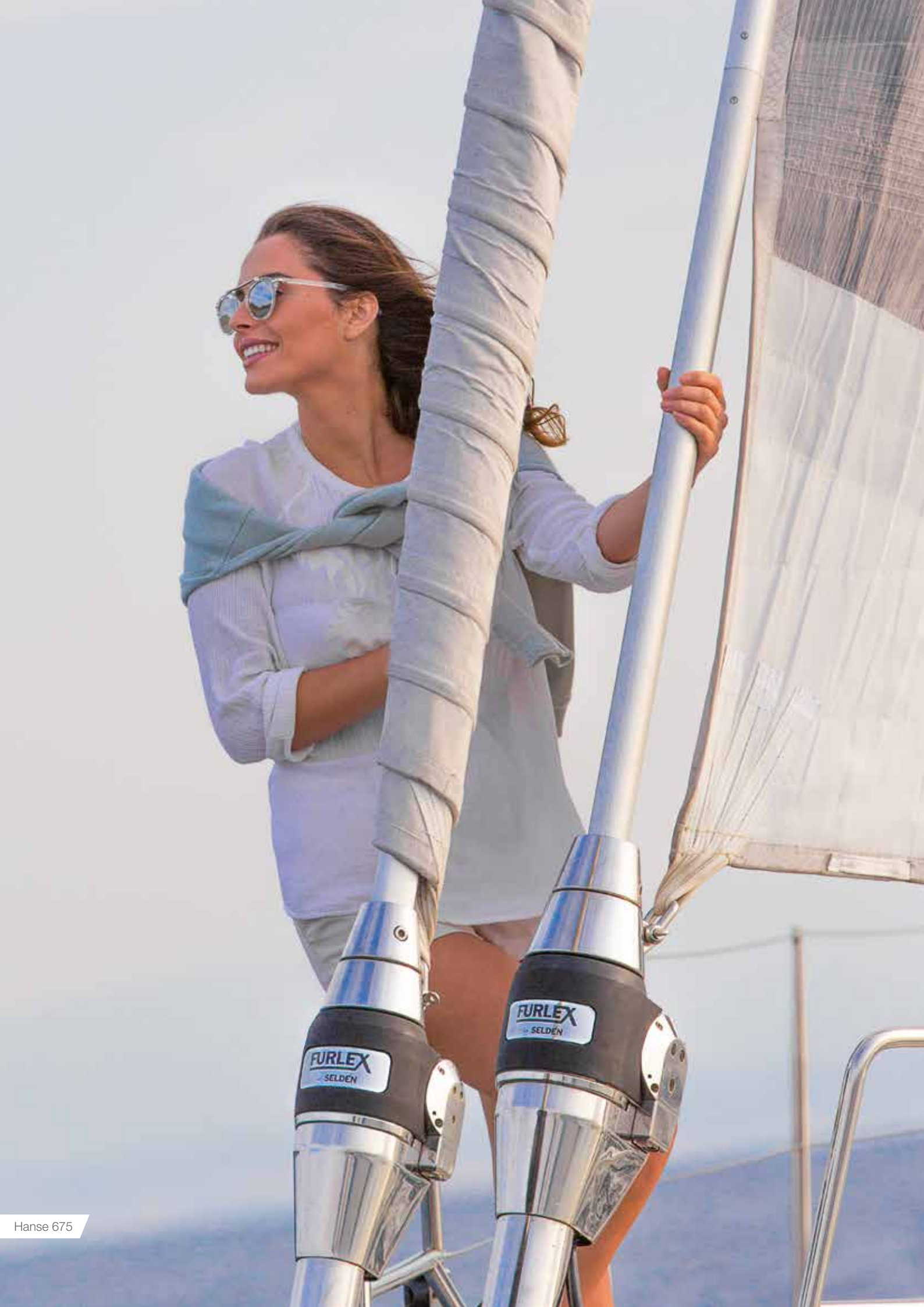
ADDITIONAL INFORMATION ON CORPORATE GOVERNANCE

Transparency and the demand to inform shareholders and the public quickly and comprehensively have a high priority at HanseYachts AG. Consequently, current developments and vital company information are made available in real time on HanseYachts AG's website (http://www.hansegroup.com). In addition to information on corporate governance, the website also publishes details about the management board, the supervisory board and the general shareholders' meetings, legally required company reports (annual financial statements, six-month financial reports and interim reports from management), a financial calendar including all key dates as well as ad hoc press releases and mandatory disclosure of notifiable securities transactions (Directors' Dealings).

Greifswald, 31 October 2016

HanseYachts AG

The Supervisory Board The Management Board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Consolidated Manangement Report

1. FOUNDATIONS OF THE HANSEGROUP

1.1 Corporate Profile

The HanseGroup numbers among the world's three largest manufacturers of seagoing sailing yachts with hull lengths of approx. 29 to 67 ft. (= 10 – 21 m). Our products are innovative, have been well-established on the market and have a long history. In the sailing yachts sector, the "Hanse" brand has been on the market for 20 years, the "Dehler" brand for more than 50 years and the "Moody" brand in fact for nearly 80 years. The motor yachts of the "Fjord" and "Sealine" brands have been on the market for 50 and 40 years, respectively. Within the respective brands, various types of yachts are being offered so that the total portfolio of products comprises 31 different models. The yachts are sold via franchised dealers and via the HanseGroup's own distributorships. Our yachts are produced almost exclusively according to the personal orders of our end-customers, which are passed on to the HanseGroup by our franchised dealers.

Research and Development and central coordination of marketing including media and boat show planning are all performed at our favourably located production facility in Greifswald, which has access to the Baltic Sea. Procurement for the HanseGroup is also provided there as well as overall distribution management and administration. Additional production facilities are also located in Goleniow, Poland, approx. 170 km away from Greifswald. We also have our own independent distributorships in Germany and the US. Sales are also conducted via a network of over 200 dealers.

1.2 Organisation and Subsidiaries

HanseYachts AG is the parent company of the HanseGroup. It exercises centralised authority as a holding company and manages the majority of the HanseGroup's business operations. HanseYachts AG holds 100-% participations in all of its subsidiaries, either directly or indirectly. The subsidiaries include Hanse (Deutschland) Vertriebs GmbH & Co. KG and its fully liable partner, Verwaltung Hanse (Deutschland) Vertriebs GmbH, Moody Yachts GmbH, Dehler Yachts GmbH, Sealine GmbH, HanseYachts US, LLC in the US, Technologie Tworzyw Sztucznych sp.z o.o. in Poland (TTS), HanseYachts Technologie und Vermögensverwaltungs GmbH as well as Yachtzentrum Greifswald Beteiligungs-GmbH with its no longer actually operative Mediterranean Yacht Service Centre SARL in France.

HanseYachts AG and its subsidiaries have been included in the financial statements of AURELIUS Equity Opportunities SE & Co. KGaA (formerly known as Aurelius AG) in Grünwald.
HanseYachts AG is publicly listed on the General Standard of the Frankfurt Stock Exchange.

1.3 Developments in Our Sector and Our Market Position

The worldwide market for motor and sailing yachts is characterised by intensive competition. A number of manufacturers of motor and sailing yachts exist throughout the world that produce yachts in double-digit figures on a yearly basis. Conversely, there is only a small number of competitors worldwide that – like the HanseGroup - produce yachts on an industrial scale every year in triple-digit figures and with whom we face tough, global competition. The situation remains unchanged that consolidation has continued to pervade the market for motor and sailing yachts due to this tough competition, which has been characterised by takeovers and even bankruptcies. Moreover, market players who have been put under pressure have tended to offer their yachts at significant reductions in price so that competition in pricing has greatly increased. For HanseYachts AG, the climate in the maritime market is nevertheless stable to slightly growing from a global perspective, despite the geopolitical crises. In this connection, the motors driving this growth are Europe and North America. The sales situation in Asia and Australia has remained stable. At the same time, the upturn in the market for water sports is strongest

in Spain. In den US, favourable EUR-USD exchange rates have led to excellent sales figures.

The HanseGroup has responded to this demanding market with an advanced and regularly upgraded palette of products, which are tailored to the needs and wishes of customers for individuality and diversity in the respective yacht variants, while these wishes can often be widely varied and even very different from one another, depending on the region. In our opinion, only with close to assembly-line production and modular design, which can match such a diversity of variants, and with clearly defined brands will a shipyard be able to position itself successfully and sustainably on the market. In the past 12 months, our growth in turnover of 16 % has testified to the success of our strategy and of our products.

The HanseGroup manufactures sailing yachts under the „Hanse“, „Moody“, „Dehler“ and „Varianta“ brands and produces motorboats under the „Fjord“ and „Sealine“ brands. Our multiple-brand strategy permits us to undertake clear distinctions within the individual groups of products. Our products have thus been clearly positioned and have a strong identity within the respective brand. In this way we can accurately address the differing wishes of our customers and thus have greater potential for adapting to changing market conditions.
By using variably combinable modules for the interiors, colour schemes, fabrics, various types of wood and a wide variety of optional equipment, end-customers are given the possibility of adapting their yachts to their individual needs and wishes.

In the sailboat sector, we offer comfortable family yachts under our „Hanse“ brand, under the „Moody“ brand luxurious deck-saloon and classic yachts and with our „Dehler“ brand high-quality performance cruisers. The „Varianta“ brand stands for a sailing experience in its most pristine form. In the motorboat sector we have consciously been focussing on a particular market niche with the „Fjord“ brand. These seaworthy motor yachts have been conceived for cruising near the coast, have a striking design and can also be used for voyages of several days. For the past two years, the HanseGroup has in addition been producing and marketing motor yachts of the „Sealine“ brand, which fits perfectly into the HanseGroup’s portfolio of products thanks to its elegant lines and which focusses on practical use, without neglecting sportiness and design.

2. ECONOMIC REPORT

2.1 Overall Economic Situation

The European market, and in particular Germany, is the most important individual market for the HanseGroup. Here Germany with its excellent economic robustness remains unchanged in sticking out among the Euro States, whereas the poor economic situation in Southern Europe – with the exception of Spain – shows no sign of improvement.

2.2 Business Developments

In such a demanding market climate that has remained unchanged, we were able to achieve growth in our turnover of around 16 % to EUR 114.9 million in fiscal year 2015/16. This growth in turnover resulted from our motorboat business and confirms the strategic correctness of the decision of the recent past to invest in motorboats of the „Sealine“ brand. Together with the powerboats of the „Fjord“ brand, the motorboats sold during the period reported here accounted for about a 29 % share of our turnover. Thanks to intensive marketing activities with over 200 dealers, we were able to export our yachts to more than 35 countries. A high degree of acceptance by the market, both for new as well as for well-established boats, and financial incentives such as discounts, attractive equipment packages and improved furnishings have led to this growth in turnover.

We have once again invested substantially in our palette of products, such as the Hanse 315, Hanse 675, Dehler 42 and

Sealine F530 during the entire fiscal year 2015/16. Additional new developments and/or facelifts are in preparation for the coming fiscal year 2016/2017 and even now have already been reaping very positive feedback for the Hanse 538, Hanse 588, Dehler 34, Fjord 42 Open, Fjord 42 Coupé and the Sealine 530 Coupé. There are already prospective buyers for some of these models although they have in part only been presented in drawings and have not yet even been exhibited at the shipyard or at boat shows. Traditionally this will take place for the first time at major autumn and spring boat shows as well as in the press at the same time. Among the HanseGroup 's market activities, there is primarily regular participation at national and international boat shows, such as for example in Düsseldorf, Hamburg and Friedrichshafen as well as those in Cannes (France), Paris (France), Annapolis (US) and Sydney (Australia). Every year, the HanseGroup is represented at over 70 boat shows in over 40 countries either on its own or via its dealers.

2.3 Control System – Financial and Non-Financial Performance Indicators

The essential financial performance indicators primarily include turnover revenues and earnings before interest, taxes, depreciation and amortisation (EBITDA), which can be reported to the management board on short notice within the framework of an aggregated income statement for the HanseGroup (IFRS) on a monthly basis for the respective month just completed as well as cumulated for the current fiscal year ("YTD"). In so doing, deviations are systematically analysed both in relation to the original planning as well as to the previous year. The format for reporting an income statement on short notice basically corresponds to production-related contribution-margin accounting, which also contains additional indicators such as e.g. the ratio of cost of materials to total operating revenues, the ratio of manufacturing costs to sales, and a contribution margin figure and correlates certain types of expenses in accordance with economic principles, deviating from HGB- and/or IFRS-classifications (for example, correlating the expenses for temporary workers to manufacturing costs instead of to cost of materials/cost of purchased services). Moreover, reporting directed towards the management board comprises a consolidated balance sheet (IFRS) and a consolidated cash-flow statement (IFRS), on the basis of which additional essential indicators for capital and liquidity management (e.g. equity ratio, working capital, cash and cash equivalents) are regularly monitored.
In addition, within the framework of ongoing liquidity management, payments and receipts are monitored on a daily basis and weekly liquidity forecasts are prepared and compared with the available structure of cash and cash equivalents (level of cash and cash equivalents plus the free financing facilities).

The regular monthly reporting to the management board does not include a further breakdown of revenues and expenses, of the results of business operations, of assets and debt as well as of cash flow in individual operating divisions (segments) or separate reporting about individual legal entities of the HanseGroup.
In addition to financial performance indicators, the management board also controls and monitors developments in business activities by means of a number of non-financial performance indicators that are aggregated within the framework of monthly reporting at the Group level and are analysed with respect to their development in comparison to planning and/or to the previous year. This includes the volume of incoming orders for the respective brands (No. of items, EURK, EURK/No. of items), the number of boats invoiced and/or produced, the number of boats contained in the inventory as well as personnel figures.

Attention is drawn to the developments in essential performance indicators as provided in the following explanations. As the internal reporting system displays a production-based viewpoint, deviations from the internal reporting format can result for individual performance indicators in the following statements.

2.4 Earnings

The HanseGroup has a fiscal year, which deviates from a calendar year, from 1 July to 30 June of the respective following year. The following comparison with the previous year shows positive developments in the HanseGroup's results:

in EUR 1000	01/07/2015 - 30/06/2016	01/07/2014 - 30/06/2015	Comparison with last Year Deviation absolut	in %
Turnover	**114.887**	**99.251**	**15.636**	**16%**
Increase / Decrease in inventories in finished and unfinished products	1.743	1.853	-110	-6%
Other own work capitalized	1.902	1.939	-37	-2%
Total operating revenues	**118.532**	**103.043**	**15.489**	**15%**
Other operating income	2.241	2.129	112	5%
Cost of materials	-69.488	-62.972	-6.516	10%
Personnel costs	-29.544	-26.281	-3.263	12%
Other operating expenses	-16.300	-15.445	-855	6%
EBITDA	**5.441**	**474**	**4.967**	**> 100%**
Depreciations	-5.281	-5.291	10	0%
EBIT	**160**	**-4.817**	**4.977**	**> -100%**
Net financial costs	-1.632	-1.865	233	-12%
Net earnings before taxes	**-1.472**	**-6.682**	**5.210**	**-78%**
Income taxes	-275	248	-523	> -100%
Consolidated net earnings after taxes	**-1.747**	**-6.434**	**4.687**	**-73%**

Turnover in the year reported here rose by 16 % to EUR 114.9 million. Our sailboat business accounted for around 68 % of total turnover (79 % last year) while the motorboat division provided approx. 29 % thereof (19 % last year). As in the last fiscal year, sailing yachts of the „Hanse" brand accounted for a significant share of our sales revenues at EUR 53.9 million. Motorboats accounted for EUR 33.3 million, approx. 50 % thereof fell to the various models of each of our two brands, „Fjord" and „Sealine". The relative and absolute shares of turnover from sailing yachts and motorboats were in line with our expectations. Within the sailboat and motorboat divisions, there were shifts between the brands and models, which were the results of our multiple-brand strategy and our product mix. With a total of 557 new boats sold (499 last year) in the HanseGroup, the average proceeds per boat increased slightly from EUR 193K last year to EUR 200K in the year reported here.

At around EUR 101.6 million, the Group-wide volume of incoming orders for fiscal year 2015/16 was approx. 5 % above the figure for the precious year.

Total operating revenues rose by 15 % to EUR 118.5 million in light of increased inventories of boats ordered but not yet delivered (EUR 1.7 million) and capitalised own work (EUR 1.9 million).

At EUR 2.2 million, Other operating revenues were only EUR 0.1 million and thus slightly above last year's figure. Revenues from reversal of provisions and valuation adjustments as well as from writing off trade payables amounted to EUR 0.8 million and were nearly at last year's level (EUR 0.7 million).

With materials costs of EUR 69.5 million (EUR 63.0 million last year), our ratio of cost of materials was 59 % (61 % last year) relative to total operating revenues. We earned total gross profits (total operating revenues minus cost of materials) of EUR 49.0 million (EUR 40.1 million last year), which was 22 % or EUR 8.9 million above last year's level,

primarily due to additional contribution margins resulting from the increase in total operating revenues.

Absolute personnel costs for wage and salary earners of EUR 29.5 million have risen by EUR 3.2 million compared to last year (EUR 26.3 million). In relation to total operating revenues, however, personnel costs have decreased by 1 percentage point to 25 %. On average for the year, we employed a total of 1160 people not counting trainees (1028 last year).

At EUR 16.3 million, Other operating expenses decreased in relation to total operating revenues to 14 % (15 % last year). Essential items of Other operating expenses were expenditures for advertising and boat show appearances, freight and packaging, guarantees and license fees. These cost cuts compared to last year primarily resulted from lower legal and consulting fees, decreased rental expenditures as well as reduced expenses for differences in exchange rates.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) improved by EUR 5.0 million to EUR 5.4 million as a result of the above-mentioned factors. This significant rise compared to last year resulted in particular from the additional contribution margins made possible by the growth in turnover and an increase in margins.

Write-downs remained unchanged at EUR 5.3 million compared to last year.

Our financial results amounted to EUR -1.6 million. These primarily include interest costs for previously issued bonds and scheduled interest payments for servicing interest-bearing trade payables. While taking income taxes into account, our consolidated net results amounted to EUR -1.7 million (EUR -6.4 million last year).

The developments in business reported above confirm the prognosis of last year, in which once again significant growth in turnover and appreciable improvement in results were to be expected with a distinctly positive EBITDA. As planned, a rise in turnover and results has been achieved in particular due to an increased commitment on the motorboat market with the yachts of our „Sealine“ and „Fjord“ brands as well as to a planned reduction in production costs by means of a decrease in man-hours accrued per boat, in particular with the motorboats of the „Sealine“ brand. The major share of our turnover revenues is generated – as planned – with our sailing yachts.

2.5 Financial Position

Cash flow from operating activities was EUR +3.4 million and thus improved by EUR 3.9 million compared to last year's level (EUR -0.5 million). In particular, the substantially improved earnings before depreciation led to better cash flow in the operating divisions compared to last year.

Thanks to our extensive investments in past years, no additional major expenditures were necessary for our production facilities in the year under review. Cash flow from investment activities at EUR -5.0 million was mainly marked by expenditures for investments in intangible assets and property, plant and equipment (EUR 5.8 million), which mainly pertained to new yacht developments as well as new production forms for yachts. In France payments of EUR 0.6 million were received from the sale of property not essential to operations.

Cash flow from financing activities totalled EUR +2.7 million. In the year under review, there was a capital increase and accounts owed to banks were repaid on schedule.

As at the balance sheet date there were positive balances held at lending institutions of EUR 4.8 million, which in comparison to last year's balance (EUR 2.5 million) had increased by EUR 2.3 million, thanks to a capital increase in the year reported here as well as better results from business operations. Of our liquid funds a total of EUR 1.2 million is subject to constraints on disposition (EUR 0.7 million last year). In addition, there are overdraft facilities

amounting to EUR 4.6 million (EUR 3.7 million last year), which are partially secured by a state guaranty. As at the balance sheet date, these facilities had been utilised in the form of surety loans (EUR 0.5 million) and cash advances in euros (EUR 3.0 million) (Utilisation of surety loans last year: EUR 2.2 million).
Cash and cash equivalents consisting of liquid assets (EUR 4.8 million) minus cash advances in euros (EUR 3.0 million) increased to EUR 1.8 million (EUR 0.8 million last year) as at the balance sheet date.

Liabilities over and above the above-mentioned debt owed to lending institutions relate to medium- to long-term investment loans and have been reduced to EUR 1.2 million by means of scheduled repayment of principal and of the financing of an industrial robot acquired in the year under review costing EUR 0.2 million and have thus remained nearly unchanged.

In June 2019 bonds will fall due amounting to EUR 13.0 million. These bonds draw 8.0 % interest. The majority shareholder, AURELIUS Equity Opportunities SE & Co. KGaA , has in toto subscribed to bonds with a nominal value of EUR 0.7 million.

To support our franchised dealers, we have concluded master agreements with two independent institutional sales finance companies in addition to the above-mentioned financing instruments. These financial institutions permit dealers with sufficient creditworthiness to finance boats ordered by customers as well as boats to be used as demonstrators and at trade fairs.

2.6 Net Assets

On 30/06/2016 the HanseGroup's total assets amounted to EUR 64.3 million (EUR 58.8 million last year). This figure primarily rose due to a higher level of liquid funds and larger inventories.

At EUR 33.0 million, long-term assets have increased by EUR 0.3 million compared to last year (EUR 32.7 million). The proportion of total assets attributable to non-current capital employed was thus 51.3 % as at the balance sheet date (55.6 % last year).

With intangible and tangible assets, EUR 5.8 million in new investments primarily in our palette of products were able to offset EUR 5.3 million in write-downs.

At EUR 20.8 million, inventory assets have increased by EUR 2.2 million compared to last year. The background for this is that the inventory of boats ordered but not yet delivered was EUR 1.0 million above last year's level (EUR 3.6 million). Moreover, raw materials and supplies rose by EUR 0.7 million to EUR 7.4 million and work in progress by EUR 0.5 million. Conversely, trade payables increased by EUR 2.4 million to EUR 13.6 million compared to last year.
As at the balance sheet date, trade receivables amounted to EUR 3.8 million (EUR 2.2 million last year). This increase is attributable to significantly higher deliveries of new boats to customers compared to the months of last year.

Equity increased by EUR 1.2 million to EUR 12.8 million in the last fiscal year. In the course of the year, a capital increase from authorised capital raised subscribed capital in the amount of the 1 498 840 shares of stock at EUR 1.00 each by EUR 1.5 million to EUR 11.2 million. Capital reserves also rose commensurately by the agio per share by about EUR 1.5 million. On the balance sheet date, our equity ratio was 19.9 % of total capital (19.6 % last year).

Short-term and long-term financial liabilities (in particular loan and current account liabilities owed to banks) were increased by EUR 1.2 million to EUR 4.2 million due to greater utilisation of overdraft facilities. Provisions decreased by EUR 0.1 million to EUR 2.6 million.

2.7 Investments and Depreciation

Thanks to our extensive investments in past years, with the exception of a milling robot no additional major investments were necessary for our production facilities in the year under review. The assembly lines involved in manufacturing sailing yachts using the continuous-flow method as well as cellular manufacturing are regularly subject to service and maintenance.

For this reason, the focus of our investments was essentially placed on developing new types of boats as well as manufacturing and acquiring production forms. The cost of developing new yachts has been capitalised in the amount of EUR 1.0 million (EUR 0.7 million last year). For machinery and technical equipment and/or facilities under construction, additions accounted for a total of EUR 4.2 million (EUR 5.7 million last year). The Sealine F530, two new models from our Hanse brand as well as two new models from our Dehler brand accounted for the lion‘s share of these investments.

2.8 Research and Development

Our development efforts are primarily focussed on developing new and innovative yachts utilising the most advanced materials and manufacturing technology. Know-how gained within the framework of ongoing process optimisation has been flowing into our development efforts. The extensive experience of HanseYachts’ own staff has been enhanced by co-operation with internationally recognised draughtsman‘s offices and yacht designers.

The use of computer-aided design (CAD) software called Catia V5 permits us to use a database to illustrate entire development and production processes, from the initial design to controlling production machinery. In addition to hardware and software costs, expenses have been incurred for advanced training courses for our staff and for utilising external specialists.

In the year under review, the focus of our development activities was to generate new models for our Hanse, Dehler, Fjord and Sealine brands. In so doing, it has been important not only to continue developing exterior and interior layouts for existing models, but also in particular to come up with new designs and concepts and to firm up construction and manufacturing standards.

Expenditures for our research and development activities amounted to EUR 3.0 million in the year reported here (EUR 3.1 million last year). These were mainly personnel expenditures and purchased services. Insofar as the recognition criteria for intangible assets („development costs“) and/or for machinery and technical equipment / facilities under construction („production forms“) were satisfied, a corresponding capitalisation was rendered via own work capitalised (EUR 1.7 million; EUR 1.6 million last year). In total, expenditures of EUR 1.3 million have thus been recognised for research and development (EUR 1.5 million last year) as an expense charged to the accounting period.

3. PERSONNEL

We have a well-trained and highly motivated work force. Securing the jobs of our employees represents an essential constituent of our corporate policy. In so doing, it is not only important for us to retain their professional expertise for our boatyard, but also to be mindful of our social responsibility as one of the largest commercial employers in Greifswald as an economic entity. For these reasons, we offer our employees an attractive working environment, flexible working hours and company-based training. Since January 2016 the new collective wage and salary agreements have been in effect between HanseYachts AG and IG Metall. The remuneration classifications, working hours, holidays and other relevant conditions of employment have been regulated therein.

In the last fiscal year, our work force numbered 1194 employees (1056 last year), 34 thereof were trainees (28 last

year). Professional training in technical and commercial occupations is an important cornerstone in our personnel development. Nearly all of our trainees are hired after their training has been completed, and they can exercise the professions that they have learned with the HanseGroup. We support all of our employees who wish additional or advanced training, so far as our operational possibilities and our specific needs can allow.

We foster objectivity and fairness in dealing with the works council. This cooperation includes mutual information exchanges on a timely basis as well as open dialogs between everyone involved. Two members of the works council have seats on the supervisory board of HanseYachts AG, which comprises a total of six members.

HanseYachts AG is striving for commensurate participation of women in the supervisory board, management board and at the executive level. Attention is drawn to the information provided under https://www.hansegroup.com/de/home/corporate-governance/diversity.html. Commensurate „diversity“ is important for this company.

4. ENVIRONMENT

Efficient use of raw materials and energy is not only an expression of our cost consciousness, but also an important element of our environmental strategy with the aim of reducing emissions. In the fiscal year reported here, a comprehensive compilation was undertaken of all devices consuming energy for the purpose of improving energy efficiency by means of a systematic analysis of total consumption.

5. QUALITY ASSURANCE AND SERVICE

In the fiscal year under review, we continued to improve the processes of quality assurance with respect to our products and services for both our dealers and their customers. Careful examination of quality accompanies production via the various manufacturing phases from receiving goods upon delivery, through screening manufacturing results in the succeeding stations of modern industrial assembly lines all the way to a final inspection after passing through all of the individual stages of the production process.

Service for our dealers and their customers after successful delivery of the yachts is provided by a separate department and guarantees prompt support. For this purpose, HanseYachts AG has implemented an electronic information system with its dealers, through which corresponding queries can be checked and processed. The high production figures of recent years have led to a corresponding flotilla of boats on the market that require support. The costs thus incurred have been borne in part by the respective dealers and in part by HanseYachts AG in accordance with contractual arrangements made between HanseYachts AG and its dealers.

6. DISCLOSURES RELEVANT TO TAKEOVERS

HanseYachts’ subscribed capital is EUR 11 091 430 and is comprised of 11 091 430 no-par value ordinary bearer shares. Without exception, only equally valid ordinary shares have been issued and each share grants one voting right.

The following participations are each over 10 % of HanseYachts’ share capital, including any notifications received prior to completion of this management review: the HY Beteiligungs GmbH holds 51.14 % and AURELIUS Equity Opportunities SE & Co. KGaA 23.46 % of the shares in HanseYachts AG.

The appointment or dismissal of members of the management board has been regulated in Articles 84 and 85 of the German Stock Corporation Act (AktG) as well as in Article 7 of the Articles of Incorporation (AoI) in the version of 29 January 2015. According to Art. 7 of the AoI, the manage-

ment board comprises at least one person; otherwise, the supervisory board determines the number of members on the management board. Amendments to the AoI are made as per Articles 179 & 133 of the AktG and Article 23 of the AoI (version: 29 January 2015); according to the latter regulation, the supervisory board is authorised to amend or supplement the AoI so long as it only affects wording.

At the general meeting of the HanseYachts AG on 14 January 2014, the management board was authorised, subject to the consent of the supervisory board, to increase HanseYachts AG's share capital against cash or in-kind contributions by up to a nominal value of EUR 4 796 295.00 by issuing new shares on a one-off or multiple basis by 13 January 2019 (Authorised Capital 2014). During fiscal year 2015/16, 1 498 840 shares were issued – all from authorised capital – with a nominal value of EUR 1.00 per share at a subscription price of EUR 2.00 per share. Consequently, the remaining authorised capital amounted to EUR 3 297 455.00 as at 30 June 2016.
Share capital was contingently increased by up to EUR 3 500 000.00 by issuing up to 3 500 000 new no-par value shares made out to the bearer (Contingent Capital 2012).
The contingent capital increase will only be implemented insofar as the owners of convertible bonds and options, which have been issued based on authorisation resolved by the shareholders at HanseYachts AG's general meeting on 10 December 2012 until 10 December 2017, make use of their convertible bonds and/or options.

The banks providing the financing are entitled to partial rights of termination for long-term loans in case of a change in control.

Owners of bonds are entitled to rights of termination in case of a change in control of more than 50 % of the voting rights of HanseYachts AG. Bondholders only have the right to early redemption of a bond if the bondholders make use of their right to terminate said bonds at a nominal value of at least 25 % of the bond issue. HanseYachts AG is authorised to terminate outstanding bonds either wholly or partially on 3 June 2017, and to repay them prior to maturity at the contractually stipulated rate.

The management board has been granted an extraordinary right to give notice to cancel their executive contracts in case a shareholder should take over control of a majority of the voting rights. Should this right be exercised, the board members are entitled to compensation amounting to the fixed salary, to which they would have been entitled until expiration of the regular term of their contracts, but limited to the fixed remuneration for one year.

7. RISK AND OPPORTUNITIES

7.1 Opportunities Report

Opportunities result whenever actual business developments exceed planned developments or when the prognosis is improved as the culmination of a positive development. In particular, this is the case with developments in the market with a positive impact on results as well as with product developments.

7.1.1 Growth through Motorboats

In our opinion there is significant potential for growth in this market, as worldwide turnover for boatyards in this market is considerably higher than that for the sailboat market. In the past, turnover from motorboats has only constituted a small share of our total turnover. Here in the past we had covered a very small niche business sector, namely that of powerboats, with the motorboats of our „Fjord“ brand. For this reason, we have augmented our palette of products with the SEALINE brand, which focusses on practical use with its elegant and light design, without neglecting sportiness. In this connection we acquired the Sealine GmbH in March 2014 and have concluded a long-term licensing agreement with the holder of the rights to use the trademark until the end of 2019 to produce and market yachts under the „Sealine“ brand.

By utilising synergies in production and marketing via our network of dealers, we plan to bring the level of turnover of our „Sealine“ brand back to where it once was for over 40 years as an established trademark. As in the fiscal year reported here, we are thus expecting substantial impulses for growth for the HanseGroup from our business with motorboats of the „Sealine“ brand.

7.1.2 Strong Product Portfolio

We have strong and well-known brands on the market for sailing yachts and motorboats. The various yachts produced and marketed by the HanseGroup under our six different brands, „Hanse“, „Dehler“, „Moody“, „Varianta“, „Fjord“ and „Sealine“, have in part been around for a very long time. The yachts of the „Moody“ brand have been selling on the market for water sports since the 19th century. Moreover, the yachts of each brand have their own particular features, a clear design to distinguish them from one another and thus appeal to the varying interests of different customer groups.

Moreover, our yachts are highlighted by continual innovations that enhance the value of our products for customers. In this case we benefit from having our own Research & Development Department, in that in addition to the sailing and technical features of our yachts, our focus is especially placed on design and interior decoration. It is just in these areas that we have been setting new trends again and again as well as continually reworking and expanding our palette of products. In so doing, we can adapt to rapidly changing developments in our markets and respond quickly and flexibly to shifts in the needs and wishes of our customers.

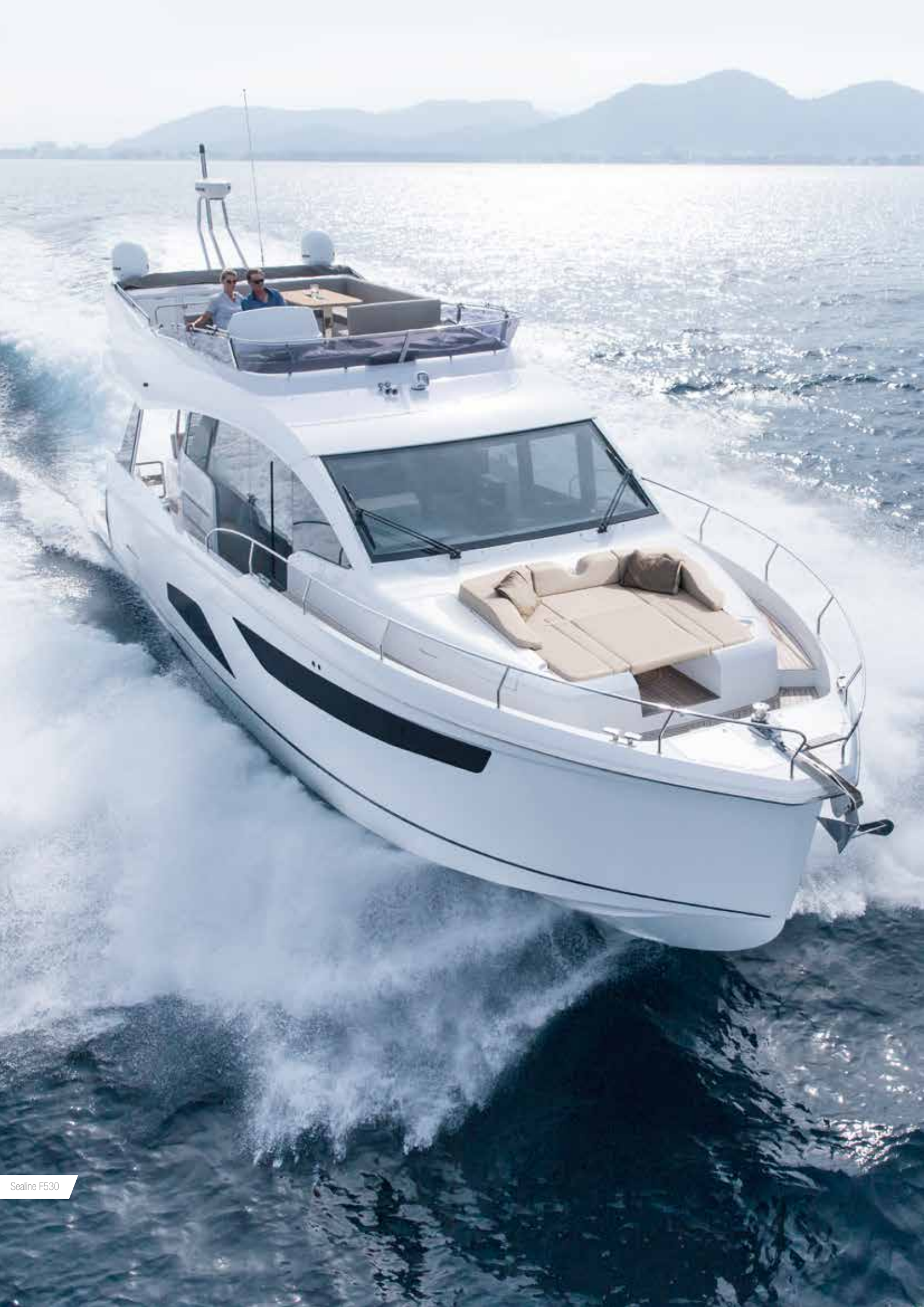
In the opinion of the management board, the HanseGroup is well positioned in comparison to its competitors thanks to its differentiated multiple-brand strategy and thus has a firm base, from which to grow more than the overall market in future.

7.2 Risk Management

As a rule, the HanseGroup’s management board pursues a policy of avoiding risks as much as possible or wherever possible to hedge them accordingly. General risks, such as destruction of production facilities, e.g., through fire, have been covered by safety measures as well as by corresponding insurance with limits of indemnity commensurate with the risks involved.

Our internal early-warning system is focussed on risks that could restrict development or jeopardise the existence of the HanseYachts Group. Essential risks are assessed with respect to the probability of their occurring and their significance for our concern. Systematic presentation and descriptions of the risk groups, damage scenarios and potential countermeasures, relevant control mechanisms and the channels to be used by risk officers when communicating with risk management have been regulated in a risk handbook. It also contains the HanseGroup’s principles of risk policy as well as the structure of risk management and risk communication. Relevant risk positions have been communicated from the respective business divisions directly to the management board.

In addition to regular internal reports on the course of business operations, a uniform, Group-wide planning and budgeting process is also an integral part of risk management. Targets for the stock corporation and the HanseGroup have been bundled in short-term and medium-term planning. Aside from model-based forecasts for sales volume, these are essentially the critical indicators used as decisive factors for determining success, such as the ratio of cost of materials to total operating revenues, the ratio of personnel costs to turnover as well as the budgets for marketing and distribution. Investments and liquidity also form part of the planning. By means of regular reporting, HanseYachts ensures compliance with its forecast targets. Deviations to planning and/or the previous year are systematically analysed on a monthly basis so that when they occur, countermeasures can be promptly determined and implemented.



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7.3 Internal Controlling System

The management board has set up an internal controlling system for the various organisational, technical and commercial processes within the company. An essential component is the principle of separating functions, which should guarantee that executive activities (e.g. processing purchases), bookkeeping (e.g. financial accounting) and administrative procedures (e.g. managing inventories) that are undertaken within the framework of a corporate process are not combined in one single source. This has been supported by ERP software called Pro Alpha, while taking an authorisation concept into consideration. Staff only have access to such processes and data as are necessary for their work. The Four-Eye Principle ensures that essential procedures are not performed without proper supervision.
For various processes within the HanseGroup, there are target concepts and instructions, by which an assessment can be made if staff are working in compliance with said target concepts. Staff in the Accounting Department have mostly been employed at the HanseGroup for many years and consequently are very experienced and sure-handed when dealing with routine business operations and transactions, which are brought on by the HanseGroup's day-to-day commercial activities.
Our risk-management system ensures that critical information and data are passed directly to senior management. To ensure financially proper compilation and appraisal of entrepreneurial facts, close and regular collaboration takes place between the
management board and commercial direction. With respect to new legal regulations and novel or unusual business transactions, we also maintain close contact with our auditors during the course of the year. Problematic cases are first analysed, discussed and are then subjected to critical evaluation together with our auditors. The consolidated Group financial statements are centrally prepared with the aid of certified consolidation software called LucaNet by HanseGroup's own staff, which is equipped with extensive experience and special expertise in questions of consolidation and IFRS accounting principles. For reports from our major foreign subsidiary TTS to the parent company, we use standardised reporting packages that contain all of the data for complete consolidated financial statements in accordance with IFRS.

Moreover, the HanseGroup is also subject to the internal audits of AURELIUS Equity Opportunities SE & Co. KGaA, in whose consolidated financial statements it and its subsidiaries have been included.

7.4 Areas of Risk

7.4.1 Overall Market and Sector

HanseYachts operates in an international market environment and is thus subject to intensive competition. Our products are luxury items, demand for which is heavily dependent on the overall economic situation and the accompanying propensity to consume on the part of potential customers in various markets. Changes in the overall economic framework in essential sales markets can only be partially cushioned in spite of the broad regional distribution of our international franchised dealer networks. The military hostilities in the Middle East and in the Ukraine have only affected our sales volume in a few exceptional cases. Nevertheless, these hostilities could have a greater negative impact on the economy in Europe, which in turn would adversely affect our sales markets. Furthermore, the sovereign debt crisis in several Mediterranean coastal countries as well as Brexit now represent risks to further economic development.

There is a general sales risk due to comparable competing products that are aggressively priced and marketed by competitors. In particular, HanseYachts has minimized this risk with short development cycles, innovative products, but also in part with discounts or enhanced furnishings and equipment. In addition, our palette of products will become broader by means of enlarging formerly smaller business divisions, such as the recent expansion of our motor-yacht division by undertaking production of yachts from the

„Sealine“ brand, thereby increasing the circle of potential customers, also on a regional basis.

7.4.2 Operative Business Risks

Yachts are technically demanding luxury goods that call for a high degree of expertise on the part of the sellers. For this reason, successful marketing of yachts places high demands on the respective sellers. HanseYachts' marketing strategy and growth prospects rely heavily on a network of independent franchised dealerships and are dependent on their number, performance potential and quality. The failure of certain franchised dealers or a worsening of their financial soundness would result in erratic marketing of our products in the respective markets.

The design of our yachts represents an essential aspect of our success. Changes in customer tastes or the development of new models that are not in line with customer tastes could have a significant, materially adverse impact on sales of our yachts. Moreover, despite the chances of reaching new markets, there is a general risk that newly developed models would not be accepted by the market and that the development costs could thus not be amortised.

Yachts produced by the HanseGroup must satisfy the highest demands for quality and safety. Deficiencies in quality cannot be completely prevented despite the care taken and current systems for quality assurance. Product liability cases and accidents involving yachts produced by HanseYachts as well as recall actions due to product risks could cause a substantial financial burden and be injurious to our reputation.

Handling yachts is demanding and requires a high degree of experience. In particular, in critical situations, danger might arise for life and limb for the crew should mistakes in navigation or in operation occur. Even if the HanseGroup cannot be held legally responsible for such accidents or damage, there is a risk that the HanseGroup‘s reputation could suffer.

When producing our boats, there is a risk that planned external and internal logistical operations for production could not be maintained. Hence unexpected delivery bottlenecks, logistical problems or deviations in quality at suppliers of raw materials, parts and components could arise that could not be remedied on short notice. However, something could also occur internally, such as machinery breakdowns, accidents or other incidents, such as natural catastrophes (floods), fire, etc., which could lead to an interruption in production as well as to injury to persons or damage to third-party property or to the environment.

Insurance taken out by the HanseGroup can offset losses caused by elementary damage but can only compensate for financial mishaps caused by organisational deficiencies to a limited extent.

7.4.3 Procurement and Purchasing Risks

The HanseGroup obtains the raw materials, intermediate products as well as parts and components needed to produce its yachts from a number of suppliers. As the procurement volume is valued at around 60% of total revenues, our relationship with suppliers as well as averting any risks associated with it is of great importance to us. In general, market price risks are essentially hedged by concluding master agreements with suppliers wherever possible that in particular stipulate the purchase prices of goods and services for the respective production year. Components that are critical for success are preferably procured from major, international suppliers.

An important supplier is our 100% participation, TTS, that provides HanseYachts AG the greater part of total fibreglass used in production. On-time delivery as well as the quality of the parts supplied by TTS and the other logistical partners are essential for our production flow. A reciprocal and continuous exchange of information as well as timely implementation of suggestions for improvement ensure clock-driven production of yachts. Both on-time delivery as

well as the quality of the parts thus delivered are subject to constant monitoring by HanseYachts AG.

Purchasing risks, e.g., due to loss of individual suppliers or delays in delivery, can be mitigated by ensuring that wherever possible alternative suppliers are available for purchasing parts at any time.

Fluctuations in the prices of raw materials can lead to varying prices in essential supplier categories. This risk can only be partially cushioned by longer-term price agreements.

7.4.4 Financial Risks

As the yachts are almost exclusively produced on end-customer orders, while an advance payment must be paid by the respective customer before the start of final assembly, the risk of customer or end-user defaults is largely obviated. The payments received on account for orders are sufficient to cover any marketing risks. Moreover, yachts are only handed over to customers or their freight forwarders when they have been paid in full or binding confirmation of financing for the sale has been received. Exceptions to this rule require the approval of the management board. As a consequence, our risk is low with respect to loss through default in conjunction with trade receivables for yacht sales.

There is a marketing obligation and in extreme cases a buyback obligation on the part of the HanseGroup for the respective boat involved, arising from a master agreement concluded with two institutional sales finance companies in case a franchised dealer should fail. For these boats HanseYachts AG has collected advance payments and regular payments on principal have been made to the finance company by our dealers, thereby minimising the recovery risk.

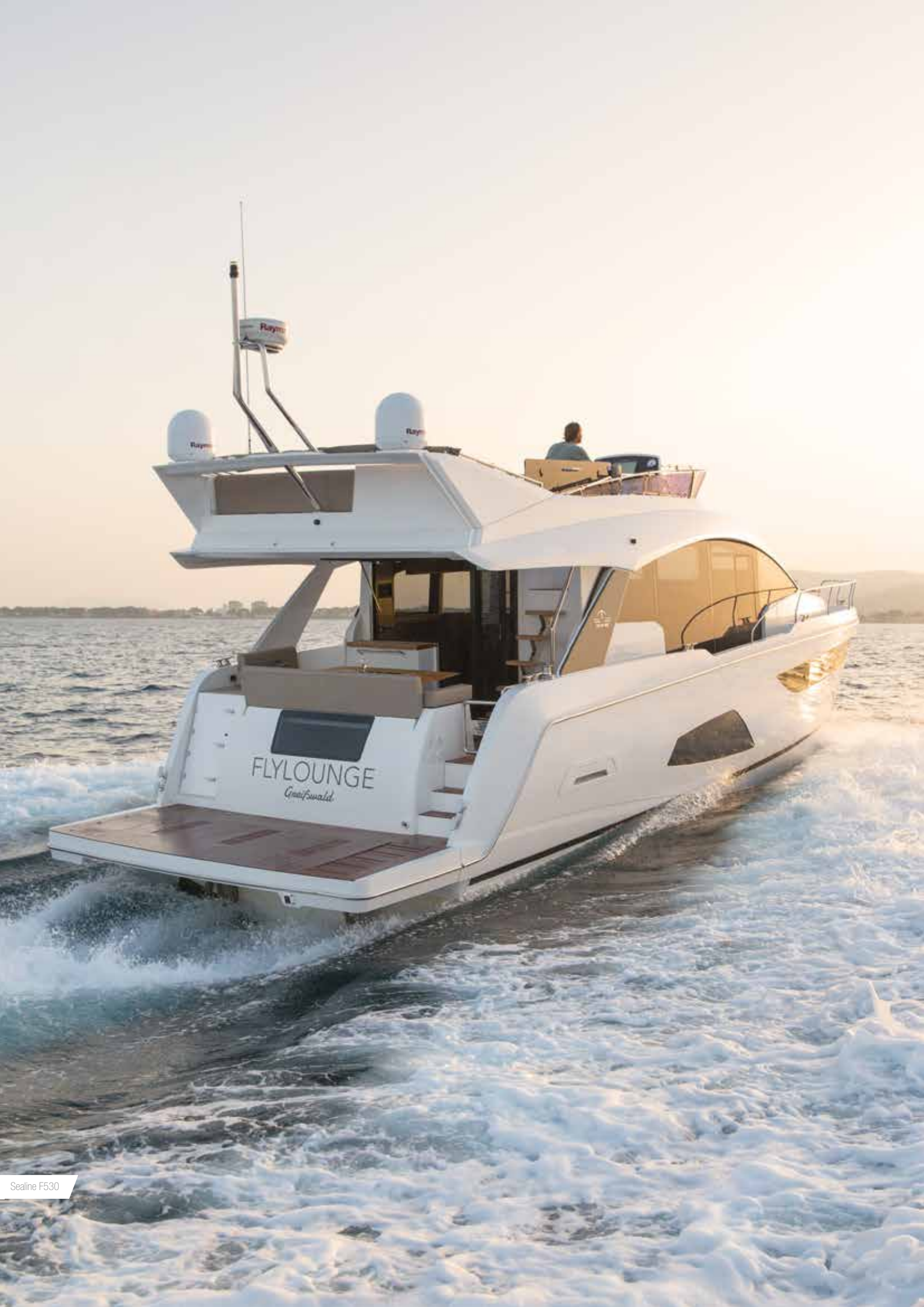
Currency risks are hedged by billing in euros to the greatest extent possible. Otherwise, sales denominated in foreign currencies are hedged with forward currency sales whenever necessary if major impact on earnings is expected as a result of fluctuations in exchange rates.

HanseYachts has been granted public subsidies under certain conditions. Should it violate these conditions, it could be required to return the funds thus disbursed. In addition, repayment of funds could be demanded in the event of violations of European financial aid regulations.

For risks involving fluctuations in interest rates for current Euribor loans, agreements on interest-rate swaps have been concluded that nevertheless no longer fulfil the criteria for a valuation unit after the conditions for interest were newly set in past years and due to unscheduled payments on principal.
Contracts for long-term loans with our banks call for compliance with defined key fiscal indicators, such as dynamic and static debt gearing. Any violation of these fiscal indicators would trigger an extraordinary right of cancellation on the part of lenders that in such cases would be justified in demanding immediate repayment of the respective loan. This could possibly result in making such financing more expensive or in causing a gap in financing to arise that could jeopardize the going concern.

As in last year, compliance was not possible with any of these covenants for all of the loans, for which a credit condition existed The lending institutions involved in the financing were informed early on about a possible failure to comply with the criteria. As at the balance sheet date, the lending institutions have declared that there would not be any consequences with respect to non-compliance with these covenants.

On 3 June 2014 the HanseGroup issued the five-year bond entitled 2014/2019 bond for a total nominal amount of EURE 13.0 million. Holders of these bonds have the right to demand redemption of said bonds in case of a change in control as well as in other cases, such as with default in payment, cessation of payment or cross default. Furthermore, compliance with a Group equity ratio was guaranteed in the course of the year. Based on our planning, violation of these covenants is not foreseeable. Nevertheless, the risk does indeed exist that the Group equity ratio could not be



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maintained due to the seasonal nature of our business plan in the slack winter months when sales are slow.

HanseYachts AG has received a loan from its principal shareholder, HY Beteiligungs GmbH, of EUR 2.0 million that for a part of the total amount of EUR 1.6 million will first fall due after complete repayment of the 2014/2019 bonds. The loan can be called in on the day, on which the lender sells his interest in the borrower to the extent that in the end he holds less than 25 % altogether of the voting rights of said borrower (directly and indirectly via affiliated companies in accordance with Article 15 of the German Stock Corporation Law [AktG] analogous).

Commensurate with the seasonality of our business activities, commitment of resources fluctuates with respect to working capital throughout the entire fiscal year. For this reason, there is a greater need for liquidity during the winter months than in the summer months. To cover this need, in addition to cash and cash equivalents available to us on the basis of purposeful working capital management (for example, utilising due dates and supplier loans), we also have partially State-backed overdraft facilities from our supporting lending institutions available to us.
In addition, there are other financial instruments based on the possibility of topping up the 2014/19 bonds by up to EUR 7.0 million to a volume then of EUR 20.0 million, so long as potential loan investors can be gained to a commensurate extent.

Due to the seasonal nature of our business, essential contributions to earnings will be realised in the second half of the fiscal year, while deficits will be incurred in the first half of the fiscal year. Our planning provides for compliance with the contractual regulations governing minimum shareholders‘ equity backing.

Inherent uncertainties in our planning with regard to our corporate planning are mainly present in regard to sales volume, the sales mix of products and turnover revenues, as a large proportion of customers‘ orders are regularly submitted at the autumn boat shows in late autumn/winter and thus after the financial statements and the consolidated financial statements have been prepared and/or after corporate planning has been completed. At this time, it is difficult for the management board to estimate to what extent Brexit will have a negative impact on our sales volume.

The actual trend of business can deviate from our expectations due to unforeseen circumstances.

7.4.5 Environmental Risks

Production of fibre-reinforced plastics (GRP) has led, inter alia, to emissions of acetone and styrene, for which environmentally sustainable standards must be observed. We comply with those standards. Restrictions on the use of styrene and acetone in our production could cause manufacturing shortfall.

7.4.6 Personnel Risks

As with other small to medium-sized enterprises, HanseYachts’ success is materially dependent on the availability of manpower in sufficient numbers at economically viable wage levels, the continued involvement of our managers, senior executives and other staff in key positions. Whether we will be in a position to implement our plans for growth successfully will also depend on whether and to what extent we will be able to hold key personnel currently on our staff as well as to gain highly qualified employees and executives with experience in our sector and to bind them to our enterprise on a long-term basis. At the HanseGroup, we employ people of various nationalities, who occasionally perform tasks for various subsidiaries within our concern. Moreover, a number of independent entrepreneurs also work for HanseYachts. Unlimited freedom of movement still does not exist within Europe even today. Any violations of social security provisions or of regulations involving German legislation on re-assigning personnel abroad could lead to a classification that deviates from the current status and to correspondingly higher charges for social security contributions.

7.4.7 Insurance Risks

The HanseGroup decides on the type and extent of insurance coverage on the basis of a commercial cost-benefit analysis in order to cover essential risks according to their viewpoint. However, we cannot ensure that losses will not occur or that claims will not be lodged against us that would exceed the coverage of our current insurance or that the type and/or extent of our current insurance would cover all claims for damages. To check the coverage and the respective amounts of our insurance, it is subject to regular reviews as well as mutual discussions with the insurance agents involved.

8. REMUNERATION REPORT

At HanseYachts' general meeting on 17 December 2015, it was resolved that remuneration for members of the management board would not be disclosed on an individual basis for the next five years.

Remuneration for the members of the management board is determined by the supervisory board, which regularly assesses the commensurateness of said remuneration. This remuneration comprises a fixed and a variable component. The variable components are dependent on targets that are determined on a yearly basis and that are oriented to certain indicators (for example, turnover, EBITDA, targets related to marketing, purchasing and manufacturing as well as quality). There is a ceiling on the variable components. The variable remuneration component is paid once annually, depending on the results of the past fiscal year relative to achieving the respective targets agreed upon. Furthermore, in cases of extraordinary accomplishments, the supervisory board can grant the management board a special bonus that would also have a ceiling. No arrangements have been made for pensions. For the fiscal year reported here, the management board will receive a variable remuneration component. Remuneration for members of the supervisory board is determined by the shareholders at the general meeting and has been regulated in Article 14 of the Articles of Incorporation of HanseYachts AG. In addition to reimbursement for expenses, first of all each member of the supervisory board receives fixed annual remuneration of EUR 6000, payable at the end of each fiscal year. In addition, each member of the supervisory board receives variable remuneration of EUR 50 for each cent, by which consolidated earnings after taxes per share exceed EUR 1.30. The chairman of the supervisory board receives three times the normal fixed and variable remuneration; the vice-chairman and heads of commissions receive two times the above-mentioned amounts. For the fiscal year reported here, as in previous years, the supervisory board did not receive any variable remuneration components.

9. REPORT ON POST-BALANCE SHEET DATE EVENTS

There were no further significant events arising after the balance sheet date that would have criticially affected the net assets, financial position and results of operations.

10. FORECAST REPORT

Moderate growth in the gross domestic product is expected for the Eurozone in 2016 and 2017 of 1.7 % and 1.9 %, respectively, while for the world economy growth of only 3.5 %[1] has been estimated for 2017. The world market for water sports, which is relevant for us, remains stable to slightly growing. In this connection, the motors driving this growth are North America and Asia. Europe is our main sales market in absolute figures, whereas the situation in the European countries is very uneven with respect to sales volume: While Germany as a strong market remains unchanged and we can even observe a slight upturn in the water sports business in Spain and also in the Netherlands in light of the improved economic environment, we have

1 Kieler Konjunkturberichte Nr. 19

not experienced any noticeable increase in demand in Italy, Portugal or Greece. The consequences of the decision of British voters to leave the European Union („Brexit „) are not yet foreseeable. Although we expect a certain restraint on the part of individual English customers in fiscal year 2016/17, this will not be critical for our results.

With our steadily growing marketing and distribution network, our increased involvement in motor yachts, ongoing innovations in our products as well as the positive feedback from customers, we consider ourselves well-positioned in the market for water sports. Presentation of our representative brands and our broad range of models at all major boat shows as well as additional newly-developed models will form the basis for successful marketing in the coming season.

After another increase in turnover of 16 % in fiscal year 2015/16 and against the background of a backlog in orders for yachts at the end of that fiscal year, we expect moderate continuation of growth in turnover in fiscal year 2016/17. On this basis, we are expecting further, noticeable improvement in our results and very positive earnings before interest, taxes, depreciation and amortization (EBITDA). According to our expectations, growth in turnover will in fact be driven in particular by sales of motorboats from our „Sealine“ brand.

However, sailing yachts will still account for a major portion of around 70 % of turnover revenues. After taking financial results and write-downs into account, we expect nearly balanced year-end results for fiscal year 2016/17.

Corresponding to the planned increase in turnover, we are expecting the usual build-up in inventories, while the commitment of funds in working capital will rise in the winter months, commensurate with the seasonality of our business activities.

To a certain extent the planned growth will require additional investments in our palette of models as well as in replacement and expansion investments.

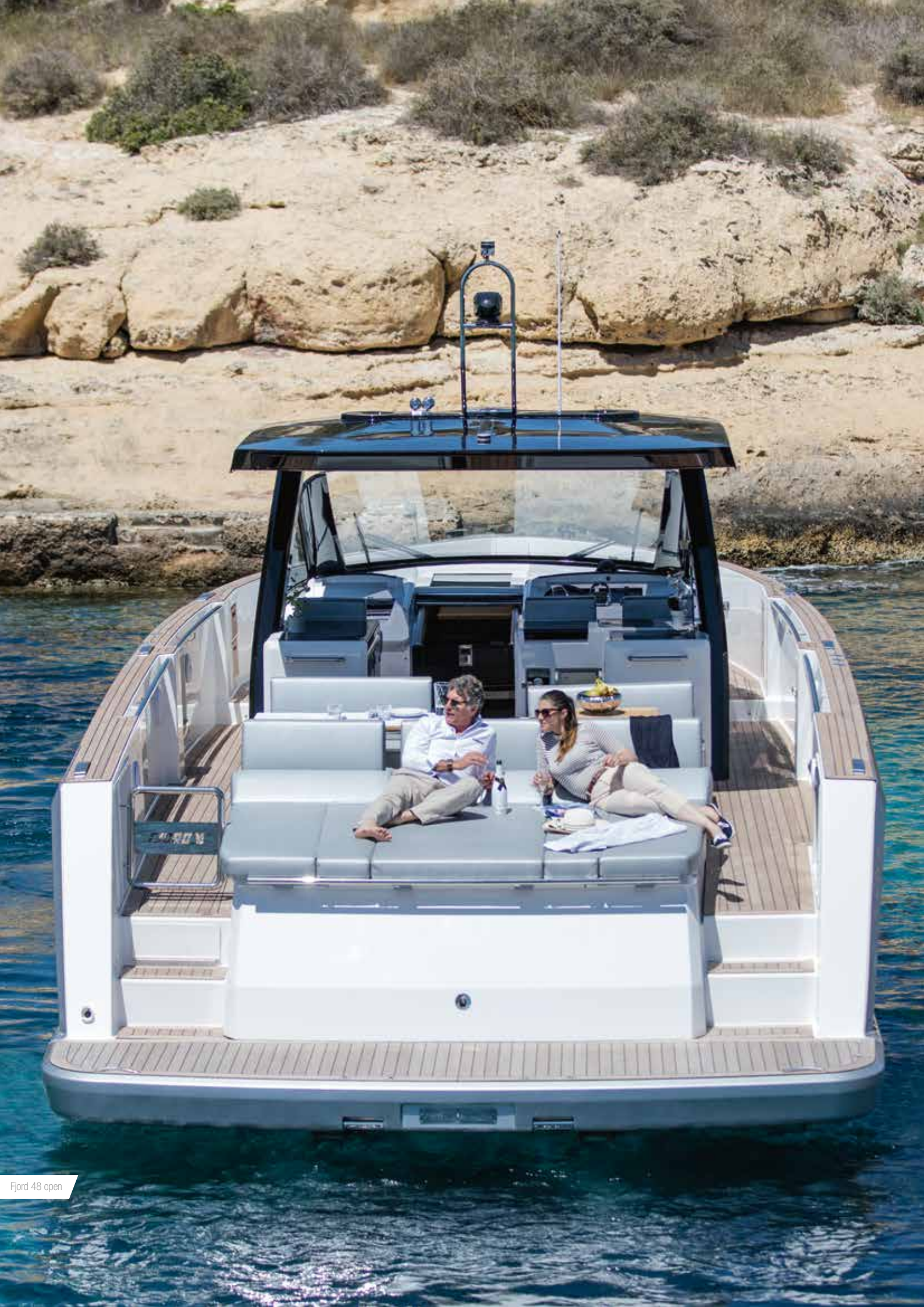
To finance this growth, the HanseGroup has been assessing development of additional financing possibilities in the form of taking out additional overdraft facilities from banks.

Greifswald, 16 September 2016

The Management Board

Dr. Jens Gerhardt

Sven Göbel



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Consolidated Financial Statements

CONSOLIDATED BALANCE SHEET (IFRS)

	Notes	30/06/2016	30/06/2015
		EUR	EUR
ASSETS		**64.305.994,24**	**58.839.398,47**
Non-current assets		**33.001.211,51**	**32.716.088,11**
Intangible assets	6.1.	6.881.140,53	6.301.022,35
Property, plant and equipment	6.2.	25.865.825,51	25.955.899,41
Deferred tax assets	6.3.	254.245,47	459.166,35
Current assets		**31.304.782,73**	**26.123.310,36**
Inventories	6.4.	20.835.721,96	18.666.606,65
Trade receivables	6.5.	3.782.060,06	2.191.464,27
Receivables to reladed parties	11.	0,00	333.291,81
Other assets	6.6.	1.908.368,97	1.792.395,82
Cash and cash equivalents	6.7.	4.778.631,74	2.499.980,76
Non-current assets held for sale	6.8.	0,00	639.571,05
EQUITY & LIABILITIES		**64.305.994,24**	**58.839.398,47**
Equity	6.9	12.795.939,16	**11.547.645,65**
Subscribed capital		11.091.430,00	9.592.590,00
Capital reserves		3.663.726,37	2.164.886,37
Reserve for currency translation differences		189.552,33	191.018,56
Net earnings		(2.148.769,54)	(400.849,28)
Non-current liabilities		**14.545.708,39**	**14.518.297,87**
Bonds	6.11., 11.	12.758.212,78	12.674.854,85
Other financial liabilities	6.12.	31.308,01	209.923,24
Finance lease liabilities	6.13.	156.187,60	33.519,78
Liabilities to related parties	11.	1.600.000,00	1.600.000,00
Current liabilities		**36.964.346,69**	**32.773.454,95**
Other provisions	6.10.	2.603.388,56	2.697.797,55
Other financial liabilities	6.12.	3.996.224,04	2.765.811,73
Current finance lease liabilities	6.13.	42.196,72	8.727,35
Payments on account received	6.14.	9.028.273,07	9.130.953,30
Trade payables	6.14.	13.557.558,34	11.188.136,92
Income tax liabilities	6.3.	82.234,82	131.330,01
Liabilities to related parties	11.	3.452.560,85	3.365.334,72
Other liabilities	6.14.	4.201.910,29	3.485.363,37

STATEMENT OF COMPREHENSIVE INCOME
and other results (IFRS)

in EUR	Notes	01/07/2015 to 30/06/2016	01/07/2014 to 30/06/2015
Revenues	**5.1.**	**114.886.734,63**	**99.251.067,56**
Decrease/ Increase in work in progress and finished goods	5.1.	1.742.951,82	1.852.935,38
Own work capitalised	5.1.	1.902.374,85	1.938.882,91
Other operating income	5.2.	2.240.504,81	2.129.005,30
Cost of materials	5.3.	(69.487.993,47)	(62.972.420,88)
Personnel expenses	5.4.	(29.543.629,22)	(26.280.503,90)
Other operating expenses	5.5.	(16.300.170,64)	(15.445.267,63)
EBITDA		**5.440.772,78**	**473.698,74**
Amortisation, depreciation and write-downs	5.6.	(5.280.956,29)	(5.290.447,15)
EBIT		**159.816,49**	**(4.816.748,41)**
Net financial costs	5.7.	(1.632.262,32)	(1.865.090,40)
Earnings before income taxes		**(1.472.445,83)**	**(6.681.838,81)**
Income taxes	5.8.	(275.474,43)	248.067,71
Consolidated loss / net earnings		**(1.747.920,26)**	**(6.433.771,10)**

Earnings per share	**5.9.**	**(0,17)**	**(0,67)**
(undiluted / diluted)			
Consolidated loss / net earnings		**(1.747.920,26)**	**(6.433.771,10)**
Other income			
Items which are retroactively allocated to the statement of comprehensive income			
Currency translation difference		(1.466,23)	1.246,33
Total result for the period		**(1.749.386,49)**	**(6.432.524,77)**

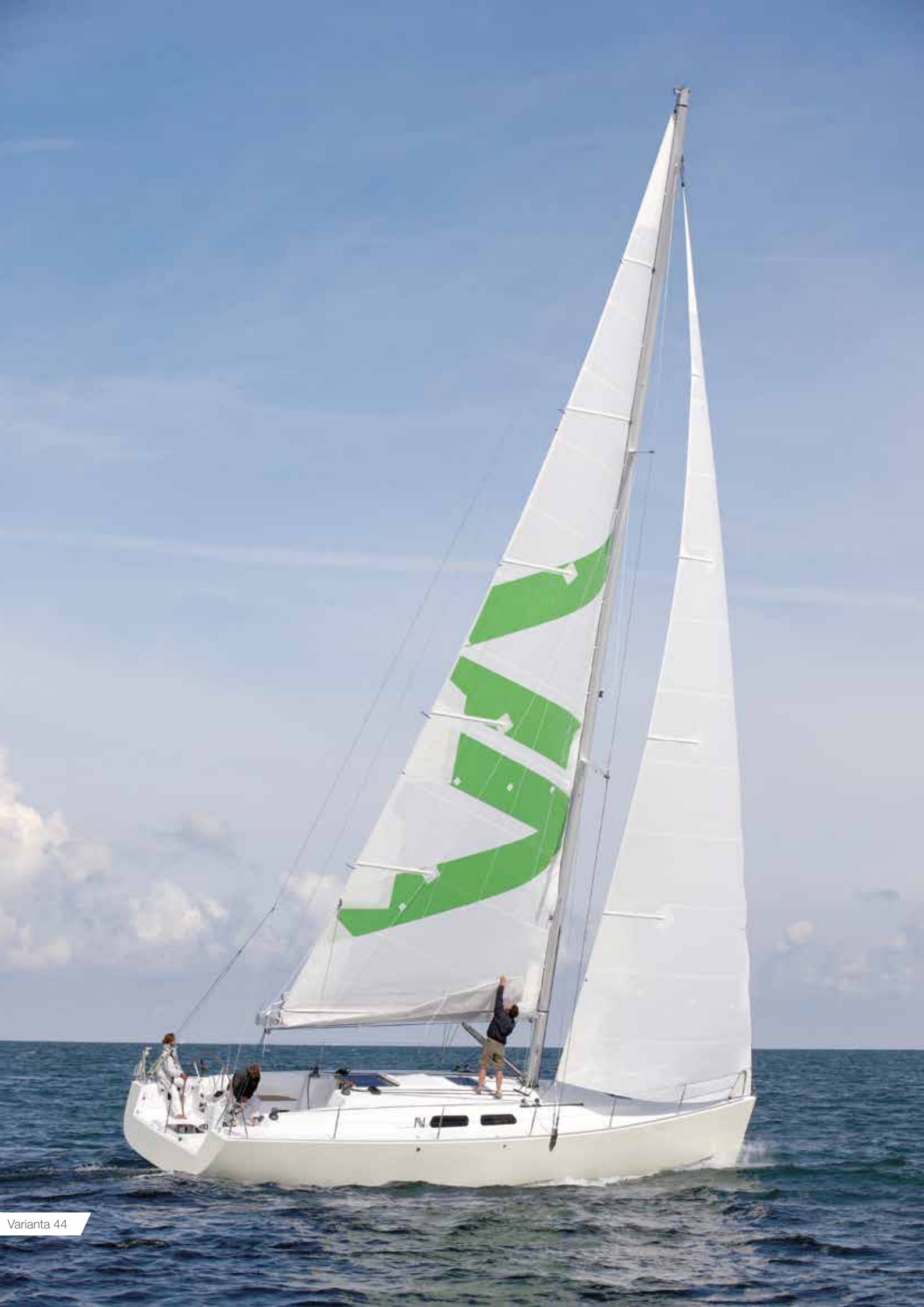
CONSOLIDATED CASH FLOW STATEMENT (IFRS)

in EUR	Notes	01/07/ 2015 to 30/06/2016	01/07/ 2014 to 30/06/2015
Earnings before interest and taxes (EBIT)		**159.816,49**	**(4.816.748,41)**
Amortisation, depreciation and write-downs		5.280.956,29	5.290.447,15
Interest paid (net)	7.	(1.333.329,83)	(1.874.270,20)
Income taxes paid (net)	7.	(87.170,25)	42.346,00
Gains from disposals of assets as well as profits from disposals of non-current assets (netted with losses)		(4.934,90)	(37.260,84)
Changes in inventories, receivables and other assets not related to investing or financing activities		(3.542.650,82)	78.149,58
Changes in liabilities not related to investing or financing activities		2.912.839,34	800.492,14
Cash flow from operating activities		**3.385.526,32**	**(516.844,58)**
Proceeds from disposals of assets from property, plant and equipment as well as proceeds from non-current assets held for sale		641.755,93	96.771,12
Investments in			
intangible assets	6.1	(1.168.227,24)	(1.251.689,67)
property, plant and equipment	6.2	(4.461.610,31)	(6.080.251,16)
Cash flow from investing activities		**(4.988.081,62)**	**(7.235.169,71)**
Repayments of liabilities from finances leases		(18.864,81)	(495.359,33)
Cash in from bond issue	6.9	2.997.680,00	0,00
Proceeds from other financial liabilities	6.12, 11	340.239,04	2.199.240,70
Repayments of bonds	6.11	0,00	(3.623.000,00)
Repayments of bank loans		(649.370,33)	(1.609.032,33)
Cash flow from financing activities		**2.669.683,90**	**(3.528.150,96)**
Change in cash and cash equivalents		**1.067.128,60**	**(11.280.165,25)**
Exchange rate-related changes in financial funds		(2.207,00)	(28.464,00)
Cash funds at beginning of period		752.996,75	12.061.626,00
Cash and cash equivalents at end of period		**1.817.918,35**	**752.996,75**
Composition of cash and cash equivalents			
Bank balances	6.7	4.772.980,29	2.496.562,03
Cash in hand	6.7	5.651,45	3.418,73
Bank overdrafts	6.12	(2.960.713,39)	(1.746.984,01)
		1.817.918,35	**752.996,75**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS)

	Number of no-par value shares	Subscribed capital	Capital reserves	Net retained earnings / loss	Reserve for currency translation differences	Consolidated equity *)
		EUR	EUR	EUR	EUR	EUR
30/06/2014 / 01/07/2014	**9.592.590**	**9.592.590,00**	**2.164.886,37**	**6.032.921,82**	**189.772,23**	**17.980.170,42**
Consolidated net earnings		0,00	0,00	(6.433.771,10)	0,00	(6.433.771,10)
Other income		0,00	0,00	0,00	1.246,33	1.246,33
Total result for the period		0,00	0,00	(6.433.771,10)	1.246,33	(6.432.524,77)
30/06/2015 / 01/07/2015	**9.592.590**	**9.592.590,00**	**2.164.886,37**	**(400.849,28)**	**191.018,56**	**11.547.645,65**
Capital increase for cash	1.498.840	1.498.840,00	1.498.840,00	0,00	0,00	2.997.680,00
Consolidated net loss		0,00	0,00	(1.747.920,26)	0,00	(1.747.920,26)
Other comprehensive income		0,00	0,00	0,00	(1.466,23)	(1.466,23)
Total result		0,00	0,00	(1.747.920,26)	(1.466,23)	(1.749.386,49)
30/06/2016	**11.091.430**	**11.091.430,00**	**3.663.726,37**	**(2.148.769,54)**	**189.552,33**	**12.795.939,16**

*) Minority interests do not exist. Total equity is allocated to HanseYachts AG´s shareholders



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NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (IFRS)

1. GENERAL DISCLOSURES

HanseYachts AG, whose registered office is in Greifswald, Germany, is a publicly listed company (Aktiengesellschaft) and parent company of the HanseGroup. HanseYachts AG is publicly listed on the General Standard of the Frankfurt Stock Exchange.

The principal business activities of the companies in the HanseGroup are essentially the development, production and sale of sailing yachts under the HANSE, MOODY, DEHLER and the VARIANTA brands as well as motor boats under the FJORD and SEALINE brands. The HanseGroup conducted its business activities from production facilities in Greifswald and in Poland as well as at two operative distributorship companies in Greifswald and the US.

The consolidated financial statements of HanseYachts AG have been prepared in euros. Unless otherwise indicated, all amounts will be rounded off to the nearest thousand euros and quoted in millions/thousands of euros (EUR x million/EUR xK). Differences of up to one unit (EUR xK, %) represent technical and justified differences caused by rounding off.

The HanseGroup has a fiscal year, which deviates from a calendar year, from 1 July to 30 June of the respective following year. Seasonal business cycles can thus be taken into account.

HanseYachts AG is entered in the commercial register of the Stralsund Magistrates‘ Court (Amtsgericht) under reference No. HRB 7035. The company’s address is Ladebower Chaussee 11, 17493 Greifswald.

2. ACCOUNTING PRINCIPLES

The 2015/16 consolidated financial statements comply with the standards and interpretations issued by the IASB in London, as adopted by the EU, and with the supplementary requirements of Art. 315a of the German Commercial Code (HGB). In so doing, all standards and interpretations issued and whose adoption was mandatory as at 30 June 2016 have been applied.

In fiscal year 2015/2016 there were no new standards to be applied for the first time. Adjustments in the accounting standards from the initial application of annual improvements did not have any influence on the net assets, financial position and results of operations and for this reason have not been individually displayed.

The following standards and interpretations have been passed by the IASB and/or by the IFRIC; nevertheless these have not been applied in the consolidated financial statements as at 30 June 2016 as their application will only be mandatory in subsequent fiscal years and/or an endorsement by the European Commission has not yet been issued:

- IAS 1* Disclosure initiative (as at 1 January 2016)
- IAS 16*and IAS 38* Clarification of admissible depreciation methods (as at 1 January 2016)
- IAS 27* Equity method in separate financial statements (as at 1 January 2016)
- IAS 41* Fruit-bearing plants (as at 1. January 2016)
- IAS 7* Disclosure initiative (as at 1 January 2017)
- IAS 12* Recognition of deferred tax assets for unrecognised losses (as at 1 January 2017)
- IFRS 2* Classification and measurement of business transactions with share-based remuneration (as at 1 January 2018)
- IFRS 9 Financial instruments: Classification and measurement (as at 1 January 2018)
- IFRS 15 Revenues from contracts with customers (as at 1 January 2018) and clarification of point-in-time application of IFRS 15* (as at 1 January 2018)
- IFRS 16 Leasing arrangements (as at 1 January 2019)
- IFRS 10*, IFRS 12* and IAS 28* Investment firms: Application of the exception rule on consolidation (as at 1 January 2016; Endorsement is expected for the 3rd quarter 2016)
- IFRS 14 Regulatory deferrals (Endorsement is expected after publication of the final standards)
- IFRS 10* and IAS 28* Disposal or utilisation of assets between one investor and an associated company or joint venture (Endorsement postponed for an indefinite period)

*) Amendments (Amendments to existing standards/ interpretations)

These standards and interpretations will first be applied by HanseYachts AG when their application becomes mandatory and an endorsement by the European Commission has been issued. According to an estimate made at this time — with the exception of IFRS 16 — no future application will have any material impact on the representation of the assets, earnings and financial position of the HanseGroup.

IFRS 16, which has not yet been adopted by the EU within the framework of a committee procedure, will exert significant influence on the presentation of the assets, earnings and financial position of the HanseGroup.

IFRS 16 addresses leasing contracts and is to be applied in the EU for fiscal years that begin on 1 January 2019 at the earliest. An endorsement within the EU has not been issued to date so that if necessary application may also be possible at a later time frame. HanseYachts AG will apply any amendments in fiscal year 2019/2020 at the earliest. In principle the standard is to be applied retroactively wherever necessary while utilising transition relief provisions.

In accordance with IFRS 16, a leasing agreement exists when the lessee (user) contractually obtains the right from the lessor (owner) to make use of an identified asset for a stipulated time frame, and the lessor in return receives some form of payment from the lessee. In future the lessee has to enter the right of use on the assets side and the obligation to make payment resulting from the leasing contract on the liabilities side. Leasing liabilities will be set at the cash value of future leasing payments. Depending on how the leasing contract is formulated, either degressive or straight-line cost allocation will be applied over the term of the lease.

This will lead to reclassification of all duly received rental and leasing contracts, independent of prior accounting as finance leasing. The relief rules stipulated in IFRS 16 (hedge accounting for leasing contracts valued at < EUR 5K) will not lead to any substantial relief.

At HanseYachts AG, operating leases have been contracted until now with a volume of EUR 1.1 million as at 30 Jun 2016 (see text at No. 10.2). Initial application of these leasing contracts occurred with the cash value of the minimum leasing payments so that the total assets of HanseYachts AG would increase by a somewhat lower amount than the volume of the operating leases thus contracted.

These consolidated financial statements prepared in accordance with IFRS work as an exemption to preparing such consolidated financial statements in accordance with the German Commercial Code (HGB), as the prerequisites for Article 315a (HGB) have been fulfilled. The consolidated financial statements have been submitted to the Bundesanzeiger Verlagsgesellschaft mbH in Cologne, and will be published electronically by that company in the Federal Gazette.

3. CONSOLIDATION PRINCIPLES

3.1. 3.1 Scope of Consolidation

The parent company of the Group is HanseYachts AG. In addition to HanseYachts AG, eight (six last year) companies located in Germany and four (four last year) companies located abroad have been included in the consolidated financial statements.

Name of Company			Shareholding 30/06/2016
Direct holdings:	short		
1. Dehler Yachts GmbH	DY	Greifswald	100 % (Last Year 100 %)
2. Hanse (Deutschland) Vertriebs GmbH & Co. KG	HVG	Greifswald	100 % (Last Year 100 %)
3. Verwaltung Hanse (Deutschland) Vertriebs GmbH	VHV	Greifswald	100 % (Last Year 100 %)
4. Yachtzentrum Greifswald Beteiligungs-GmbH	YZGB	Greifswald	100 % (Last Year 100 %)
5. HanseYachts US, LLC	HUS	Savannah / USA	100 % (Last Year 100 %)
6. Technologie Tworzyw Sztucznych Sp. z o.o.	TTS	Goleniów / Polen	100 % (Last Year 100 %)
7. HanseYachts TVH GmbH	HYTVH	Greifswald	100 % (Last Year 100 %)
8. Sealine GmbH	Sealine	Greifswald	100 % (Last Year 100 %)
9. Moody Yachts GmbH	MY	Greifswald	100 % (Last Year 100 %)
Indirect holdings:			
Over No. 4 10. Mediterranean Yacht Service Center SARL	MYSC	Canet en Roussillon / Frankreich	100 % (Last Year 100 %)
Over No. 7 11. HanseYachts Technologie und Vermögensverwaltungs GmbH	HYTV	Greifswald	100 % (Last Year 100 %)
Over No. 8 12. Powerboat 2013 Ltd.*	PB	London, England	0 % (Last Year 100 %)

* Powerboat 2013 Ltd. was liquidated on January 19th 2016.

Exemption Regulations for Group Enterprises

By inclusion in HanseYachts AG's consolidated financial statements, the Hanse (Deutschland) Vertriebs GmbH & Co. KG intends in future to utilise the easing of disclosure regulations under the additional stipulations of Art. 264b of the German Commercial Code (HGB).

The Dehler Yachts GmbH, Verwaltung Hanse (Deutschland) and Vertriebs GmbH, the Yachtzentrum Greifswald Beteiligungs-GmbH, the Sealine GmbH, the Moody Yachts GmbH and HanseYachts Technologie und Vermögensverwaltungs GmbH intend in future to take advantage of the easing of disclosure regulations under the additional stipulations of Art. 264b, Para. 3 of the German Commercial Code (HGB).

Inclusion in Overriding Consolidated Financial Statements

HanseYachts AG and its direct and indirect subsidiaries are to be included in the financial statements of AURELIUS Equity Opportunities SE & Co. KGaA in Grünwald (formerly Aurelius AG), which will be forwarded to the operator of the Bundesanzeiger and will be published via the web site of the business register.

3.2. Consolidation Methods

In addition to HanseYachts AG, all of the companies both foreign and domestic have in principle been included in the consolidated financial statements as at 30 June 2016 that are controlled by HanseYachts AG in accordance with the requirements of IFRS 10. In this regard, HanseYachts AG controls its Group subsidiaries if it is entitled to the variable returns from the subsidiaries thanks to its connection with said subsidiaries and in addition HanseYachts AG has the possibility of using its decision-making powers to influence those variable returns. These decision-making powers over a subsidiary are manifest when HanseYachts AG has the possibility of determining the relevant activities of a subsidiary due to its established rights. As a rule, this prerequisite is given if HanseYachts AG directly or indirectly owns a majority of the voting rights in the respective subsidiary or it possesses similar rights. In determining a controlling interest, potential voting rights that can be exercised or converted at present are also taken into consideration. The financial statements of subsidiaries are included in the consolidated financial statements from the day a controlling interest is acquired until it ends.

All of the companies included in the consolidated financial statements prepare their own annual financial statements or interim financial statements at the reporting date of the single-entity financial statements for HanseYachts AG, which serves as the reporting date for the consolidated financial statements.
The consolidated financial statements have been prepared on the basis of consistent recognition and measurement policies in accordance with IFRS. Wherever necessary, the financial statements of the subsidiary companies have been adapted so that the accounting policies adopted correspond to those used by the HanseGroup.

Subsidiaries are consolidated for the first time in accordance with IFRS 3 using the purchase method by offsetting the cost of the shares acquired against the proportionate share of the assets, liabilities and contingent liabilities of the subsidiaries, re-measured at the date of the acquisition. A positive difference arising after a purchase price allocation is recognised as goodwill under Intangible assets in accordance with IFRS 3.

Currently there are no minority interests to whom shares in equity and/or total net earnings are to be allocated.

Intercompany profits and losses, revenues, expenditures and earnings as well as receivables and payables and or provisions between consolidated companies have been eliminated.

Intercompany profits included in inventories as a result of intra-Group supplies have been eliminated.

Sureties and guaranties assumed by HanseYachts AG for the benefit of consolidated subsidiaries have been eliminated since the underlying liabilities are recognised in the consolidated financial statements.

3.3. Foreign Currency Translation

The annual financial statements prepared in foreign currencies of companies included in the consolidated financial statements are translated using the functional currency approach (IAS 21: „The Effects of Changes in Foreign Exchange Rates“).

The financial statements of Hanse US, which is a subsidiary considered to be an autonomous economic entity, was translated into euros in accordance with the modified method with the exchange rate in effect on the reporting date in accordance with IAS 21. The companies‘ functional currency is the US dollar. Assets and liabilities were translated at the mean rate on the balance sheet date; items in the income statement have been translated at the respective average rate on a monthly basis. Differences arising from the use of varying exchange rates for the balance sheet and the income statement are recognised directly in equity and reported separately in the provision for currency translation. For TTS, the functional currency is the euro since business with HanseYachts AG is mainly transacted in euros. Currency differences are recognised accordingly as profit or loss in the consolidated financial statements. As for TTS the essential investments and redemption have been completed, the non-monetary items of TTS‘s financial statements have now been measured at the historical exchange rates in line with the concept of functional currency.

Attention is drawn to the information provided under 4.22 relating to the rates of conversion used.

4. ACCOUNTING PRINCIPLES

4.1. General Principles

The consolidated financial statements have been prepared on the basis of the historical cost principle, with the exception of certain derivative financial instruments measured at fair value through profit or loss. Non-current assets held for sale are measured in accordance with IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations) with their carrying amounts or with lower fair values less selling costs, so long as this is lower.

The income statement has been structured in accordance with the nature of expense method.

4.2. Revenue Recognition

Revenues stem mainly from the sale of sailing yachts and motor boats. Revenues from the sale of products are recognised when the risks and rewards of ownership have been transferred to the customer, a price has been agreed or can be determined and it is probable that said price will be paid. Revenues are reported net of discounts, price reductions, customer bonuses and rebates.

4.3. Product-related Expenditures

The costs of advertising and sales promotion as well as other sales-related costs are expensed as incurred. Provisions are formed for possible warranty claims relating to products already sold on the basis of past experience, while taking statutory and contractual periods into account. Moreover, additional provisions have been created for known individual cases.

4.4. Expenditures for Research and Development

Development costs are capitalised in the balance sheet if all of the criteria have been fulfilled for recognition of internally generated intangible assets.

The manufacturing costs of internally generated intangible assets comprise all directly attributable costs for development projects approved and budgeted by management (for sailing or motor yacht types). As in the last year, the assets are depreciated over their average useful lives on a straight-line basis in proportion to the length of time involved, namely three years.

So long as these development costs lead to assets which must be capitalised as items of property, plant and equipment, these must be recognised under Property, plant and equipment and depreciated on a straight-line basis over the anticipated useful life of these assets. In so doing, production moulds for sailing yachts and motor boats, especially those manufactured internally by the HanseYachts Group, have been recognised as assets and as in the previous year have been depreciated using a straight-line basis over an estimated service life of between three to five years.

Research and development expenses are therefore recognised as profit or loss when incurred.

4.5. Hedging Transactions

In principle, HanseYachts AG makes use of derivative financial instruments for hedging purposes in order to reduce currency and interest rate risks arising from business operations or from the financing requirements resulting from them.

In accordance with IAS 39, all derivative financial instruments, such as interest rate swaps, are recognised at fair value. Derivatives that serve interest-rate or currency-hedging purposes within the HanseGroup in accordance with business management criteria do not meet the strict criteria for hedge accounting in accordance with IAS 39 They are classified as financial assets and liabilities at fair value through profit or loss and handled accordingly.

4.6. Financial Results

Financial results include interest income from cash deposits and the interest expense on loans as well as the income and expense from any interest rate hedges (ongoing compensation payments and changes in fair value). These are recorded on the date, on which they occur. Moreover, financing-related foreign currency profits and losses, which are incurred in conjunction with investments implemented by TTS as well as their redemption, have been included in the financial results.

4.7. Income Taxes

Income taxes include payment obligations arising from HanseYachts AG‘s taxable earnings on the one hand. On the other hand, they also include recognition of deferred tax assets and liabilities for all temporary differences between the carrying amounts of assets and liabilities in the consolidated balance sheet and their tax bases in accordance with IAS 12 (Income Taxes). See also 4.19. and 4.20.

4.8. Cost of Raising Equity Capital

In accordance with IAS 32.37, costs directly associated with issuing equity capital in the previous year are not recognised as an expense but are deducted directly from the amount of the capital raised minus the tax benefit resulting from their deductibility for tax purposes. The capital increase implemented in the fiscal year under review was brought about from authorised capital so that costs were only involved to a limited extent with regard to the stock issue.

4.9. Intangible Assets

Individually purchased intangible assets are measured at cost on initial recognition. The cost of intangible assets acquired as part of a corporate merger is equal to their estimated fair value on the date of the acquisition. After initial recognition, intangible assets are recognised at cost less cumulated amortisation and all impairment write-downs. Internally generated intangible assets are recognised as far as the conditions for such recognition have been fulfilled. The remainder of the costs are recognised in profit or loss in the period, in which they are incurred.

For intangible assets, it is initially necessary to determine whether their useful lives are finite or indefinite. Intangible assets with finitely useful lives are amortised pro rata on a straight-line basis over their useful economic lives and tested for possible impairment whenever there are indications that said intangible assets may be impaired. The amortisation period and method for intangible assets with finitely useful lives are reviewed at least at the end of each fiscal year.

If the expected useful life or the expected rate of amortisation of the asset has changed, a different amortisation period or amortisation method will be selected. Changes of this nature are handled as changes in an estimate.

As in the last fiscal year, the useful lives of intangible assets with finitely useful lives are between three and eight years.

For intangible assets with indefinitely useful lives, an impairment test is carried out at least once a year for the individual asset or on the level of the smallest cash-generating unit, to which it belongs. These intangible assets are not systematically amortised. The useful life of an intangible asset with an indefinitely useful life is reviewed once annually to determine whether the estimate that the useful life is indefinite is still justified. Should this prove not to be the case, the estimate would be changed from an indefinitely useful life to a finitely useful life on a prospective basis.

Intangible assets with an indefinite useful life remain unchanged relative to last year and contain their recognised good will (residual carrying amount: EUR 2.0 million) and trademark rights (residual carrying amount: EUR 1.6 million).

4.10. Goodwill

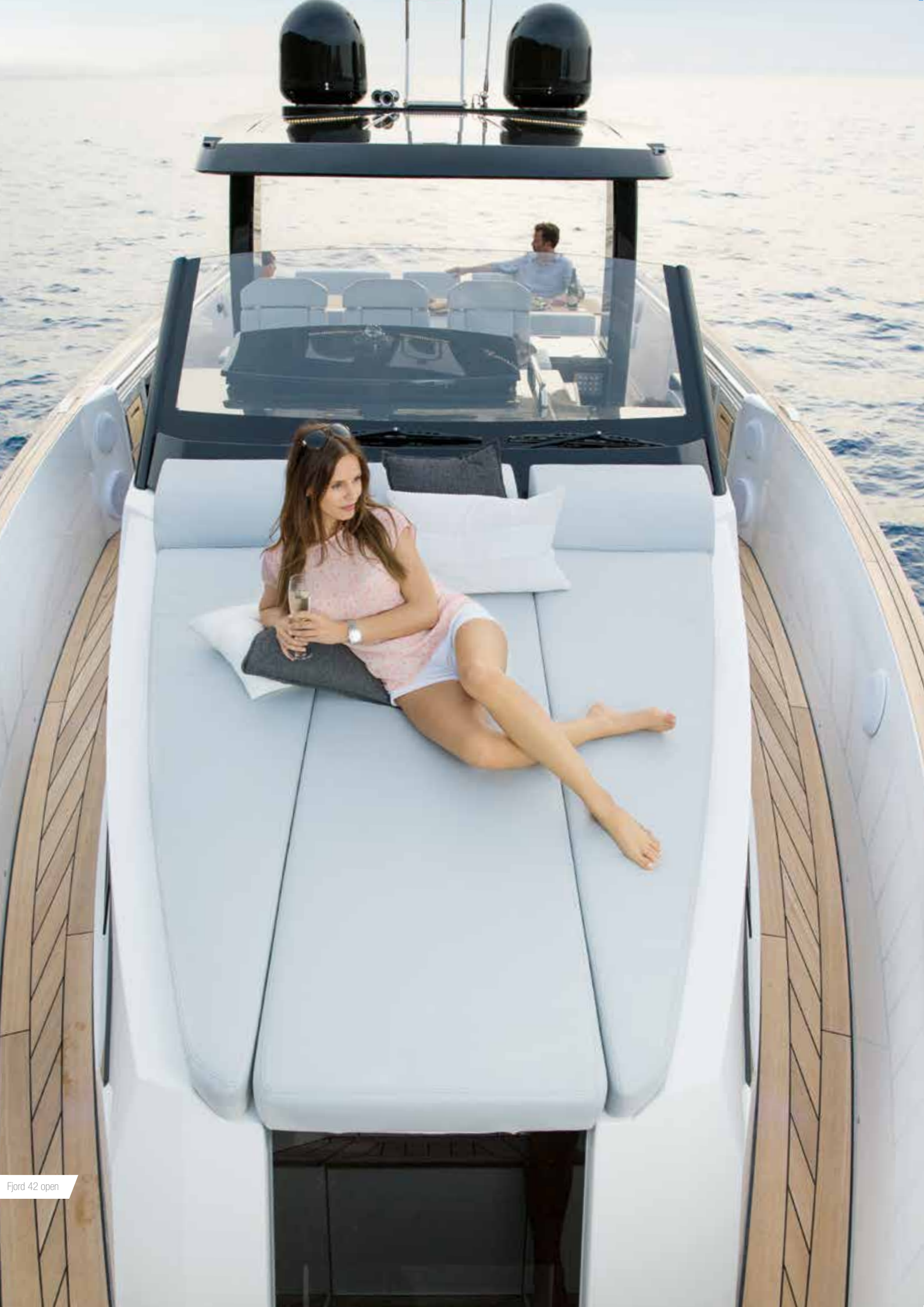
Goodwill is the positive difference between the cost of the investment and the fair value of the assets and liabilities acquired in the context of a corporate acquisition. Goodwill is not amortised but is instead tested at least once a year for impairment to determine the possible need for an unscheduled impairment write-down.

4.11. Impairment of Assets

HanseYachts AG conducts an impairment review of intangible assets and items of property, plant and equipment as soon as there are indications of possible impairment. Impairment is assessed by comparing the carrying amount with the recoverable amount.

The recoverable amount is the higher of the fair value less sales costs and the present value of the attributable future cash flows from continued use of the asset. If the carrying amount is higher than the recoverable amount, an unscheduled impairment write-down is recognised in respect of the asset in the amount of the resulting difference. Reversals of impairment write-downs are recognised to the extent that the reasons for impairment write-downs recognised in previous years no longer exist.

The annual impairment test for the goodwill arising from initial consolidation and trademark rights is carried out at the level of the cash-generating unit relevant for the test. Impairment is determined by comparing the carrying amount of the cash-generating unit including the attributable goodwill and the recoverable amount of the cash-generating unit. The recoverable amount for the purposes of this test



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is the value in use determined on the basis of discounted cash flows before taxes. If the carrying amount of the business unit exceeds its recoverable amount, an impairment write-down is recognised as profit or loss in the amount of the difference. Unscheduled impairment write-downs of goodwill are not subsequently reversed. The expected surplus of cash of a cash-generating unit is derived from the medium-term business plan of the HanseGroup. With respect to the HanseGroup's business units, we draw your attention to the information provided under 4.24 (Segment Reporting). Consequently, the cash-generating units correspond to legal entities or combinations of legal entities within the HanseGroup, as entrepreneurial arrangements are made on this basis. Planning is based on a time horizon of two years (two years last year). For subsequent periods, cash flow has been extrapolated on the basis of the expected rates of growth in each case. As in the previous year, the average rate of growth applied for perpetual pension benefits amounted to 1 %. The business plan is based in particular on assumptions with respect to the development of revenues, the cost of materials to total operating revenues ratio, the manufacturing cost ratio and budgeted investments. The rate of interest used to discount cash flows in the 2015/2016 fiscal year amounted to between 7.9 % and 9.75 % (10.5 % and 11.0 % last year). The beta factors used were 1.0 and 1.5 (1.1 and 1.5 last year). Goodwill of EUR 2.0 million (EUR 2.0 million last year) was subject to impairment tests and not to scheduled depreciation of the underlying brands of EUR 1.6 million (EUR 1.6 million last year). As the amounts for the cash-generating units under review have appreciably exceeded their respective carrying amounts, we have dispensed with further sensitivity analyses.

4.12. Property, Plant and Equipment

In accordance with IAS 16, property, plant and equipment is measured at cost less scheduled and, where appropriate, unscheduled impairment write-downs. The costs of repairs and maintenance ar recognised as an expense on the date, on which they are incurred. Significant renewals and improvements are capitalised. Financing costs have been capitalised, so long as the requirements for IAS 23 obtain.

The useful lives of property, plant and equipment have been adjusted to reflect the usability of the assets for the HanseGroup. Investment subsidies and allowances received are deducted from the acquisition cost of the relevant assets. Depreciation is recognised unchanged in proportion to the length of time involved on a straight-line basis using the following estimated useful economic lives:

An impairment test is performed as soon as there are indications that the carrying amount of an asset is higher than its recoverable amount.

4.13. Finance Leasing

In conformity with IAS 17 (Leases), the lessee is considered to have economic ownership of leased assets if said lessee bears all substantial risks and rewards incidental to ownership (finance lease). All leased assets whose amount is material and which are subject to leases qualifying as finance leases are recognised at their fair value or at the lower present value of the lease payments. The assets are depreciated over their useful lives or over the term of the leasing agreement.

Liabilities from finance leases are reported separately under liabilities and are recognised at the fair value of the leased object or at the present value of the future lease payments, so long as this figure is lower. Leasing payments comprise separate components for the financing charges and retirement of principal so that the remaining balance is charged a constant rate of interest. Liabilities are classified as current or non-current according to the duration of the leasing agreement.

4.14. Inventories

Raw materials, consumables and supplies are generally measured at their average cost or the lower fair value.

Work in progress and finished goods are measured at their cost of conversion but at no more than their expected sales proceeds less costs not yet incurred. Measurement is based on the contract-related direct costs recorded in the production accounts. These direct costs include production wages and the cost of materials. In addition to materials and production overheads, commensurate shares of general administrative expenses have been included in the cost of conversion. Borrowing costs are not capitalised, as inventories do not represent qualifying assets due to the short time involved in producing them. Partial recognition of profit in respect of work in progress and finished goods in accordance with the percentage of completion method was not undertaken because assembly-line production of sailing yachts and motor boats does not meet the required conditions.

Goods for resale and used boats are measured at the lower amounts of acquisition costs and net realisable value.

4.15. Financial Assets and Financial Liabilities

Original Financial Instruments

In the HanseGroup, original financial instruments include trade receivables and other receivables, cash and cash equivalents as well as financial liabilities, trade payables and parts of other liabilities.

Original financial instruments are measured at fair value on initial recognition; directly attributable transactions are added to financial assets and deducted from financial liabilities.

Receivables are measured at amortised cost within the framework of a follow-up assessment. Potential default risks are taken into account with valuation adjustments. Individual adjustments are made if there are indications of impairment such as late payments or information on significant financial difficulties on the part of the contractor and the cash value of anticipated future payments plus any proceeds from realisation of securities or other agreements that reduce the risk of default is below the carrying amount. Bad debts are written off.

Within the framework of a follow-up assessment, financial liabilities are evaluated at amortised cost under the effective interest method, where the interest expense corresponding to the effective interest rate is determined. The amortised costs thus determined correspond to the acquisition costs, while taking repayments and the amortisation of discounts and/or transaction costs in conjunction with bond issues into account. That portion of long-term loans whose remaining term does not exceed one year is also regularly included in short-term financial liabilities. Corporate debt is only recognised as long-term debt when the concern has the unrestricted right to postpone settlement of the obligation by at least twelve months after the balance sheet date.

At the HanseGroup, no original financial instruments have been classified as instruments measured at fair value through profit and loss.

Derivative Financial Instruments

Derivative financial instruments such as forward currency transactions and interest-rate swaps are also used to hedge exposure to risks from currency and interest-rate fluctuations. These hedges cover financial risks arising from booked transactions and currency risks as well as risks from pending transactions for goods and services.

In accordance with IAS 39, all derivative financial instruments are recognised at fair value in their initial determination. Fair value is also relevant for measurement subsequent to initial recognition.

The fair value of traded derivative financial instruments is in line with market value. This value can be positive or negative. If there is no market value, fair value can be calculated using recognised financial modelling. The fair value of derivatives is the present value of estimated future cash flow. To determine the fair value of forward exchange contracts, the forward exchange rate on the balance sheet date is used. Because the conditions for designation as a hedging instrument within the framework of hedge accounting have not been met, the derivative financial instruments of the HanseGroup are classified in the category „at fair value through profit and loss“ so that fluctuations in value of derivative financial instruments can be put directly in the income statement.

4.16. Grants from Government Bodies

Grants, to which the Company is legally entitled, are recognised as assets if it is established at the balance sheet date that the conditions for awarding them will be met with reasonable certainty, or have already been met, and if the application for the grants has been made to the awarding institution by the date of preparation of the financial statements, or if it is certain that the application will be made. Grants, to which the HanseGroup is not legally entitled, i.e. whose award depends on assessments made by an official body, are recognised as receivables if the awarding body has made the decision to award the grant and if it is established with reasonable certainty at the balance sheet date that the conditions for the grant will be met.

The grants are recorded as a reduction in acquisition costs and cost of conversion, provided that the subsidised assets had already been operationally utilised by the balance sheet date. As in the previous year, no grants were deducted from the acquisition costs and cost of conversion for purchased assets in the year under review.

Public grants that become receivables to offset expenses or losses already incurred or to provide immediate financial support without any related costs in future are recognised in the income statement for the period, in which they become receivables. In 2015/16 grants amounting to EUR 77K (EUR 83K last year) were recognised immediately.

Grants received, which are subject to fulfilling certain conditions, are recognized as provisions and/or liabilities if non-fulfilment of the conditions for eligibility is likely to occur by the balance sheet date.

4.17. Other Liabilities

Other liabilities are recognised at their recovery amounts and/or present value.

4.18. Provisions

Provisions are recognised when there is a present legal or de facto obligation to third parties occasioned by a past event; moreover, it is probable (i.e. more likely than not) that an outflow of resources would be required to settle the obligation, and the amount of the outflow could be reliably estimated.

Provisions are measured for recognisable risks and uncertain liabilities in the amount of the probable performance amount and are not set against any claims for recourse. The performance amount also includes increases in cost to be taken into account on the balance sheet date. Provisions with a term to maturity of more than twelve months are discounted at a current interest rate that is commensurate with the risks involved.

Provisions to cover guarantee obligations are formed by taking into account a previous and/or estimated future volume of damage claims. Provisions for guarantees are formed to cover the estimated costs at the time of the sale of the respective product and/or whenever knowledge is acquired about a concrete damage claim.

Provisions for restructuring measures are formed whenever a detailed, formal restructuring plan has been prepared, and this has been communicated to the parties involved.

Where an outflow of resources is possible but not overwhelmingly probable (contingent liabilities), the amount is not recognised in the financial statements as a provision but is described in the Notes to the Consolidated Financial Statements.

4.19. Deferred Taxes

Deferred tax assets and deferred tax liabilities are recognised in accordance with IAS 12 using the liability (or balance sheet) method for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the IFRS financial statements that are considered probable at the time of their reversal. Deferred tax assets also include claims for reductions in taxes due to the expected utilisation of available loss carryforwards and tax credits in subsequent years.
Deferred taxes are determined on the basis of the tax rates that will apply or are expected with sufficient probability to apply to the period when the asset or liability has been realised, in accordance with the current legal position in individual countries.

Deferred tax assets are recognised with respect to temporary differences and tax loss carryforwards only if it is sufficiently probable that the resulting reductions in taxes will actually occur in future. The carrying amount of the deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available, against which the deferred tax asset can be utilised, at least in part. Deferred tax claims that have not been recognised are reviewed at each balance sheet date and recognised to the extent that it has become probable that future taxable profits will permit the deferred tax claim to be realised.

4.20. Current Tax Refunds and Tax Liabilities

Actual tax refunds and liabilities for the current and earlier periods are measured at the amount, for which repayments from the tax authorities or payments to the tax authorities are expected. Calculation of the amounts is based on the tax rates and tax laws in force at the balance sheet date.

4.21. Assumptions and Estimates

In preparing the consolidated financial statements, assumptions have been made and estimates used, which have affected the method of reporting and the amounts of the assets, liabilities, income and expenses included in the financial statements.

Estimates and assumptions are used in particular for impairment tests of intangible assets and items of property, plant and equipment as well as for deferred tax assets, the establishment of consistent useful economic service lives across the entire HanseGroup, estimates of recovery risks for inventories (in particular for used boats) as well as assessments of the collectability of receivables and the measurement of provisions. On the date the consolidated financial statements were prepared, the subjective judgments and estimates underlying the assets and liabilities were not subject to any significant risks so that material adjustments are not expected to occur in the next fiscal year with respect to the assets and liabilities reported in the consolidated balance sheet.

Although these estimates are made according to the best of management‘s knowledge based on current events and measures being taken, actual results may differ from these estimates.

4.22. Foreign Currency Translation

The procedures adopted for currency translation in respect to foreign subsidiaries in preparing the consolidated financial statements are explained under the Consolidation Principles (3.3.).

In the subsidiaries‘ own single-entity financial statements, assets and liabilities in foreign currencies are measured using the rate of exchange in effect on the balance sheet date. Gains and losses arising from currency translation are reported in the income statement under Other operating income and Other operating expenses.

The significant foreign currencies for HanseYachts AG are the US dollar and the Polish zloty. For the purposes of currency translation, HanseYachts AG uses the euro reference rates published by the European Central Bank. Developments in exchange rates were as follows:

	EUR Reference Rate of the ECB		Average Exchange Rates for	
1,00 Euro	30/06/ 2016	30/06/ 2015	Fiscal Year 2015/16	Fiscal Year 2014/15
USD	1,11	1,12	1,12	1,24
PLN	4,44	4,19	4,40	4,17

4.23. Consolidated Cash Flow Statement

The cash flow statement has been prepared in accordance with the regulations of IAS 7. It shows the sources and applications of monetary funds. The payment flows presented in the cash flow statement are divided into cash flow from operating activities, from investing activities and from financing activities. The consequences of a change in the scope of consolidation are eliminated in the individual items.

Cash funds consist of the bank balances reported in the balance sheet, cash on hand as well as bank overdrafts.

In Cash flow from operating activities, non-cash operating income and expenses as well as gains and losses from the sale of non-current assets are eliminated. This section includes interest received, interest paid and income taxes paid. Cash flow from operating activities is determined using the indirect method.

Cash flow from investing activities comprises payments for investments in intangible assets as well as in property, plant and equipment. Payments for investments in non-current assets are not identical to the amounts for additions and disposals shown in the statement of changes in non-current assets since grants are recorded as a reduction in the acquisition costs and cost of conversion of purchased assets in so far as the subsidised assets have already been in use for operational purposes at the point in time, at which the claim to the subsidies had originated.

Cash flow from financing activities comprises new borrowings and repayments of financial liabilities and liabilities from finance leases as well as from incoming payments from capital increases.

4.24. Segment Reporting

In accordance with IFRS 8, identification of mandatorily reportable operating segments is based on the „Management Approach“. According to this approach, external segment reporting is performed on the basis of internal financial reporting to the top decision-making organ (management board). In the HanseGroup, the management board of HanseYachts AG is responsible for evaluating and managing the concern‘s business success and is the highest management body in accordance with IFRS 8.

The HanseGroup only undertakes a breakdown of turnover revenues by product lines. Altogether, production and sale of sailing yachts accounted for about 68 % of turnover revenues (79 % last year). Turnover from motor boats has significantly increased with a ca. 29-% share of total tur-

nover (19 % last year). Attention is drawn to the information provided under 5.1.

Any further internal reporting will be exclusively done on a consolidated basis. The remaining disclosures required in accordance with IFRS 8 for segment reporting by business segments have not been made because the relevant items are not directly attributable to the respective segments and reliable criteria for allocation are not available. As a consequence, the results, assets, liabilities, write-downs and amortisation as well as investments of the HanseGroup cannot be reliably allocated to Sailing Yachts, Motor Yachts and Other Segments because sailing yachts and motor boats are manufactured on one and the same production line. Allocation on the basis of revenues or the number of boats produced would be arbitrary and would not provide any information of use for decision-making purposes. Direct allocation is also not possible. A breakdown using Sailing Yachts, Motor Yachts and Other Segments is also not internally communicated to, or utilised by, management as a control parameter.

In terms of segmenting by geographical segments, we refer readers to Section 8. The disclosures apply to Germany (domestic market), EU countries and third-countries as the HanseGroup's relevant, geographical markets. Allocation of international sales is oriented to the location of the respective customers. Allocation of non-current assets to the respective regions is based on the location of the respective assets. The measurement principles for segment reporting are based on the IFRS standards utilised in the consolidated financial statements.

4.25. Non-current Assets Held for Sale

Non-current assets held for sale are classified as such and are recognised separately in the balance sheet if the associated carrying amounts are to be realised primarily through a sales transaction within twelve months and not through continued use. These assets are measured with their carrying amounts or with the lower fair value less selling costs and are no longer written-down according to schedule. Impairment losses are recognised if the fair value less selling costs is lower than the carrying amount. Any impairment reversals due to an increase in fair value less selling costs are limited to the amount of the impairment loss previously recognised for the respective assets.

5. NOTES TO THE CONSOLIDATED INCOME STATEMENT

The income statement has been prepared in accordance with the nature of expense method.

Gains and losses arising from currency translation are reported in the income statement under Other operating income and Other operating expenses.

In general, the individual items comprise the following:

5.1. Revenues, Changes in Inventories and Own Work Capitalised

	2015/16 in EUR 1000	2014/15 in EUR 1000
Turnover Revenues		
Sailing yachts	77.884	78.385
Motorboats	33.267	18.988
Others	3.736	1.878
	114.887	**99.251**
Changes in Inventories		
Work in progress	541	2.216
Finished goods	1.202	(363)
	1.743	1.853
Other Own Work Capitalised	1.902	1.939
Total Revenues	118.532	103.043

Own work capitalised represents production moulds manufactured internally by the HanseGroup for sailing yachts

and motor boats as well as internally generated intangible assets (development costs).

5.2. Other Operating Income

Other operating income consists of the following:

	2015/2016 in EUR 1000	2014/2015 in EUR 1000
Income from the reversal of provisions and derecognition of liabilities and reduction of value adjustments on receivables	820	747
Income recharged mainly to dealers (warranties, freight charges, marketing, trade fair costs, etc.)	657	532
Currency translation gains	338	361
Income from disposal of property, plant and equipment and from disposal of non-current assets held for sale	0	53
Other income	426	436
	2.241	**2.129**

Currency translation gains and losses primarily result from converting business transactions denominated in US dollars and/or Polish zloty. Income from forward currency transactions result from hedging against fluctuations in the exchange rate for the dollar. Losses from currency translation (exchange rate fluctuations) amounting to EUR 361K (EUR 248K last year) have been recognised under Other operating expenses; expenditures for forward currency transactions of EUR 49K (EUR 283K last year) and a gain of EUR 12K in currency translation under Net financial results (gain last year: EUR 25K) have been reported under Financial results. While taking income/expenditures from forward currency transactions into account, net losses from exchange rate fluctuations thus amounted to EUR -60K (EUR -170K last year).

5.3. Cost of Materials

	2015/2016 in EUR 1000	2014/2015 in EUR 1000
Expenditures for raw materials, consumables and supplies	64.874	56.758
Expenditures for purchased services	4.614	6.214
	69.488	**62.972**

Expenditures for purchased services largely contain the expenses for temporary labourers.

Attention is drawn to the information with respect to the impairment recognised in Cost of materials provided in Section 6.4. (Inventories).

5.4. Personnel Expenses

	2015/2016 in EUR 1000	2014/2015 in EUR 1000
Wages and salaries	24.761	21.893
Social security contributions / Expenditures / Retirement benefits	4.783	4.388
	29.544	**26.281**

Contributions to pension plan providers (defined contribution plans) amounting to EUR 2.080 million are contained in the item on Social security contributions and expenditures for retirement benefits (EUR 1.830 million last year).

The Group employed an average of 1160 people during the year, not counting trainees (1027 last year).

	2015/2016 in EUR 1000	2014/2015 in EUR 1000
Number of employees (average)	**1.160**	**1.027**
- Salaried staff	186	147
- Hourly-paid workers	974	880

5.5. Other Operating Expenses

	2015/2016 in EUR 1000	2014/2015 in EUR 1000
Expenditures for:		
marketing, licensing, advertising, and traveling	6.027	5.920
guarantees, freight and packaging	3.803	3.113
legal consel, administration, EDP and insurance	2.823	2.617
rent, energy, maintenance and vehicles	1.878	1.961
Other Expenditures *	1.769	1.834
	16.300	**15.445**
*) Thereof:		
From exchange rate losses	475	134
From forward currency transactions	361	248
Valuation adjustments on receivables and losses in receivables	49	283

5.6. Amortisation, Depreciation and Write-downs

The composition of amortisation, depreciation and write-downs is derived from developments in fixed assets and is presented in the statement of changes in the movement schedule of non-current assets (cf. 6.1 and 6.2):

	2015/2016 in EUR 1000	2014/2015 in EUR 1000
Scheduled depreciation		
Intangible assets	748	739
Property, plant and equipment	4.533	4.171
	5.281	4.910
Unscheduled depreciation		
Property, plant and equipment	0	380
	5.281	**5.290**

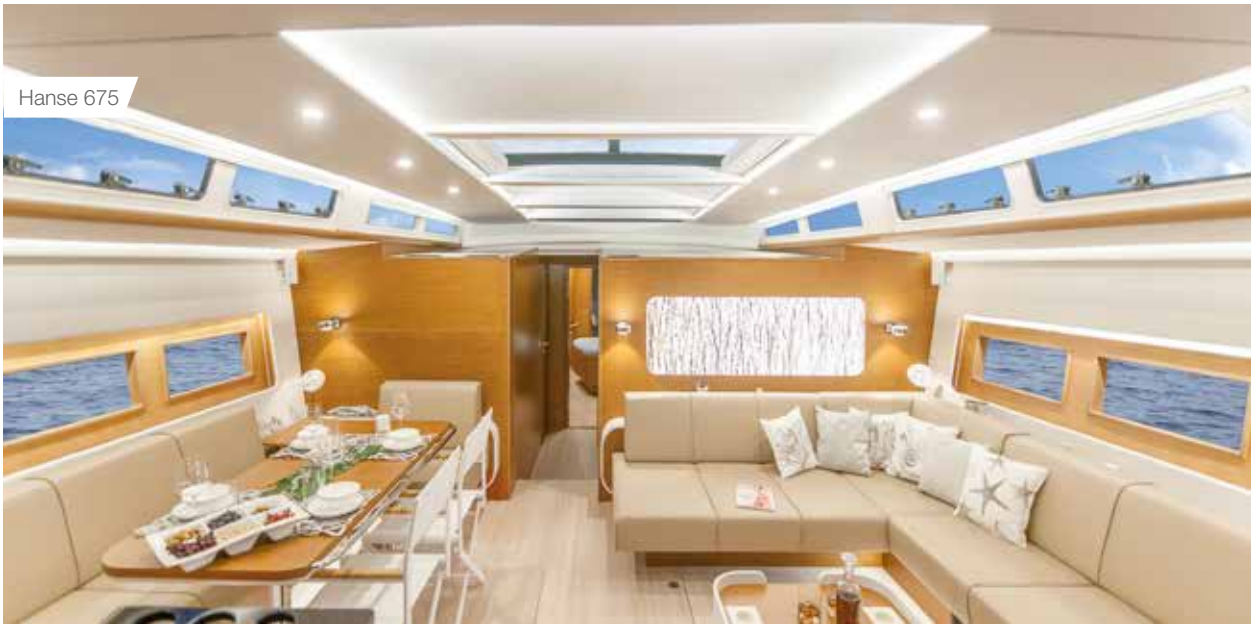
The deduction of grants received from the cost of items of non-current assets resulted in a reduction in Amortisation, depreciation and write-downs of EUR 426K in the period under review (EUR 469K last year).

5.7. Financial Results

	2015/2016 in EUR 1000	2014/2015 in EUR 1000
Interest income	5	9
Interest expense	(1.649)	(1.899)
Exchange rate gains/losses from financing TTS	12	25
	(1.632)	**(1.865)**

Interest expenses mainly reflect the cost of servicing bank loans, bonds and our sales financing programme as well as changes in value and ongoing compensation payments in conjunction with interest-hedging transactions that are recognised directly in the income statement at their fair value.

An exchange-rate gain of EUR 12K (EUR 25K last year) resulted from exchange-rate differences to be recognised in the consolidated financial statements and caused by currency



translation at TTS in fiscal year 2015/2016. These differences were assigned to financial results as they were essentially contingent on financing and not allocable to business activities.

5.8. Income Taxes

Income taxes comprised the following:

	2015/2016 in EUR 1000	2014/2015 in EUR 1000
Current tax expense (-)	(87)	4
Deferred tax expense(-) / Deferred tax assets (+)	(188)	244
	(275)	**248**

Due to the situation with losses, current income taxes in toto were only incurred to a limited extent.

Deferred taxes essentially result from divergent tax-based and commercial measurement methods. In the fiscal year reported here, income of EUR 25K resulted from measurement of deferred tax assets for tax-related loss carryforwards and/or tax-related funding measures (EUR 250K last year). Attention is drawn to the information provided under 6.3.

As at 30 June 2016 there were corporate income tax-related loss carryforwards of around EUR 40.4 million (EUR 37.1 million last year) at the HanseGroup and trade tax loss carryforwards of around EUR 39.8 million (EUR 36.6 million last year). Only those losses were exclusively taken into account that were incurred after the change in shareholders in November 2011. Loss carryforwards of around EUR 39.0 million (corporate income taxes: EUR 35.3 million last year) and/or around EUR 38.4 million (trade taxes: EUR 34.8 million last year) had not been taken into account for recognition of deferred taxes on loss carryforwards as the requirements for this had not been met. Losses of non-domestic subsidiaries, whose business operations have been closed down, have not been taken into account in the above-mentioned disclosures, as utilisation is no longer to be expected. As in the previous year, there were no temporary differences at the balance sheet date, for which deferred tax assets were not assessed as the prerequisites for them were lacking.

Our Polish subsidiary operates in a special economic zone. There in that zone, tax-related losses are not recognised. In return tax credits can be claimed that also provide relief from income taxes on taxable income. Measurement of these benefits led to expenditures of EUR 196K (Earnings: EUR 256K last year) in fiscal year 2015/16.

The advantage of future tax credits in the special economic zone totals around EUR 2.1 million (EUR 2.2 million last year), approx. EUR 1.7 million thereof has not been capitalised (EUR 1.7 million last year). This fiscal promotion in Poland has a time limit until 2026 (until 2026 last year). The average tax rate assumed for fiscal year 2015/16 amounts to 29.7 % (29.7 % last year). Reconciliation of the expected tax expense based on the average tax rate to the actual tax expense is as follows:

	2015/2016 in EUR 1000	2014/2015 in EUR 1000
Earnings before taxes	**(1.472)**	**(6.682)**
Average overall tax rate	29,7%	29,7%
Expected income tax	(437)	(1.985)
Deviations in tax rates	(2)	(141)
Tax effects of differences in the basis for tax assessment	(24)	(26)
Reassessment of deferred tax assets on loss carryforwards and measurement of deferred tax assets	196	(250)
Previous years‘ income taxes	0	(81)
Derecognition of deferred tax assets on temporary differences and/or generated deficits	541	2.331
Reductions in tax expense through utilisation of deferred tax assets and/or non-recognised deferred tax assets/tax credits	(32)	(121)
Other items	33	25
Total actual income taxes	**275**	**(248)**
Consolidated group tax rate	**-18,7%**	**3,7%**

Deviations in tax rates reflect differences arising from the respective average tax rates applicable to the individual non-domestic subsidiaries.

As in previous years, the essential effect comes about in the reconciliation statement from non-recognition of deferred tax assets on deficits incurred in the fiscal year under review. This has led to a corresponding increase in income tax expenses and/or has not provided any income tax relief. With the exception of one subsidiary and owing to the present deficit-plagued situation, deferred tax assets have only been formed up to the amount, up to which deficits were incurred during the period under review, and to the extent to which offsettable deferred tax liabilities exist at the respective enterprises.

5.9. Earnings per Share

Earnings per share are determined on the basis of the share in earnings of the shareholders in HanseYachts AG and the average number of shares outstanding during the year and are given as follows:

	2015/2016 in EUR 1000	2014/2015 in EUR 1000
Consolidated net loss = Consolidated share of net earnings for this period	(1.748)	(6.434)
Weighted average of ordinary shares issued	10.591.817	9.592.590
Earnings per share in EUR	(0,17)	(0,67)

There are no dilutive shares so that basic earnings per share are the same as diluted earnings per share.

5.10. Research and Development

Expenditures for our research and development activities amounted to EUR 3.024 million in the year reported here (EUR 3.073 million last year). These were mainly personnel expenditures and purchased services. Insofar as the recognition criteria for intangible assets („development costs“) and/or for machinery and technical equipment / facilities under construction („production forms“) were satisfied, a corresponding capitalisation was rendered via own work capitalized (EUR 1.701 million; EUR 1.561 million last year). In total, expenditures of EUR 1.323 million have thus been recognised for research and development (EUR 1.512 million last year) as an expense charged to the accounting period.

6. NOTES TO THE CONSOLIDATED BALANCE SHEET

6.1. Intangible Assets

Developments in intangible assets were as follows:

in EUR 1000		Internally generated intangible assets	Commercial property rights and similar rights	Good will	Prepay-ments	Total
Cost of purchase / Cost of manufacturing	01/07/2014	1.801	6.554	4.618	0	12.973
Additions		720	332	0	200	1.252
Reclassifications		0	54	0	0	54
Disposals		0	0	0	0	0
Cost of purchase / Cost of manufacturing	30/06/2015	2.521	6.940	4.618	200	14.279
Depreciation	01/07/2014	764	3.864	2.610	0	7.238
Currency differences		1	0	0	0	1
Additions		404	335	0	0	739
Disposals		0	0	0	0	0
Depreciation	30/06/2015	1.169	4.199	2.610	0	7.978
Net carrying amount	**01/07/2014**	**1.037**	**2.690**	**2.008**	**0**	**5.735**
Net carrying amount	**30/06/2015**	**1.352**	**2.741**	**2.008**	**200**	**6.301**

in EUR 1000		Internally generated intangible assets	Commercial property rights and similar rights	Good will	Prepay-ments	Total
Cost of purchase / Cost of manufacturing	01/07/2015	2.521	6.940	4.618	200	14.279
Additions		991	177	0	0	1.168
Reclassifications		0	359	0	-200	159
Disposals		0	0	0	0	0
Cost of purchase / Cost of manufacturing	30/06/2016	3.512	7.476	4.618	0	15.606
Depreciation	01/07/2015	1.169	4.199	2.610	0	7.978
Currency differences		0	-1	0	0	-1
Additions		372	376	0	0	748
Disposals		0	0	0	0	0
Depreciation	30/06/2016	1.541	4.574	2.610	0	8.725
Net carrying amount	**01/07/2015**	**1.352**	**2.741**	**2.008**	**200**	**6.301**
Net carrying amount	**30/06/2016**	**1.971**	**2.902**	**2.008**	**0**	**6.881**

In the item on internally generated intangible assets, for the first time the costs of conversion have been recognised for development projects approved and budgeted by management (for sailing or motor yacht types).

In the item on “Intellectual Property Rights and Similar Rights” recognition is primarily focussed on licences for computer software used in the HanseGroup for production and administration as well as brand equity and/or utilisation rights for brand equity.

Within the framework of initial consolidation of the Sealine GmbH, the temporally limited right to use the SEALINE brand name is considered to be an essential asset, which has been granted to the Sealine GmbH in light of a separate licensing agreement, which can only be terminated for the first time as at 31 December 2019. The right to use the brand name will be amortised over the term of the licensing agreement.

Brand equity (FJORD, MOODY and DEHLER) is not subject to any limits on use and will thus not be subject to scheduled amortisation. Brand equity for FJORD, MOODY and DEHLER has been recognised unchanged compared to last year at the original and/or amortised acquisition costs of EUR 1.647 million (EUR 1.647 million last year).

Goodwill assigned to TTS remained unchanged at EUR 2.0 million at the balance sheet date.

Attention is otherwise drawn to the information provided under 4.10. to 4.12.

In addition to the above-mentioned rights, the HanseGroup also owns the rights to the HANSE and VARIANTA brands. Liens were obtained on the HANSE, DEHLER, MOODY, VARIANTA and FJORD brands as collateralisation for the Bonds 2014/19. The carrying amount of the brand equity recognised and serving as collateral was EUR 1.647 million (EUR 1.647 million last year) as mentioned above.

6.2. Property, Plant and Equipment

Changes in the individual items of property, plant and equipment are shown in the following fixed-asset movement schedule.

2014/15 In EUR 1000		Land and buildings including buildings on third-party land	Technical equipment and machinery	Other equipment, facilities and office equipment	Payments on account and assets under construction	Total
Cost of purchase / Cost of manufacturing	01/07/ 2014	27.691	20.450	2.718	1.363	52.222
Currency differences		-4	-8	2	0	-10
Additions		56	703	333	4.988	6.080
Reclassification of previously separate assets recognised as held for sale in accordance with IFRS 5		-1.332	-38	-30	0	-1.400
Reclassifications		1.034	3.128	107	-4.323	-54
Disposals		0	-1.886	-398	-20	-2.304
Cost of purchase / Cost of manufacturing	30/06/2015	27.445	22.349	2.732	2.008	54.534
Depreciation	01/07/ 2014	8.469	16.521	2.095	0	27.085
Currency differences		-47	-6	-1	0	-54
Additions		1.281	2.906	364	0	4.551
Reclassification of previously separate assets recognised as held for sale in accordance with IFRS 5		-710	-21	-29	0	-760
Disposals		0	-1.872	-372	0	-2.244
Depreciation	30/06/2015	8.993	17.528	2.057	0	28.578
Net carrying amounts	**01/072014**	**19.222**	**3.929**	**623**	**1.363**	**25.137**
Net carrying amounts	**30/06/2015**	**18.452**	**4.821**	**675**	**2.008**	**25.956**

2015/16 in EUR 1000		Land and buildings including buildings on third-party land	Technical equipment and machinery	Other equipment, facilities and office equipment	Payments on account and assets under construction	Total
Cost of purchase / Cost of manufacturing	01/07/2015	27.445	22.349	2.732	2.008	54.534
Currency differences		-83	422	-4	-36	299
Additions		144	557	312	3.638	4.651
Reclassifications		953	3.221	56	-4.389	-159
Disposals		0	-37	-87	-2	-126
Cost of purchase / Cost of manufacturing	30/06/2016	28.459	26.512	3.009	1.219	59.199
Depreciation	01/07/2015	8.993	17.528	2.057	0	28.578
Currency differences		-91	446	-3	0	352
Additions		1.333	2.821	379	0	4.533
Reclassification		0	-6	6	0	0
Disposals		-11	-32	-87	0	-130
Depreciation	30/06/2016	10.224	20.757	2.352	0	33.333
Net carrying amounts	**01/07/2015**	**18.452**	**4.821**	**675**	**2.008**	**25.956**
Net carrying amounts	**30/06/2016**	**18.235**	**5.755**	**657**	**1.219**	**25.866**

Land and Buildings

The additions in fiscal year 2015/16 include maintenance costs and new investments in buildings. No grants were received by the HanseGroup so that there were also no write-downs on the acquisition costs for assets procured in the year under review. The residual carrying amounts of buildings included in the financial statements as at 30 June 2016 have been reduced by grants received in previous years amounting to EUR 3.140 million (EUR 3.465 million last year).

The usual security interests exist for properties and buildings owned by the HanseGroup; these serve the HanseGroup's creditors as collateral for loans that have been granted. The carrying amount for assets serving as collateral amounted to EUR 16.804 million (EUR 17.186 million last year).

Technical Equipment and Machinery

While taking reclassifications into account, investments in technical equipment and machinery totalled EUR 3.778 million (EUR 3.831 million last year). They mainly include hull and deck moulds for new boat models.

The residual carrying amounts for technical equipment and machinery included in the financial statements as at 30 June 2016 have been reduced by grants received amounting to EUR 66K (EUR 178K last year).

The carrying amount for items of property, plant and equipment financed by finance lease amounts to EUR 212K (EUR 41K last year).

The usual security interests also exist for technical equipment and machinery for the loans that have been granted. The carrying amount for assets serving as collateral amounted to EUR 336K (EUR 390K last year).

Other Assets, Operating and Office Equipment

Additions in the year under review cover the usual investments in IT and office equipment. This item includes assets costing below EUR 150.00 each, which were fully written down in the year under review and for which a disposal of assets totalling EUR 47K has been assumed for the same year (EUR 51K last year). Assets under Construction

Assets under construction consist mainly of machinery and equipment (primarily production forms) that have not yet been accepted in a final inspection or are not yet in operating condition.

6.3. Deferred Taxes and Income Taxes

Recognised deferred taxes relate to the following balance sheet items:

	30/06/2016		30/06/2015	
	Aktiv in EUR 1000	Passiv in EUR 1000	Aktiv in EUR 1000	Passiv in EUR 1000
Intangible assets	29	574	30	377
Property, plant and equipment	77	482	75	485
Receivables	0	23	0	22
Fair value measurement of forward transactions	0	0	25	0
Inventories	64	0	109	0
Liabilities	177	74	128	98
Accruals	12	0	51	0
Loss carryforwards	737	0	516	0
Tax relief	311	0	507	0
	1.407	1.153	1.441	982
Netting	(1.153)	(1.153)	(982)	(982)
	254	**0**	**459**	**0**

Deferred tax assets on intangible assets result from the differing measurements for brand equity in the accounts prepared for tax purposes relative to the accounts prepared for financial reporting purposes. Deferred tax expenses on intangible assets exclusively relate to development costs that have been capitalised. Deferred tax expenses on tangible assets primarily cover an estimate of useful life that deviates from economic principles as well as the currency translation of fixed assets at historical exchange rates of the Polish subsidiary that is considered an “integrated unit”. Deferred tax assets on tax-relief measures affect the special economic zone in Poland. Deferred taxes for future tax

credits have only been capitalised for amounts up to those, at which deferred tax liabilities have been recognised and/or their future usability appears to be sufficiently certain. The planning period used to evaluate such usability was three years (3 years last year). Deferred tax assets on losses incurred in fiscal year 2015/16 were only formed to the amount of an existing surplus in deferred tax liabilities in a company-related context.

So long as deferred tax assets and deferred tax liabilities of consolidated companies relate to income taxes levied by the same taxation authority, they will be set off against each other.

Deferred tax assets and deferred tax liabilities have the following anticipated maturities.

	30/06/2016		30/06/2015	
	Aktiv in EUR 1000	Passiv in EUR 1000	Aktiv in EUR 1000	Passiv in EUR 1000
Short-term deferred taxes	252	97	313	120
Long-term deferred taxes	1.155	1.056	1.128	862
Netting	(1.153)	(1.153)	(982)	(982)
	254	**0**	**459**	**0**

For deferred taxes incurred for current assets and liabilities (receivables, futures transactions and inventories) a reversal of the underlying temporary differences is expected within one year.

Income tax obligations recognised under liabilities affect anticipated tax expenses for fiscal years that have not yet received a tax assessment. The anticipated maturity is less than one year. Liabilities from income taxes are subdivided as follows:

	30/06/2016 in EUR 1000	30/06/2015 in EUR 1000
Foreign and domestic income tax		
Corporate income tax	4	4
Solidarity surcharge	0	0
Trade income tax	78	127
	82	**131**

	30/06/2016 in EUR 1000	30/06/2015 in EUR 1000
Raw materials and supplies	7.368	6.640
Work in progress	8.805	8.264
Finished goods and goods for resale	4.638	3.644
Advance payments and inventories	25	119
	20.836	**18.667**

6.4. Inventories

Work in progress includes boats currently in production and finished plastic parts and items of furnishings made to order. Finished products and goods consist of boats still owned by the HanseGroup. All boats are produced to order or for trade fair exhibitions and boat shows. Goods for resale comprise second-hand boats. It is assumed that inventories will be turned over in the usual orderly course of business within 12 months.

The value adjustments recognised for individual items in inventories are broken down as follows:

	Raw materials and supplies		Work in progress		Finished goods and goods for resale		Advance payments on inventories		**Total**	
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	**2015/16**	**2014/15**
Cost of acquisition / Cost of manufacturing	7.816	7.200	8.807	8.517	4.692	4.105	25	119	**21.340**	**19.941**
Valuation adjustments	-448	-560	-2	-253	-54	-461	0	0	**-504**	**-1.274**
Carrying amounts as at 30/06	7.368	6.640	8.805	8.264	4.638	3.644	25	119	**20.836**	**18.667**

Devaluations on net realisable values affect depreciation allowances for raw materials and supplies as well as write-downs on unfinished products and goods (used boats) to take possible resale risks into account. Changes in value adjustments – as a balance of additions, reversals and utilisation – have been recognised under Cost of materials. This led to financial relief with respect to cost of materials of EUR 770K (EUR 286K last year) for the year under review.

There are the usual collateral agreements with house banks and a sales finance firm (e.g., storage assignments of inventories, boats pledged as collateral, etc.) with respect to raw materials and supplies as well as finished and unfinished products and used boats. The carrying amount for assets serving as collateral amounted to EUR 18.172 million (EUR 15.331 million last year).

6.5. Trade Receivables

	30/06/2016 in EUR 1000	30/06/2015 in EUR 1000
Trade receivables	4.377	2.710
Minus valuation allowances	-595	-519
	3.782	**2.191**

As in the previous year, the remaining maturity of all trade receivables is less than one year; the receivables are secured by the boats themselves, which will not be delivered until full payment of the sale price has been received. The carrying amount of cash and cash equivalents is equal to their fair value.

The expense for collection losses and valuation adjustments in respect of trade receivables in the period under review amounted to EUR 225K (EUR 134K last year).

Unimpaired trade receivables are set up according to time frames as follows:

	30/06/2016 in EUR 1000	30/06/2015 in EUR 1000
Neither overdue nor individually value-adjusted receivables	913	276
Overdue but not single-valued receivables		
Less than 30 days	741	1.267
Between 31 and 60 days	1.108	66
Between 61 and 90 days	682	0
More than 90 days overdue	244	559
Total	3.688	2.168
Residual book values: individually value-adjusted payables	94	23
Reported values: Trade payables	**3.782**	**2.191**

Value adjustments for risks of default on trade receivables have developed as follows:

	2015/16 in EUR 1000	2014/15 in EUR 1000
Status as at 1 July	519	513
Value adjustments of the fiscal year		
- Additions	220	93
- Utilisation	-137	-38
- Reversals	-7	-49
Status as at 30 June	**595**	**519**

These adjustments were calculated on the basis of past experience with defaults in payment and the age structure of the trade receivables.

Bank loans already granted have been secured by a blanket assignment of part of the trade receivables. The carrying amount for assets serving as collateral amounted to EUR 2.358 million (EUR 1.416 million last year).

6.6. Other Assets

	30/06/2016 in EUR 1000	30/06/2015 in EUR 1000
Other assets		
- VAT	1.152	964
- Deferrals	856	700
- Debit-side creditors	110	80
- Other	40	48
- Individual value authorizations	-250	0
	1.908	**1.792**

As in the previous year, other assets all have a term to maturity that is in all likelihood less than one year.
Prepaid expenses consist principally of payments in advance for participating in trade fairs, for insurance premiums and for licensing fees.

A write-down on an item by item basis stems from dubious claims for reimbursement related to foreign value-added taxes.

6.7. Cash and Cash Equivalents

	30/06/2016 in EUR 1000	30/06/2015 in EUR 1000
Cash in bank	4.773	2.497
Cash in hand	6	3
	4.779	**2.500**

The carrying amount of cash and cash equivalents is equal to their fair value. They consist of demand deposits and call loans repayable on demand. Amounting to EUR 1.195 million (EUR 711K last year), cash and cash equivalents are subject to constraints on disposition imposed by the lending institutions that provide financing.

6.8. Non-current Assets Held for Sale

The business premises held for sale of our French subsidiary were sold for the carrying amount during the course of this fiscal year.

6.9. Equity

Developments in equity are presented in the statement of changes in equity (Annex 4).

Subscribed Capital

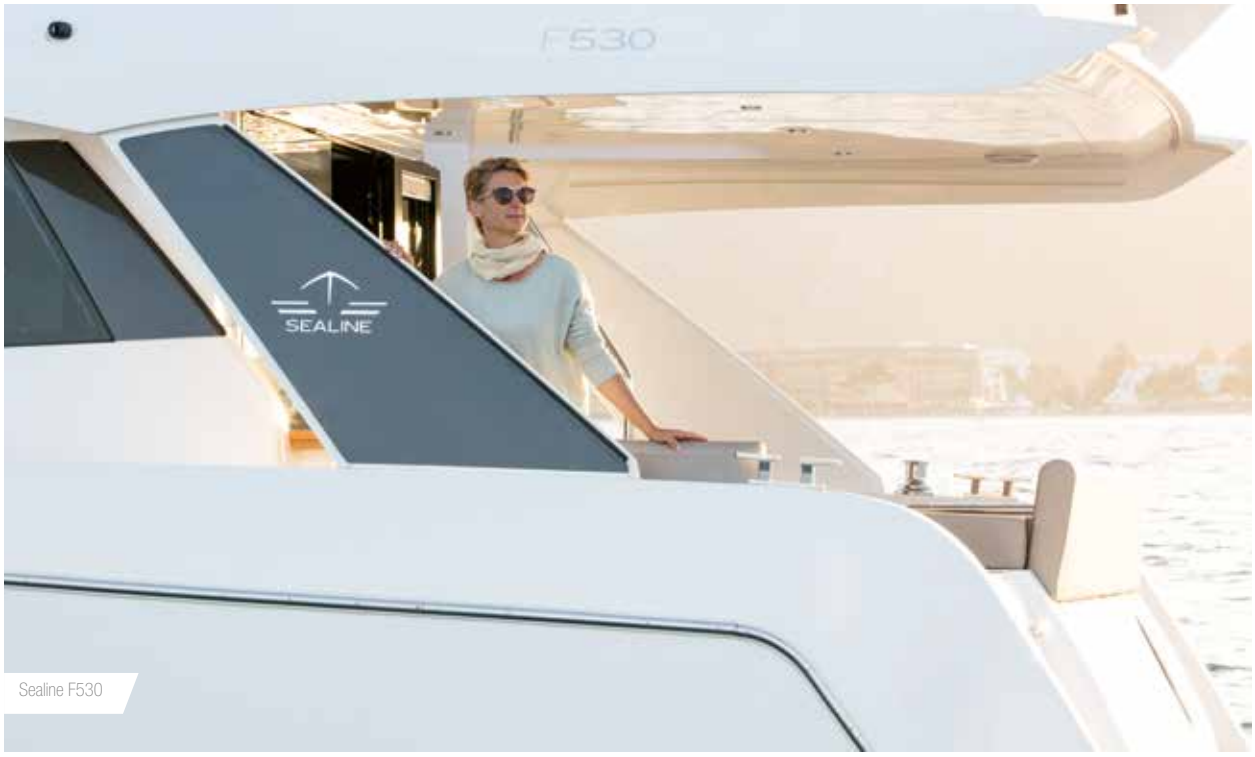
The fully paid-up share capital of HanseYachts AG as at 30 June 2016 amounted to EUR 11 091 430.00 (EUR 9 592 590.00 last year), divided into 11 091 430 (9 592 590 last year) no-par value shares with a nominal value of EUR 1.00 each. All of the shares are bearer shares.

Authorised Capital

Authorised capital has developed as follows:

	2015/2016 in EUR 1000
Authorized capital at the beginning of the financial year	4.796
Capital increase	-1.499
Authorized capital at the beginning of the financial year	**3.297**

At the general meeting of the HanseYachts AG on 14 January 2014, the management board was authorised, subject to the consent of the supervisory board, to increase HanseYachts AG's share capital against cash or in-kind con-



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tributions by up to a nominal value of EUR 4 796 295.00 by issuing new shares on a one-off or multiple basis by 13 January 2019 (Authorised Capital 2014). In September 2015, 1 498 840 no-par value shares were issued at a price of EUR 2.00 per share.

Contingent Capital

Share capital was contingently increased by up to EUR 3 500 000.00 by issuing up to 3 500 000 new no-par value shares made out to the bearer (Contingent Capital 2012). The contingent capital increase will only be implemented insofar as the owners of convertible bonds and options, which have been issued based on authorisation resolved by the shareholders at HanseYachts AG's general meeting on 10 December 2012, make use of their convertible bonds and/or options by 10 December 2017.

Capital Reserves

As at the balance sheet date, the HanseGroup has recognised capital reserves that developed as follows in fiscal year 2015/16:

	2015/16 in EUR 1000	2014/15 in EUR 1000
Capital reserves at the beginning of the fiscal year	2.165	2.165
Capital increase	1.499	0
Capital reserves at the end of the fiscal year	**3.664**	**2.165**

Capital reserves are subject to the restrictions of Art. 150 of the AktG.

6.10. Other Provisions

2015/16	01/07/2015 In EUR 1000	Utilisation In EUR 1000	Reversals In EUR 1000	Additions In EUR 1000	30/06/2016 In EUR 1000
Guarantees	2.405	693	238	1.009	2.483
Contingent losses	120	0	0	0	120
Restructuring	173	173	0	0	0
	2.698	**866**	**238**	**1.009**	**2.603**

2014/15	01/07/2014 In EUR 1000	Utilisation In EUR 1000	Reversals In EUR 1000	Additions In EUR 1000	30/06/2015 In EUR 1000
Guarantees	2.109	122	0	418	2.405
Contingent losses	0	0	0	173	173
Restructuring	120	0	0	0	120
Dealer bonuses	76	0	76	0	0
	2.305	**122**	**76**	**591**	**2.698**

Provisions for guarantees contain costs estimated for guarantee work on boats that have been sold during the guarantee period as well as for legal fees incurred in conjunction with guarantee claims. Provisions have been set up based both on concrete and commonly known individual circumstances as well as on experience from the past.

Measurement of provisions for guarantee claims for individual circumstances that have become known is based on costs incurred in the past for comparable claims or on up-to-date cost estimates (e.g. cost estimates from experts). Measurement of provisions for litigation is based on corresponding substantiation according to settlement offers and/or court decisions or according to the judgement of legal counsel and/or employees of the company.

Last year, the provision for impending losses took into account the loss-free measurement of production orders for yachts newly added to our programme.

Provisions for restructuring concern still possible repayment of grants received in previous years, for which compliance with eligibility conditions is no longer sufficiently ensured due to the restructuring measures implemented as at 30 June 2014 (EUR 120K; EUR 120K last year).

All of these obligations are generally due to expire within one year. Cost increases and/or interest factors have not been taken into account due to the short-term character of the expiration dates. Exchange-rate differences are also contained individually in the schedule of provisions in the column entitled “Utilisation“ above.

6.11. Bonds

	30/06/2016 In EUR 1000	30/06/2015 In EUR 1000
Remaining terms 1 to 5 years Bonds 2014/19	12.758	12.675

These bonds have a nominal value of EUR 13.0 million and are fixed interest bonds, with an 8.0 % interest rate and a term until 3 June 2019. These bonds have been secured by liens on the „Hanse“, „Dehler“, „Moody“, „Varianta“ and „Fjord“ brands as collateral (cf. Section 6.1.).

Interest obligations accrued up to the balance sheet date for interest due yearly on 3 June are contained in Other liabilities (EUR 75K, EUR 75K last year) and/or in Current liabilities owed to related individuals and companies (EUR 4K, EUR 4K last year).

Transaction costs directly allocable to the bond issues (EUR 504K) were written down from the nominal amounts and will be amortised in accordance with the effective interest method over the life of the bonds. The part of the transaction costs not yet amortised amounted to EUR 242K (EUR 325 last year) at the balance sheet date.

The bonds have been admitted for sale on the Open Market of the Deutsche Börse AG (Regulated Market of the Frankfurt Stock Exchange in the Entry Standard for Bonds Segment).

Enterprises of the AURELIUS Corporate Group have subscribed at a nominal value of EUR 700K (EUR 700K last year). Attention is drawn to the information provided under Section 11.

There is the possibility of topping up the Bonds 2014/19 by up to EUR 7.0 million to a volume then of EUR 20.0 million, so long as potential loan investors can be gained to a commensurate extent.

With respect to outflows of liquidity, attention is drawn to Section 9.2., with respect to fair value attention is drawn to Section 9.5. and with respect to covenants agreed upon attention is drawn to the information provided in Section 9.6.

6.12 Other Financial Liabilities

Interest-bearing obligations are recognised under Other financial liabilities owed to lending institutions and other external lenders.

Financial liabilities are classified according to their maturities at the balance sheet date as follows:

	30/06/2016 In EUR 1000	30/06/2015 In EUR 1000
Liabilities to banks / other lenders		
Up to 1 year	3.996	2.766
1 to 5 years	31	210
	4.027	**2.976**

At the balance sheet date, there were liabilities owed to banks amounting to EUR 4.027 million (EUR 2.976 million last year). They have resulted from loans taken out at fixed interest rates (EUR 1.194 million; EUR 1.144 million last year), from negative fair value of hedging transactions (EUR 40K; EUR 85K last year) as well as overdraft facilities already drawn down (EUR 2.961 million; EUR 1.747 million last year).

Financial liabilities owed to related individuals and companies have been explained in Section 11.

With respect to outflows of liquidity, attention is drawn to Section 9.2., with respect to interest–rate hedging attention is drawn to Section 9.3., with respect to fair value attention is drawn to Section 9.5. and with respect to maturity and/or covenants agreed upon attention is drawn to the information provided in Section 9.6. With regard to the assets serving as collateral for financial liabilities, attention is drawn to the information provided in Sections 6.2., 6.4., 6.5. and 6.7.

6.13. Liabilities from Finance Leasing

Liabilities from finance leasing are recognised at the present value of future lease instalments. Leasing items are assets under Property, plant and equipment. Minimum leasing instalments are reconciled to present value as follows:

	30/06/2016 In EUR 1000	30/06/2015 In EUR 1000
Present value: Leasing payments		
Up to 1 year	42	9
1 to 5 years	157	33
	199	42
Interest portion		
Up to 1 year	5	1
1 to 5 years	8	4
	13	5
Minimum leasing payments		
Up to 1 year	47	10
1 to 5 years	165	37
	212	**47**

The increase in liabilities from finance leasing has resulted from the investment in an industrial robot.

6.14. Other Liabilities

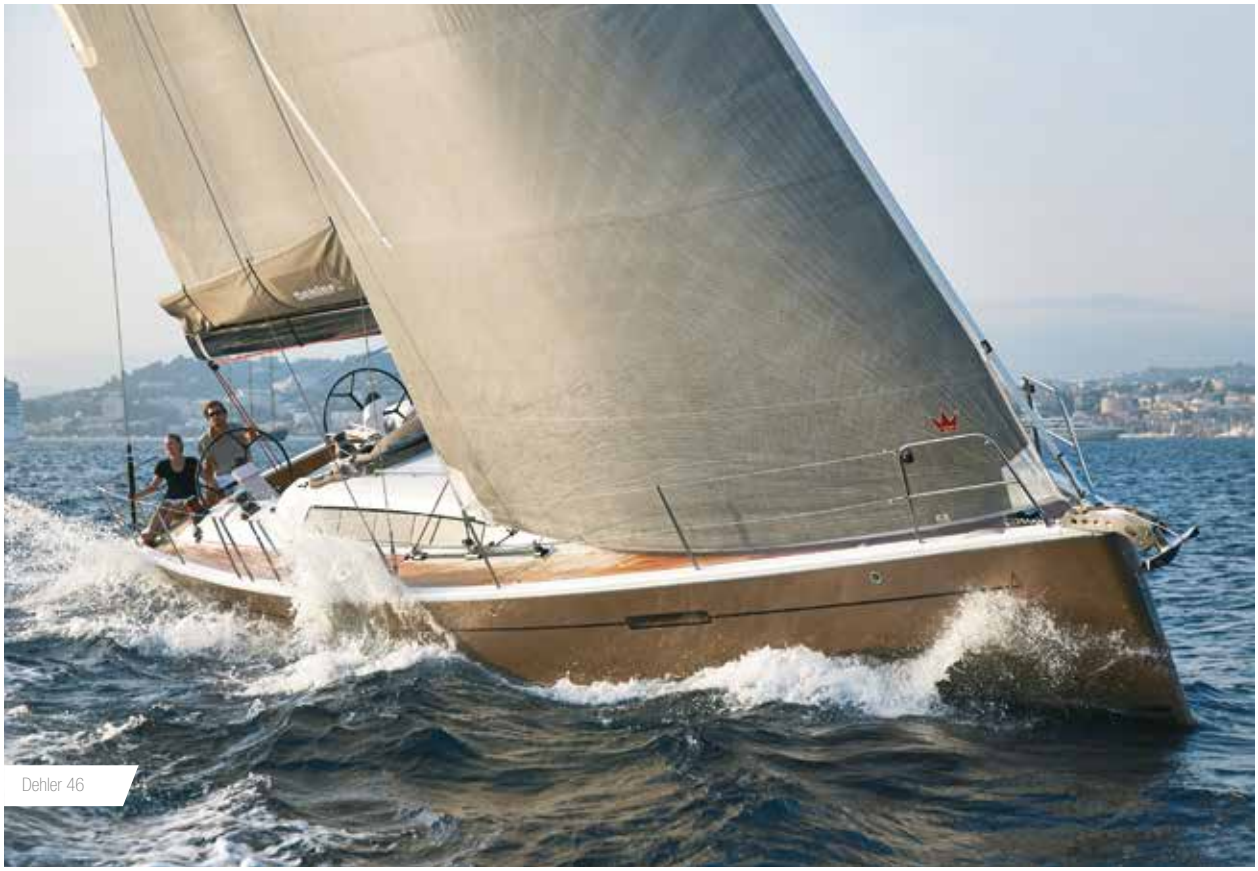
As in the previous year, all of the liabilities shown below fall due within one year.

	30/06/2016 In EUR 1000	30/06/2015 In EUR 1000
Trade payables	13.558	11.188
Advance payment on orders	9.028	9.131
Liabilities owed to related individuals/companies	3.452	3.365
Other liabilities		
Liabilities for staff costs	3.058	2.549
Customer accounts with debit balances	308	173
VAT payables	654	551
Other	182	213
	4.202	3.486
	30.240	**27.170**

Payments on account received relate to payments in advance for sailing yachts and motor boats.

Liabilities for staff costs mostly comprise normal amounts due for wages and salaries amounting to EUR 574K (EUR 400K last year) and outstanding holiday entitlements and overtime payments of EUR 1.532 million (EUR 1.497 million last year).

Attention is drawn to the information on liabilities owed to related individuals and companies provided in Section 11.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7. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

Interest payments recognised net under cash flow from operating activities almost exclusively comprise interest payments and interest received only to a negligible extent.

Cash flow from investing activities comprises payments for investments in intangible assets as well as in property, plant and equipment. The investment in an industrial robot by means of finance leasing (EUR 175K) was eliminated as a non-cash item from investments in property, plant and equipment.

Cash flow from financing activities mainly comprises the retirement of existing loans and/or finance leasing liabilities.

In conjunction with the cash-flow statement, the structure of the financial funds has been broken down. In respect of bank deposits, which are subject to constraints on disposition, attention is drawn to the information provided under Sections 6.7. and 10.1.

8. NOTES TO SEGMENT REPORTING

At 68 %, sales of sailing yachts account for the greater proportion of turnover revenues
(79 % last year). With respect to analysing revenues by product segments, please refer to the information shown under Section 5.1. No further information on segment reporting by business division has been provided for the reasons given under Section 4.24. In the following, analyses according

to geographical aspects have been undertaken. For purposes of providing segment information by region, revenues are determined according to the locations of customers, while other items are determined according to the venues of the HanseGroup's companies.

2014/2015	Domestic Market In EUR 1000	EU States In EUR 1000	Non-EU States In EUR 1000	Consolidation In EUR 1000	Total In EUR 1000
Turnover	54.881	49.917	41.150	-46.697	99.251
Non-current assets	20.372	7.574	7	4.304	32.257

2015/2016	Domestic Market In EUR 1000	EU States In EUR 1000	Non-EU States In EUR 1000	Consolidation In EUR 1000	Total In EUR 1000
Turnover	44.687	79.771	49.214	-58.785	114.887
Non-current assets	20.234	8.130	8	4.375	32.747

9. MANAGEMENT OF FINANCIAL RISKS

9.1. Default and Credit Risks

Default and credit risks refer to the risk of insolvency of a contractual partner and credit risks are associated with cash deposits and derivative financial instruments, respectively. For the most part, the HanseGroup is only exposed to the risk of insolvency on the part of dealers and their customers.

In order to minimise this default risk, the HanseGroup generally requires payments to be made on account from the dealers or their customers up to the point of completion of a sailing yacht or motor boat, which has been ordered; the payments are then applied to the contractual sale price. Yachts are physically delivered only after the full amount of the sale price has been received — regardless of simultaneous or prior revenue recognition. Exceptions to this rule require the approval of the management board.

Essential other financial assets are mostly due from government bodies. Bank balances are maintained at banks with sound credit ratings.

The HanseGroup is exposed to credit risks with derivative financial instruments; these risks result from failure to fulfil contractual agreements on the part of the other party to the contract. Credit risks can be minimized only by concluding such business arrangements with contractual partners of first-class creditworthiness.

As in the previous year, the maximum risk of defaulting as at the balance sheet date corresponds to the carrying amounts of Trade receivables, Other assets as well as Cash and cash equivalents recognised in the balance sheet.

9.2. Liquidity Risks

Liquidity risks refer to the risk that the HanseGroup would not be in a position to fulfil its financial obligations as they fall due. In order to manage and control liquidity, the HanseGroup has its own short-term to medium-term financial planning. With the aid of this financial instrument, it has been possible to guarantee short-term liquidity at all times on the basis of cash flow from operating activities and overdraft facilities made available by banks as well as of cash and cash equivalents.
By means of this short-term financial planning, the HanseGroup can ensure that sufficient funds are available on call in order to be able to cover expected business expenses including funds needed to service our financial obligations.

Undiscounted gross cash flow payments (on interest and principal) for financial liabilities are structured as follows:

			thereof	
		In EUR 1000	Up to 1 year In EUR 1000	1 to 5 years In EUR 1000
Bonds		16.120	1.040	15.080
	(Last year)	(17.160)	(1.040)	(16.120)
Other financial liabilities		4.073	4.036	37
	Last year)	(3.004)	(2.789)	(215)
Liabilities from financial leasing		207	47	160
	Last year)	(47)	(10)	(37)
Trade payables		13.558	13.558	0
	Last year)	(11.188)	(11.188)	0
Liabilities owed to related parties		6.155	920	5.235
	Last year)	(6.436)	(833)	(5.603)
Other liabilities		308	308	0
	Last year)	(173)	(173)	0
		40.421	**19.909**	**20.512**
	Last year)	(38.008)	(16.033)	(21.975)

Significant interest components contain cash outflows from bonds and liabilities owed to related companies due to loan obligations contained therein. Moreover, interest components are contained to a limited extent in cash outflows from other financial liabilities and liabilities from finance leasing. Whenever interest payments have been based on variable parameters, undiscounted amounts have been determined on the basis of the yield curve at the end of the reporting period.

For overdraft facilities already drawn down (EUR 2.961 million; EUR 1.747 million last year), repayment on a short-term basis is generally assumed. For loan obligations contained in liabilities owed to related companies, it was assumed that they would be retired at the latest in conjunction with refinancing the bond liabilities. By way of derogation from the disclosure on maturity in the consolidated balance sheet, repayment within one to five years was thus assumed for these loans.

9.3. Interest Rate Risk

External financing of the HanseGroup is now essentially implemented at fixed interest rates of 8.0 % owing to Bonds 2014/19). Loans granted by the major shareholder also provide for fixed interest arrangements. An interest rate risk does not exist with regard to this type of financing.

The remaining liabilities owed to lending institutions still provide in part for variable interest rates that due to amendments to the conditions and unscheduled payments on principal were no longer congruently covered by interest-hedging agreements originally concluded to a significant extent. As the total volume of liabilities owed to banks that is recognised as „Other financial liabilities“ was significantly reduced in the year under review and residual terms will successively decrease, there are thus no longer any major interest-rate risks with respect to these liabilities.

In the period under review, financial instruments in the categories of Loans and receivables, Financial liabilities measured at cost and Liabilities / Assets measured at fair value through profit or loss have led to interest expenses totalling EUR 1.688 million (EUR 1.946 million last year). Income from market measurement of interest swap transactions of EUR 40K (Income: EUR 48K last year) was not included in this amount as at the balance sheet date. Interest income was negligible as in the previous fiscal year.

Interest Rate Sensitivity Analysis

In the following segment, the results of a sensitivity analysis are shown with respect to the risk of fluctuations in interest rates for derivative and non-derivative financial instruments as at the balance sheet date. Financial instruments with fixed interest rates are measured at amortised cost and thus are not subject to interest sensitivity in accordance with IFRS 7. For variable interest-bearing liabilities, this analysis is conducted on the hypothesis that the amount of the outstanding liability on the balance sheet date had been outstanding for the entire year.
Within the framework of assessing fluctuating interest rates, an increase or decrease of the interest rate by 100 basis points is assumed. This represents the management board's assessment with respect to a well-founded, possible fluctuation in the interest rate. Such an increase would lead to additional interest income of EUR 5K p.a. (EUR 7K p.a. last year) for the HanseGroup from its underlying transactions and contracts on interest-rate swaps. A decrease of 100 basis points in the interest rate would lead to an interest expense of EUR 5K p.a. (EUR 7K p.a. last year). As revenues and expenses of all financial instruments included in the analysis are included in the income statement, there would not be any additional impact on equity.

Agreements on Interest Rate Swaps

In interest rate swap transactions already concluded, the HanseGroup has traded variable interest payments against fixed interest payments that were calculated on the basis of stipulated nominal amounts. Fair value of interest rate swaps at the balance sheet date is determined by discounting future cash flow using interest structure curves on the balance sheet date and the credit risks involved in the contracts in accordance with the mark-to-market method (procedures, in which all input parameters significantly affecting fair value are either directly or indirectly observable (Step 2 for the purposes of IFRS 7.27a)).

The following table shows the nominal amounts and fair value of existing agreements for interest rate swaps at the balance sheet date:

	30/06/2016		30/06/2015	
	Current value	Nominal value	Current value	Nominal value
	In EUR 1000	In EUR 1000	In EUR 1000	In EUR 1000
Interest rate swaps	-40	550	-80	1.080

Interest rate swaps are reconciled every six months. Fair value represents the prices, at which unrelated third parties would acquire the rights or assume the obligations arising from the financial instruments. Fair value is the current value of the derivative financial instruments, without taking into account any inverse movements in the values of the respective underlying transactions. Derivative financial instruments are measured as financial assets or financial liabilities at fair value through profit or loss, as the stringent demands of hedge accounting in accordance with IAS 39 have not been fulfilled. For this reason, the fair value of derivative financial instruments is carried under Current financial debt in the balance sheet. An adjustment to fair value at the balance sheet date is carried in the HanseGroup's EBIT.

9.4. Currency Risk

Currency risks represent the risk of changes in the value of items in the financial statements as a result of fluctuations in exchange rates. For the HanseGroup, this risk arises in particular in relation to cash inflow in US dollars resulting from supplying goods and services to dealers outside of the Eurozone.

On the basis of forecasts of expected US dollar inflow, HanseYachts sells US dollars forward on a targeted basis for the dates of expected cash inflow in order to hedge against any negative exchange rate fluctuations. As at the balance sheet date, 30 June 2016, there were no outstanding forward transactions in US dollars.

	30/06/2016		30/06/2015	
Art	Current value	Nominal value	Current value	Nominal value
	In EUR 1000	In USD 1000	In EUR 1000	In USD 1000
Forward rate sale	-1	900	-5	550

Fair value of interest rate swaps at the balance sheet date is determined by discounting future cash flow using interest structure curves on the balance sheet date and the credit risks involved in the contracts in accordance with the mark-to-market method (procedures, in which all input parameters significantly affecting fair value are either directly or indirectly observable (Step 2 for the purposes of IFRS 7.27a)). Owing to the low contract volume and short duration, fluctuations in the exchange rate would only lead to negligible chang in the fair value of forward exchange transactions. Hence the impact on our consolidated results and/ or equity is correspondingly negligible so that we can dispense with a disclosure.

Trade receivables in foreign currency amounted to EUR 549K on the balance sheet date (EUR 585K last year). This corresponded to a 15-% proportion of total trade receivables (27 % last year). We have trade receivables in the following currencies:

	30/06/2016 In EUR 1000	30/06/2015 In EUR 1000
USD - Trade receivables	546	584
PLN - Trade receivables	3	1
	549	**585**

A 10-% fluctuation either plus or minus in the value of foreign currency receivables relative to the euro as at the balance sheet date would have had an impact on our consolidated Group earnings after taxes and/or equity of EUR 61K (EUR 65K last year) and/or EUR -50K (EUR -53K last year), respectively.

Moreover, our Polish subsidiary is also exposed to currency risks resulting from transactions with HanseYachts AG that are settled in euros.

Liabilities in foreign currency consisted of obligations in the following currencies:

	30/06/2016 In EUR 1000	30/06/2015 In EUR 1000
PLN - Liabilities	611	611
USD - Liabilities	1	0
	612	**611**

A 10-% fluctuation either plus or minus in the value of foreign currency liabilities/payables relative to the euro as at the balance sheet date would have had an impact on our consolidated Group earnings after taxes and/or equity of EUR -68K (EUR -67K last year) and/or EUR 56K (EUR 56K last year), respectively.

9.5. Fair Value

The fair value of the financial assets and liabilities reported in the consolidated balance sheet are generally determined with reference to available information on the market. The fair value of interest rate swap contracts and forward currency transactions is determined using recognised mathematical models on the basis of the market data available at the time of such calculations. For bond liabilities, information is available on stock exchange prices.

		30/06/2016		30/06/2015	
	in accordance with IAS 39	Carrying amount	Fair Value	Carrying amount	Fair Value
		In EUR 1000	In EUR 1000	In EUR 1000	In EUR 1000
FINANCIAL ASSETS					
Current Financial Assets		**8.671**	**8.671**	**5.104**	**5.104**
Trade receivables	lar	3.782	3.782	2.191	2.191
Receivables from related companies and individuals	lar	0	0	333	333
Other receivables	lar	110	110	80	80
Cash and cash equivalents	lar	4.779	4.779	2.500	2.500
Total financial assets		**8.671**	**8.671**	**5.104**	**5.104**
FINANCIAL LIABILITIES					
Non-current Financial Liabilities		**14.545**	**14.430**	**14.519**	**14.324**
Bonds	flac	12.758	12.643	12.675	12.480
Bank loans and other loans	flac	31	31	210	210
Finance leasing	flac	156	156	34	34
Payables to related companies and individual	flac	1.600	1.600	1.600	1.600
Kurzfristige finanzielle Verbindlichkeiten		**21.437**	**21.437**	**17.576**	**17.576**
Trade payables	flac	13.558	13.558	11.188	11.188
Bank loans, bank overdrafts and other loans	flac	3.956	3.956	2.681	2.681
Interest hedging agreements and exchange rate hedging with negative fair valuet	fvtpl	40	40	85	85
Finance leasing	flac	42	42	9	9
Liabilities to related parties	flac	3.453	3.453	3.365	3.365
Other current liabilities	flac	388	388	248	248
Total: Financial Liabilities		**35.982**	**35.866**	**32.095**	**31.900**

lar = loans and receivables
flac = financial liability at cost
fvtpl = fair value through profit and loss

Owing to the short duration, the carrying amounts of current financial assets and debt correspond to fair value. With non-current financial assets and debt, interest rates correspond to the usual market interest levels and/or the volume is of comparatively manageable magnitude so that even here the carrying amounts also correspond to fair value. Only for bond liabilities are there deviations from the carrying amounts via the available stock exchange prices.

	30/06/2016		30/06/2015	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	In EUR 1000	In EUR 1000	In EUR 1000	In EUR 1000
Aggregated Recognition according to Measurement Categories				
Loans and receivables	8.671	8.671	5.104	5.104
Financial liabilities recognized at fair value through profit and loss	40	40	85	85
Financial liabilities measured at amortised cost	35.962	35.846	32.010	31.815

In aggregate form, financial assets and debt can be seen in the following table: The net results taken into account in the statement of recognised income and expenses for financial assets and debt comprise the following:

	Measurement Categories			
2015/2016	lar	flac	fvtpl	Total
	In EUR 1000	In EUR 1000	In EUR 1000	In EUR 1000
Currency translation differences	-11	0	-49	-60
Release of individual valuation adjustments	7	0	0	7
Impairment and losses in receivables	-220	0	0	-220
Derecognition of liabilities	0	233	0	233
Financial compensation: SWAP/forward currency transactions	0	0	-34	-34
Measurement of forward currency transactions	0	0	46	46
	-224	**233**	**-37**	**-28**

	Measurement Categories			
2014/2015	lar	flac	fvtpl	Total
	In EUR 1000	In EUR 1000	In EUR 1000	In EUR 1000
Currency translation differences	113	0	-283	-170
Release of individual valuation adjustments	49	0	0	49
Impairment and losses in receivables	-134	0	0	-134
Derecognition of liabilities	0	205	0	205
Financial compensation: SWAP/forward currency transactions	0	0	-50	-50
Measurement of forward currency transactions	0	0	42	42
	28	**205**	**-291**	**-58**

9.6. Capital Management

The basic principle of the management board is to maintain a stable capital base and to ensure sufficient liquidity management at all times. In this connection, the equity of HanseYachts AG was strengthened by an increase in capital during the current fiscal year and the focus of the additional activities in the year under review was placed on management of our liquidity. The most important indicator in this context is Net working capital (working capital minus trade payables).

To manage capital and liquidity, the HanseGroup has an internal monthly reporting system. Moreover, reporting directed towards the management board comprises a current consolidated income statement, a consolidated balance sheet and a consolidated cash-flow statement, on the basis of which additional essential indicators for capital and liquidity management (e.g. equity ratio, working capital, cash and cash equivalents) are regularly monitored. Furthermore, short-term to medium-term financial planning is derived from this integrated corporate planning. By means of this financial planning, the HanseGroup can ensure that sufficient funds will be available on call at all times in order to be able to cover expected and/or due business expenditures. In addition, within the framework of ongoing liquidity management, payments and receipts are monitored on a daily basis and weekly liquidity forecasts are prepared and analysed with the available structure of cash and cash equivalents (level of cash and cash equivalents plus the free financing facilities) and customer receivables are monitored as they fall due. With respect to additional organisation of our internal control system, attention is drawn to the information provided in Section 2.3 of the consolidated management report.

The contracts for bank loans call for compliance with certain key fiscal indicators, which HanseYachts AG and its subsidiaries have had to verify on the basis of their annual financial statements. Dynamic and static debt gearing are the key indicators at the centre of interest and as such represent the target figures for capital management and are thus regularly monitored.

Any violation of these fiscal indicators would trigger an extraordinary right of cancellation on the part of lenders that in such cases would be justified in demanding immediate repayment of the respective loans. This could possibly result in making such financing more expensive or in causing an unanticipated need for financing to arise. As in last year, compliance was not possible with any of these covenants for all of the loans, for which a credit condition existed The lending institutions involved in the financing were informed early on about a possible failure to comply with the criteria.
As at the balance sheet date, the lending institutions have declared that there would not be any consequences with respect to non-compliance with these covenants.

A right of termination has also been granted to the owners of the bonds issued on 6 June 2014 (Bonds 2014/19) should a „change of control“ occur and at least 25 % of the bondholders exercise their right of termination by giving notice or should the equity ratio be less than 15 % based on IFRS accounting principles during the life of said bonds, while according to the conditions of the bond issue a shareholder loan is subordinated to shareholders‘ equity. Our corporate planning provides for compliance with the contractual regulations governing minimum shareholders‘ equity backing in fiscal year 2016/17. Attention is drawn to the information provided in the Consolidated Management Report (Risk Report/Financial Risks, Report on Post-Balance Sheet Events).

9.7. Impairment of Financial Assets

Impairment write-downs of current financial assets exclusively relate to trade receivables. They consist of individual valuation adjustments in each case. Attention is drawn to the information provided in Section 6.5.

10. CONTINGENT LIABILITIES, OTHER FINANCIAL OBLIGATIONS AND LITIGATION

10.1. Contingent Liabilities

A financing programme with a total volume of EUR 3.689 million (EUR 2.211 million last year) has been established with an independent sales finance firm, with the aid of which dealers can finance acquisition of their boats from HanseYachts AG. This financing programme was utilised in the amount of EUR 1.035 million (EUR 387K last year) as at the balance sheet date. Under certain circumstances, there exists a buyback obligation on the part of HanseYachts AG for boats paid for with funds from this financing programme, to the extent that participating dealers do not honour their commitments to the sales finance firm. To secure possible buyback obligations on the part of HanseYachts AG, payment guaranties have been made available by its house banks amounting to EUR 1.675 million (EUR 947K last year), which have been collateralized by pledging liquid funds amounting to EUR 1.195 million (EUR 550K last year).

As the contracts with this sales finance firm have initially provided for a resale period for the boats to be assigned by dealers to the sales finance firm as collateral, the risk of a possible compulsory buyback is considered to be low.

Owing to additional guaranties, HanseYachts AG is liable for up to EUR 21K (EUR 21K last year).

The HanseYachts Group is not liable for any contingent liabilities to third parties.

10.2. Other Financial Obligations

Other financial obligations primarily include those for leasing and rental agreements as well as service contracts. The respective stipulated and/or expected terms of the contractual relationships are taken into account.

Commitments from Long-term Contractual Obligations	30/06/2016 In EUR 1000	30/06/2015 In EUR 1000
Due within one year	577	254
Due after one year	932	492
	1.509	746
Order commitments from investments already begun	239	17
	1.748	**763**

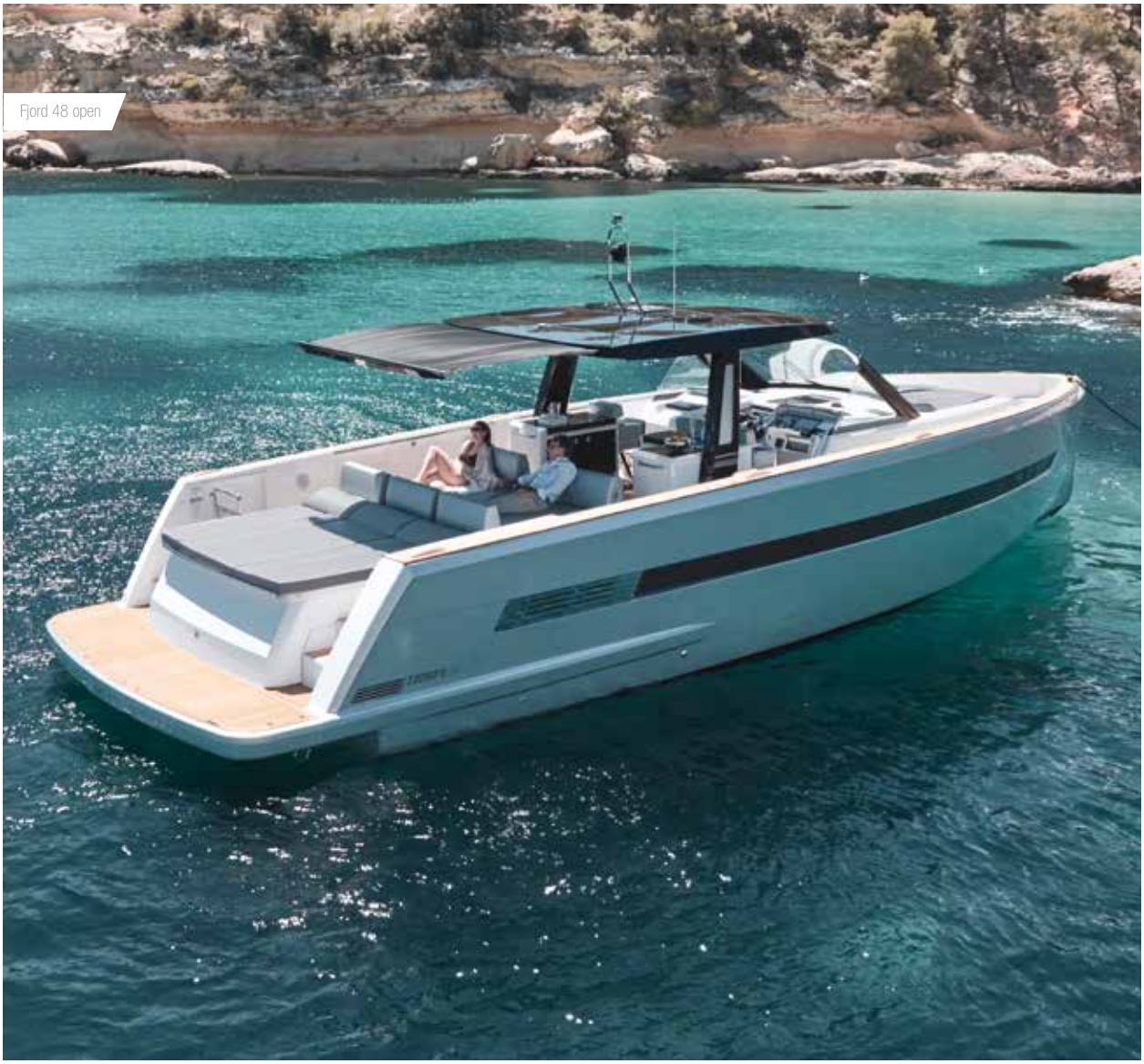
The above-mentioned financial obligations resulted in EUR 420K (EUR 120K thereof falls due within one year) in costs from contracts with companies of the AURELIUS Corporate Group. In addition to the above-mentioned financial obligations, there are service contracts that can be terminated on short notice with individual companies in the AURELIUS Group.

Additional clarification can be found in the section on Transactions with related individuals (Section 11).

In the past fiscal year 2015/16, expenses incurred from operating lease contracts were EUR 164K (EUR 117K last year).

10.3. Litigation

HanseYachts AG or one of its corporate subsidiaries is involved in litigation both with suppliers as well as with customers within the framework of their ongoing business activities. Litigation with customers usually involves payments of compensation for damages with respect to defects and downtime or are aimed at having the sales contracts revoked. Amounts in dispute with customers are oriented, inter alia, to the purchase prices of the respective boats, which range from ca. EUR 0.1 million to ca. EUR 1.2 million.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Provisions formed for litigation are usually significantly higher than the amount set in the dispute. Thanks to its experience in the past, HanseYachts AG is of the opinion that any risks involving possible realisation of litigation are completely covered by the provisions that it has formed.

In one individual case, HanseYachts AG has been ordered to pay EUR 1.1 million by a court in a country outside of the European Union and other Western confederations of States, with which a treaty has not been concluded under international law for reciprocal recognition of judicial decisions. HanseYachts AG considers this judgment to be manifestly invalid and thus null and void. It is considered highly unlikely that consequences from this judgment would be asserted against HanseYachts AG (cf. as a result of enforcement measures). For this reason, no other provisions have been undertaken against any risk from this matter. Attention is drawn to the information provided under Section 6.10 relating to measurement of provisions.

11. RELATIONSHIPS TO RELATED COMPANIES AND INDIVIDUALS

In accordance with IAS 24, persons or companies, over which the reporting entity has significant influence or which could exercise significant influence over said entity, must be disclosed, unless they are consolidated companies already included in the consolidated financial statements.
In principle members of the management board and of the supervisory board come into consideration as related individuals of the HanseGroup. Moreover, the members of the management board and of the supervisory board at Aurelius AG in Grünwald also come into consideration as related individuals, in whose consolidated financial statements HanseYachts AG has been included. Consequently, related companies have in particular included those of the consolidated Group of Aurelius SE & Co. KGaA.

The prices charged for intra-Group revenues as well as goods and services are determined on the basis of market prices. HanseYachts AG received commensurate consideration in light of the circumstances known at that point in time, at which the legal transactions were undertaken.

As in the previous year, there were no doubtful or uncollectible receivables from related individuals and/or companies in the reporting period.

The Management Board

The members of the Management Board of HanseYachts AG in fiscal year 2015/16 were:

- Dr. Jens Gerhardt, Hamburg,
  Director of Marketing and Quality Assurance
- Sven Göbel, Naumburg,
  Director of Finance and Production

Remuneration for the management board amounted to EUR 771K for fiscal year 2015/16 (EUR 614K last year). They include EUR 547K (EUR 505K last year) in fixed remuneration components and EUR 226K (EUR 109K last year) in variable remuneration components.

By virtue of a resolution passed at the general shareholders meeting held on 17 December 2015, HanseYachts was exempted from the obligation of disclosing the total remuneration of the management board and any benefits payable on termination of a contract of employment on an individual basis. This exemption is valid for a period of five years.

The Supervisory Board

The supervisory board comprises the following members:

- Gert Purkert, Munich, *management board of AURELIUS Equity Opportunities SE & Co. KGaA, Chairman of the supervisory board*
  Additional appointments:
  - Aurelius Beteiligungsberatungs AG, Munich *(vice-chairman),*
  - Aurelius Portfolio Management AG, Munich *(chairman),*
  - Aurelius Transaktionsberatungs AG, Munich,
  - Lotus AG, Grünwald,
  - Berentzen Group Aktiengesellschaft, Haselünne *(chairman).*
  - Fidelis HR GmbH, Würzburg (chairman),
  - Publicitas AG, Zurich, Switzerland.
- Dr. Frank Forster, Munich, corporate counsel of AURELIUS Equity Opportunities SE & Co. KGaA, *vice-chairman*
  Additional appointments:
  - Aurelius Portfolio Management AG, Munich,
  - Berentzen Group Aktiengesellschaft, Haselünne.
- Dr. Luzi Rageth, Zurich, *chairman of the examination commission*
  Additional mandates:
  - ISOCHEM, Paris *(president of the supervisory board)*
- Fritz Seeman, Düsseldorf, corporate consultant
- Alexander Herbst, Trassenheide, *employee representative on the supervisory board*
- Ronny Riechert, Greifswald, *employee representative on the supervisory board.*

During the reporting period, the supervisory board received remuneration of EUR 60K (EUR 46K last year).

In addition to the remuneration of the directors and officers (D & O) indicated above, there were also the following business relations with companies of the Aurelius Corporate Group:

Fiscal year 2015/16	Revenues	Expenditures	Receivables. 30/06/2016	Payables. 30/06/2016
	In EUR 1000	In EUR 1000	In EUR 1000	In EUR 1000
Consulting services (incl. travel costs)	0	14	0	0
Licensing fees	0	381	0	103
Loans	0	367	0	4.949
Bonds 2014/2019	0	56	0	704
Trade Receivables	10	9	12	0

Fiscal year 2014/15	Revenues	Expenditures	Receivables. 30/06/2015	Payables 30/06/2015
	In EUR 1000	In EUR 1000	In EUR 1000	In EUR 1000
Consulting services (incl. travel costs)	3	328	0	9
Licensing fees	0	274	0	215
Cost transfers	0	0	333	0
Loans	0	291	0	4.737
Bonds 2013/2014	0	81	0	0
Bonds 2014/2019	0	56	0	704

Receivables and/or payables from cost transfers and/or invoicing consulting services and licensing fees include legal VAT and in each case are current.

Liabilities from loans and/or bonds also contain proportionally accrued interest in the above-mentioned display in addition to the nominal values.

The bonds subscribed by the AURELIUS Corporate Group have been recognised with their nominal value corresponding to their maturities under the liability item „Bonds". Interest accrued for the bonds is recognised in Current liabilities owed to related individuals and companies. With respect to the conditions for these bonds, attention is drawn to the information provided under Section 6.11. In so far as loan liabilities have not been secured with collateral and if necessary a subordination has been declared, interest on the loans is based on the conditions for comparable external financing newly taken out. In so far as loan liabilities have been secured with collateral, interest on the loans is based on the conditions for lines of credit granted by banks. Of the loan liabilities, a figure of EUR 1.6 million has been allocated to Non-current liabilities. With a figure of EUR 1,006 K, the loan liabilities have been assigned to Current liabilities together with accrued interest. Existing loan debt has been charged interest rates ranging from 8.0 % to 9.5 % during this fiscal year.

In addition to the disclosures given above, the management board would like to point out that the chairman of the supervisory board as well as the members of the management board are shareholders in an enterprise in Germany whose object is to charter out sailing yachts and motor boats. The boats intended for chartering have been acquired from external dealers of HanseYachts AG, who obtain the boats via HanseYachts AG and at the same time do the actual

chartering out of said boats for a fee. The dealer acquired one boat from HanseYachts AG for EUR 100K in the year under review. This boat was ordered last year. Moreover, an additional boat was ordered by this dealer in fiscal year 2015/2016 for a price of EUR 152K that is expected to be delivered in fiscal year 2016/17.

12. DECLARATION OF COMPLIANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE

The declaration of compliance with the German Corporate Governance Code stipulated in Art. 161 of the AktG has been submitted and has been made available to shareholders at all times as part of our declaration on corporate management in accordance with Article 289a HGB via publication on our home page (at www.hansegroup.com under Corporate Governance).

13. AUDITORS' FEES (DISCLOSURE IN ACCORDANCE WITH ART. 314, PARA. 1, NO. 9 HGB)

Fees for the HanseYachts Group's auditors were calculated as follows:

	2015/16 In EUR 1000	2014/15 In EUR 1000
Expenses for statutory auditing	71	68
Other audit-related services	27	26
Other services	13	22
	111	**116**

The fees for auditing services cover the annual and consolidated financial statements of HanseYachts AG (including expenses), respectively.

Other confirmation services relate to the audit for the interim financial statements as at 31 December 2015 for the purpose of integrating the consolidated financial statements of the HanseGroup into the superordinate consolidated financial statements of the Aurelius Equity Opportunities SE & Co. KGaA.

14. EVENTS AFTER THE BALANCE SHEET DATE

There were no further significant events arising after the balance sheet date that would have crucially affected the net assets, financial position and results of operations.

15. AUTHORISATION FOR PUBLICATION

On 16 September 2016, the management board of HanseYachts AG authorised the consolidated financial statements for submission to the supervisory board. The responsibility of the supervisory board is to examine the consolidated financial statements and to state whether it would approve said consolidated financial statements.

Greifswald, 16 September 2016

The Management Board

Dr. Jens Gerhardt

Sven Göbel

ASSURANCE OF THE LEGAL REPRESENTATIVES

We guarantee to the best of our knowledge that in accordance with the accounting policies used here the consolidated financial statements of HanseYachts AG provide a true and fair view of the net assets, financial position and results of operations of the Group and in the consolidated management report the business activities, including the results of business operations and the status of HanseYachts AG, are presented in such a way as to give a corresponding picture consistent with actual facts as well as to describe the essential opportunities and risks involved in projected developments.

Greifswald, 16 September 2016

The Management Board

Dr. Jens Gerhardt

Sven Göbel

INDEPENDENT AUDITOR‘S REPORT

We have audited the consolidated financial statements of HanseYachts AG, Greifswald, from 30 June 2016 – consisting of the balance sheet, income statement and other consolidated results, capital flow statement, changes in equity and notes to the financial statements – as well as the consolidated management report for the fiscal year from 1 July 2015 to 30 June 2016. The preparation of the consolidated financial statements and Group management report in accordance with IFRS as adopted by the European Union (EU) and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB [“Handelsgesetzbuch”: “German Commercial Code”] are the responsibility of the Managing Board of the Company. Our responsibility is to express an opinion on the consolidated financial statements and on the Group management report based on our audit.

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

Our audit has not led to any reservations.

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

Hamburg, 16 September 2016

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Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

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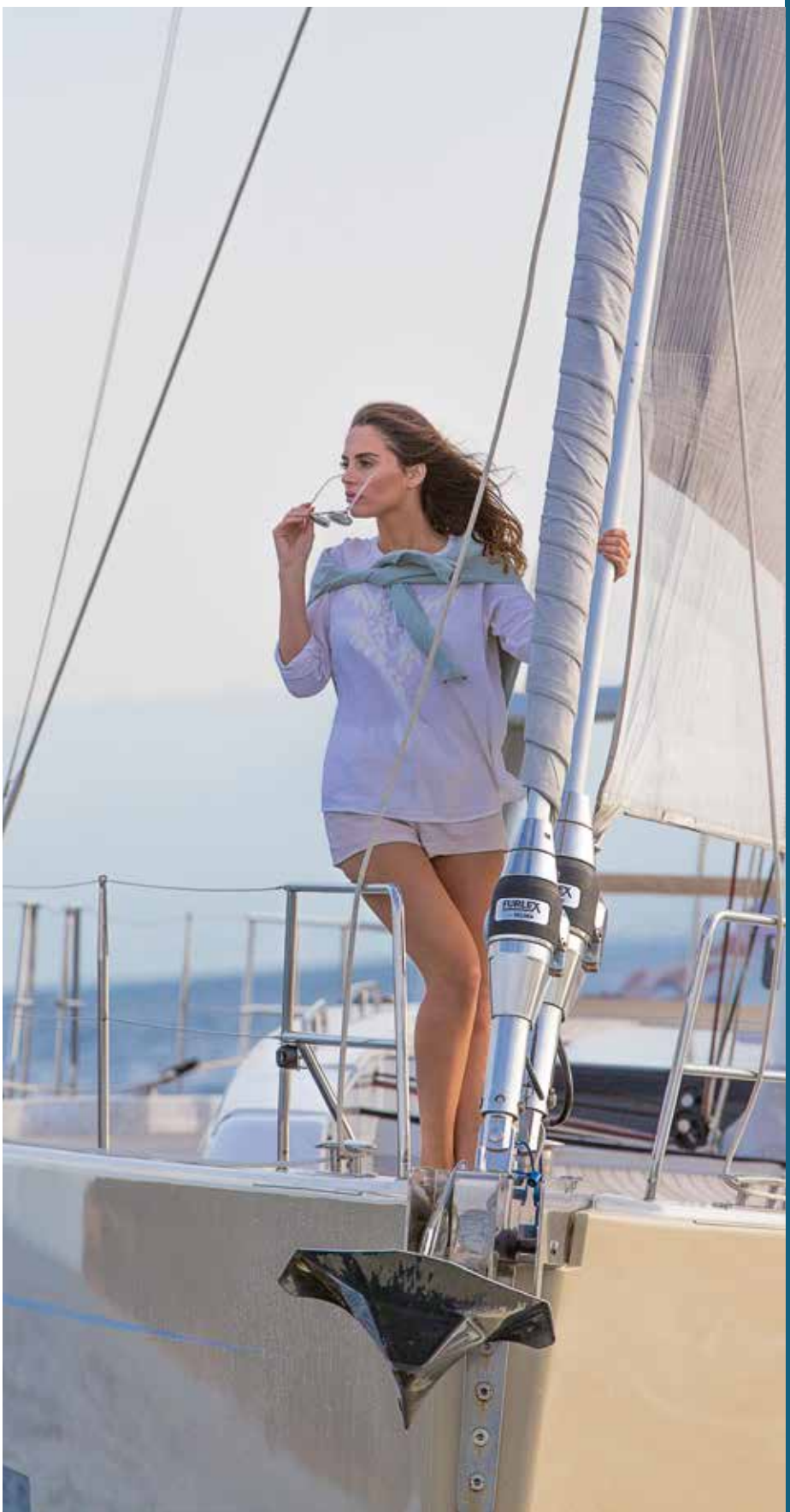

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