ALSO

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teen

ALSO ANNUAL REPORT 2013

ALSO in brief

ALSO is a leading European full-range provider for the ICT industry and offers its customers the entire bandwidth of the supply chain, from solutions to services. Offerings in the Solutions segment include, for example, high-end servers, storage, security systems, and networks, and in the Services segment standardized and individual services along the entire IT process chain.

6 533
million EUR net sales in fiscal year 2013

12
European countries are served

3 155
employees throughout Europe

100 000
customers benefit from excellent service

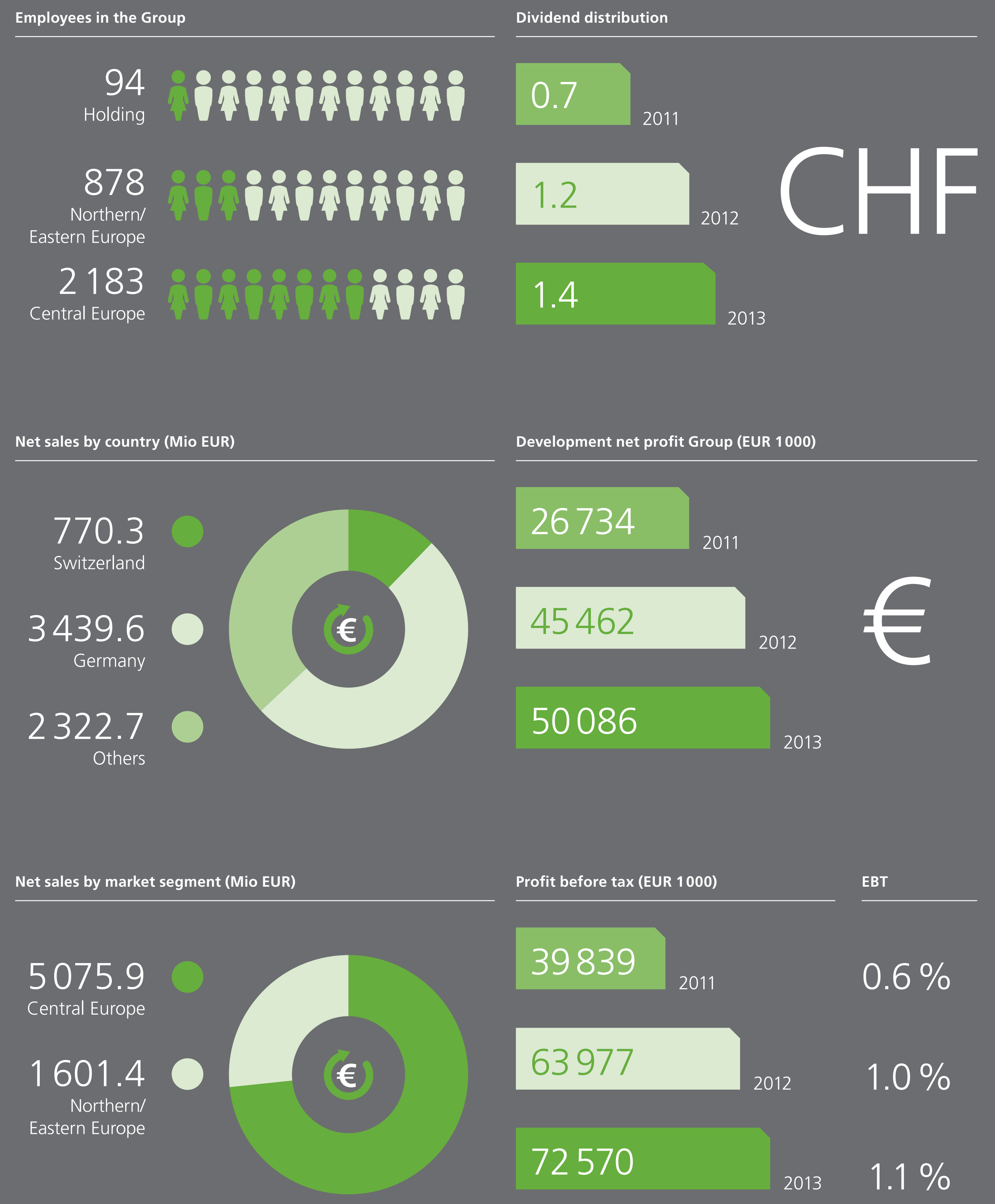
350
vendors distribute their products through ALSO

160 000
articles are contained in the portfolio

ALSO at a glance

	2013	2012 [1]	2011 [2]	2010	2009
Consolidated statement of comprehensive income (Mio EUR)					
Net sales	6 532.6	6 297.0	6 209.3	3 707.2	3 534.2
Gross margin	428.6	418.0	400.2	236.7	229.0
EBITDA	113.5	109.4	91.4	57.9	53.8
Operating profit (EBIT)	87.4	83.5	67.3	42.6	35.9
Profit before taxes (EBT)	72.6	64.0	39.8	32.8	22.6
Net profit Group	50.1	45.5	26.7	22.2	14.9
Consolidated statement of financial position (Mio EUR)	**12.31.2013**	**12.31.2012 [1]**	**12.31.2011**	**12.31.2010**	**12.31.2009**
Cash and cash equivalents	41.6	5.5	4.9	1.9	3.5
Other current assets	1 210.1	1 076.5	998.7	479.3	518.8
Non-current assets	241.1	254.0	258.5	56.0	67.5
Total assets	**1 492.8**	**1 336.0**	**1 262.1**	**537.2**	**589.8**
Current liabilities	932.2	869.6	799.5	412.4	477.8
Non-current liabilities	139.3	77.6	110.9	20.5	30.1
Equity	421.3	388.8	351.7	104.3	81.9
Total liabilities	**1 492.8**	**1 336.0**	**1 262.1**	**537.2**	**589.8**
Equity ratio	28.2 %	29.1 %	27.9 %	19.4 %	13.9 %
Consolidated statement of cash flows (Mio EUR)	**2013**	**2012 [1]**	**2011 [2]**	**2010**	**2009**
Free cash flow	51.4	16.4	89.1	1.3	23.6
Investments in property, plant and equipment	5.6	4.6	3.1	1.7	1.6
Key figures	**2013**	**2012 [1]**	**2011 [2]**	**2010**	**2009**
Gross margin as % of net sales	6.6 %	6.6 %	6.4 %	6.4 %	6.5 %
Operating profit as % of net sales	1.3 %	1.3 %	1.1 %	1.1 %	1.0 %
Net profit Group as % of net sales	0.8 %	0.7 %	0.4 %	0.6 %	0.4 %
Headcount at December 31 [3]	3 240	2 990	3 082	1 815	1 831
Average headcount during the year	3 155	2 985	3 171	1 844	1 843
Shares of ALSO Holding AG	**2013**	**2012 [1]**	**2011**	**2010**	**2009**
Number of registered shares, nominal value CHF 1.00 per share	12 848 962	12 848 962	12 848 962	6 039 012	6 039 012
Dividend per registered share (CHF)	1.40 [4]	1.20	0.70	1.00	0.70
Equity per registered share (CHF)	40.25	36.53	33.32	32.07	32.35
Share price, high (CHF)	51.05	46.00	58.00	58.00	45.00
Share price, low (CHF)	41.05	35.65	37.15	40.20	25.00
Market capitalization at December 31 (CHF million)	636.0	587.8	539.7	332.1	247.6

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


Employees in the Group
94
Holding
878
Northern/
Eastern Europe
2 183
Central Europe
Dividend distribution
0.7
2011
1.2
2012
1.4
2013
CHF
Net sales by country (Mio EUR)
770.3
Switzerland
3 439.6
Germany
2 322.7
Others
Development net profit Group (EUR 1 000)
26 734
2011
45 462
2012
50 086
2013
€
Net sales by market segment (Mio EUR)
5 075.9
Central Europe
1 601.4
Northern/
Eastern Europe
Profit before tax (EUR 1 000)
39 839
2011
63 977
2012
72 570
2013
EBT
0.6 %
1.0 %
1.1 %

Contents

Status Report

In the Condensed Status Report, ALSO provides information about the results of the two market segments, Central Europe and Northern/Eastern Europe, as well as about the development of the Group's business and the MORE strategy. The report contains an outlook for fiscal year 2014. Further financial key figures for the two segments on which reporting is mandatory are contained in the consolidated financial statements and the financial statements of ALSO Holding AG.

5 076

million EUR net sales
market segment Central Europe

1 601

million EUR net sales
market segment Northern/Eastern Europe

8.2

percent increase in the share price in 2013

1.4

CHF dividend per share will be proposed at the Annual General Meeting

Letter to shareholders

Thomas C. Weissmann
Chairman of the Board of Directors of ALSO Holding AG

Since the outbreak of the financial crisis, Europe has been in a precarious situation. Although the situation has stabilized since the initial major collapse, the structural problems have continued into the present. Sovereign debt has risen further and, despite massive expansion of the money supply by the European Central Bank, the economic recovery is proceeding distinctly hesitantly. Unemployment in the euro zone is also still at a persistently high level.

As is so often the case, the forecasts of the European Commission for 2013 were too optimistic. Whereas in November 2012 it forecast GDP growth in the euro zone for 2013 of 0.1 %, its latest estimate is for a decline of 0.4 %.

The ICT industry could not escape this trend. Demand from private customers was particularly low by comparison with previous years, due to the absence of impulse-giving innovations. According to the CONTEXT market research institute, in the countries that are relevant for ALSO, excluding the Baltic countries and the Netherlands, the value of the ICT distribution market in 2013 was around 1.7 % less than in the previous year.

Best result in the Group's history

Against this backdrop, the Group put up an impressive performance. Revenue climbed by 3.2 % to 6.5 billion euros and Group net profit by 10.1 % to 50.1 million euros. The good result is the effect of the consistently pursued MORE strategy. Through active structuring of the product portfolio, the Group can achieve growth even in times of weak demand. Benchmarking and continuous process optimization sustainably improve the cost situation. And the targeted development of activities with high added value contributes to reducing dependence on the volatile product distribution business.

At December 31, 2013, total assets amounted to 1 493 million euros. Equity as a percentage of total assets was 28 %. At year-end 2013, ALSO employed 3 155 employees. The Board of Directors proposes that at the Annual General Meeting of March 13, 2014, the shareholders shall vote upon a disbursement of reserve from contribution in kind of 1.40 Swiss francs per registered share. This represents a payout ratio of 29 %.

Change of generation in the Board of Directors

At the Annual General Meeting of March 7, 2013, Herbert H. Jacobi and Peter Bühler stepped down from the Board of Directors. On July 8, 2013, Alfons Frenk resigned with immediate effect for private reasons. On October 1, 2013, the long-serving Chairman, Thomas C. Weissmann, announced that he will also step down from the Board at the Annual General Meeting 2014. The Board of Directors proposes that at the Annual General Meeting of March 13, 2014, Dr. Olaf Berlien, Prof. Dr. Peter Athanas, and Prof. Dr. Gustavo Möller-Hergt shall be elected to the Board and Prof. Dr. Gustavo Möller-Hergt shall be elected as new Chairman. Subject to these elections, the Board of Directors will then be composed of seven members.

Review and outlook

When the long-serving Chairman steps down, an era will come to an end in which the ALSO Group has developed from an insignificant, purely nationally oriented, distribution company into one of the leading European suppliers of products and services in the IT, consumer electronics, and logistics sectors, with a presence in twelve countries. Between 1989 and 2013, Group net sales increased by a factor of more than one hundred and Group net profit by a multiple of over sixty. This sustained success results from three key elements:

1. Consistent pursuit of the strategy

In the past, ALSO has never let itself be influenced by hypes but has consistently and purposefully pursued the defined strategy. Long-term alignment, not short-term thinking – that is, and remains, the guiding philosophy. Concentration on the essentials builds trust in the employees as well as the stakeholders. The development of the Group since the merger in 2011 shows that this long-term mindset is still valid.

2. Swift response to change

The sustained growth of the ICT industry has always been accompanied by strong fluctuations. ALSO has always responded swiftly and adapted its structures to the changed situation without calling the strategic alignment into question. ALSO could thereby increase its long-term average profitability despite market volatility. Again in fiscal year 2013, the management has proved that ALSO is capable of responding swiftly and appropriately to unexpected changes at any time.

3. Operational excellence

Products are interchangeable. Performance is not. Which explains ALSO's strong emphasis on operational excellence. Process costs and quality have always been central to ALSO. With the ongoing Profit Improvement Program (PIP) and the Process Optimization Program (POP), the Group is pursuing the same goal: the creation of sustainable added value.

The company will also stake its future on these strengths. Despite the difficult market environment, the Group is well prepared for the challenges that lie ahead, even if the economic outlook for Europe does not look particularly encouraging. In view of the still unsolved structural problems, growth in the European economies may remain very modest for the foreseeable future. This could have a dampening effect on the demand for ICT products from companies as well as private customers.

Nonetheless – barring unforeseen events – the Group expects revenue and profit to increase substantially in the coming years. In fiscal year 2013, with a Group net profit of 50.1 million euros, the medium-term target corridor of 50 to 55 million euros was already attained. Also in the longer term, thanks to its successful business model (large customer base, high cost flexibility, limited business risks), ALSO should be able to generate an attractive return on investment.

Thanks

The challenging environment has placed heavy demands on the employees who, with their great personal efforts, have contributed to ALSO's success. For this, we thank them here most cordially. Our thanks also go to our customers and business partners who, with their loyalty and support, contributed to this year's good result. Finally, we also thank our shareholders for their long-standing trust in our company.

Thomas C. Weissmann
Chairman of the Board of Directors

Values and strategy

Increase profitability – expand market position

Profitable and sustainable growth – that is the overriding goal that ALSO has set itself with the MORE strategy. In doing so, ALSO is responding proactively to changing market conditions and pursuing income and growth objectives that strive for sustainable corporate development.
The foundation of this strategy is the broad customer base (systems houses, specialist traders, retailers, e-tailers), which allows ALSO to further develop the Solutions and Service business models in addition to its core business (Supply), and at the same time to exploit additional business potentials.
Within this framework, these two business models will be decoupled from the classical volume business and further developed separately, since they are characterized by different dynamics. The principal challenge is to build up the specific knowledge in the employees and to intensify corresponding customer relationships.

Again in 2014, the focus will be on consistent implementation of the MORE strategy and increasing the profitability.

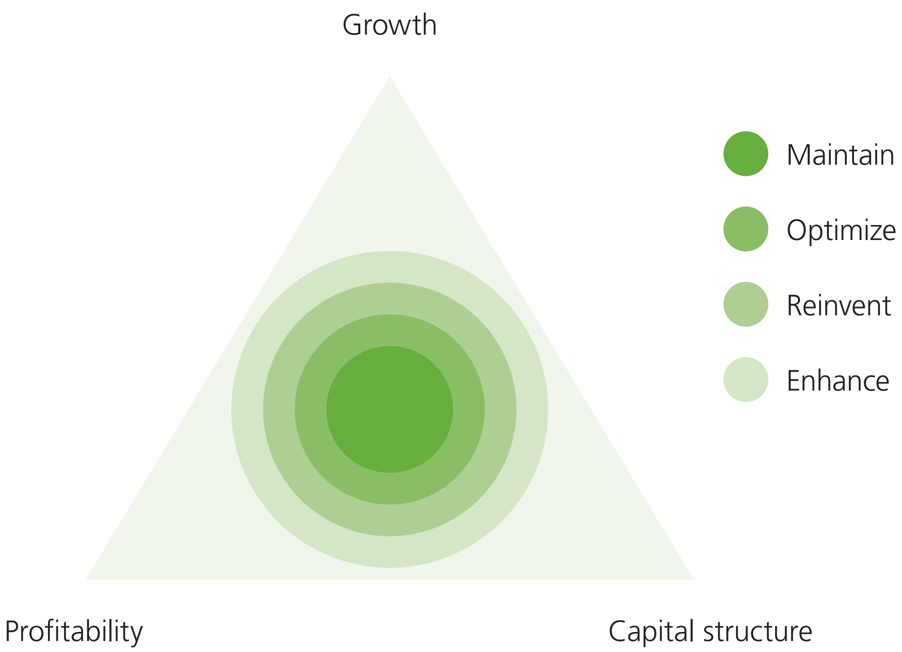
The MORE strategy program

M stands for **Maintain**, which means securing the transaction business model, based on which the Service and Solutions business will be expanded to attain the striven-for growth and income targets.

O stands for **Optimize**, which means continuous optimization of the processes in the regions. Strong leverage is derived from the Profit Improvement Program (PIP) and the Process Optimization Program (POP).

R stands for **Reinvent**: ALSO will continue to generate growth through the transaction business model at the same time as implementing the necessary decoupling in order to generate additional growth with the Solutions and Service business models. Decoupling allows value packages to be even better matched to customers' requirements.

Lastly, **E** stands for **Enhance**. This mainly means expanding our market position by acquisitions in line with the "Reinvent" goal. On the one hand, in those countries where ALSO already occupies a leading market position and wants to scale-up the acquisition based on the ALSO platform. On the other hand, in countries where ALSO is not present, but which nonetheless offer potential for growth, which can be accessed through the acquisition of similarly positioned companies.



First successes of the MORE strategy

Effects of the MORE strategy launched in 2012 begin to show

Through **Maintain**: Despite a difficult market environment, taken over all regions ALSO could slightly increase its market shares. According to the CONTEXT* market research institute, the market share in the Central Europe market segment grew by 0.8 percentage points and in the Northern/Eastern Europe market segment by 0.3 percentage points.

Through **Optimize**: In virtually all countries, conversion to the SAP platform is complete; in France, SAP will be implemented in the first quarter of 2014. At Group headquarters in Switzerland, preliminary measures have been taken to enables smooth conversion at a later date.

The Business Intelligence Tool has been successfully initiated, with which ALSO can proactively adapt its business even better to changing markets and customer requirements. The analysis tool enables sales activities to be optimized and profitability to be increased.

Also in fiscal year 2013, ALSO implemented various measures that positively impact the cost structure. These include the Process Optimization Program (POP), which by standardizing best-practice processes will further reduce operating costs also in the coming year. In 2013, the POP program was introduced in Germany. In view of the good project progress and rapid goals attainment, in 2014 the program will be successively introduced in France and the Northern European countries.

Finally, the Profit Improvement Program (PIP) will be pursued further.

Through **Reinvent**: ALSO has adapted its organizational structure to changing market conditions and continued with decoupling the Supply, Solutions, und Services business models. ALSO has thereby undertaken a further important step in matching the value packages even better to customers' requirements.

And finally, through **Enhance**: In fiscal year 2013, ALSO undertook acquisitions in Germany and the Netherlands, and again in the new fiscal year will consider potential acquisitions to strengthen its business.

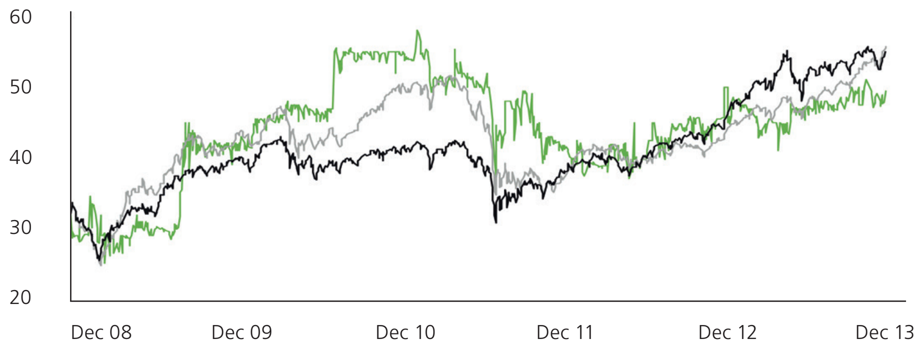
* Source: CONTEXT Distribution Panel 2013

Market report

Capital market
ALSO's shares are listed on the SIX Swiss Exchange. The development of the company and the performance of its shares are regularly analyzed by banking institutions.

ALSO share
At December 31, 2013, the total market capitalization of ALSO was CHF 636 million. The share capital is composed of 12 848 962 paid-up registered shares with a nominal value of CHF 1.00 per share.

Share price in CHF (adjusted)



Stock details

Symbol	ALSN
Security no.	2459027
ISIN	CH0024590272

Key figures related to the ALSO share	2013
Number of registered shares at CHF 1.00	12 848 962
Dividend per registered share (CHF)	1.40[1]
Equity per registered share (CHF)	40.25
Share price, high (CHF)	51.05
Share price, low (CHF)	41.05
Market capitalization at December 31 (CHF million)	636

[1] Proposal of the Board of Directors

Dividend policy
The Board of Directors of ALSO Holding AG pursues a policy of continuous dividends and strives for a payout ratio of 25 % to 35 %. The annual dividend is set in the light of the current income and financial situation as well as the corresponding outlook.

For 2014, the Board of Directors proposes that at the Annual General Meeting of March 13, 2014, the shareholders shall vote upon a disbursement of reserve from contribution in kind of CHF 1.40 per registered share. This corresponds to a total dividend of CHF 17.9 million and a payout ratio of 29 %.

Shareholder structure
The shareholder structure is as follows. The majority shareholder of ALSO Holding AG, with a shareholding of 51.3 %, is Special Distribution Holding GmbH, Düsseldorf, Germany. A further major shareholder, with an interest of 28.4 %, is Schindler Pars International Ltd., Hergiswil, Switzerland. At the end of 2013, the free float, as defined by SIX Swiss Exchange, was 20.3 %.

Shareholder structure (at December 31, 2013)

51.3 %
Droege

28.4 %
Schindler

20.3 %
Floating Shares

Business development of the Group

General economic situation
In 2013, the global economy expanded only very modestly. Because of the weak economy in some euro countries, as well as the low rate of growth in North America and relatively restrained growth dynamics in developing countries, GDP growth in 2013 was only 2.4 %. For the euro zone, UBS Research forecasts GDP growth of -0.4 % (previous year -0.6 %).

ICT market
In 2013, the uncertainty resulting from the economic situation led to lower investment in the commercial sector (B2B) and reduced expenditure in the consumer sector (B2C). According to the CONTEXT market research institute, net sales in the entire ICT distribution market* in the countries that are relevant for ALSO declined by 1.7 % compared to the previous year. In the commercial sector (B2B), the market stagnated at close to last year's level (0.1 %), while in the consumer sector (B2C), net sales fell by 6.5 % compared to the previous year.

In the commercial sector, there was growth in the Software & Licenses (+3.3 %), Warranties & Service (+7.0 %), Telecommunications (+7.6 %), and Connected Cameras (+14.5 %) categories. By contrast, in the Photo & Video Cameras (-21.3 %), Electronics (-17.3 %), Removable Storage (-14.7 %) and Data Center Networking & Security (-12.5 %) categories, the development was negative. In the consumer sector, Telecommunications (+15.2 %), Warranties & Services (+31.1 %), Connected Cameras (+44.0 %), and Unified Communications (+47.0 %) were the main winners. The biggest losses were in the Games Consoles (-71.4 %), Electronics (-45.5 %), Software & Licenses (-26.8 %), and Connectivity (-23.8 %) categories.

ALSO Group attains target corridor ahead of time
Despite these difficult conditions, in fiscal year 2013 the ALSO Group made considerable economic and strategic progress. In addition to the marked increase in net sales and profit, numerous operational projects within the scope of the MORE strategy, such as decoupling of the Supply, Solutions and Services business models, progressed according to plan. The introduction of HANA (Hasso New Architecture) enables faster analysis of large data volumes and accelerates decision-making processes. The Business Intelligence Tool was also successfully initiated, with which ALSO can proactively adapt its business even better to changing markets and customer requirements. ALSO has thereby undertaken important steps towards satisfying the customers' needs even better.

The company also implemented various measures that positively affected the cost structure and profit. In fiscal year 2013, Group net sales rose by 3.2 % to 6.5 billion euros, while EBITDA increased by almost 3.7 % to 113.5 million euros. Profit before tax (EBT) climbed by 13.4 % from the previous year, to 72.6 million euros, enabling ALSO to improve its EBT margin year-on-year from 1.0 % to 1.1 %. In fiscal year 2013, the company generated Group net profit (EAT) of 50.1 million euros, which surpassed the previous year's level by 10.1 percent. By doing so, the Group already in 2013 attained the medium-term target corridor for EAT of 50 to 55 million euros that was set in 2011.

Central Europe market segment
According to CONTEXT, in the countries that are relevant for ALSO, the ICT distribution market* shrank by 1.2 %. In the comparable reporting year, ALSO grew by 2.4 %. The growth came from Germany (+2.8 %), France (+6.6 %), and Austria (+1.2 %). The only country with a slight reduction (-1.0 %) was Switzerland. ALSO overproportionally increased its sales in the tablets, PC, and networking systems segments. The above-average development of sales in the Software & Licenses and Computing Accessories sectors was particularly pleasing.

In a declining market, ALSO increased net sales in the Central Europe market segment by 6.4 %, to 5 076 million euros, after 4 772 million euros in the previous year. Profit before tax (EBT) improved by 20.3 %, from 56.0 million euros to 67.3 million euros. The EBT margin was 1.3 %, after 1.2 % last year.

Northern/Eastern Europe market segment
According to CONTEXT, the ICT distribution market* also contracted in this region (-3.9 %). By comparison, ALSO's decline was less pronounced (-3.0 %). A significant contribution came from the above-average performance of ALSO Sweden (+25.3 %), where the total market shrank by 1.6 %. This substantial growth at ALSO Sweden resulted from increased sales of tablet PCs and desktops. ALSO Norway also posted an above-average development (+2.1 %). The largest declines in this region were at ALSO Finland (-19.5 %) and Denmark (-3.3 %).

In the Northern/Eastern Europe market segment, net sales fell by 4.1 percent compared to the previous year, from 1 669 million euros to 1 601 million euros. Profit before tax (EBT) dropped by 48.1 percent, from 12.5 million euros to 6.5 million euros, and the EBT margin from 0.7 % to 0.4 %.

* Excluding Baltics and Netherlands

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

Central Europe market segment Key figures in EUR 1 000	Change over previous year in percent	2013	2012	2011	2010
Total net sales	+6.4	5 075 918	4 772 389	4 732 081	2 968 694
EBITDA	+7.5	98 486	91 652	74 039	42 560
Operating profit (EBIT)	+10.1	79 133	71 896	54 848	28 352
Profit before tax (EBT)	+20.3	67 341	55 972	33 975	19 534
EBT margin	-	1.3 %	1.2 %	0.7 %	0.7 %
Headcount at December 31	+13.8	2 304	2 024	2 044	1 447

Northern/Eastern Europe market segment Key figures in EUR 1 000	Change over previous year in percent	2013	2012	2011	2010
Total net sales	-4.1	1 601 380	1 669 133	1 613 460	834 311
EBITDA	-32.5	13 313	19 726	17 131	16 495
Operating profit (EBIT)	-39.1	9 379	15 394	13 438	15 388
Profit before tax (EBT)	-48.1	6 472	12 482	8 238	13 409
EBT margin	-	0.4 %	0.7 %	0.5 %	1.6 %
Headcount at December 31	-4.7	838	879	977	349

Outlook

Economic situation
The European Commission expects recovery in the euro zone to be weak in 2014 and the area of the common currency to return to solid growth only slowly. For the coming year in the euro zone, it forecasts a plus of 1.1 % in GDP. It must therefore be assumed that growth will remain modest until 2015. For 2015, the Commission foresees that GDP will increase by 1.5 %.

Outlook for the relevant markets/industries
The outlook for the economic development of the ICT industry remains subdued. For 2014, for the entire IT market in the ALSO countries* (excluding IT and telecommunication services), the Gartner market research institute forecasts end-user spending to grow by 2.9 %.

In the devices sector in this region, Gartner forecasts end-user spending to grow by 2.2 %. In this category in the ALSO Central Europe market segment, Gartner expects growth of 1.5 %, and in the Northern/Eastern Europe* market segment, growth of 5.8 % is anticipated.

In the data center systems sector, Gartner expects performance in end-user spending to weaken (-0.7 %). For 2014 in this category in the ALSO Central Europe market segment, Gartner forecasts a decline of 0.8 %, and in the ALSO Northern/Eastern Europe* market segment, slight growth of 0.1 %.

For the software sector, Gartner forecasts growth in end-user spending of 5 %. In the ALSO Central Europe market segment, Gartner expects growth of 5.1 %, and in the Northern/Eastern Europe* market segment, growth of 4.3 %.

In the coming year, ALSO expects sales of both smartphones and tablets to contribute to growth in net sales. ALSO also expects this development to further cannibalize the market for PCs and laptops, so that in 2014, further sales reductions in this product category must be anticipated.

Development of the ALSO Group in 2014
In 2014, the focus will again be on consistent implementation of the MORE strategy. This should – as in the preceding years – increase profitability. The Profit Improvement Program (PIP) should be pursued further. The strategy foresees the successive introduction of the Process Optimization Program (POP) in France and the northern European countries. Both of these optimization programs should be supported by the Business Intelligence Tool.

The company intends to profitably expand the Supply business in order to thereby further develop both the Solutions and the Service business models. In the Service as well as the Solutions business, ALSO wants to deliver convincing market performances in order to gain new customers and access new markets. In keeping with the strategy, the company continues to consider potential acquisitions in the three business models.

In the traditional distribution segment, ALSO expects a further shift towards mobility and the associated necessary developments in the networking, software, and security sectors, increasing importance of the cloud business, and further digitization of the distribution business.

The Group's goal in the current fiscal year is to further increase profit. In view of the challenging environment, fiscal year 2014 will continue to be demanding for ALSO. The management is confident that it is well prepared for the tasks that lie ahead. This optimism is based, above all, on the motivated and well-trained employees, the trusting collaboration with the business partners, and the successful introduction in recent years of the MORE strategy.

* Excluding Baltics
Source: "Gartner Market Databook, 4Q13 Update" (December 2013)

Disclaimer: The actual development, particularly of the financial situation and profit, may differ from the statements or assessments made here. ALSO undertakes no obligation to update these forward-looking statements or assessments. The Gartner Report(s) described herein, (the "Gartner Report(s)") represent(s) data, research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc. ("Gartner"), and are not representations of fact. Each Gartner Report speaks as of its original publication date (and not as of the date of this Publication) and the opinions expressed in the Gartner Report(s) are subject to change without notice.

Control variables and financial targets	December 31, 2013	Medium-term targets
Profit before taxes (EBT)	EUR 72.6 million	EUR 82–89 million
Net profit Group	EUR 50.1 million	EUR 60–65 million
Target payout ratio	29.0 %	25–35 %

Employees

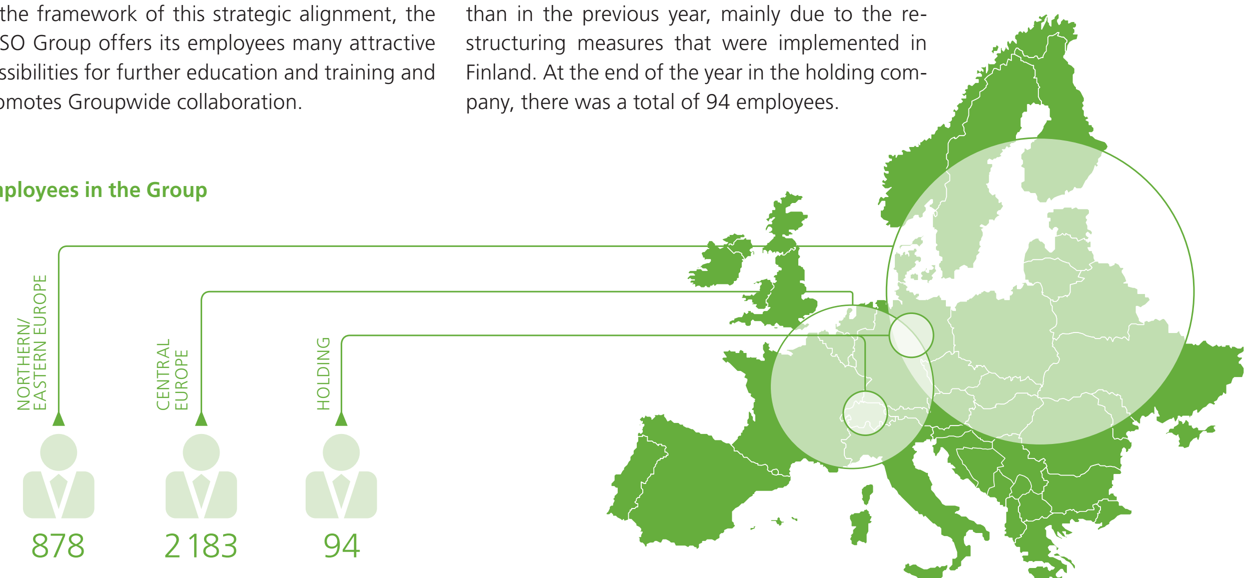
The Groupwide strategy program MORE foresees consistent further development of the Supply, Solutions, and Services segments. It is therefore important that precisely those skills and competencies are trained, developed, and promoted among the employees that are required for implementation of this strategy program. With their knowledge and dedicated efforts, the employees contribute substantially to ensuring that all segments of the company continue to occupy leading market positions also in the future. Within the framework of this strategic alignment, the ALSO Group offers its employees many attractive possibilities for further education and training and promotes Groupwide collaboration.

Employee numbers

The average number of employees in the ALSO Group throughout the year rose to 3 155 employees, 170 more than in the previous year.

At year-end in the Central Europe market segment, ALSO employed 2 183 people. The increase of 9.5 % was partly attributable to the acquisitions in Germany, in Switzerland and the Netherlands. In the Northern/Eastern Europe market segment, there were 878 employees. That was 1 % fewer than in the previous year, mainly due to the restructuring measures that were implemented in Finland. At the end of the year in the holding company, there was a total of 94 employees.

Employees in the Group



In the twelve countries, people from around 50 nations work for ALSO. Their average age is 40 years. Currently across Europe, 37 % of the employees are women and 63 % are men. A broadly-based employee structure is crucially important for the future competitiveness of the company. Diversely composed teams with different skills and experience multiply the wealth of ideas at ALSO.

Attractive education and training offerings

A fundamental prerequisite for the sustainable success of the company is motivated and performance-oriented employees. To meet its long-term requirements for qualified successors, ALSO trains young people in more than eleven professions. At the end of 2013, ALSO employed a total of 125 apprentices/trainees and six students throughout Europe. In Germany, for example, in the reporting year 27 young people started an apprenticeship with ALSO, including two students pursuing a dual course of study. ALSO consistently aligns the number of training positions to the future development of the company. Besides technical and commercial training, ALSO also supports employees in dual study programs.

Talent management

The quality of existing and potential managers and specialists is an important criterion for the success of the ALSO Group. Based on tailor-made HR processes and instruments, suitable employees are systematically developed for key functions. The aim of these measures is to strengthen the competence of specialists and managers in order to attain the challenging growth goals of the MORE strategy. In this connection, internationality and mobility play an increasingly important role. More than ever before, ALSO is dependent on employees who can move between different countries, cultures, and languages.

The qualifications of ALSO's employees are crucial for its competitiveness.

Performance evaluation of all employees

All employees should be evaluated once per year and receive a corresponding feedback. Based on defined development goals, ALSO offers its employees specific training programs. Consistent promotion of the further development and performance capability of all employees is a central concern. By this means, ALSO aims to further strengthen and expand its position as an attractive employer in the ICT industry.

Corporate Governance

Group Management and the Board of Directors are committed to the principles of good corporate governance. Every action is directed towards the responsible, transparent, and sustainable management of the Group. The presentation of the Corporate Governance of ALSO Holding AG conforms to the Corporate Governance Directive of the SIX Swiss Exchange that was in force on December 31, 2013.

CHF

12 848 962

CHF share capital

2 500 000

CHF conditional or authorized capital

1986

ALSO has been a listed company for more than 27 years

13

03.13.2014

Date of the next Annual General Meeting

Corporate Governance

This Corporate Governance Report contains the information required to be disclosed by the "Directive on Information Relating to Corporate Governance" of SIX Swiss Exchange, effective December 31, 2013, and follows its structure. The Corporate Governance Report also contains the legally required disclosure of compensation and participation rights of the highest corporate bodies. Since January 1, 2014, the Ordinance Against Excessive Compensation in Listed Companies ("VegüV") has been in force. Adoption of these stipulations affects specific aspects of the company's corporate governance. Some of the mandatory changes whose adoption will affect the company's corporate governance from fiscal year 2014 are already indicated in this report. Examples are the prohibition of voting rights being exercised by the company or depositaries, and the new regulations concerning the election and term of office of the chairman and members of the Board of Directors, of the Compensation Committee, and of the independent proxy.

1. Group structure and shareholders

1.1 Group structure

Board of Directors of ALSO Holding AG

Thomas C. Weissmann	Chairman, non-executive member
Walter P. J. Droege	Vice-Chairman, non-executive member
Prof. Dr. Karl Hofstetter	Non-executive member
Prof. Dr. Rudolf Marty	Non-executive member
Frank Tanski	Non-executive member

Status December 31, 2013

For a list of the Group's subsidiaries and affiliated companies, see page 83 of the Financial Report.

Group Management

Prof. Dr. Ing. Gustavo Möller-Hergt	Chief Executive Officer (CEO) responsible for Germany, Austria, Finland, and the Baltic countries
Dr. Ralf Retzko	Chief Financial Officer (CFO)
Torben Qvist	Managing Director Denmark/Norway/Sweden
Ivan Renaudin	Managing Director France and responsible for the Netherlands
Marc Schnyder	Managing Director Switzerland

Status December 31, 2013

1.2 Significant shareholders

Significant shareholders	12.31.2013	12.31.2012
Special Distribution Holding GmbH, Düsseldorf (Germany)*/**	51.30 %	51.30 %
Schindler Pars International Ltd., Hergiswil (Switzerland)*/***	28.40 %	28.40 %
Bestinver Gestion, S.G.I.I.C. S.A., Madrid (Spain)	6.91 %	6.40 %
SaraSelect, c/o Sarasin Investmentfonds AG, Basel (Switzerland)	3.10 %	3.13 %

Source: Share register as at December 31, 2013 (without nominees)

* Appears as a group of shareholders
** Majority stake held by Walter P. J. Droege
*** Owned 100 % by Schindler Holding AG

Notifications during the financial year in compliance with Art. 20 SESTA may be viewed at: http://www.six-swiss-exchange.com/shares/companies/major_shareholders_en.html

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

1.3 Cross-ownership

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

2. Capital structure

2.1 Capital

Capital structure at December 31, 2013

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

The market capitalization of the ALSO Group at December 31, 2013 was CHF 636.0 million. The shares of ALSO Holding AG have been listed on SIX Swiss Exchange since 1986 (symbol: ALSN, security no.: 2 459 027).

2.2 Authorized and conditional capital

At December 31, 2013, the company has authorized share capital and conditional share capital of CHF 2 500 000 each. Capital increases from authorized and conditional share capital are mutually restrictive, i.e. the total number of new shares resulting from the authorized and conditional share capital together in accordance with Art. 2a and 2b of the Articles of Association may not exceed 2 500 000 shares. The proportion of new shares assigned to each of the two categories is stipulated by the Board of Directors. The newly issued shares are subject to the restrictions set out in Art. 5 of the Articles of Association.

The Articles of Association containing the precise wording of the texts relating to authorized and conditional share capital can be downloaded as a pdf document at http://www.also.com/goto/articlesofassociation.

2.3 Changes in capital during the last three years

Changes	Number of registered shares	Total nominal value in CHF
Share capital at January 1, 2011	6 039 012	6 039 012
Change in share capital in 2011	6 809 950	6 809 950
Share capital at December 31, 2011	12 848 962	12 848 962
Change in share capital in 2012	–	–
Share capital at December 31, 2012	12 848 962	12 848 962
Change in share capital in 2013	–	–
Share capital at December 31, 2013	12 848 962	12 848 962

2.4 Shares and participation certificates

At December 31, 2013, the ordinary share capital amounts to CHF 12 848 962. It consists of 12 848 962 fully paid-up registered shares with a nominal value of CHF 1.00 per share. Subject to Art. 5 of the Articles of Association, each registered share entitles the shareholder to one vote as well as to a proportionate share of the available earnings and liquidation proceeds.
The company has issued neither participation certificates nor shares with preferential rights.

2.5 Profit-sharing certificates

The company has not issued any profit-sharing certificates.

2.6 Limitations on transferability and nominee registrations

2.6.1 Limitations on transferability

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

2.6.2 Registration of nominees

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

2.7 Convertible bonds and options

At December 31, 2013, ALSO Holding AG had not issued any convertible bonds or options.

3. Board of Directors

3.1 Members of the Board of Directors, activities and vested interests

The Board of Directors, which according to the Articles of Association may have a maximum of eight members, currently has five members. All members are non-executive members of the Board of Directors.

Name	Nationality	Position	Since
Thomas C. Weissmann	CH	Chairman	1988
Walter P. J. Droege	DE	Vice-Chairman	2011
Prof. Dr. Karl Hofstetter	CH	Member	1996
Prof. Dr. Rudolf Marty	CH	Member	1993
Frank Tanski	DE	Member	2011

Changes in the Board of Directors
Peter Bühler and Herbert H. Jacobi resigned from the Board of Directors at the Annual General Meeting 2013. Alfons Frenk announced his resignation from the Board of Directors with effect from July 2013.

Thomas C. Weissmann has submitted his resignation from the Board of Directors with effect from the Annual General Meeting 2014. In accordance with VegüV, at the Annual General Meeting 2014, all other members of the Board of Directors will be proposed for re-election for a new term of office of one year.

Members of the Board of Directors, activities, and vested interests

Thomas C. Weissmann
Born 1951, Swiss

Member of the Board of Directors of ALSO Holding AG since 1988, Chairman since 1992.

Career milestones
President of the Group Management of the ALSO Group. Previously Director of Corporate Development of the Schindler Group, Ebikon, Switzerland. Following his studies, manager with the Boston Consulting Group, Munich, Germany.

Education
MBA, St. Gallen University, Switzerland; MBA, Harvard Business School, Boston, USA.

Other activities and vested interests
Member of the Board of Directors of Notenstein Privatbank AG, St. Gallen, Switzerland.

Walter P.J. Droege
Born 1952, German

Member and Vice-Chairman of the Board of Directors of ALSO Holding AG since 2011.

Career milestones
Founder and sole director of Droege International Group AG, Düsseldorf, Germany, which is wholly owned by the Walter P. J. Droege family.

Education
Diploma in Business Management

Other activities and vested interests
Member of the supervisory boards and advisory boards of various subsidiaries within the Droege International Group AG; member of the Advisory Board of Deutsche Bank, Düsseldorf; member of the Advisory Board of HSBC Trinkaus & Burkhardt AG, Düsseldorf, Germany; Vice-Chairman of the Supervisory Board of Trenkwalder International AG and of Trenkwalder Beteiligungs GmbH, both of Schwadorf, Austria; non-executive and non-independent director, Dutech Holdings Limited, Singapore.

Prof. Dr. Karl Hofstetter
Born 1956, Swiss

Member of the Board of Directors of ALSO Holding AG since 1996.

Career milestones
Group General Counsel of the Schindler Group. For many years a member of the Executive Committee of Schindler Holding AG, Hergiswil, Switzerland.

Education
Studies in law and economics at the universities of Zurich (Switzerland), Stanford, UCLA, und Harvard (USA). Licensed attorney in Zurich and New York, professor of private and commercial law at the University of Zurich.

Other activities and vested interests
Member of the Board of Directors of Schindler Holding AG, Hergiswil, Switzerland. Member of the Board of Directors of Venture Incubator AG, Zug, Switzerland, and Chairman of the Board of Trustees of the Kuoni and Hugentobler Foundation, Zurich, Switzerland. Member of the University Council of the University of Lucerne, Switzerland; of the Commission of Experts on Disclosure of the SIX Swiss Exchange; Chairman of the Advisory Committee of the "Program on Comparative Corporate Law, Governance, and Finance" at Harvard Law School, Boston, USA. He was a visiting professor at Harvard Law School, Boston, USA (2005, 2009, 2013), and at Fudan University, Shanghai, China.

Prof. Dr. Rudolf Marty
Born 1949, Swiss

Member of the Board of Directors of ALSO Holding AG since 1993.

Career milestones
Owner of OPEXIS GmbH, Horw, Switzerland, and Chairman and majority shareholder of Advexo AG, Lucerne, Switzerland. Previously he was Managing Partner of "itopia – corporate information technology", Zurich, Switzerland. After his studies he worked as Head of Applications Development and Head of the IT Research Laboratory of Union Bank of Switzerland (UBS), Zurich, Switzerland.

Education
MBA and Doctorate in Information Technology, Zurich University, Switzerland.

Other activities and vested interests
Lecturer in information technology, Zurich University; Chairman of the Gebert Rüf Stiftung, Zurich and Basel.

Frank Tanski
Born 1964, German

Member of the Board of Directors of ALSO Holding AG since 2011.

Career milestones
Managing Director of Droege Capital GmbH and of Special Distribution Holding GmbH, and Chief Representative of Droege International Group AG, Düsseldorf, Germany. Previously held a managerial position with a large bank in Germany.

Education
Diploma in Business Management

3.2 Election and term of office

Newly in accordance with VegüV, the members of the Board of Directors are elected individually by the Annual General Meeting for a term of office of one year and can be re-elected. The Chairman is also elected by the Annual General Meeting.

There is no statutory age limit. However, the Board of Directors has decided that, as a rule, members should retire at the Annual General Meeting held to approve the Annual Report for the financial year in which they reach the age of 70. In exceptional cases, the Board of Directors may decide to waive this ruling.

3.3 Internal organization

3.3.1 Division of roles within the Board of Directors and working methods

The Board of Directors represents ALSO Holding AG towards third parties. It can delegate the representation powers to one or more of its members or to third parties.

The Chairman convenes meetings of the Board of Directors as often as the Group's business requires, but at least four times a year. The Chairman prepares the meetings, chairs them, and draws up their agenda. The Vice-Chairman deputies for the Chairman. Any member of the Board can ask for a meeting to be convened and for the inclusion of an item on the agenda.

3.3.2 Committees

The Board of Directors may delegate the preparation and execution of its decisions to committees or to individual Board members. The Board of Directors has appointed two standing committees: the Board Committee (BC) and the Audit Committee. The BC also acts as a Personnel Committee. The Board of Directors elects a Chairman for each committee from the members of the Board of Directors. The term of office of members of the committees is in all cases one year. The Board of Directors may dismiss any committee member from his/her post at any time.

Newly in accordance with VegüV, the Annual General Meeting 2014 will elect a Compensation Committee. The members of the Compensation Committee can only be dismissed by the General Meeting.

3.3.2.1 Board Committee (BC)

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

Composition of the Board Committee

Walter P. J. Droege	Chairman
Thomas C. Weissmann	Member

Status December 31, 2013

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

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

The BC has the following duties and responsibilities:
- monitoring implementation of the Group strategy by Group Management
- preparation and monitoring of Board decisions regarding investments, mergers and acquisitions, and other significant projects and transactions carried out by the ALSO Group
- ensuring that the individuals entrusted with management carry out their supervisory duties in cases where this function is not handled by the Audit Committee
- assessments and proposals to the Board of Directors regarding potential capital increases or decreases and the issue of bonds by the company
- assessments and proposals to the Board of Directors regarding notification of the legal authorities in the event of overindebtedness
- reaching decisions on the necessity and the scope of financial restructuring of ALSO companies
- reaching decisions on significant increases or decreases in the share capital of subsidiaries of ALSO Holding AG
- decisions regarding significant deviations from budget
- decisions regarding measures involving all or a substantial number of employees of ALSO companies or concerning consultations with the works council of individual ALSO companies with regard to such measures

In its capacity as Personnel Committee, the BC has the following duties and responsibilities:
- preparing the decisions of the Board of Directors regarding the appointment of its Chairman and Vice-Chairman and pre-selection of potential candidates for the Board of Directors
- preparing the decisions of the Board of Directors regarding the appointment, promotion, discharge and conditions of employment for members of Group Management and the managers of national companies in the ALSO Group
- preparing the decisions of the Board of Directors regarding compensation of the members of the Board of Directors and Group Management and the introduction and modification of employee participation schemes
- preparing and annually reviewing the principles for the overall market- and performance-related compensation of all employees of the ALSO Group
- review of succession planning and management qualifications of the members of the Board of Directors, Group Management, national company managers, and other individuals in the ALSO Group who hold a central line and/or staff position

In fiscal year 2014, some tasks will be transferred to the new Compensation Committee.

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

3.3.2.2 Audit Committee

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

Composition of the Audit Committee

Prof. Dr. Rudolf Marty	Chairman
Frank Tanski	Member

Status December 31, 2013

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

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

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

3.3.3 Frequency of meetings of the Board of Directors and its committees

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

In 2013, the Board of Directors met for a total of eight meetings, including one strategy meeting and three telephone conferences.

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

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

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

3.4 Areas of responsibility

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

In particular, the Board of Directors is required to approve, or make decisions, concerning:
- the Group's objectives and strategy
- the list of measures designed to prevent or mitigate potential loss or damage associated with the main risks
- appointing the members of Group Management
- defining the organization and appointing those persons entrusted with the task of representing ALSO Holding AG
- the compensation, the drafting of the retirement benefit plan, including any participation plans, received by the members of Group Management, and the fees paid to the members of the Board of Directors
- the Group's budget, plan, and forecast
- the consolidated annual and interim financial statements of the Group as well as the annual financial statements of ALSO Holding AG
- the Group's investment budget
- transactions that exceed certain financial amounts
- important mergers and acquisitions transactions, joint ventures, and similar
- the Compensation Report (from fiscal year 2014)

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

Group Management is responsible for ensuring that the Group achieves the targets set by the Board of Directors. In addition to its overall responsibility for operational management, Group Management has the following main tasks:
- the pursuit of strategic objectives and enforcement of these objectives using action plans
- defining the product mix as well as marketing and sales policy
- defining logistics-concepts and -structures
- approving the budgets and financial results of the Group companies

The CEO manages the ALSO Group through the members of Group Management, who report to him. He chairs Group Management meetings and supervises their decisions. He evaluates the performance and results of the Central Europe and Northern/Eastern Europe market segments. Based on his evaluation, he decides which resources – particularly financial and personnel – should be allocated to the individual business segments. The CEO is responsible for ensuring that the company develops uniformly, in accordance with its defined business practices and strategies. It is the duty of the other members of Group Management to ensure that these measures are implemented at national level or in the areas for which they are responsible.

3.5 Information and control instruments vis-à-vis Group Management

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

The Internal Audit, compliance officers, and auditing bodies assist the Board of Directors in carrying out its controlling and supervisory duties. In addition, the BC and the Audit Committee monitor the performance of ALSO Group Management. The scope of this remit is agreed with the Board of Directors of ALSO Holding AG. The BC and the Audit Committee periodically receive information in the form of Group reports relevant to their needs. These reports are also discussed in depth at regular meetings that take place with the committees involved.
The Board of Directors defines and evaluates the Group's most significant risks on the basis of a coordinated and consistent approach to risk management and control. Based on a list of the most important risks, Group Management establishes a list of measures to prevent and mitigate potential loss and damage. The list is presented for assessment and approval to the Board of Directors, which then ensures that the measures are put into practice.

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

4. Group Management

4.1 Members of Group Management, activities and vested interests

Name	Nationality	Position
Prof. Dr. Ing. Gustavo Möller-Hergt	DE	Chief Executive Officer (CEO) and directly responsible for the Group companies in Germany, Austria, Finland, and the Baltic countries
Dr. Ralf Retzko	DE	Chief Financial Officer (CFO)
Torben Qvist	DK	Managing Director of the Group companies in Denmark, Norway, and Sweden
Ivan Renaudin	FR	Managing Director of the Group companies in France, and responsible for the company in the Netherlands
Marc Schnyder	CH	Managing Director of the Group company in Switzerland

Status December 31, 2013

Changes in Group Management: Marc Schnyder, Managing Director of the Group company in Switzerland, will leave the Group on January 31, 2014. A decision regarding a possible successor in Group Management will be taken in due course.

4.2 Management agreements

ALSO Holding AG has not entered into any management contracts with legal entities or natural persons outside the Group for the delegation of management.

Group Management, activities, and vested interests

Prof. Dr. Ing. Gustavo Möller-Hergt

Born 1962 in Lima, Peru; German
Chief Executive Officer of the ALSO Group and since 2011 a member of the Group Management.

Career milestones
Chief Operating Officer of the ALSO Group, previously Chief Representative of the Droege Group. He held various positions with the Warsteiner Group, finally as Chief Executive Officer and Chief Representative. He was a member of the Supervisory Board of SIAC in Douala, Cameroon, and Chairman of the Supervisory Board of CASA Isenbeck in Buenos Aires, Argentina.

Education
Diploma in Engineering from the Technical University, Munich, Germany, and graduate of Harvard Business School, Boston, USA. Doctorate from the Technical University, Berlin, Germany, where he lectures on operations management.

Other activities and vested interests
Member of the Advisory Board of Deutsche Bank, Düsseldorf, Germany.

Dr. Ralf Retzko

Born 1967 in Dortmund, Germany; German
Chief Financial Officer of the ALSO Group and since 2011 a member of the Group Management.

Career milestones
Head of Controlling, Commercial Manager and Chief Financial Officer of the Actebis Group. Previously Central Controlling of Karstadt AG, Essen, Germany, and, following his studies, Scientific Assistant at the Institute of Business Information Technology, Göttingen University, Germany.

Education
Studied business management, mathematics, and information technology for business in Göttingen, Germany. Subsequently took a doctorate in business management.

Torben Qvist

Born 1958 in Haslev, Denmark; Danish
Managing Director of the three northern European ALSO group companies in Denmark, Norway, and Sweden, and since 2011 a member of the Group Management.

Career milestones
Various functions in the Actebis Group, including Managing Director of Actebis in Denmark and of the Actebis companies in Norway and Sweden. Member of the Executive Board of the Actebis Group. Following his studies, he held positions with various IT companies, including that of Managing Director of Berendsen Computer Products and of Computer 2000, Denmark.

Education
Studies in marketing and economics at the Danish Handelsakademie, Copenhagen, Denmark.

Ivan Renaudin

Born 1961 in Paris, France; French
Managing Director of the ALSO group companies in France and responsible for the Netherlands company, since 2011 a member of the Group Management.

Career milestones
After many years of experience in distribution he joined Actebis France as Managing Director. He was responsible for the merger of Actebis France with DSM, a local distributor, and became a member of the executive management of the Actebis Group.

Education
Studied political science at the universities of Paris and Aix-en-Provence, France.

Marc Schnyder

Born 1952 in Lucerne, Switzerland; Swiss
Managing Director of the ALSO group company in Switzerland and since 1989 a member of the Group Management.

Career milestones
Head of Human Resources, ALSO Holding AG, Hergiswil, Switzerland. Teacher in the canton of Lucerne. Assistant for nuclear medicine at the Cantonal Hospital, Lucerne.

Education
IT and commercial apprenticeships as well as teacher training college in Lucerne, Switzerland.

5. Compensation, participation, loans

Since January 1, 2014, the Ordinance Against Excessive Compensation in Listed Companies ("VegüV") has been in force. The statements in this chapter are valid for the reporting year 2013 but do not necessarily apply to fiscal year 2014.

5.1 Principles

The success of the ALSO Group depends to a large extend on the qualifications and commitment of its employees. The purpose of the Group's compensation policy is to attract, motivate, and retain qualified personnel. Its performance-related compensation is also designed to encourage an entrepreneurial attitude and approach.

The most important principles are:
- Compensation is based on performance and the market and is embedded in an overall market-related compensation system
- Decisions relating to compensation are fair and transparent

5.2 Responsibilities and procedures for determining compensation

In the reporting year, the BC, which is appointed by the Board of Directors, also exercised the function of a Personnel Committee. It normally comprises three or more members of the Board of Directors and prepares the decisions of the Board of Directors on personnel matters. In the reporting year, these included the compensation system for the Board of Directors and the entire Group Management.

At the request of the BC, the Board of Directors determines the amount of the compensation paid to its members on the basis of their workload and responsibilities. In fiscal year 2014, the Board of Directors will determine their fee according to the proposal of the Compensation Committee. Services exceeding a board member's normal responsibilities as well as any other activities on behalf of the ALSO Group are recompensed separately and reported under the compensation of the Board of Directors.

The Board of Directors approved the proposal of the BC for the compensation of the Group Management. In fiscal year 2014, the Board of Directors will determine the salary according to the proposal of the Compensation Committee. Until VegüV is implemented, the compensation (salary, salary framework) is determined at the discretion of the Board of Directors.

The Board of Directors normally reviews the compensation for the current year at the beginning of the year. The bonus that is actually paid is normally determined in February of the following year. The new VGA proposes any necessary changes in the compensation system to the Board of Directors.

When defining the compensation system, external experts are normally only consulted if it is fundamentally redesigned. In the reporting period, the Board of Directors and the BC carried out their duties without the assistance of external consultants.

5.3 Compensation system

5.3.1 Board of Directors

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

5.3.2 Group Management

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

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

The variable compensation depends on the business success and the individual targets attainment and is awarded in the form of a cash bonus which, if the targets are attained, amounts on average to approximately 50 % of the total compensation. The variable compensation is composed of the following components:

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

For the other members of Group Management, the targets are based to 70 % on EBT, 20 % on targets for net debt, and 10 % on targets for days inventory outstanding, of the respective business segments for which they are responsible. The part of the bonus that depends on EBT is calculated according to a progressively increasing percentage of the attained EBT, which is defined in advance by the Board of Directors. For one member of Group Management, the entire bonus is calculated depending on a fixed percentage of the attained EBT, which is defined in advance by the Board of Directors.

A long term incentive applies to members Group Management whose contribution has a material influence on the long-term development of the Group. The long term incentive is designed so that a one-time special premium is paid if a financial target which is defined by the Board of Directors is attained in two successive years. The payment is only made on condition that the recipient is employed by the Group at the payment date.

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

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

5.3.3 Capital participation plan

There is no capital participation plan for the members of the Board of Directors or Group Management.

5.3.4 Employment contracts and special agreements

Employment contracts up to the end of February 2016 exist with Prof. Dr. Ing. Gustavo Möller-Hergt and Dr. Ralf Retzko. The contracts automatically renew for two years unless terminated at the end of this period. Either party may terminate the contract by giving notice six months before the end of the two-year period. The other members of Group Management have no notice periods longer than one year.

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

Within the transitional period allowed by VegüV, all contracts with members of Group Management will be analyzed and, if necessary, amended.

5.4 Compensation in the year under review

The disclosed compensation of the members of the Board of Directors and Group Management includes all compensation paid for the entire year under review, subject to the following amplifications and restrictions:
- The reported variable compensation relates to the completed financial year under review.
- The cash bonuses of the members of Group Management are normally paid in February of the following year.
- The compensation paid to new members of the Board of Directors and Group Management is taken into account from the date on which they take over the respective function.
- In the case of a member resigning from the Board of Directors or Group Management, the compensation up to the resignation date, plus any compensation in the reporting year in connection with the member's former activities in a governing body of the company, are reported together.
- In individual cases, members of Group Management may be entitled to a company car. Such benefits are reported under "Non-cash benefits".
- Members of Group Management may receive certain fringe benefits in the form of discounts. Provided that such benefits do not exceed the value of CHF 500 per case, and the total benefits do not exceed an aggregate value of CHF 20 000 per financial year, they are not reported.
- Any contributions to post-employment benefit plans, executive as well as any benefits in the form of reduced insurance premiums, are reported as "Pension expenses".
- No securities (sureties, guarantees, etc.) were granted to any member of the Board of Directors or Group Management in the year under review. Neither ALSO Holding AG nor any Group company has waived any claims vis-à-vis a member of the Board of Directors or Group Management.
- In the year under review, no termination payments were paid to former members of the Board of Directors or Group Management.
- In the year under review, the members of the Board of Directors and Group Management did not receive any fees or re-imbursement for additional services rendered to ALSO Holding AG or any other Group Company.

Further details of the compensation are contained in the notes to the financial statements of ALSO Holding AG (pages 94 et seq.).

5.4.1 Former members of the governing bodies

In connection with the conclusion of the contract of a former member of Group Management, in the reporting year a variable pension plan payment of CHF 113 910 and a benefit payment of CHF 41 196 were made.

5.4.2 Related parties

In the year under review, no payments were made to parties related to former members of the Board of Directors or Group Management. Payments to parties related to current members of the Board of Directors or Group Management are stated in the notes to the consolidated financial statements of the ALSO Group (page 44).

5.5 Loans and borrowing facilities

5.5.1 Current and former members of the governing bodies

No loans were extended to current or former members of the Board of Directors or Group Management by ALSO Holding AG or another Group company and no such loans were outstanding on on December 31, 2013.

5.5.2 Related parties

No loans were extended to parties related to current or former members of the Board of Directors or Group Management by ALSO Holding AG or another Group company.

5.6 Shares, options and conversion rights

In the reporting year, the company did not grant any equity instruments, conversion rights or options.

Information about the participations, options, and conversion rights of the members of the Board of Directors, of the Group Management, and of their related parties is contained in the notes to the financial statements of ALSO Holding AG (pages 94 et seq.).

6. Shareholders' rights of participation

6.1 Restrictions on voting rights

Each share entered in the share register entitles the holder to one vote.

The rights of shareholders to participate in General Meetings comply with legal requirements and the Articles of Association. All shareholders may attend General Meetings and vote in person or be represented by written proxy to another person who does not himself have to be a shareholder. The shareholder may also be represented by the independent proxy – including electronically.

6.2 Statutory quorum requirements

Unless a qualified majority is required by law, the General Meeting makes its decisions on the basis of the relative majority of votes cast, regardless of the number of shareholders present or shares represented.

In the case of elections, the first round of voting is decided by an absolute majority and the second round by a relative majority. If the votes are tied, the Chairman has the casting vote.

6.3 Convening of General Meetings

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

General Meetings are convened by publication in the Swiss Official Gazette of Commerce at least 20 days prior to the date of the meeting as well as notification by non-registered letter to the addresses of shareholders recorded in the share register.

6.4 Definition of the agenda

The Board of Directors is responsible for specifying the agenda. In accordance with Art. 11 of the Articles of Association, shareholders who together own at least 5 % of the share capital may request that specific proposals be put on the agenda. The request, including the agenda item and the proposals, must be submitted in writing at least 60 days prior to the date of the General Meeting.

6.5 Registration in the share register

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

7. Change of control and defense measures

7.1 Duty to make an offer

According to Art. 28 of the Articles of Association, the obligation to submit a public take-over offer pursuant to Art. 32 and Art. 52 of the Swiss Stock Exchanges and Securities Trading Act (SESTA) has been waived ("opting out").

7.2 Change of ownership clauses

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

8. Auditors

8.1 Duration of the mandate and term of office of the lead auditor

The auditors are elected annually at the Annual General Meeting for one year. PricewaterhouseCoopers have been the statutory auditors of ALSO Holding AG since 2013 (formerly Ernst & Young). The lead auditor has been responsible for auditing the individual financial statements of ALSO Holding AG as well as the consolidated financial statements of the ALSO Group since financial year 2013. The lead auditor is changed every seven years as required by law.
The main Group companies are audited by PricewaterhouseCoopers AG.

8.2 Fees

The fees charged by PricewaterhouseCoopers (previous year Ernst & Young) as the auditors of ALSO Holding AG and of the Group companies audited by them, and their fees for additional services, are as follows:

Type of service

CHF 1 000	Fees 2013	Fees 2012*
Auditing services	742	519
Other services	236	75
Total	**978**	**594**

* 2012 shows the fee of Ernst & Young (excluding PricewaterhouseCoopers) although some Group companies were audited by PricewaterhouseCoopers. The fees for fiscal year 2012 and fiscal year 2013 are therefore not comparable.

8.3 Informational instruments pertaining to an external audit

Prior to the audit, the auditing body agrees the content of the audit with the Audit Committee of ALSO Holding AG. Special assignments from the Board of Directors are also included in the scope of the audit. The results of the audit are summarized in a management letter, which is submitted to the Board of Directors.

Each year, the Audit Committee evaluates the performance, fees, and independence of the auditing body, and the audit strategy. The Board of Directors discusses and reviews the scope of the audits and the resulting reports. On this basis, it decides on any changes or improvements to be made.

There is regular contact between the auditing body and members of the Board of Directors, Group Management, and Audit Committee of ALSO Holding AG. Regarding the financial statements for the financial year 2013, one meeting between the full Board of Directors and the auditing body was held.

Due to the required independence of the auditing body, additional services or consulting assignments are not usually entrusted to the auditing body.

9. Information policy

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

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

The ALSO Group reports in accordance with the disclosure requirements of Art. 21 SESTA and the ad hoc publication requirements of Art. 53 of the listing rules of SIX Swiss Exchange. Simultaneous with their notification to SIX Swiss Exchange, and for two years thereafter, ad hoc announcements can be viewed at http://www.also.com/goto/mediareleases.

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

Financial calendar

Annual General Meeting	March 13, 2014
Media release: selected key figures as at March 31	April 24, 2014
Publication half-year report	July 29, 2014
Media release: selected key figures as at September 30	October 28, 2014
Annual Results Media Conference	February 17, 2015

10. Important changes occurring after the balance sheet date

Since January 1, 2014, the Ordinance Against Excessive Compensation in Listed Companies ("VegüV") has been in force. The ordinance affects specific aspects of the corporate governance of the company in fiscal year 2014. No other important changes have occurred since the balance sheet date.

Financial Report

The financial reporting of ALSO complies with the rules of the International Financial Reporting Standards (IFRS), Swiss law, and the Articles of Association. The consolidated financial statements of the ALSO Group and the financial statements of ALSO Holding AG were audited by Pricewaterhouse-Coopers AG and awarded an unqualified opinion.

6 533

million EUR net sales

72.6

million EUR profit before tax (EBT)

60.9

million EUR cash flow from operating activities

28.2 %

equity ratio

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Consolidated statement of comprehensive income

EUR 1000	Note	2013		2012 restated*	
Total net sales	4.1	**6532577**	100 %	**6296968**	100 %
Cost of goods sold and services provided		-6103972		-5878920	
Gross margin		**428605**	6.6 %	**418048**	6.6 %
Personnel expenses	4.2	-180276		-172032	
Other operating expenses	4.4	-150081		-156001	
Other operating income	4.4	15294		19365	
EBITDA		**113542**	1.7 %	**109380**	1.7 %
Depreciation and amortization	5.5/5.6	-26153		-25889	
Operating profit (EBIT)		**87389**	1.3 %	**83491**	1.3 %
Financial income	4.5	3078		625	
Financial expenses	4.5	-17897		-20139	
Profit before tax (EBT)		**72570**	1.1 %	**63977**	1.0 %
Income taxes	4.6	-22484		-18515	
Net profit Group		**50086**	0.8 %	**45462**	0.7 %
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit plans		-1148		-3963	
Tax effects	4.6	172		529	
Subtotal		**-976**		**-3434**	
Items that may be reclassified subsequently to profit or loss					
Exchange differences		-3347		1532	
Fair value adjustments on cash flow hedges		202		43	
Tax effects	4.6	-182		23	
Subtotal		**-3327**		**1598**	
Other comprehensive income		**-4303**		**-1836**	
Total comprehensive income		**45783**		**43626**	
Net profit Group attributable to:					
- Shareholders of ALSO Holding AG		50428		45624	
- Non-controlling interests		-342		-162	
Total comprehensive income attributable to:					
- Shareholders of ALSO Holding AG		46125		43788	
- Non-controlling interests		-342		-162	
Earnings per share in EUR**					
Basic earnings per share	5.13	3.91		3.55	
Diluted earnings per share	5.13	3.91		3.55	

* For explanation of the restatement see Note 2.2
** Attributable to the owners of ALSO Holding AG

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

Consolidated statement of financial position

EUR 1000	Note	12.31.2013		12.31.2012 restated*		01.01.2012 restated*	
Assets							
Current assets							
Cash and cash equivalents	5.1	41 629		5 549		4 934	
Trade receivables	5.2	473 818		422 187		301 581	
Inventories	5.3	501 118		453 144		437 530	
Prepaid expenses, accrued income and other receivables*	5.4	234 522		200 958		259 419	
Derivative financial instruments	6.2	531		123		134	
Total current assets		**1 251 618**	84 %	**1 081 961**	81 %	**1 003 598**	80 %
Non-current assets							
Property, plant and equipment	5.5	70 028		69 887		70 525	
Intangible assets	5.6	167 586		180 797		184 739	
Financial assets		5		3		252	
Derivative financial instruments	6.2	500		0		0	
Deferred tax assets	4.6	3 025		3 341		3 007	
Total non-current assets		**241 144**	16 %	**254 028**	19 %	**258 523**	20 %
Total assets		**1 492 762**	100 %	**1 335 989**	100 %	**1 262 121**	100 %

* For explanation of the restatement see Note 2.2.

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

EUR 1000	Note	12.31.2013		12.31.2012 restated*		01.01.2012 restated*	
Liabilities and equity							
Current liabilities							
Financial liabilities	5.9	6 263		71 384		36 640	
Trade payables		766 248		645 819		637 004	
Accrued expenses, deferred income and other payables	5.8	144 660		136 071		114 093	
Derivative financial instruments	6.2	1 401		225		350	
Tax liabilities		7 488		8 485		4 926	
Provisions	5.10	6 125		7 581		6 465	
Total current liabilities		**932 185**	62 %	**869 565**	65 %	**799 478**	63 %
Non-current liabilities							
Financial liabilities	5.9	111 979		48 020		82 540	
Provisions	5.10	3 562		3 798		4 264	
Derivative financial instruments	6.2	1 126		2 240		379	
Deferred tax liabilities*	4.6	10 584		13 217		17 005	
Employee benefits*	4.3	12 050		10 361		6 755	
Total non-current liabilities		**139 301**	10 %	**77 636**	6 %	**110 943**	9 %
Total liabilities		**1 071 486**	72 %	**947 201**	71 %	**910 421**	72 %
Equity							
Share capital		9 960		9 960		9 960	
Capital reserves		218 272		230 733		238 421	
Treasury shares	5.11	-1 194		-1 194		-2 029	
Cash flow hedge reserve		252		145		112	
Exchange differences		2 413		5 847		4 282	
Remeasurement of defined benefit plans*		-4 931		-3 955		-521	
Retained earnings		196 780		147 435		101 466	
Equity attributable to ALSO shareholders		**421 552**	28 %	**388 971**	29 %	**351 691**	28 %
Non-controlling interests		-276		-183		9	
Total equity		**421 276**	28 %	**388 788**	29 %	**351 700**	28 %
Total liabilities and equity		**1 492 762**	100 %	**1 335 989**	100 %	**1 262 121**	100 %

* For explanation of the restatement see Note 2.2.

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

Consolidated statement of changes in equity

EUR 1000	Note	Share capital	Capital reserves	Treasury shares	Other reserves**	Retained earnings	Equity attributable to shareholders	Non-controlling interests	Total
December 31, 2012		9960	230733	-1194	5992	148240	393731	-183	393548
Restatement*	2.2	0	0	0	-3955	-805	-4760	0	-4760
January 1, 2013		**9960**	**230733**	**-1194**	**2037**	**147435**	**388971**	**-183**	**388788**
Net profit Group		0	0	0	0	50428	50428	-342	50086
Other comprehensive income		0	0	0	-4303	0	-4303	0	-4303
Total comprehensive income		**0**	**0**	**0**	**-4303**	**50428**	**46125**	**-342**	**45783**
Distributions to shareholders	5.13	0	-12461	0	0	0	-12461	-40	-12501
Acquisition of non-controlling interests	3	0	0	0	0	-1058	-1058	392	-666
Remeasurement of put options on shares of non-controlling interests	2.7	0	0	0	0	-25	-25	-103	-128
December 31, 2013		**9960**	**218272**	**-1194**	**-2266**	**196780**	**421552**	**-276**	**421276**
December 31, 2011		9960	238421	-2029	4394	101466	352212	9	352221
Restatement*	2.2	0	0	0	-521	0	-521	0	-521
January 1, 2012		**9960**	**238421**	**-2029**	**3873**	**101466**	**351691**	**9**	**351700**
Net profit Group*		0	0	0	0	45624	45624	-162	45462
Other comprehensive income*		0	0	0	-1836	0	-1836	0	-1836
Total comprehensive income		**0**	**0**	**0**	**-1836**	**45624**	**43788**	**-162**	**43626**
Distributions to shareholders		0	-7439	0	0	0	-7439	0	-7439
Acquisition of subsidiaries	3	0	0	0	0	0	0	72	72
Disposal of non-controlling interests	3	0	0	0	0	0	0	31	31
Remeasurement of put options on shares of non-controlling interests	2.7	0	0	0	0	345	345	-133	212
Change in treasury shares	5.11	0	-249	835	0	0	586	0	586
December 31, 2012		**9960**	**230733**	**-1194**	**2037**	**147435**	**388971**	**-183**	**388788**

* For explanation of the restatement see Note 2.2.
** See Note 5.12

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

Consolidated statement of cash flows

EUR 1000	2013	2012 restated
Net profit Group	**50086**	**45462**
Depreciation and amortization	26153	25889
Change of provisions and employee benefits*	-761	-188
Losses from the sale of non-current assets	67	30
Other non-cash items*	-4242	-9277
Subtotal	**71303**	**61916**
Change in trade receivables	-53633	-119960
Change in receivables from factoring	-31560	53791
Change in inventories	-48263	-11500
Change in prepaid expenses, accrued income and other receivables	-1383	5376
Change in trade payables	120629	7790
Change in accrued expenses, deferred income and other payables	3784	32841
Cash flow from operating activities	**60877**	**30254**
Net cash flow from acquisitions of subsidiaries (see Note 3)	-2008	-7569
Net cash flow from disposals of subsidiaries	0	-113
Additions to property, plant and equipment	-5595	-4605
Additions to intangible assets	-2231	-1794
Disposals of property, plant and equipment	346	37
Disposals of intangible assets	0	21
Disposals of financial assets	0	212
Cash flow from investing activities	**-9488**	**-13811**
Distributions to shareholders	-12461	-7439
Distributions to non-controlling interests	-40	0
Proceeds from increase of financial liabilities	51469	1840
Repayments of financial liabilities	-54209	-10869
Net cash flow from disposals of non-controlling interests	0	600
Cash flow from financing activities	**-15241**	**-15868**
Exchange differences	**-68**	**40**
Change in cash and cash equivalents	**36080**	**615**
Cash and cash equivalents at January 1	5549	4934
Cash and cash equivalents at December 31	**41629**	**5549**
Included in cash flow from operating activities		
Income taxes paid	21333	15361
Interest paid	16298	17223
Interest received	175	409

* For explanation of the restatement see Note 2.2.

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

Notes to the consolidated financial statements

1. Corporate information

ALSO is a leading European full-range provider for the ICT industry and offers its customers the entire bandwidth of the supply chain, from solutions to services. Offerings in the Solutions segment include, for example, high-end servers, storage, security systems, and networks, and in the Services segment standardized and individual services along the entire IT process chain.

2. Accounting policies

2.1 Basis of preparation

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

These consolidated financial statements for the fiscal year 2013 of ALSO Holding AG (formerly ALSO-Actebis Holding AG) and all of its directly or indirectly controlled subsidiaries are presented in EUR (reporting currency), since the majority of revenues are generated in the euro area. For clarity, all values are presented in thousands of euros (TEUR).

2.2 Significant changes in the accounting and measurement principles

The accounting policies adopted are consistent with those of the previous fiscal year except for those new and amended standards and interpretations effective from January 1, 2013, which are listed below. A description of the changes and their impact on the consolidated financial statements is provided below if they materially affect the financial position, performance, or cash flow situation of ALSO:

- IFRS 7 Financial Instruments: Offsetting Financial Assets and Financial Liabilities
- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 13 Fair Value Measurements
- IAS 1 Presentation of Financial Statements
- IAS 19 Employee Benefits
- IAS 27 Separate Financial Statements
- IAS 28 Investments in Associates and Joint Ventures
- IAS 32 Financial Instruments: Tax Effects of Distributions to Holders of Equity Instruments
- Recoverable Amount Disclosures for Non-Financial Assets (Proposed amendments to IAS 36)

ALSO has early adopted the amendments to IAS 36. The effects of the changes to IFRS 10 and IAS 19 are described below. None of the other changes have any material effect on the financial position, performance or cash flow situation of ALSO.

Changes in the accounting principles under IFRS 10

Under IFRS 10, the scope of the consolidation of ALSO includes all companies over which ALSO has control. ALSO controls a subsidiary if ALSO is exposed to the risks of the entity, has the right to variable returns from the entity, and can exert influence on those returns by the exercise of power. Subsidiaries are fully consolidated from the date at which ALSO obtains control over the entity and deconsolidated when this control ends. The amendments to IFRS 10 had no effect on the scope of consolidation of ALSO.

Adoption of revised IAS 19 – Employee Benefits

The material effects of the adoption of the revised IAS 19 on the financial position, performance, or cash flow situation of ALSO are as follows:

- Elimination of the corridor approach: It is no longer possible to defer recognition of actuarial gains and losses using the corridor approach. They must now be recognized immediately in other comprehensive income.
- Calculation of pension costs: The former practice of recognizing the expected return on the plan assets, and calculating the interest expense on the defined benefit obligation, is now replaced by recognizing the net interest on the defined benefit net obligation or net assets.
- Past service costs are recognized immediately through profit or loss when they occur.
- Risk sharing: The new provision on sharing risk between employees and the employer has various effects on the defined benefit obligation and the allocation of service costs.

Upon the adoption of the revised IAS 19, the presentation of the statement of comprehensive income was adapted to reflect these changes. Net interest of defined benefit plans is now shown under the financial result (previously under personnel expenses). This presentation is a better reflection of the nature of net interest, since it corresponds to the compounding effect of the long-term net defined benefit liability (asset).

The effects of the revised IAS 19 as well as the change in presentation of net interest was applied retrospectively in accordance with IAS 8, which led to the restatement of prior periods.

The effects on the relevant positions in the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and earnings per share for prior periods are shown below:

Consolidated statement of comprehensive income 2012 (Restatement IAS 19)

EUR 1 000	Reported	Adjustment	Restated
Personnel expenses	-171 310	-722	-172 032
EBITDA	**110 102**	**-722**	**109 380**
Operating profit (EBIT)	**84 213**	**-722**	**83 491**
Financial expenses	-19 942	-197	-20 139
Profit before tax (EBT)	**64 896**	**-919**	**63 977**
Income taxes	-18 629	114	-18 515
Net profit Group	**46 267**	**-805**	**45 462**
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plans	0	-3 963	-3 963
Tax effects	0	529	529
Subtotal	**0**	**-3 434**	**-3 434**
Other comprehensive income	**1 598**	**-3 434**	**-1 836**
Total comprehensive income	**47 865**	**-4 239**	**43 626**
Net profit Group attributable to:			
- Shareholders of ALSO Holding AG	46 429	-805	45 624
- Non-controlling interests	-162	0	-162
Total comprehensive income attributable to:			
- Shareholders of ALSO Holding AG	48 027	-4 239	43 788
- Non-controlling interests	-162	0	-162
Earnings per share in EUR			
Basic earnings per share	3.61	-0.06	3.55
Diluted earnings per share	3.61	-0.06	3.55

Consolidated statement of financial position as of January 1, 2012 (Restatement IAS 19)

EUR 1 000	Reported	Adjustment	Restated
Prepaid expenses, accrued income and other receivables	259 846	-427	259 419
Total current assets	**1 003 891**	**-293***	**1 003 598**
Deferred tax liabilities	17 148	-143	17 005
Employee benefits	6 384	371	6 755
Total non-current liabilities	**110 715**	**228**	**110 943**
Equity attributable to ALSO shareholders	352 212	-521	351 691
Total equity	**352 221**	**-521**	**351 700**

* Including reclassification of derivative financial instruments

Consolidated statement of financial position as of December 31, 2012 (Restatement IAS 19)

EUR 1 000	Reported	Adjustment	Restated
Prepaid expenses, accrued income and other receivables	201 443	-485	200 958
Total current assets	**1 082 323**	**-362***	**1 081 961**
Deferred tax liabilities	14 002	-785	13 217
Employee benefits	5 178	5 183	10 361
Total non-current liabilities	**73 238**	**4 398**	**77 636**
Equity attributable to ALSO shareholders	393 731	-4 760	388 971
Total equity	**393 548**	**-4 760**	**388 788**

* Including reclassification of derivative financial instruments

Consolidated statement of changes in equity 2012 (Restatement IAS 19)

EUR 1 000	Reported	Adjustment	Restated
Equity attributable to shareholders			
January 1	352 212	-521	351 691
Net profit Group	46 429	-805	45 624
Other comprehensive income	1 598	-3 434	-1 836
Total comprehensive income	48 027	-4 239	43 788
December 31	393 731	-4 760	388 971
Non-controlling interests			
January 1	9	0	9
Net profit Group	-162	0	-162
Other comprehensive income	0	0	0
Total comprehensive income	-162	0	-162
December 31	-183	0	-183

Consolidated statement of cash flows 2012 (Restatement IAS 19)

EUR 1 000	Reported	Adjustment	Restated
Net profit Group	46 267	-805	45 462
Change in provisions and employee benefits	-1 107	919	-188
Other non-cash items	-9 163	-114	-9 277
Cash flow from operating activities	**30 254**	**0**	**30 254**

2.3 Published standards, interpretations, and amendments not yet applied

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

- IFRS 9 Financial Instruments: Classification and Measurement – date of initial application unknown
- IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities – effective January 1, 2014
- Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) – effective January 1, 2014
- Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39) – effective January 1, 2014
- IFRS 9 Financial Instruments: Mandatory effective date of IFRS 9 and transition disclosures – date of initial application unknown
- IFRIC 21 Levies – effective January 1, 2014
- Annual improvements 2010 to 2012 – effective July 1, 2014
- Annual improvements 2011 to 2013 – effective July 1, 2014
- IAS 19 Employee benefits: Employee contributions – effective July 1, 2014

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

2.4 Key assumptions and estimates

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

Vendor bonuses

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

Impairment of goodwill

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

Deferred tax assets

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

Sale of trade receivables

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

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

2.5 Scope of consolidation

These consolidated financial statements include the annual financial statements as at December 31 of ALSO Holding AG, Emmen, Switzerland, and of the companies over which ALSO has control. ALSO controls a subsidiary when ALSO is exposed to the risks of the entity, has rights to variable returns from its involvement with the entity, and can affect these returns through exercise of its power over the entity. By this definition, ALSO controls SINAS Beteiligungs GmbH & Co. Vermietungs-KG, even though less than half of its voting shares are owned by ALSO. Subsidiaries are fully consolidated from the date on which control is transferred to ALSO and deconsolidated from the date that control ceases. Group companies are listed in Note 6.5.

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

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

Changes in 2012
The following companies were acquired by the ALSO Group in 2012 and are since then included in the scope of consolidation:

Country	Domicile	Company name	Voting interest
Germany	Soest	Medium GmbH	80.00 %
	Frankfurt Main	Pestinger GmbH (held through Medium GmbH)	74.80 %
	Stuttgart	Beamer & more GmbH (held through Medium GmbH)	51.00 %
Switzerland	Thun	NRS Printing Solutions AG	100.00 %
	Emmen	Quatec AG	100.00 %

The following companies were sold by the ALSO Group in 2012 and are since then no longer included in the scope of consolidation:

Country	Domicile	Company name	Voting interest
Estonia	Tallinn	ServiceNet EE OÜ	100.00 %
Latvia	Riga	ServiceNet LV SIA	100.00 %
Lithuania	Kaunas	UAB SERVICENET	100.00 %

2.6 Consolidation method

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

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

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

2.7 Acquisitions

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

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

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

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

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

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

If the Group undertakes a business combination with put options on shares that are held by shareholders of non-controlling interests and does not thereby obtain ownership, the non-controlling interests continue to be allocated a share in the profits. At the end of each reporting period, the allocation is recognized as a financial liability as if the acquisition had taken place at this date. Any excess over the reclassified amount, and all changes in the present value of the financial liability, are recognized in retained earnings. A change in the ownership interest in a subsidiary without loss of control is recognized as an equity transaction.

2.8 Translation of foreign currency

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

Exchange gains on certain loans with equity-like character are recognized in other comprehensive income provided that repayment of the loan is not planned or intended in the near future. They are only reclassified to the financial result upon loss of control of the entity or repayment of the loan. The annual financial statements of the foreign operations that have a functional currency different from the Group reporting currency are translated into the Group reporting currency (EUR) as follows:
- statement of financial position at year-end rates
- statement of comprehensive income at average annual rates
- statement of cash flows at average annual rates

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

Exchange rates to EUR		Year-end rate 2013	Year-end rate 2012	Average rate 2013	Average rate 2012
USA	USD	1.3791	1.3194	1.3281	1.2848
Switzerland	CHF	1.2276	1.2072	1.2311	1.2053
Norway	NOK	8.3630	7.3483	7.8067	7.4751
Denmark	DKK	7.4593	7.4610	7.4579	7.4437
Sweden	SEK	8.8591	8.5820	8.6515	8.7041

2.9 Total net sales

Total net sales comprise invoiced deliveries of goods and services and other sales-related revenue. Revenue from goods deliveries is only recognized when it is probable that the economic benefits associated with the transaction will flow to ALSO and the amount can be reliably measured. The revenue is recognized when the goods are shipped, specifically when the risks and rewards are transferred to the purchaser.

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

2.10 Personnel expenses/employee benefit plans

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

The companies of the ALSO Group operate various employee benefit plans according to the local conditions and practices in the respective countries. Defined contribution plans are post-employment plans under which the Group pays fixed contributions into a separate fund and is neither legally nor de facto obliged to pay further contributions.

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

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

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

2.11 Capital participation plans

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

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

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

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

2.12 Financial assets

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

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

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

After their initial recognition, financial assets are measured depending on their category as follows:

- Loans and receivables: At amortized cost using the effective interest method.
- At fair value through profit or loss: At fair value. If the fair value is not readily available, it must be calculated using a valuation model. Any changes in fair value are recognized in the statement of comprehensive income under net financial result (financial income or financial expense) or costs of goods sold for the respective reporting period (see Note 2.13).
- Available for sale: At fair value. Any unrealized changes in value are recognized in other comprehensive income, except for interest that was calculated using the effective interest method, and exchange rate fluctuations on borrowing instruments. In the case of sale, impairment, or other disposal, the cumulative gains and losses that are recognized in equity are reclassified into the net financial result (financial income, financial expense) of the current reporting period.

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

2.13 Hedge Accounting

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

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

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

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

2.14 Cash and cash equivalents

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

2.15 Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment, when there are indications that the customer will not be able to meet its payment obligations (insolvency, etc.). Default rates based on historical experience are offset against the contractually foreseen payment streams.

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

2.16 Inventories

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

2.17 Property, plant and equipment

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

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

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

2.18 Finance leases

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

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

2.19 Intangible assets

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

Goodwill is not normally amortized but tests for impairment are performed annually as well as whenever there is an indication that the goodwill may be impaired.

Material borrowing costs relating to qualifying assets (project duration greater than 12 months) are capitalized. With the exception of goodwill, no intangible assets with indefinite useful lives are capitalized.

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

2.20 Impairment

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

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

2.21 Factoring

The ALSO Group has sold or assigned some of its trade receivables to finance companies (factors).

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

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

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

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

2.22 Financial liabilities

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

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

- At fair value through profit or loss: At their initial recognition and subsequently, these financial liabilities are measured at fair value. The transaction costs directly identifiable to the purchase of these liabilities are expensed. Derivatives with a negative replacement value are by definition assigned to this category.
- Other financial liabilities: Other financial liabilities mainly comprise financial debts, which are measured at amortized cost. Non-current financial liabilities are measured using the effective interest method. In addition to actual interest payments, interest expense also includes annual compound interest and pro rata transaction costs.

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

2.23 Provisions

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

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

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

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

2.24 Taxes

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

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

2.25 Equity

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

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

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

3. Business combinations

Acquisition of ALSO Digital Holding B.V.

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

Under the purchase agreement, ALSO has the option to purchase, and the counterparty the option to sell, the remaining 49 % of the voting shares. ALSO has decided to recognize the non-controlling interests in the acquired company at their proportionate share of the fair value of net identifiable assets.

The consideration transferred for 51 % of the voting shares was TEUR 1200. An additional contingent consideration (earn-out) was agreed, which is due in 2015 at the earliest. The estimated amount of that contingent consideration at the date of acquisition was TEUR 166 and depends on the future operating results of the company. As part of the purchase price allocation, a fair value of the net assets of TEUR -694 and goodwill of TEUR 2060 was identified. The value of the non-controlling interests is TEUR -666. For the remaining 49 %, the parties have signed call and put options. Non-controlling interests for ALSO Digital Holding B.V. were not reported, but the present value of the put option is recognized as a liability in the statement of financial position.

Goodwill mainly reflects the expected synergy effects from new business opportunities.

Acquisition-related costs of TEUR 169 for the voting shares are included in other operating expenses. Cash for the amount of TEUR 20 was acquired. As at December 31, 2013, TEUR 1200 of the purchase price of TEUR 1366 had been paid out.

Assets and liabilities from business combinations

EUR 1000	Fair values at the date of acquisition: ALSO Digital*/**	Other business combinations*	Total
Cash and cash equivalents	20	126	146
Trade receivables	25	430	455
Inventories	10	853	863
Property, plant and equipment	7	4770	4777
Intangible assets	71	228	299
Other assets	76	2330	2406
Trade payables	-179	-467	-646
Financial liabilities	-1288	-3676	-4964
Other liabilities	-102	-3257	-3359
Net assets	**-1360**	**1337**	**-23**
Goodwill	**2060**	**215**	**2275**
Negative goodwill		**-600**	**-600**
Analysis of cash flows from the acquisitions			
Cash acquired	20	126	146
Cash paid	-1200	-954	-2154
Net cash outflow	**-1180**	**-828**	**-2008**

* Provisional amounts
** Aggregated values of ALSO Digital Holding B.V. and ALSO Digital B.V.

From the date of the acquisition, ALSO Digital has contributed TEUR 195 to the revenue and TEUR -801 to the net profit of the ALSO Group.

Because some information is still outstanding, the purchase price allocation performed on February 18, 2013, and updated at the reporting date, is provisional.

Goodwill for the total amount of TEUR 2275 is not deductible for tax purposes. The fair value of trade receivables corresponds to the nominal amount.

Other acquisitions

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

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

Consequences of the acquisitions

If the acquisitions had taken place at the beginning of the year, the net revenue of ALSO for the period would have been TEUR 6536765 and the net profit TEUR 51181.

Business combinations in 2012

Acquisition MEDIUM GmbH

On April 27, 2012, the ALSO Group acquired the assets and liabilities of medium Vertriebsgesellschaft für audiovisuelle Kommunikationsmittel mbH. The business as a leading German supplier of presentation technology is continued by MEDIUM GmbH, with registered office in Soest, Germany. The range of services includes the distribution of international top brands as well as consulting and training for MEDIUM's partners and their end-customers. The goal of the acquisition is to offer to the German market a comprehensive portfolio in the presentation, conference systems, and education segment.

The provisional purchase price allocation as at December 31, 2012 was completed in 2013. There was no change in the measurement of the acquired assets.

Goodwill amounting to TEUR 1347 mainly reflects the expected synergy effects from market activities.

Acquisition NRS Printing Solutions AG

On July 10, 2012, the ALSO Group acquired 100 % of the voting shares of NRS Printing Solutions AG (NRS), an unlisted company with registered office in Thun, Switzerland, which is a leading Swiss supplier of print and copy-management solutions. The objective of ALSO with this acquisition is to offer specialist traders in Switzerland a comprehensive portfolio for managed print services (MPS).

The provisional purchase price allocation as at December 31, 2012 was completed in 2013. There was no material change in the measurement of the acquired assets.

Goodwill amounting to TEUR 3859 mainly reflects the expected synergy effects from market activities.

Other acquisitions

In 2012, ALSO acquired the shares of various smaller companies which are active in the presentation technology and print- and copy-management solutions business (see Note 2.5). Even viewed collectively, these acquisitions have no material effects on the capital, financial, income, or cash flow situation of ALSO.

Disposal of Service Net entities

In March 2012, the ALSO Group sold its 100 % participations in ServiceNet EE OÜ, Estonia, in ServiceNet LV SIA, Latvia, and in UAB SERVICENET, Lithuania. The disposals resulted in a loss of TEUR 122, which is recognized in the financial result. Disposal of those entities has no material impact on any assets, liabilities, income or cash flows of the ALSO Group.

4. Notes to the statement of comprehensive income

4.1 Segment information

	Central Europe		Northern/Eastern Europe		Adjustments		Group	
EUR 1000	2013	2012	2013	2012	2013	2012	2013	2012 restated*
Net sales to third parties	4835432	4536891	1597594	1665498	0	0	6433026	6202389
Revenue from services to third parties	96312	91519	3119	2874	120	186	99551	94579
Net sales to other segments	144174	143979	667	761	-144841	-144740	0	0
Total net sales	**5075918**	**4772389**	**1601380**	**1669133**	**-144721**	**-144554**	**6532577**	**6296968**
EBITDA	**98486**	**91652**	**13313**	**19726**	**1743**	**-1998**	**113542**	**109380**
As % of total net sales	1.9 %	1.9 %	0.8 %	1.2 %			1.7 %	1.7 %
Depreciation and amortization	-19353	-19756	-3934	-4332	-2866	-1801	-26153	-25889
Operating profit (EBIT)	**79133**	**71896**	**9379**	**15394**	**-1123**	**-3799**	**87389**	**83491**
As % of total net sales	1.6 %	1.5 %	0.6 %	0.9 %			1.3 %	1.3 %
Net financial income/expense	-11792	-15924	-2907	-2912	-120	-678	-14819	-19514
Profit before tax (EBT)	**67341**	**55972**	**6472**	**12482**	**-1243**	**-4477**	**72570**	**63977**
As % of total net sales	1.3 %	1.2 %	0.4 %	0.7 %			1.1 %	1.0 %
Segment assets	**1301017**	**1177591**	**353330**	**334377**	**-161585**	**-175979**	**1492762**	**1335989**
Segment liabilities	**971891**	**840554**	**237665**	**211230**	**-138070**	**-104583**	**1071486**	**947201**
Investments								
- in property, plant and equipment	4219	2253	786	2222	1161	2835	6166	7310
- in intangible assets	1304	845	20	9	1512	2503	2836	3357
Average headcount	**2183**	**1993**	**878**	**887**	**94**	**105**	**3155**	**2985**
Headcount at year end	**2304**	**2024**	**838**	**879**	**98**	**87**	**3240**	**2990**

* The restatement is explained in Note 2.2
The following definitions of headcount apply:
- Average headcount: average number of full-time equivalent positions excluding temporary employees
- Headcount at year end: number of full-time equivalent positions excluding temporary employees

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

The reconciliation (Adjustments) of the segment results to the consolidated results contains centralized activities of the holding companies in Switzerland, Finland and Germany (headquarter activities) which are not allocated to the segments. The allocation of the net sales is determined by the place where invoicing occurs. Revenues as well as assets and liabilities (mainly trade receivables and payables) between the segments are eliminated in the "Adjustments" column. The assets and the liabilities contain all balance sheet items that are directly attributable to the segments. Profit before tax (EBT) contains all income and expenses that are directly attributable to the respective operating segments. It also includes direct allocations of centrally occurring expenses. EBT is the main performance indicator in the ALSO Group. A reconciliation of the management reporting to the segment reporting is not required, since internal and external reporting are based on the same accounting principles.

Details of the reconciliation

EUR 1000	2013	2012
Costs for shareholders/mark-up for management fees/other centralized costs	1743	-1998
Total at EBITA level	**1743**	**-1998**
Depreciation and amortization	-2866	-1801
Net financial result	-120	-678
Total at EBT level	**-1243**	**-4477**

2012 contains non transferred IT costs of TEUR -3380.

Geographical Information

EUR 1000	Total net sales	Non-current assets*
Switzerland		
2013	770283	70243
2012	771391	78521
Germany		
2013	3439628	130158
2012	3205419	131926
Others		
2013	2322666	37213
2012	2320158	40237
Group		
2013	6532577	237614
2012	6296968	250684

* Without deferred tax assets and financial assets

Customers accounting for more than 10 % of Group sales revenue

Sales revenue received by the ALSO Group from a single customer in the Central Europe segment was EUR 922 million (previous year: EUR 777 million).

4.2 Personnel expenses

EUR 1000	2013	2012 restated*
Salaries and wages	-151220	-145741
Social and pension costs	-29038	-26262
Employee shares/options	-18	-29
Total personnel expenses	**-180276**	**-172032**

* The restatement is explained in Note 2.2

4.3 Employee benefits

The employee post-employment benefit plans of the ALSO Group comply with the legal requirements of the respective countries. There are defined benefit plans in Germany, Netherlands, Austria, and Switzerland. The defined benefit plan in Switzerland (ALSO pension fund) covers 88.9 % (previous year: 90.1 %) of plan assets and 88.2 % (previous year: 89.7 %) of the present value of the expected obligations of the ALSO Group.

Defined benefit plan			2013			2012 restated*
EUR 1 000	ALSO pension fund	Other defined benefit plans	Total	ALSO pension fund	Other defined benefit plans	Total
Fair value of plan assets	43 975	5 479	49 454	40 532	4 468	45 000
Present value of defined benefit obligations	-54 240	-7 264	-61 504	-49 563	-5 709	-55 272
- of which financed by funds	-54 240	-7 174	-61 414	-49 563	-5 623	-55 186
- of which financed by provisions	0	-90	-90	0	-86	-86
Deficit	**-10 265**	**-1 785**	**-12 050**	**-9 031**	**-1 241**	**-10 272**
Reported in the statement of financial position as:						
- Employee benefit assets (Note 5.4)	0	0	0	0	89	89
- Employee benefit liabilities	-10 265	-1 785	-12 050	-9 031	-1 330	-10 361

* The restatement is explained in Note 2.2

Defined benefit plan Switzerland

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

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

The Swiss post-employment benefit plan, the ALSO Pension Fund, has the legal form of a foundation. All actuarial risks are borne by the foundation. These risks consist of demographic risks (primarily life expectancy) and financial risks (primarily the discount rate and the return on the plan assets), which are regularly assessed by the Board of Trustees. In addition, a report is prepared annually in accordance with IFRS requirements as well as an actuarial report prepared in accordance with the requirements of the BVG. The definitive funded status according to the BVG is determined in the first quarter of the following year. According to estimates, the funded status at December 31, 2013 was 114 % (previous year: 110 %, definitive).

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

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

Net post-employment benefit expenses for defined benefit plans			2013			2012 restated*
EUR 1 000	ALSO pension fund	Other defined benefit plans	Total	ALSO pension fund	Other defined benefit plans	Total
Current service cost	-2 484	-375	-2 859	-2 244	-465	-2 709
Past service cost	0	0	0	1 362	0	1 362
Net interest employee benefit	-147	-42	-189	-153	-44	-197
Net post-employment benefit expenses	**-2 631**	**-417**	**-3 048**	**-1 035**	**-509**	**- 1 544**

* The restatement is explained in Note 2.2

In 2012, the Board of Trustees of the Swiss post-employment benefit plan (ALSO Pension Fund) changed the conversion rate to reduce the actuarial risks of the post-employment benefit plan. This change resulted in past-service income of TEUR 1 362.

Remeasurement of defined benefit plans			2013			2012 restated*
EUR 1 000	ALSO pension fund	Other defined benefit plans	Total	ALSO pension fund	Other defined benefit plans	Total
Actuarial gains/losses:						
- Changes in demographic assumptions	0	-191	-191	-3 212	0	-3 212
- Changes in financial assumptions	-1 664	-1 007	-2 671	-1 294	-729	-2 023
Return on plan assets (excluding interest income)	1 114	600	1 714	860	412	1 272
Effect of change in asset ceiling	0	0	0	0	0	0
Total remeasurement recognized in other comprehensive income	**-550**	**-598**	**-1 148**	**-3 646**	**-317**	**-3 963**

* The restatement is explained in Note 2.2

For the assumptions regarding life expectancy, since 2012 the Swiss post-employment benefit plan has used the BVG generation life table. Previously, the BVG period life table was used, with an appropriate margin for longevity. In 2012, the negative result amounting to TEUR -3 212 of changing the demographic assumptions is mainly attributable to this change.

Change in fair value of plan assets			2013			2012 restated*
EUR 1 000	ALSO pension fund	Other defined benefit plans	Total	ALSO pension fund	Other defined benefit plans	Total
Carrying amount as at January 1	**40 532**	**4 468**	**45 000**	**37 430**	**1 692**	**39 122**
Effect of acquisitions	0	0	0	0	1 793	1 793
Interest income	794	150	944	943	120	1 063
Return on plan assets (excluding interest income)	1 114	600	1 714	860	412	1 272
Employee contributions	1 310	123	1 433	1 246	88	1 334
Employer contributions	1 800	533	2 333	1 735	610	2 345
Net benefits (paid) received	-913	-257	-1 170	-1 939	-51	-1 990
Exchange differences	-662	-138	-800	257	-196	61
Carrying amount as at December 31	**43 975**	**5 479**	**49 454**	**40 532**	**4 468**	**45 000**

* The restatement is explained in Note 2.2

Change in the present value of defined benefit obligations

EUR 1 000	ALSO pension fund	Other defined benefit plans	2013 Total	ALSO pension fund	Other defined benefit plans	2012 restated* Total
Carrying amount as at January 1	**49 563**	**5 709**	**55 272**	**43 478**	**2 370**	**45 848**
Effect of acquisitions	0	0	0	0	2 143	2 143
Service cost	2 484	375	2 859	2 244	465	2 709
Past service cost	0	0	0	-1 362	0	-1 362
Interest cost	941	192	1 133	1 096	164	1 260
Actuarial loss	1 664	1 198	2 862	4 506	729	5 235
Employee contributions	1 310	123	1 433	1 246	88	1 334
Net benefits received (paid)	-913	-257	-1 170	-1 939	-82	-2 021
Exchange differences	-809	-76	-885	294	-168	126
Carrying amount as at December 31	**54 240**	**7 264**	**61 504**	**49 563**	**5 709**	**55 272**

* The restatement is explained in Note 2.2

Investment structure of plan assets

EUR 1 000	ALSO pension fund	Other defined benefit plans*	2013 Total*	ALSO pension fund	Other defined benefit plans*	2012 Total*
Cash and cash equivalents	6.4 %	1.7 %	5.9 %	3.9 %	1.3 %	3.6 %
Equity instruments	28.1 %	2.1 %	25.2 %	25.2 %	1.6 %	22.9 %
Bonds	41.5 %	32.9 %	40.5 %	40.2 %	31.8 %	39.4 %
Real estate	13.2 %	5.7 %	12.4 %	14.2 %	6.0 %	13.4 %
Other investments	10.8 %	57.6 %	16.0 %	16.5 %	59.3 %	20.7 %
Total	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**

* Weighted values

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

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

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

Investments in bonds are undertaken solely via funds for which there is a quoted market price (Level 1 of the fair value hierarchy). There are no direct investments. Investments in real estate are undertaken solely via real estate funds. There are no direct holdings of real estate. There is an active market in the real estate funds (Level 2 of the fair value hierarchy).

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

Principal actuarial assumptions

EUR 1 000	ALSO pension fund	Other defined benefit plans*	2013 Total*	ALSO pension fund	Other defined benefit plans*	2012 Total*
Discount rate	2.2 %	3.1 %	2.3 %	2.0 %	3.3 %	2.1 %
Future salary increases	1.5 %	0.9 %	1.4 %	2.0 %	0.9 %	1.0 %
Future pension increases	0.0 %	0.4 %	0.0 %	0.0 %	0.3 %	0.0 %
Mortality table	BVG 2010	n/a	BVG 2010	BVG 2010	n/a	BVG 2010

* Weighted values

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

Sensitivities of the main actuarial assumptions

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

- An increase/decrease of 0.5 percentage points in the discount rate would result in a decrease in the DBO of 8 % or an increase in the DBO of 9 % respectively.
- An increase/decrease of 0.5 percentage points in the expected development of salaries and wages would result in an increase/decrease in the DBO of 2 % respectively.

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

Net pension cost for defined contribution plans

EUR 1 000	2013	2012
Employer contributions	1 188	947

4.4 Other operating expenses/income

Other operating expenses

EUR 1 000	2013	2012
Leasing expenses	-17 662	-18 928
Maintenance and repair expenses	-15 392	-14 992
Marketing and administrative expenses	-90 389	-94 500
Insurance, consulting and other operating expenses	-26 638	-27 581
Total other operating expenses	**-150 081**	**-156 001**

Marketing and administrative expenses also include IT costs. These were EUR 4.7 million lower than in 2012. The reduction was the result of the SAP implementation in Finland, Latvia, and Lithuania, with consequent elimination of license costs for obsolete systems.

Other operating income

EUR 1 000	2013	2012
Gains on sales of property, plant and equipment	22	22
Other operating income	15 272	19 343
Total other operating income	**15 294**	**19 365**

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

4.5 Net financial income/expense

Financial income

EUR 1 000	2013	2012
Interest income	976	333
Fair value adjustments of contingent considerations (Note 6.2)	1 167	0
Negative goodwill from acquisitions	600	0
Other financial income	335	292
Total financial income	**3 078**	**625**

Concerning negative goodwill, please refer to Note 3 (other acquisitions).

Financial expenses

EUR 1 000	2013	2012 restated*
Interest expenses	-13 726	-15 799
Factoring fees	-3 236	-3 209
Net interest employee benefits	-189	-197
Exchange losses, net	-27	-18
Loss from disposals of subsidiaries	0	-122
Other financial expenses	-719	-794
Total financial expenses	**-17 897**	**-20 139**
Financial result	**-14 819**	**-19 514**

* The restatement is explained in Note 2.2

Exchange differences

EUR 1 000	2013	2012
Exchange differences recognized in financial result	-27	-18
Exchange differences recognized in gross margin	4 988	3 589
Total exchange differences	**4 961**	**3 571**

4.6 Income taxes

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

Income taxes

EUR 1 000	2013	2012 restated*
Income taxes in the reporting period	-24 433	-22 197
Income taxes in prior periods	-274	-56
Deferred income taxes	2 223	3 738
Total income tax expense	**-22 484**	**-18 515**

* The restatement is explained in Note 2.2

Analysis of tax expense

EUR 1 000	2013	2012 restated*
Profit before tax (EBT)	**72 570**	**63 977**
Expected tax rate (weighted)	**27.1 %**	**26.3 %**
Expected income tax expense	-19 662	-16 826
Utilization of previously unrecognized tax losses	1 254	1 632
Income tax losses not recognized	-3 153	-1 549
Income not subject to tax	656	286
Non-deductible expenses	-1 763	-1 669
Reduction in deferred tax rate	79	98
Tax effect from prior periods	397	-56
Withholding tax on Group dividends	-187	-703
Other factors	-105	272
Effective income tax expense	**-22 484**	**-18 515**
Effective income tax rate	**31.0 %**	**28.9 %**

* The restatement is explained in Note 2.2

The weighted tax rate is calculated from the income tax rates that are expected to apply for the Group companies in the respective tax jurisdictions.

Tax effects in other comprehensive income

EUR 1 000	2013	2012 restated*
Tax effects on items that will not subsequently be reclassified to profit or loss		
Remeasurement of defined benefit plans	172	529
Subtotal	**172**	**529**
Tax effects on items that may be reclassified subsequently to profit or loss		
Foreign currency adjustments on loans at foreign subsidiaries	-87	33
Fair value adjustment on cash flow hedges	-95	-10
Subtotal	**-182**	**23**
Total tax effects in other comprehensive income	**-10**	**552**

* The restatement is explained in Note 2.2

Deferred taxes	Statement of financial position				Recognized in income taxes	
	Deferred tax assets		Deferred tax liabilities			
EUR 1 000	2013	2012 restated*	2013	2012 restated*	2013	2012 restated*
Temporary differences						
- Current assets	617	610	3 796	3 321	-468	-127
- Property, plant and equipment	284	284	3 042	3 296	254	79
- Intangible assets	76	35	6 493	9 759	3 214	2 694
- Recognized tax loss carry-forwards	1 307	1 782	0	0	-475	1 540
- Provisions and employee benefits	2 531	2 521	76	80	13	-269
- Liabilities	1 996	2 250	497	591	-160	-196
- Other temporary differences	0	0	466	311	-155	17
Total	**6 811**	**7 482**	**14 370**	**17 358**	**2 223**	**3 738**
Offsetting	-3 786	-4 141	-3 786	-4 141	0	0
Total deferred taxes	**3 025**	**3 341**	**10 584**	**13 217**	**2 223**	**3 738**

* The restatement is explained in Note 2.2

Changes in deferred taxes (net)

EUR 1 000	2013	2012 restated*
January 1	**-9 876**	**-13 998**
Effect of acquisitions	16	-138
Changes in temporary differences	2 213	4 290
Exchange differences	88	-30
December 31	**-7 559**	**-9 876**

* The restatement is explained in Note 2.2

Tax loss carry-forwards

EUR 1 000	2013	2012
Total tax loss carry-forwards	**109 218**	**104 505**
Of which recognized as deferred tax assets	5 886	6 993
Total tax loss carry-forwards not recognized	**103 332**	**97 512**
Tax effect on unrecognized tax loss carry-forwards	24 698	26 056
Total unrecognized tax loss carry-forwards expiring:		
- in two to five years	3 985	1 058
- in six to ten years	24 475	18 405
No expiry	74 872	78 049

The loss carry-forwards existing at December 31, 2013 and 2012 derive mainly from Norway, Sweden, and Finland.

For tax loss carry-forwards, no deferred tax assets are recognized if they cannot be offset against other Group profits and if it is not probable that the entities carrying the tax losses forward will have future taxable profits against which to realize the related tax benefit.

As at December 31, 2013, there were no deferred tax liabilities for retained earnings amounting to TEUR 33 875 (previous year: TEUR 32 119) in subsidiaries which are liable to tax in the event of dividend payments. There are no plans for dividend payments in the foreseeable future from those retained earnings.

5. Notes to the consolidated statement of financial position as at December 31

5.1 Cash and cash equivalents

EUR 1 000	2013	2012
Cash at bank and on hand	41 629	5 549
Total cash and cash equivalents	**41 629**	**5 549**

5.2 Trade receivables

EUR 1 000	2013	2012
Trade receivables (gross)	476 271	425 312
Provision for bad debts	-2 453	-3 125
Total trade receivables	**473 818**	**422 187**

EUR 1 000	2013	2012
Trade receivables past due but not impaired		
< 90 days	37 616	34 149
90 to 180 days	563	167
> 180 days to 1 year	725	194
> 1 year	326	230
Total trade receivables past due but not impaired	**39 230**	**34 740**

At the reporting date, trade receivables past due but not impaired contain no indications that the customers will not meet their payment obligations. As at the date of preparation of these consolidated financial statements, material portions of those receivables have been paid.
ALSO has sold or assigned trade receivables to independent factoring companies. Please refer to Note 6.8.

EUR 1 000	2013	2012
Status of bad debt provision as at January 1	**3 125**	**3 796**
Exchange differences	-11	9
Creation	681	186
Release	-447	-351
Utilization	-895	-515
Status of bad debt provision as at December 31	**2 453**	**3 125**
Trade receivables write-offs	-2 232	-2 566
Income from payments for trade receivables previously written-off	312	280

5.3 Inventories

EUR 1 000	2013	2012
Inventories	511 239	462 699
Downpayments to suppliers	13	117
Inventory provision	-10 134	-9 672
Total inventories	**501 118**	**453 144**

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

In the reporting period, inventory for the amount of TEUR 6 052 567 (previous year: TEUR 5 825 843) was recognized as cost of goods sold in the consolidated statement of comprehensive income. This includes changes in inventory provisions totaling TEUR 473 recognized as expense. In the previous year, TEUR 1 458 were recognized as income.

5.4 Prepaid expenses, accrued income and other receivables

EUR 1 000	2013	2012 restated*
Miscellaneous tax receivables	3 856	4 661
Receivables from factors	206 747	176 490
Other receivables	11 897	10 455
Employee benefits	0	89
Other receivables	**222 500**	**191 695**
Prepaid expenses and accrued income	12 022	9 263
Total prepaid expenses, accrued income and other receivables	**234 522**	**200 958**

* The restatement is explained in Note 2.2

Other receivables consist mainly of receivables from vendors. Receivables from factors (see Note 6.8) consist of dilution reserves of TEUR 88 368 (previous year: TEUR 101 586) from ongoing sales of receivables and flexibly callable claims of TEUR 118 379 (previous year: TEUR 74 904).

5.5 Property, plant and equipment

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

EUR 1000	Land and buildings	Equipment	Other property, plant and equipment	Total
Net carrying amounts at January 1, 2012	**43 923**	**17 456**	**9 146**	**70 525**
Additions	725	4 005	2 580	7 310
Effect of acquisitions	80	29	973	1 082
Disposals	-9	-63	-77	-149
Depreciation	-1 700	-4 165	-3 322	-9 187
Exchange differences	216	56	34	306
Net carrying amounts at December 31, 2012	**43 235**	**17 318**	**9 334**	**69 887**
Overview as at December 31, 2012				
Acquisition costs	47 863	31 883	18 675	98 421
Accumulated depreciation/impairment	-4 628	-14 565	-9 341	-28 534
Net carrying amount at December 31, 2012	**43 235**	**17 318**	**9 334**	**69 887**
Of which finance leases	0	6 618	0	6 618

Property, plant, and equipment is insured for a total of EUR 178.7 million (previous year: EUR 173.1 million).
Land and buildings comprises land and buildings used for operational purposes.
Gains from the sale of property, plant, and equipment are recognized in other operating income and amount to TEUR 22 (previous year: TEUR 22).

5.6 Intangible assets

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

EUR 1000	Goodwill	Customer lists	Other intangible assets	Total
Net carrying amount at January 1, 2012	**124 153**	**52 106**	**8 480**	**184 739**
Additions	0	0	3 357	3 357
Effect of acquisitions	5 775	2 477	211	8 463
Disposals	0	-20	-6	-26
Reclassifications	0	-121	121	0
Amortization	0	-13 504	-3 198	-16 702
Exchange differences	747	198	21	966
Net carrying amount at December 31, 2012	**130 675**	**41 136**	**8 986**	**180 797**
Overview as at December 31, 2012				
Acquisition costs	130 675	69 052	20 121	219 848
Accumulated amortization/impairment	0	-27 916	-11 135	-39 051
Net book value as at December 31, 2012	**130 675**	**41 136**	**8 986**	**180 797**

In the reporting period, goodwill was increased mainly by the acquisition of ALSO Digital.
In 2012, goodwill arose mainly from the acquisition of Medium GmbH and NRS Printing Solutions AG.
With the exception of goodwill, no intangible assets with indefinite useful lives are capitalized. The average residual amortization period for the customer lists is two years. Other intangible assets consist mainly of software and licenses.

5.7 Impairment Test Goodwill

EUR 1000	2013	2012
Net carrying amount goodwill Central Europe	113930	111871
Net carrying amount goodwill Northern/Eastern Europe	17248	18804
Total goodwill	**131178**	**130675**
Discount rate (post tax) goodwill Central Europe	8.2%	7.1%
Discount rate (post tax) goodwill Northern/Eastern Europe	8.3%	7.2%
Growth rate sales revenue for residual value Central Europe	1.0%	1.0%
Growth rate sales revenue for residual value Northern/Eastern Europe	1.0%	1.0%
Expected average EBITDA margin Central Europe (residual value)	1.7%	1.7%
Expected average EBITDA margin Northern/Eastern Europe (residual value)	1.0%	1.0%

Goodwill is monitored and tested for impairment by means of value-in-use calculations of two groups of cash-generating units. The value in use is the present value of the discounted cash flows. It is based on planning assumptions over a three-year period, plus residual values which have been approved by Management. The discount rates applied, and the average growth rate in net sales, are set out in the above table. The value-in-use calculation for the group of cash-generating units is sensitive to assumptions relating to the balance sheet structure, gross margin, and cost structure. The balance sheet structure and gross margin are derived from historical values as well as from strategic and economic changes. The cost structure is adapted to the expected gross margin. The value in use is substantially higher than the reported net assets. Even a material change in the base data, e.g. a sustained deterioration in the gross margin, or a change in the balance sheet and cost structure, would not cause an impairment of the goodwill.

5.8 Accrued expenses, deferred income and other payables

EUR 1000	2013	2012
Accrued expenses and deferred income	**37843**	**30607**
Miscellaneous tax payables	80773	80 759
Liabilities from factoring (continuing involvement)	14496	13682
Accrued interest from factoring	696	830
Other payables to third parties	9930	10053
Other payables to related parties (see Note 6.6)	922	140
Other payables	**106817**	**105464**
Total accrued expenses, deferred income and other payables	**144660**	**136071**

Accrued expenses, deferred income and other payables are recognized in the statement of financial position at nominal value. They comprise short-term expense accruals and deferred income relating to revenue for subsequent accounting periods already received, as well as accruals for services not yet invoiced. Tax payables include value added and other tax liabilities. For liabilities from factoring, please refer to Note 6.8.

5.9 Current and non-current financial liabilities

	2013		2012	
EUR 1000	Net book value	Interest rate	Net book value	Interest rate
Current financial liabilities				
Bank loans	2224	0.6–2.0%	69750	0.8–4.1%
Finance lease	1380	2.7–4.6%	1498	3.8–5.2%
Third-party loans	2633		0	
Other liabilities	26		136	
Total current financial liabilities	**6263**		**71384**	
Non-current financial liabilities				
Bank loans	56909	0.9–5.3%	42913	3.0–5.3%
Bonded loan	50727	2.8–3.0%	0	
Finance lease	1759	2.7–4.6%	2233	3.8–5.2%
Contingent consideration from acquisitions of subsidiaries	1755		2805	
Third-party loans	829		69	
Total non-current financial liabilities	**111979**		**48020**	
Total financial liabilities	**118242**		**119404**	

Bonded loan

ALSO placed a EUR 51 million bonded loan on July 31, 2013. The total amount is divided into several tranches with terms of five years. ALSO uses interest rates swaps to hedge the variable interest rate over the period of the loan.

Covenants

Certain financial liabilities are subject to covenant clauses, under which stipulated financial key figures must be attained. As at December 31, 2013, all covenants were met.

5.10 Provisions

EUR 1000	Guarantees, returned goods, complaints	Litigations	Restructuring	Other provisions	Total
Total as at January 1, 2013	**4425**	**1877**	**1692**	**3385**	**11379**
Creation	3725	73	1493	580	5871
Effect of acquisitions	0	0	0	836	836
Utilization	-3728	-205	-2571	-929	-7433
Release	0	-484	-450	-8	-942
Exchange differences	0	0	0	-24	-24
Total as at December 31, 2013	**4422**	**1261**	**164**	**3840**	**9687**
Current provisions	3413	930	164	1618	6125
Non-current provisions	1009	331	0	2222	3562
Total 2013	**4422**	**1261**	**164**	**3840**	**9687**

EUR 1000	Guarantees, returned goods, complaints	Litigations	Restructuring	Other provisions	Total
Total as at January 1, 2012	**3048**	**3512**	**533**	**3636**	**10729**
Creation	3909	151	1649	1318	7027
Effect of acquisitions	2	0	0	41	43
Utilization	-2534	-705	-490	-1334	-5063
Release	0	-1081	0	-287	-1368
Exchange differences	0	0	0	11	11
Total as at December 31, 2012	**4425**	**1877**	**1692**	**3385**	**11379**
Current provisions	3728	1026	1238	1589	7581
Non-current provisions	697	851	454	1796	3798
Total 2012	**4425**	**1877**	**1692**	**3385**	**11379**

There is an existing guarantee provision for the amount of TEUR 4422 for the risk of expenses that have not yet occurred but which are expected to occur before the end of the guarantee period that was granted. It is expected that the greater part of the provision will be utilized in the next fiscal year, or at the latest within two years.

The provisions for litigation contain claims for damages as well as legal costs for various pending court cases. For significant parts of the litigation, a settlement is expected in the next fiscal year. The reversal of the provision relates mainly to a contingent liability that was identified in the course of the acquisition of ALSO, which expired in 2013.

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

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

5.11 Equity

As at December 31, 2013, the number of registered shares with a nominal value of CHF 1.00 per share totaled 12 848 962. The share capital is unchanged compared to 2012.

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

Treasury shares	Number	Value EUR 1000
December 31, 2012	**28089**	**1194**
Additions	0	0
Disposals	0	0
December 31, 2013	**28089**	**1194**
December 31, 2011	**47755**	**2029**
Additions	0	0
Disposals	-19666	-835
December 31, 2012	**28089**	**1194**

Major shareholders	12.31.2013	12.31.2012
- Special Distribution Holding GmbH, Düsseldorf (Germany)*/**	51.30 %	51.30 %
- Schindler Pars International Ltd., Hergiswil (Switzerland) **/***	28.40 %	28.40 %
- Bestinver Gestion, S.G.I.I.C., S.A. Madrid (Spain)	6.91 %	6.40 %
- SaraSelect, c/o Sarasin Investmentfonds AG, Basel (Switzerland)	3.10 %	3.13 %

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

Regulations regarding the restricted transferability of shares

No restrictions on transferability of shares are contained in the Articles of Association.

Retained earnings

The distribution of retained earnings is subject to restrictions:

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

Opting-out

The Articles of Association contain an opting-out clause.

5.12 Other reserves

EUR 1000	Cash flow hedge reserve	Exchange differences	Remeasurement of defined benefit plans	Total other reserves
December 31, 2012	145	5 847	0	5992
Restatement*	0	0	-3955	-3955
January 1, 2013	**145**	**5847**	**-3955**	**2037**
Net profit Group	0	0	0	0
Other comprehensive income	107	-3434	-976	-4303
Total comprehensive income	**107**	**-3434**	**-976**	**-4303**
Distributions to shareholders	0	0	0	0
Acquisition of non-controlling interests	0	0	0	0
Remeasurement of put options on shares of non-controlling interests	0	0	0	0
December 31, 2013	**252**	**2413**	**-4931**	**-2266**
December 31, 2011	112	4282	0	4394
Restatement*	0	0	-521	-521
January 1, 2012	**112**	**4282**	**-521**	**3873**
Net profit Group*	0	0	0	0
Other comprehensive income*	33	1565	-3434	-1836
Total comprehensive income	**33**	**1565**	**-3434**	**-1836**
Distributions to shareholders	0	0	0	0
Acquisition of subsidiaries	0	0	0	0
Disposal of non-controlling interests	0	0	0	0
Remeasurement of put options on shares of non-controlling interests	0	0	0	0
Change in treasury shares	0	0	0	0
December 31, 2012	**145**	**5847**	**-3955**	**2037**

* The restatement is explained in Note 2.2

5.13 Earnings per share / dividend per share

Earnings per share		2013	2012 restated*
Net profit Group	**EUR**	**50086000**	**45462 000**
Shares issued (weighted)	Number of shares	12848962	12848962
Less treasury shares (weighted)	Number of shares	-28089	-38414
Available shares for calculation (weighted)	Number of shares	12820873	12 810548
Basic earnings per share	**EUR**	**3.91**	**3.55**
Diluted net profit Group	EUR	50086000	45462000
Shares issued (weighted) for calculation	Number of shares	12820873	12810548
Adjustment for dilution from options	Number of shares	98	289
Diluted shares	Number of shares	12820971	12810837
Diluted earnings per share	**EUR**	**3.91**	**3.55**

* The restatement is explained in Note 2.2

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

The Board of Directors will propose to the Annual General Meeting on March 13, 2014, that a distribution to shareholders for the amount of TCHF 17 949 (CHF 1.40 per share) be paid for the financial year 2013. In the prior year, a distribution to shareholders was made for the amount of TCHF 15 385 (CHF 1.20 per share).

6. Further information on the consolidated financial statements

6.1 Contingent liabilities

At ALSO Deutschland GmbH lawsuits are pending associated with alleged infringements of MP3 patents of a plaintiff. These relate to various products and vendors. Neither the company nor the vendors can definitively identify which products of which vendors are affected. Various analyses have been performed with the vendors that are involved. Significant vendors have agreed to accept any potential obligations. According to the relevant stipulations of patent law, ALSO Deutschland GmbH bears joint and several liability. In 2012, some of the vendors that are involved could reach agreement with the patent owner. The settlements do not imply any negative consequences for ALSO. Relative to the previous year, the state of the proceedings did not change significantly in 2013. The remaining joint and several liability is not recognized in the statement of financial position, since it is not measurable at the present time.

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

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

6.2 Financial instruments

Hedging transactions EUR 1000	Contract value	Replacement value positive	 negative	Risk	Hedging Instruments
Cash Flow Hedge	154876	500	763	Interest	Interest rate swap
Total December 31, 2013	**154876**	**500**	**763**		
Cash Flow Hedge	49702	0	85	Interest	Interest rate swap
Total December 31, 2012	**49702**	**0**	**85**		

The effectiveness of cash flow hedges is 100 %.
No reclassifications of hedging transactions from equity to the statement of comprehensive income took place.
For further information about hedging transactions please see Note 6.7.

Classes of financial instruments 2013 EUR 1000	Loans and receivables	At fair value through profit or loss	Amortized cost	Hedge accounting	Non-financial instruments	Carrying amount 12.31.2013
Financial assets						
Trade receivables (Note 5.2)	473818					473818
Prepaid expenses, accrued income and other receivables (Note 5.4)	218644				15878	234522
Financial assets	5					5
Current derivative financial instruments		531				531
Non-current derivative financial instruments				500		500
Financial liabilities						
Financial liabilities (Note 5.9)		1755	116487			118242
Trade payables			766248			766248
Accrued expenses, deferred income and other payables (Note 5.8)			26044		118616	144660
Current derivative financial instruments		1401				1401
Non-current derivative financial instruments		363		763		1126

In 2013, the net gain from financial instruments measured at fair value through profit or loss amounted to TEUR 2 530.
The carrying amount of the financial instruments is essentially the fair value.

Classes of financial instruments 2012 EUR 1000	Loans and receivables	At fair value through profit or loss	Amortized cost	Hedge accounting	Non-financial instruments	Carrying amount 12.31.2012
Financial assets						
Trade receivables (Note 5.2)	422187					422187
Prepaid expenses, accrued income and other receivables (Note 5.4)	186945				14013	200958
Financial assets	3					3
Current derivative financial instruments		123				123
Financial liabilities						
Financial liabilities (Note 5.9)		2805	116599			119 404
Trade payables			645819			645 819
Accrued expenses, deferred income and other payables (Note 5.8)			24705		111366	136071
Current derivative financial instruments		225				225
Non-current derivative financial instruments		2155		85		2240

In 2012, the net gain from financial instruments measured at fair value through profit or loss amounted to TEUR 2459.
The carrying amount of the financial instruments is essentially the fair value.

Fair value of the financial instruments 2013

EUR 1000	Level 1	Level 2	Level 3	Fair value 12.31.2013
Financial assets				
Current derivative financial instruments		531		531
- Forward exchange contracts		*531*		*531*
Non-current derivative financial instruments		500		500
- Interest rate swaps		*500*		*500*
Financial liabilities				
Contingent consideration from acquisitions of subsidiaries (Note 5.9)			1 755	1 755
Current derivative financial instruments		730	671	1 401
- Forward exchange contracts		*730*		*730*
- Put options on non-controlling interests			*671*	*671*
Non-current derivative financial instruments		973	153	1 126
- Interest rate swaps		*973*		*973*
- Put options on non-controlling interests			*153*	*153*
Total financial liabilities Level 3			**2 579**	

Fair value of the financial instruments 2012

EUR 1000	Level 1	Level 2	Level 3	Fair value 12.31.2012
Financial assets				
Current derivative financial instruments		123		123
- Forward exchange contracts		*123*		*123*
Financial liabilities				
Contingent consideration from acquisitions of subsidiaries (Note 5.9)			2 805	2 805
Current derivative financial instruments		225		225
- Forward exchange contracts		*225*		*225*
Non-current derivative financial instruments		1 434	806	2 240
- Interest rate swaps		*1 434*		*1 434*
- Put options on non-controlling interests			*806*	*806*
Total financial liabilities Level 3			**3 611**	

Reconciliation of financial instruments within Level 3

EUR 1000	2013	2012
January 1	**3 611**	**761**
Recognition contingent consideration from the acquisition of subsidiaries	166	2 733
Fair value adjustments of contingent consideration from the acquisition of subsidiaries recognized in financial result	-1 167	72
Recognition of put options on non-controlling interests	0	600
Fair value adjustments of put options recognized in personnel expenses	-104	-343
Fair value adjustments of put options recognized in equity	128	-212
Exchange differences	-55	0
December 31	**2 579**	**3 611**

In 2013 and 2012 respectively, there were no transfers of financial instruments between Level 1 and Level 2. There were also no transfers into or out of Level 3.

Fair value hierarchy

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

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

Measurement techniques of financial instruments within Level 2 and 3

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

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

Sensitivity of financial instruments within Level 3

EUR 1000	2013	2012
5 % increase in the expected future results	212	253
5 % reduction in the expected future results	-212	-198

6.3 Pledged or assigned assets serving as collateral for own liabilities

EUR 1000	2013	2012
Inventories	21 007	20 002
Property, plant and equipment	20 644	21 553
Total assets pledged	**41 651**	**41 555**

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

6.4 Rental and leasing commitments

Payments for fixed-term contracts (operating lease)

EUR 1000	2013	2012
Due in 1st year	18 944	19 221
Due in 2nd - 5th year	47 336	57 876
Due from the 6th year onwards	31 902	37 631

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

Payments for fixed-term contracts (finance lease)

EUR 1000	2013	2012
Due in 1st year	1 466	1 610
Due in 2nd - 5th year	1 826	2 355
	3 292	**3 965**
Minus interest expense component	-153	-234
Total financial debt from finance lease (Note 5.9)	**3 139**	**3 731**
Of which current	1 380	1 498
Of which non-current	1 759	2 233

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

Cash receipts as lessor

EUR 1000	2013	2012
Due in 1st year	432	521
Due in 2nd - 5th year	614	340

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

6.5 Subsidiaries

Country	Head office	Company	Participation* 12.31.2013	Participation* 12.31.2012	Share capital in 1 000	Currency	Code
Switzerland	Emmen	ALSO Holding AG			12 849	CHF	S
	Emmen	ALSO Schweiz AG	100 %	100 %	100	CHF	D
	Thun	NRS Printing Solutions AG	100 %	100 %	100	CHF	S
	Emmen	Quatec AG	100 %	100 %	100	CHF	S
Denmark	Tåstrup	ALSO A/S (formerly ALSO Actebis A/S)	100 %	100 %	39 000	DKK	D
Germany	Soest	ALSO Deutschland GmbH	100 %	100 %	20 000	EUR	D
	Osnabrück	NT plus GmbH	100 %	100 %	12 500	EUR	D
	Osnabrück	SEAMCOM GmbH & Co. KG	100 %	100 %	203	EUR	D
	Osnabrück	SEAMCOM Verwaltungs GmbH	100 %	100 %	26	EUR	S
	Straubing	ALSO MPS GmbH	100 %	100 %	100	EUR	S
	Berlin	druckerfachmann.de GmbH	75 %	75 %	200	EUR	S
	Berlin	pluscart.de GmbH	100 %	100 %	25	EUR	S
	Wiehl	Barth Bürosysteme GmbH**	-	100 %	26	EUR	S
	Soest	ALSO IS GmbH	100 %	100 %	100	EUR	S
	Soest	ALSO IH GmbH	100 %	100 %	25	EUR	S
	Dortmund	Impaso Online Services GmbH	100 %	100 %	25	EUR	S
	Staufenberg	Fulfilment Plus GmbH	100 %	100 %	50	EUR	S
	Pullach i. Isartal	SINAS Beteiligungs GmbH & Co. Vermietungs-KG***	0 %	0 %	9	EUR	S
	Soest	MEDIUM GmbH	80 %	80 %	25	EUR	D
	Frankfurt am Main	Pestinger GmbH	74.8 %	74.8 %	26	EUR	D
	Stuttgart	Beamer & more GmbH	51.0 %	51.0 %	25	EUR	D
	Berlin	CORA-IT GmbH	100 %	-	100	EUR	S
	Berlin	Lumit GmbH	100 %	-	25	EUR	S
	Berlin	Webinstore AG	99.99 %	-	500	EUR	S
Finland	Tampere	ALSO Nordic Holding Oy	100 %	100 %	10 000	EUR	S
	Tampere	ALSO Finland Oy	100 %	100 %	841	EUR	D
France	Gennevilliers	ALSO France S.A.S. (formerly Actebis S.A.S.)	100 %	100 %	14 500	EUR	D
	Gennevilliers	LAFI Logiciels Application Formation Information S.A.S.	100 %	100 %	400	EUR	S
Netherlands	Nieuwegein	ALSO Nederland B.V. (formerly Actebis Computers B.V.)	100 %	100 %	1 000	EUR	D
	Nijmegen	ALSO Digital Holding B.V.	51 %	-	18	EUR	S
	Nijmegen	ALSO Digital B.V.	100 %	-	18	EUR	S
Norway	Sandefjord	ALSO AS (formerly ALSO Actebis AS)	100 %	100 %	11 063	NOK	D
Estonia	Tallinn	ALSO Eesti OÜ	100 %	100 %	192	EUR	D
Latvia	Mārupe	SIA "ALSO Latvia"	100 %	100 %	842	LVL	D
Lithuania	Kaunas	UAB "ALSO Lietuva"	100 %	100 %	6 500	LTL	D
Austria	Gross-Enzersdorf	ALSO Austria GmbH (formerly Actebis Computerhandels GmbH)	100 %	100 %	100	EUR	D
Sweden	Malmö	ALSO Sweden AB	100 %	100 %	1 000	SEK	D
	Upplands Väsby	ALSO Actebis AB	100 %	100 %	5 000	SEK	D

Codes: D = Distribution, S = Service/holding company

* Participation equals ALSO Holding AG's direct or indirect voting interest in the company.

** As at January 1, 2013, druckerfachmann.de GmbH and Barth Bürosysteme GmbH merged. The merged company conducts its business under the name of druckerfachmann.de GmbH.

*** Regarding the consolidation of SINAS Beteiligungs GmbH & Co. Vermietungs-KG, please refer to Note 2.5

6.6 Transactions with related parties

Existing receivables and payables at the reporting date are unsecured. No impairments of receivables were necessary. There are also no guarantees, pledges, or other contingent liabilities in favor of related parties. The following transactions and volumes took place with related parties:

Transactions with principal shareholders

EUR 1 000	2013	2012
Net sales to Droege Group	0	11
Operating expenses Droege Group	-3 612	-907
Trade receivables Droege Group	0	0
Trade payables Droege Group (Note. 5.8)	-922	-140

The distributions of TEUR 6 411 to Droege and TEUR 3 550 to Schindler that were decided at the General Meeting of March 7, 2013 were paid on March 15, 2013.

Liabilities to ALSO pension fund

EUR 1 000	2013	2012
ALSO Holding AG	-16	-12
ALSO Schweiz AG	0	-232

Transactions with key management

EUR 1 000	2013	2012
Salaries*	4 379	5 668
Contributions to pension plans	523	335
Anniversary bonuses or other special payments	0	0
Retirement bonuses	0	0
Employee shares/options	0	0
Total compensation	**4 902**	**6 003**

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

Option conditions

Year of issue	Right to	Exercise period	Exercise price in CHF*	Market price then applicable in CHF*	Open on 12.31.2013 Number
2008	Shares	May 1, 2011 to April 30, 2017	67.20	21.70	1 602
2010	Shares	May 1, 2013 to April 30, 2019	45.50	12.03	3 407
2011	Shares	May 1, 2014 to April 30, 2020	45.40	16.88	3 877
Total					**8 886**

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

In the reporting year, 3 407 options became exercisable and 4 320 options were exercised. No options were issued or granted. Furthermore no options were forfeited or expired. At December 31, 2013, 5 009 options were exercisable. The options are valued according to the Hull-White model, which explicitly takes account of the effects of the restriction period and of an early exercise of the options. The fair value of the options is recognized in the statement of comprehensive income, TEUR 18 (previous year: TEUR 29), representing one third of the amount (vesting period), being charged to personnel expenses.

6.7 Financial risk management

Principles of risk management

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

At regular intervals, the appropriateness of the risk management and the internal control system is reviewed by the Board of Directors and modified if necessary. This ensures that the Board of Directors and the Group Management are completely and promptly informed of material risks. In addition, monthly internal reports on the financial position of the company allow any risks arising from the ongoing business to be recognized as early as possible, and corresponding countermeasures to be initiated. For this purpose, Accounting and Controlling constantly adapt their reporting systems to changing conditions.
For optimal cash management, the management of liquidity not required for ongoing operations and the long-term financing of the Group is centralized. The treasury function also records, monitors, and controls financial risks based on information provided by the Board of Directors and Group Management.

Credit risk

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

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

Credit quality December 31, 2013

EUR 1 000	AA-	A+	A	A-	No Rating	Total
Cash and cash equivalents (Note 5.1)	1 937	6	37 637	0	2 049	41 629
Receivables from factoring (Note 5.4)	22 740	39 741	0	143 552	714	206 747
	10 %	16 %	15 %	58 %	1 %	100 %

Credit quality December 31, 2012

EUR 1 000	AA-	A+	A	A-	No Rating	Total
Cash and cash equivalents (Note 5.1)	787	3 412	624	0	726	5 549
Receivables from factoring (Note 5.4)	109 256	67 234	0	0	0	176 490
	60 %	40 %	0 %	0 %	0 %	100 %

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

- AAA Risk of default is virtually zero.
- AA Safe investment, with slight risk of default.
- A The investment is safe provided that no unforeseen eventualities impair the overall economy or the industry.
- < A Mainly investments for which no public rating exists.

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

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

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

Resulting from this sale are receivables from factors amounting to TEUR 206 747 (previous year: TEUR 176 490) (see Note 5.4), which are spread over several factoring partners. The largest receivable from a single factoring partner is for TEUR 70 767 (previous year: TEUR 43 116). During the long-standing business relationships with the factoring companies, no losses on receivables have occurred. The risk of loss on receivables from factoring partners is not insured with credit insurances. The default risk of loss is minimized by ALSO through regular evaluation of the factoring partners.

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

Liquidity risks

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

ALSO's objective is to obtain liquidity corresponding to the necessary timing. Since the main requirement for finance is to cover the operational business activities, which are subject to large seasonal fluctuations, over the year as a whole most of the sources of funds are short-term. The necessary funds are mainly obtained by selling existing receivables to factoring companies and supplemented by bank lines of credit that are available at short notice. At the reporting date, the unutilized available credit lines with banks amounted to EUR 300 million (previous year: EUR 253 million) and the flexibly callable receivables from factoring companies amounted to EUR 118 million (previous year: EUR 75 million).

Financial liabilities by expiration date 2013

EUR 1 000	Carrying amount 12.31.2013	Total cash flow	Up to 1 year	1 to 5 years	More than 5 years
Trade payables	766 248	766 248	766 248	0	0
Other liabilities	26 044	26 044	26 044	0	0
Loans from banks and third parties and bonded loans	113 348	126 783	7 409	99 595	19 780
Contingent consideration from the acquisition of subsidiaries	1 755	1 838	0	1 838	0
Finance lease	3 139	3 292	1 466	1 826	0
Total	**910 534**	**924 205**	**801 167**	**103 259**	**19 780**
Derivative financial instruments					
Put options	824	852	689	163	0
Interest rate swaps (net)		3 437	845	2 592	0

Financial liabilities by expiration date 2012

EUR 1 000	Carrying amount 12.31.2012	Total cash flow	Up to 1 year	1 to 5 years	More than 5 years
Trade payables	645 819	645 819	645 819	0	0
Other liabilities	24 705	24 705	24 705	0	0
Loans from banks and third parties	112 868	119 718	71 072	9 538	39 108
Contingent consideration from the acquisition of subsidiaries	2 805	3 074	0	3 074	0
Finance lease	3 731	3 965	1 610	2 355	0
Total	**789 928**	**797 281**	**743 206**	**14 967**	**39 108**
Derivative financial instruments					
Put options	806	879	0	879	0
Interest rate swaps (net)		2 044	801	1 243	0

The table includes all instruments held on December 31, 2013 and 2012 respectively, for which payments had already been contractually agreed. Plan figures for future new liabilities are not included. Foreign currency amounts were translated at the year-end exchange rate. The variable interest payments from the financial instruments were calculated using the interest rates fixed at December 31, 2013 and 2012, respectively. Financial liabilities that can be repaid at any time are always assigned to the earliest maturity date, irrespective of the fact that the greater part of these financial liabilities is revolving.

Interest rate risks

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

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

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

Sensitivity analysis

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

The change in the market interest rates affects the value of the hedging instruments and therefore affects equity (± 100 bps.: ± TEUR 4624, previous year: ± TEUR 2175). If the market interest rate on December 31, 2013 and 2012 respectively, had been 100 base points higher/lower, the effect on the financial result would have been as follows:

Sensitivity of interest rates – effect on the financial result

EUR 1000	
December 31, 2013	± 3500
December 31, 2012	± 2658

(±100 bps)

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

Exchange rate risks

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

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

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

By regular use of forward contracts, ALSO constantly reduces the exchange rate risk so that there is no material exchange rate risk to the Group. The table below shows the main unsecured net exposures of the Group at the end of 2013 and 2012 respectively. These usually reflect the open risks over the year.

Unhedged net exposure

EUR 1000	EUR/USD	EUR/NOK	EUR/SEK	EUR/CHF
December 31, 2013	21177	8854	1081	5455
December 31, 2012	10382	409	3640	721

Sensitivity analysis

If, on December 31, 2013 and 2012 respectively, the EUR had been 10% stronger/weaker relative to the reporting date balances in those currencies, and all other variables had remained unchanged, the consolidated statement of comprehensive income and shareholders equity (net, after tax) would have been TEUR 1394 higher/lower (previous year: TEUR 955). The disclosed net exposures are mainly offset by inventories which are held in foreign currencies. Those inventories will be sold within a short period of time and would therefore largely compensate the effects explained above on the statement of comprehensive income.

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

Capital management

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

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

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

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

EUR 1000	12.31.2013		12.31.2012	
Current financial liabilities	6263		71384	
Non-current financial liabilities	111979		48020	
Total financial liabilities (Note 5.9)	**118242**		**119404**	
./. cash and cash equivalents (Note. 5.1)	-41629		-5549	
Net financial debt	76613	5%	113855	9%
Reported equity	421276	28%	388788	29%
Equity and net financial debt	497889	33%	502643	38%
Total liabilities and equity	**1492762**	**100%**	**1335989**	**100%**

6.8 Factoring

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

Receivables fully derecognized in the statement of financial position

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

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

Residual risks of fully derecognized receivables EUR 1000	Carrying amount / fair value of loss risk	Theoretical maximum loss risk
Interest risk for late payment	63	1 581
Total December 31, 2013	**63**	**1 581**
Interest risk for late payment	70	1 692
Total December 31, 2012	**70**	**1 692**

Taking into account ongoing creditworthiness checks, the large number of customers, and their historical payment behavior, ALSO expects that interest of TEUR 63 (previous year: TEUR 70) for late payments will be due on sold receivables at December 31, 2013. Corresponding accruals for these amounts were therefore made at December 31, 2013 and 2012, respectively.

Should the theoretical case occur of default on payment of all receivables that have been sold, ALSO would have to pay interest to the factors for the time period between maturity of the sold receivables and a contractually agreed latest date. As at December 31, 2013, the theoretical maximum value at risk from this loss was estimated at TEUR 1 581 (previous year: TEUR 1 692).

Receivables not fully derecognized in the statement of financial position

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

The trade receivables of TEUR 473 818 (previous year: TEUR 422 187, see Note 5.2) therefore contain a continuing involvement for the amount of TEUR 14 375 (previous year: TEUR 13 564). This is composed of the residual interest risk for late payments of TEUR 1 226 (previous year: TEUR 1 401), the residual credit risk of TEUR 11 481 (previous year: TEUR 10 120), and the residual exchange rate risk of TEUR 1 668 (previous year: TEUR 2 043).

Due to the continuing involvement, there is a corresponding obligation for the amount of TEUR 14 375 (previous year: TEUR 13 564), which is recognized in accrued expenses, deferred income and other payables. In addition, there is an accrual for the amount of TEUR 58 (previous year: TEUR 48) for the fair value of the residual risk of the continuing involvement. Only the change in the true uncollectibility and interest risk is recognized through profit and loss.

Net obligation 2013 EUR 1 000	Carrying amount / fair value
Asset from continuing involvement	14 375
Obligation from continuing involvement	-14 433
Net obligation at December 31, 2013	**-58**

Net obligation 2012 EUR 1 000	Carrying amount / fair value
Asset from continuing involvement	13 564
Obligation from continuing involvement	-13 612
Net obligation at December 31, 2012	**-48**

At the reporting date, the gross amount of these sold receivables with continuing involvement was TEUR 341 302 (previous year: TEUR 334 795).

Liability from factoring 2013 EUR 1 000	Fair value of the remaining risk	Obligation from continuing involvement	Total liability from factoring
Receivables fully derecognized	63	0	63
Receivables not fully derecognized	58	14 375	14 433
December 31, 2013 (Note 5.8)	**121**	**14 375**	**14 496**

Liability from factoring 2012 EUR 1 000	Fair value of the remaining risk	Obligation from continuing involvement	Total liability from factoring
Receivables fully derecognized	70	0	70
Receivables not fully derecognized	48	13 564	13 612
December 31, 2012 (Note 5.8)	**118**	**13 564**	**13 682**

In financial year 2013, interest of TEUR 451 for late payments was recognized as financial expense (previous year: TEUR 373). This interest relates to the continuing involvement in the receivables that have been fully derecognized as well as those that have not been fully derecognized.

6.9 Events after the reporting period

With the media release of January 29, 2014, it was announced that ALSO Holding AG has signed a purchase contract for the acquisition of Alpha International B.V., Nijmegen, Netherlands. The company is wholly owned by Saphin B.V., Nijmegen, Netherlands.

Alpha International B.V. distributes printer and computer accessories in Europe. In 2012, Alpha International B.V. reported revenue of approximately 587 million euros and had around 108 employees. ALSO Holding AG intends to acquire 100 percent of the shares of Alpha International B.V. With this acquisition, ALSO aims to strengthen and further develop its expertise in the Supplies business in all countries in which Alpha and ALSO are represented. In addition, ALSO will strengthen its existing distribution activity in Benelux in order to occupy a dominant role in the future. Alpha and ALSO Netherlands will have a joint management.

Completion of the acquisition is subject to certain conditions, particularly approval by the responsible cartel authorities.

No further material events occurred after the reporting period.

6.10 Approval of the ALSO Group consolidated financial statements

These consolidated financial statements were released for publication by the Board of Directors of ALSO Holding AG on February 6, 2014, and will be submitted to the Annual General Meeting of March 13, 2014, for approval.

6.11 Risk assessment

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

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of ALSO Holding AG, which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes (pages 39 to 92), for the year ended December 31, 2013.

Board of Directors' responsibility

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

Auditor's responsibility

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

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

Opinion

In our opinion, the consolidated financial statements for the year ended December 31, 2013 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

Other Matter

The consolidated financial statements of ALSO Holding AG for the year ended December 31, 2012 were audited by another firm of auditors whose report, dated February 4, 2013, expressed an unmodified opinion on those statements.

Report on other legal requirements

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

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

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

PricewaterhouseCoopers AG

Bruno Häfliger	Roger Leu
Audit expert Auditor in charge	Audit expert

Lucerne, February 6, 2014

Profit and loss statement of ALSO Holding AG

CHF 1 000	2013	2012
Service revenue	10 384	9 556
Investment revenue	55 284	16 246
Other operating income	72	171
Financial income	7 143	7 133
Total income	**72 883**	**33 106**
Service expenses	-4 386	-3 467
Personnel expenses	-5 130	-5 844
Other operating income	-4 080	-3 627
Financial expenses	-3 421	-2 673
Tax expenses	-355	-346
Total expenses	**-17 372**	**-15 957**
Net profit	**55 511**	**17 149**

Balance sheet of ALSO Holding AG

CHF 1 000	12.31.2013	12.31.2012
Assets		
Cash	28	23
Treasury shares	1 390	1 285
Receivables		
- from third parties	33	26
- from Group companies	102 329	19 346
Prepaid expenses and accrued income	422	360
Total current assets	**104 202**	**21 040**
Intangible assets	1 086	1 181
Investments	447 157	445 681
Loans to Group companies	157 549	155 054
Total non-current assets	**605 792**	**601 916**
Total assets	**709 994**	**622 956**
Liabilities		
Liabilities to banks	0	20 000
Payables		
- to third parties	73	56
- to Group companies	76 178	73 206
Accrued expenses and deferred income	6 465	4 815
Total current liabilities	**82 716**	**98 077**
Liabilities to banks	62 273	0
Total non-current liabilities	**62 273**	**0**
Total liabilities	**144 989**	**98 077**
Share capital	12 849	12 849
Legal reserves		
- general reserve	1 100	1 100
- share-premium reserve	8 618	8 618
- reserve for treasury shares	1 540	1 540
- capital contribution reserve	322 048	337 433
Special reserve	90 000	90 000
Retained earnings		
- balance brought forward	73 339	56 190
- net profit	55 511	17 149
Total shareholders' equity	**565 005**	**524 879**
Total liabilities	**709 994**	**622 956**

Notes to the financial statements

Capital	Total in CHF 12.31.2013	Number of shares	Nominal value per share in CHF
Subscribed capital	12 848 962	12 848 962	1.00
Authorized capital increase (unclaimed)	2 500 000	2 500 000	1.00
Conditional capital increase (unclaimed)	2 500 000	2 500 000	1.00

Capital is unchanged compared to previous year.

Treasury shares	Date	Number	Value in TCHF	Price in CHF
January 1, 2012		**47 755**	**2 005**	**42.00**
Disposals	07.10.2012	-19 666	-780	39.70
Loss on disposals	07.10.2012		-45	
Revaluation	12.31.2012		105	
December 31, 2012		**28 089**	**1 285**	**45.75**
Additions		-		
Disposals		-		
Revaluation	12.31.2013		105	
December 31, 2013		**28 089**	**1 390**	**49.50**

Major shareholders	12.31.2013	12.31.2012
Special Distribution Holding GmbH, Düsseldorf (Germany) */**	51.30 %	51.30 %
Schindler Pars International Ltd., Hergiswil (Switzerland) **/***	28.40 %	28.40 %
Bestinver Gestion, S.G.I.I.C. S.A., Madrid (Spain)	6.91 %	6.40 %
SaraSelect, c/o Sarasin Investmentfonds AG, Basel (Switzerland)	3.10 %	3.13 %

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

Contingent liabilities

CHF 1000	12.31.2013	12.31.2012
Conditional liabilities towards third parties	505 940	529 061
Letters of comfort	p.m.	p.m.
Total	**505 940**	**529 061**

The contingent liabilities of ALSO Holding AG cover the conditional liabilities for bank guarantees, borrowing arrangements and delivery commitments of the Group companies.

Liabilities to defined benefit plans

CHF 1000	12.31.2013	12.31.2012
ALSO pension fund	20	15
Total	20	15

Compensation of ALSO Group Management and Board of Directors

The compensation of the members of Group Management was in some cases paid directly, and in other cases indirectly through intercompany charges.

Members of the Board of Directors of ALSO Holding AG
Aggregate compensation - Board of Directors

CHF 1000	Cash, fixed (gross)	Pension expenses	Total 2013	Cash, fixed (gross)	Pension expenses	Total 2012
Thomas C. Weissmann (Chairman) 1)	125	-	125	250	-	250
Walter P.J. Droege (Vice-Chairman) 1), 3)	125	-	125	125	-	125
Peter Bühler 2), 5)	-	-	-	80	3	83
Alfons Frenk 1), 6)	27	-	27	80	-	80
Prof. Dr. Karl Hofstetter	80	5	85	80	-	80
Herbert H. Jacobi 5)	-	-	-	80	-	80
Prof. Dr. Rudolf Marty 2), 4)	90	6	96	90	6	96
Frank Tanski 2)	80	-	80	80	-	80
Aggregate compensation	**527**	**11**	**538**	**865**	**9**	**874**

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

Members of the Group Management of ALSO Holding AG Aggregate compensation 2013 - Group Management	Fixed compensation	Variable compensation			
CHF 1000	Cash (gross)	Cash bonus (gross)	Non-cash benefits/ other	Pension expenses	Total 2013
Group Management					
- Total	1467	3136	64	562	**5229**
Highest individual compensation					
- Prof. Dr. Ing. Gustavo Möller-Hergt	308	1053	19	192	**1572**

In the reporting period, variable compensation for Gustavo Möller-Hergt was 67 % (previous year: 65 %) of his total compensation. For the Members of Group Management the variable compensation was 60 % on average (previous year: 52 %).

Aggregate compensation 2012 - Group Management	Fixed compensation	Variable compensation			
CHF 1000	Cash (gross)	Cash bonus (gross)	Non-cash benefits/ other	Pension expenses	Total 2012
Group Management 1)					
- Total	2178	3387	78	892	**6535**
Highest individual compensation					
- Prof. Dr. Ing. Gustavo Möller-Hergt	301	941	21	188	**1451**

1) The compensation of Klaus Hellmich and Maija Strandberg until the end of their working contracts are included.

In 2013 as in the previous year no shares or options were granted.

Shares, options and conversion rights of the Board of Directors and the Group Management and their related persons consist of:

Shares, options and conversion rights – Board of Directors	as per December 31, 2013		as per December 31, 2012	
CHF 1000	Number of shares	Number of options*	Number of shares	Number of options*
Thomas C. Weissmann (Chairman)	15909	4478 ***/****	11589	5922 **/***
Walter P.J. Droege (Vice-Chairman)	6592032	-	6592032	-
Peter Bühler	*****	*****	-	-
Alfons Frenk	*****	*****	-	-
Prof. Dr. Karl Hofstetter	2000	-	2000	-
Herbert H. Jacobi	*****	*****	1000	-
Prof. Dr. Rudolf Marty	10	-	10	-
Frank Tanski	-	-	-	-
Total	**6609951**	**4478**	**6606631**	**5922**

All members of the Board of Directors are non-executive members.

* Vested options only; for fiscal year 2008 no options were granted
** For fiscal year 2005 (date of purchase or grant 2006, expiration of vesting period 2009): 1975
** For fiscal year 2006 (date of purchase or grant 2007, expiration of vesting period 2010): 2345
*** For fiscal year 2007 (date of purchase or grant 2008, expiration of vesting period 2011): 1602
**** For fiscal year 2009 (date of purchase or grant 2010, expiration of vesting period 2013): 2876
***** Not a member of the Board at the time

5922
4478

Shares, options and conversion rights - Group Management	as per December 31, 2013		as per December 31, 2012	
CHF 1000	Number of shares	Number of options*	Number of shares	Number of options*
Prof. Dr. Gustavo Möller-Hergt (Chef Executive Officer)	-	-	-	-
Dr. Ralf Retzko (Member)	-	-	-	-
Torben Qvist (Member)	-	-	-	-
Ivan Renaudin (Member)	-	-	-	-
Marc Schnyder (Member)	-	-	2396	-
Total	**-**	**-**	**2396**	**-**

Significant subsidiaries and associates

Company, head office	Type	2013 Participation in %	2012 Participation in %	Currency	Share capital
ALSO Schweiz AG, Emmen	D	100.0	100.0	TCHF	100
ALSO IH GmbH, Soest	S	100.0	100.0	TEUR	25
ALSO IS GmbH, Soest	S	100.0	100.0	TEUR	100
ALSO Eesti OÜ, Tallinn	D	100.0	100.0	TEUR	192
SIA «ALSO Latvia», Mārupe	D	100.0	100.0	TLVL	842
UAB «ALSO Lietuva», Kaunas	D	100.0	100.0	TLTL	6 500
ALSO Digital Holding B.V., Nijmegen	S	51.0	-	TEUR	18

D = Distribution
S = Service- / Holding company

Risk assessment

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

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

Proposal of the Board of Directors to the Annual General Meeting of March 13, 2014

CHF 1000	2013	2012
Brought forward, January 1	73 339	55 112
Transfer reserve for treasury shares	0	1 078
Brought forward, December 31	**73 339**	**56 190**
Net profit	55 511	17 149
Dissolution of reserve from contribution in kind	17 949	15 385
Total available earnings	**146 799**	**88 724**
Disbursement of reserve from contribution in kind	**-17 949**	**-15 385**
Balance to be carried forward	128 850	73 339

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of ALSO Holding AG, which comprise the profit and loss statement, balance sheet and notes (pages 94 to 100), for the year ended December 31, 2013.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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

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

Opinion

In our opinion, the financial statements for the year ended December 31, 2013 comply with Swiss law and the company's articles of incorporation.

Other Matter

The financial statements of ALSO Holding AG for the year ended December 31, 2012 were audited by another firm of auditors whose report, dated February 4, 2013, expressed an unmodified opinion on those statements.

Report on other legal requirements

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

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

We further confirm that the proposed appropriation of reserves comply with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Bruno Häfliger	Roger Leu
Audit expert Auditor in charge	Audit expert

Lucerne, February 6, 2014

ALSO Europe

1. Head office
ALSO Holding AG
Meierhofstrasse 5
CH-6032 Emmen
www.also.com

2. Denmark
ALSO A/S
Helgeshøj Allé 8-10
Høje Taastr.
DK-2630 Tåstrup
www.also.dk

3. Germany
ALSO Deutschland GmbH
Lange Wende 43
DE-59494 Soest
www.also.de

4. Estonia
ALSO Eesti OÜ
Kalmistu tee 26F
Tallinna linn
Harju maakond
EE-11216 Tallinn
www.also.ee

5. Finland
ALSO Finland OY
Hatanpään valtatie 48
FI-33900 Tampere
www.also.fi

6. France
ALSO France S.A.S.
10 avenue des Louvresses
FR-92230 Gennevilliers
www.alsofrance.fr

7. Latvia
SIA "ALSO Latvia"
Liliju iela 29, Mārupe,
Mārupes novads
LV-2167 Mārupe
www.lv.also.com

8. Lithuania
UAB "ALSO Lietuva"
Kaunas district
Kumpiu village
Verslo street 6
LT-54311 Kaunas
www.also.lt

9. Netherlands
ALSO Nederland B.V.
Archimedesbaan 26
NL-3439 ME Nieuwegein
www.also.nl

10. Norway
ALSO AS
Østre Kullerød 2
NO-3241 Sandefjord
www.also.no

11. Austria
ALSO Austria GmbH
Industriestrasse 14
AT-2301 Gross-Enzersdorf
www.also.at

12. Sweden
ALSO Sweden AB
Höjdrodergatan 25
SE-212 39 Malmö
www.also.se

13. Switzerland
ALSO Schweiz AG
Meierhofstrasse 5
CH-6032 Emmen
www.also.ch

Financial calendar

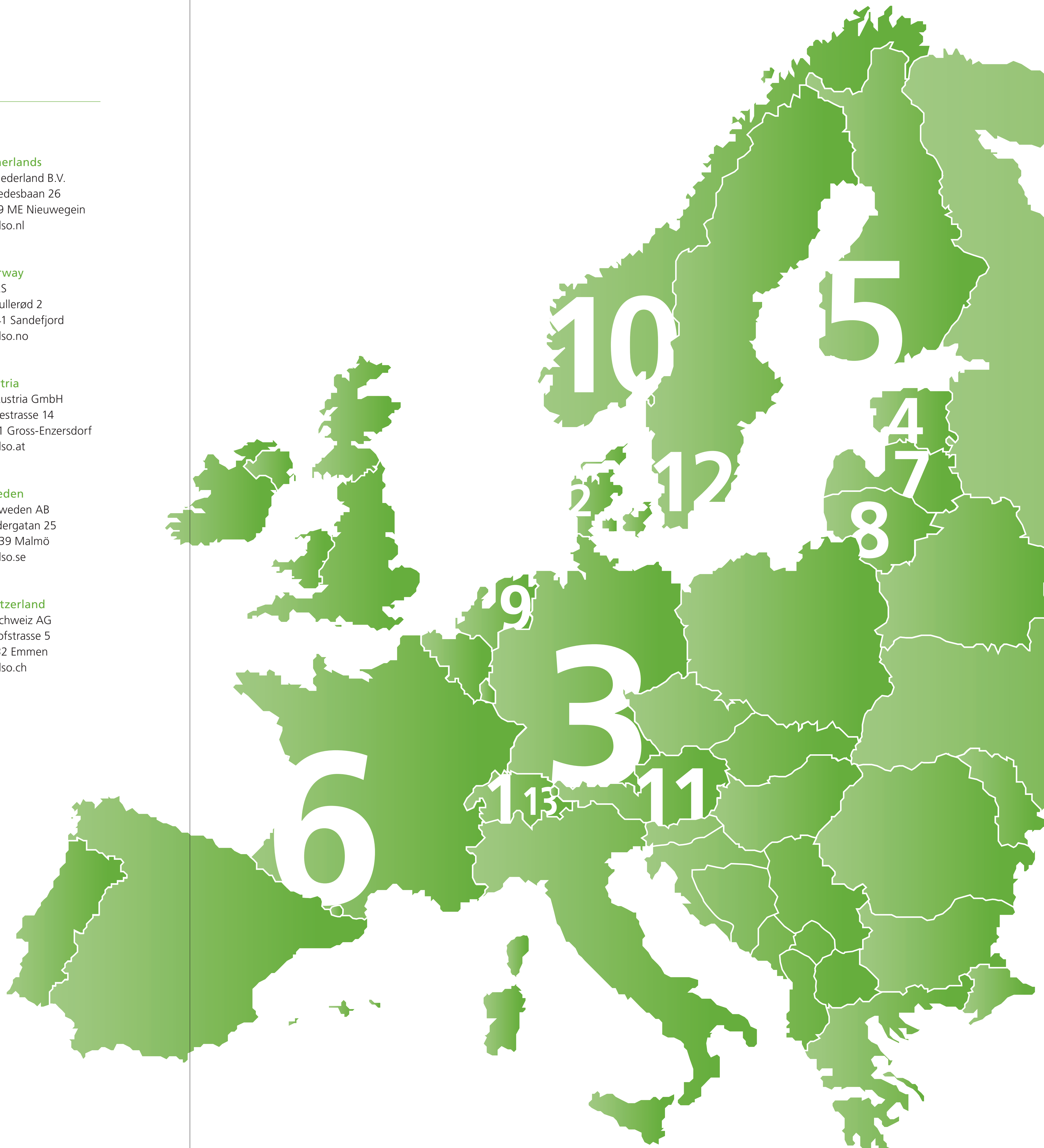
Annual General Meeting
March 13, 2014

Media release selected key figures as of 31 March
April 24, 2014

Publication half-year report
July 29, 2014

Media release selected key figures as of 30 September
October 28, 2014

Annual Results Media Conference
February 17, 2015



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For further information please contact:

ALSO Holding AG
Relindis Wieser
Head of Corporate Communications
Meierhofstrasse 5
CH-6032 Emmen
Tel. +41 41 266 18 00
Fax +41 41 266 18 70
www.also.com

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