



**CLOSER**  
ANNUAL REPORT 2014

# MELITTA GROUP 2014

Financial figures at a glance

## KEY FIGURES OF THE MELITTA GROUP

	2014	2013
Sales / in € thous.	<b>1,325,288</b>	1,298,198
Capital expenditures / in € thous.	<b>37,083</b>	31,418
Employees / full-time employees, annual average	<b>3,743</b>	3,670
Tangible assets / in € thous.	<b>201,041</b>	191,186
Financial assets / in € thous.	<b>26,834</b>	27,044
Equity / in € thous.	<b>252,261</b>	235,926
Total assets / in € thous.	<b>698,813</b>	630,325
Equity ratio / in %	<b>40</b>	39

## KEY FIGURES OF THE OPERATING DIVISIONS

	Sales in € thous.		Capital expenditures in € thous.		Employees full-time employees, annual average	
	2014	2013	2014	2013	2014	2013
Melitta Europe						
– Household Products Division, Coffee Division	<b>647,477</b>	632,016	<b>14,390</b>	12,811	<b>1,436</b>	1,450
Melitta Brasil	<b>249,937</b>	249,739	<b>5,518</b>	4,198	<b>631</b>	620
Melitta North America	<b>90,856</b>	86,312	<b>3,417</b>	2,568	<b>140</b>	125
Cofresco	<b>142,383</b>	136,136	<b>5,373</b>	2,229	<b>313</b>	284
Melitta Professional Coffee Solutions	<b>127,269</b>	124,923	<b>3,670</b>	4,841	<b>692</b>	675
Wolf PVG	<b>19,520</b>	20,491	<b>1,799</b>	1,359	<b>225</b>	211
Neu Kaliss / Neukölln Spezialpapier	<b>41,232</b>	41,144	<b>1,976</b>	1,834	<b>212</b>	210
ACW-Film	<b>6,377</b>	7,120	<b>428</b>	522	<b>35</b>	38
Shareholdings	<b>237</b>	317	<b>512</b>	1,056	<b>59</b>	57
<b>TOTAL</b>	<b>1,325,288</b>	1,298,198	<b>37,083</b>	31,418	<b>3,743</b>	3,670

## BRIEF PORTRAIT

The internationally operating and family-owned Melitta Group can look back on over 100 years of history. We manufacture branded products for coffee enjoyment, for the storage and preparation of food, and for household cleanliness. In addition, we produce special-grade papers for the wallpaper industry and industrial film for the packaging of food. In those markets in which we operate, our branded goods are market and quality leaders or vying for this position.





March 2015

*Ladies and gentlemen,*

Fiscal 2014 was a year of many challenges for the Melitta Group: at the beginning of the year, green bean prices rose dramatically within a very short period of time and remained high until year-end – albeit with strong fluctuations. During the course of the year, the political environment deteriorated in many countries of importance to us and we had to contend with strong currency fluctuations, especially in Russia, Japan and Switzerland. At the same time, the adverse economic climate caused many of our commercial clients to postpone their investments, while the intensity of competition and variety of offerings in many of our markets continued to increase.

Against the backdrop of these difficult conditions, the Melitta Group was only able to raise sales revenue marginally in the past fiscal year. As we set ourselves the target of stronger growth for 2014, we cannot therefore be satisfied with the course of business during the past year.

We are encouraged, however, by the fact that we once again sold more coffee in the past year than in the preceding one and thus set a new company record. Equally encouraging is the fact that we could defend our position in the filter paper segment, despite an overall decline in the market. Moreover, we are highly satisfied with our continued strong growth in Brazil and the success of our product range in North America, especially in the single-serve segment.

However, we failed to reach our targets above all in the field of household and professional coffee machines and special-grade papers. Although the market for commercial coffee machines still promises attractive growth potential, the propensity to invest in new equipment is currently very low in the countries in which we operate. The failure to meet our sales and earnings targets in the market for special-grade papers was mainly due to adverse conditions in Russia and Ukraine.

We anticipate that conditions in our markets will remain difficult. The Melitta Group will therefore focus more on its core competencies and brands in the coming years. With this in mind, we already initiated – and in some cases implemented – several projects to raise the Group's profitability in the past year. These include merging the operating divisions Melitta USA and Melitta Canada, as well as acquiring the shares held in Cofresco by SC Johnson. In addition, we launched the “Melitta Administrative Excellence” program with the aim of raising the effectiveness and efficiency of processes in our IT, Purchasing and Administration divisions.



In order to ensure the Group's future growth, Chief Corporate Management has launched the Strategic Program 2020. The aim of this program is to optimize the portfolio, create efficient organizational structures and utilize growth opportunities. To this end, we will focus on the Group's strengths and pool our expertise. We will expand our successful brands and intensify market development efforts in numerous countries on the basis of our solid core business. We see promising growth potential and prospects above all in Asia, South America and the United Kingdom. In order to meet our growth objectives, we will also be targeting acquisitions.

The corporate values that we elaborated together in workshops throughout 2014 will form the basis for even closer cooperation between the various operating divisions. These values will enable us to meet the call of many operating divisions for a common alignment and group-wide corporate culture. This was already demonstrated by our employer branding campaign "Melitta – More Opportunities" which we launched last year. We are currently developing an overarching corporate sustainability strategy in order to systematize, pool and standardize throughout the Group the various sustainability activities already undertaken by our operating divisions.

The coming years will undoubtedly remain challenging. But we have a strong foundation and are at home in many fast-growing markets. Our assets and financial position were strengthened once again last year, providing us with an excellent base for further growth and the scope to invest in promising markets and brands. And we have highly motivated employees – passionate, performance-oriented and with high quality standards. We therefore have every reason to be very positive about our future prospects.



Dr. Stephan Bentz



Jero Bentz



Volker Stühmeier



# Annual Report 2014

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# IDEAS, INNOVATIONS AND IMPULSES FOR OUR CURRENT AND FUTURE NEEDS

Since its foundation over 100 years ago, Melitta has always been known for one thing: proximity.

As the manufacturer of products and services for consumers and companies in numerous countries around the world, Melitta has constantly been in close proximity – to its customers, to technical developments, to trends in society.

Direct contact and conversation, as well as careful monitoring of its environment have made Melitta what it is today.



*CLOSER*  
*SINCE 1908*

# Enjoyment that brings us closer together

With its aromatic fragrance, unique flavor and sense of well-being – coffee is enjoyment. Whether as a pick-me-up or as a relaxing hot beverage, daily highlight or casual routine, coffee awakes the emotions, evokes memories and raises the spirit. Coffee accompanies us throughout the day, in our professional and private lives, both at home and abroad, through our ups and downs.

Melitta has been dedicated to the enjoyment of coffee for more than 100 years. With its wide range of products – from filters to coffee blends, to drip coffeemakers and automatic coffee machines – Melitta brings together different tastes, people and worlds. Melitta is driven by a passion to deliver unique coffee enjoyment, from bean to cup – for people who share this love of coffee. Like Daniel.

His trips to the café are almost a ritual: “I’m often here – for all sorts of reasons,” he says. “This is where the action is, where you can feel the city’s creativity, the constant change. Sometimes I just sit here and think things over, relax and simply enjoy the day.”

“There’s something about pour-over filter coffee,” he continues. “I like the whole ceremony of it – watching the boiling water being poured repeatedly over the ground coffee and run through the filter. But above all, freshly brewed filter coffee tastes much better.” Daniel pauses a moment and then says: “Maybe it also reminds me of my grandmother, who for decades made her coffee this way using a porcelain filter.”

75%

FILTER COFFEE HAS A **75%** SHARE OF THE  
BRAZILIAN COFFEE MARKET

Filter coffee is for the Brazilians  
what espresso is for the Italians: the ultimate  
expression of coffee culture.





*Daniel M.*  
SÃO PAULO, BRAZIL

*José R.D.*

COFFEE PICKER  
FAZENDA TOZAN/CAMPINAS, BRAZIL



5 kg

ONE COFFEE PLANT BEARS **5KG** OF COFFEE  
CHERRIES PER YEAR

...  
José harvests coffee on the coffee plantation  
near Campinas. During the 60-day harvest,  
around 3,000 sacks (approx. 180,000 kg) of coffee  
are produced.

ONE ROASTED COFFEE BEAN  
CONTAINS **800 AROMAS**

With over 800 aroma components, coffee is  
one of the world's most complex natural products.  
By comparison: wine has just 400.

**800**  
aromas



*Hugo B.*  
COFFEE COMPOSER  
BREMEN, GERMANY





*Anna B.*  
MUNICH, GERMANY

ARABICA COFFEE CONTAINS  
**1.1–1.7% CAFFEINE**

Full enjoyment with a mild flavor.  
That's why so many people like  
arabica coffee. Such as Anna – as a  
gentle pick-me-up for her day ahead.

**1.1–1.7%**

20.3%

*Frances H.*  
NEW YORK CITY, USA



THE MARKET SHARE OF MELITTA®  
PREMIUM R&G IN NEW YORK IS **20.3%**

Frances prefers to drink her coffee  
in company – like the daily tradition  
of her home country Cuba.

# Up close for innovative solutions

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## FEATURE / MELITTA'S INNOVATIVE STRENGTH /

Michael Kück plucks a filter paper out of the machine, turns it in his fingers and scrutinizes the embossed seam. "Together with its filtration characteristics, the strength of the embossed seam is one of the filter paper's most important quality aspects," explains Kück, Melitta's Quality Manager for paper. "This is why we produce the paper ourselves and attach great importance to the quality of our pulp suppliers. The production parameters of each filter paper batch is stored in our database so we can precisely monitor production quality."

Paper plays a major role for Melitta. Not only is it needed to produce the varying filter paper types, but also for sandwich bags, greaseproof paper, tea filters, baking paper, bio garbage bags, wallpapers and much more. Melitta closely observes trends in the field of paper manufacturing and processing and regularly utilizes them for the production of its own offerings. In Melitta's research and development department, one employee is dedicated solely to the topic of paper.

These efforts enable Melitta to launch numerous product innovations every year. In the field of coffee filters, not only the shape of the filter paper has been continually optimized over the past decades but also the wet strength and filtration performance of the paper itself. By using different paper structures, the speed with which water flows through the filter can be precisely controlled –

and with it the development of the aroma. In order to guarantee perfect water contact with the ground coffee even for small amounts, Melitta introduced a completely new filtration concept with three aroma zones in 2008.

The desire to make Melitta® filter bags even more eco-friendly has led to numerous innovations over the years. In 1989, Melitta launched its natural-brown filters made from unbleached cellulose. Three years later, a new oxygen-bleached filter paper quality was rolled out that was 100 percent chlorine-free. In 1998, Melitta developed filter papers made from at least 60 percent bamboo – a fast-growing renewable commodity. Today, only pulp from sustainably managed forests is used for the production of paper. Melitta® filter papers have been FSC-certified since 2011.

The latest innovation: Melitta® filter bags with aroma slits. Compared to conventional filter paper, these tiny S-shaped aroma slits ensure that more of the precious coffee oils – and thus more aroma – pass into the cup. There are over 800 different aromas in a single coffee bean, from fruity to bitter or spicy. As these valuable aromas are carried by the coffee oils, the more coffee oils that reach the cup, the greater the number of fine flavor nuances. In combination with the three aroma zones of the filter paper, which each contain a different number of aroma pores, the aromas are allowed to fully develop: the upper zone prevents the creation of bitter tastes and guarantees a well-rounded flavor, the middle zone supports an even brewing process and refines the aroma, and the lower zone – or so-called "first brew zone" – is responsible for the initial flavor development.

In order to meet different preferences, Melitta has combined the number of aroma slits with a different filter paper structure. Many closely packed aroma slits and a finely structured Aromasoft® filter paper ensure a short brewing time and thus mild coffee enjoyment. By contrast, fewer more widely spaced aroma slits result in a longer brewing time and produce an intensive, full-bodied coffee. In a representative consumer survey conducted in Germany by the trade journal "Lebensmittel Praxis" in 2014, Melitta's Gourmet® filter papers won "Product of the Year".

protection guarantee an extremely high and consistent level of product quality," says Kück as he replaces the filter paper he checked with an approving nod.

"Our quality management and innovation effort is unique in our industry. The number of supplier certifications, our own audits, the regular laboratory tests, our environmental guidelines and our own certifications in the field of quality management, hygiene and environmental





MELITTA®  
FILTER PAPERS NATURA

**Aromapor®**

Paper structure

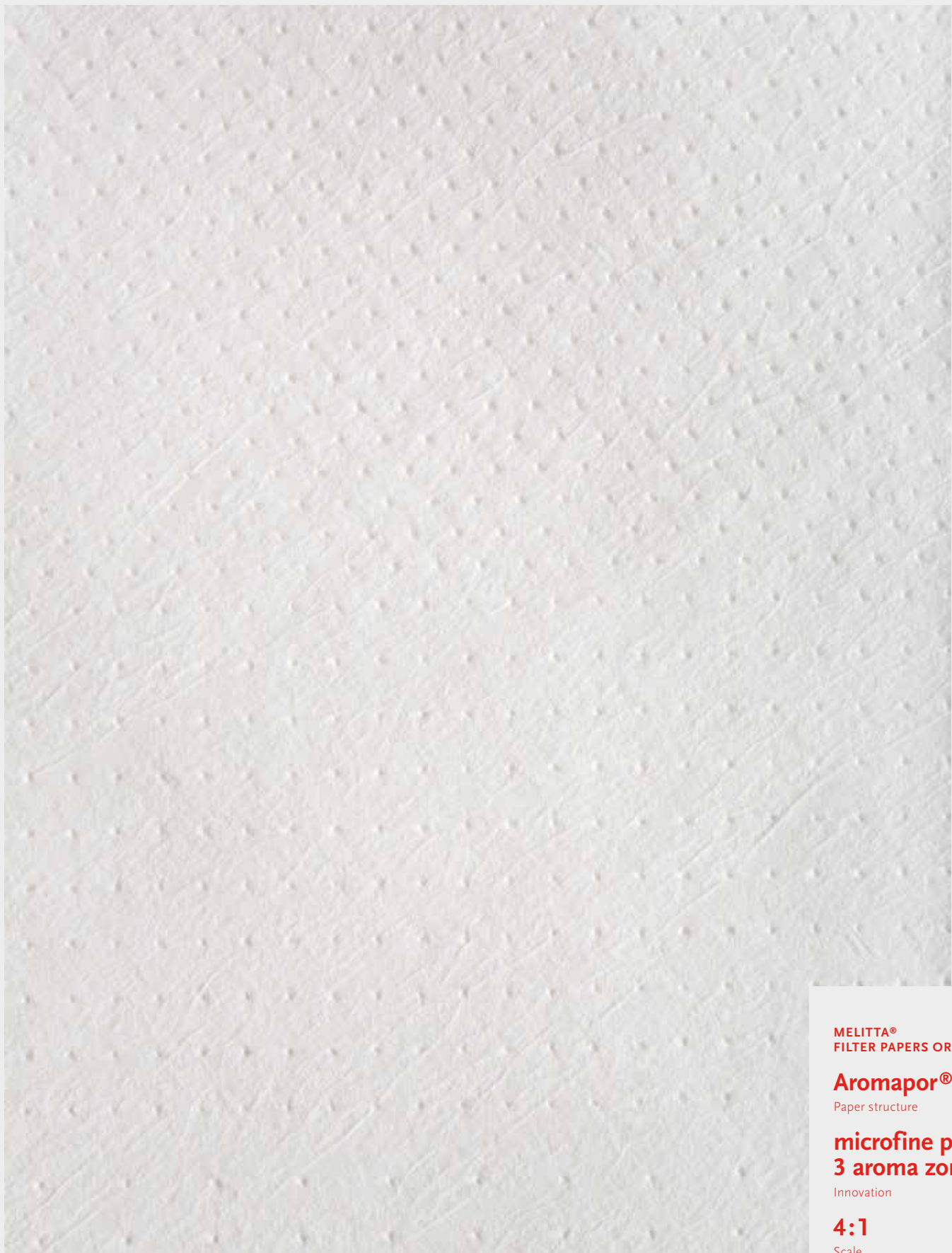
**bamboo,  
microfine pores,  
3 aroma zones**

Innovation

**6:1**

Scale





**MELITTA®**  
**FILTER PAPERS ORIGINAL**

**Aromapor®**

Paper structure

**microfine pores,**  
**3 aroma zones**

Innovation

**4:1**

Scale



MELITTA GOURMET®  
FILTER PAPERS

**Aromapor® PLUS**

Paper structure

**3 aroma zones,  
S-shaped  
aroma slits**

Innovation

**6:1**

Scale





MELITTA GOURMET®  
FILTER PAPERS MILD

**Aromasoft®,  
Aromapor®PLUS**

Paper structure

**very finely  
structured paper,  
S-shaped  
aroma slits**

Innovation

**4:1**

Scale

# Closer to the future

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## REPORT / SUSTAINABLE INVESTMENT AT MELITTA EUROPE /

Since the end of 2014, a new wind has been blowing in the paper conversion halls of Melitta Europe – Household Products Division. The hall doors can be opened without air resistance, the climate in the production area is pleasant, the air temperature ideal. There are no longer any drafts.

These are just a few of the positive effects resulting from the new exhaust system installed in the paper conversion plant in Minden. With an investment volume of €7.7 million, the system is the first of its kind anywhere in the world and represents a quantum leap for Melitta – in both economic and ecological terms. It saves around 60 percent energy, reduces CO<sub>2</sub> emissions by about 1,200 metric tons per year and significantly diminishes the amount of residual dust.

“The new exhaust system is a major component of our sustainability strategy MISSION eco & care,” says Wolfgang Wäntig, Head of Quality and Sustainability at Melitta Europe – Household Products Division. “Our target is a 30 percent reduction in energy consumption and thus CO<sub>2</sub> emissions by 2024.”

The first idea to install a new exhaust system came in 2010 and the project was launched in 2011. “Over the following years, numerous concepts were developed, tests conducted and specialist partners sought for the construction and installation of the system. A lot of time was also spent applying for government grants,” recalls Project Manager Eduard Pertsch. But the effort was worth it: the German Federal Environment Ministry contributed €1.3 million toward the investment costs due to the numerous sustainability and innovation effects.

“To avoid interrupting production, we had to install the new system next to the existing one,” says Michael Weber, Head of Production in Minden. “This led to a high degree of complexity, intricate logistics, and much head-scratching among the approxi-

mately twelve members of the core project team.” Although plant manufacturer G.H. Krämer provided support during the installation phase, Melitta was responsible for large parts of the brainstorming, designing and project management stages.

At Melitta Europe in Minden, 42 rotating cylinder machines (called “WAROs”) produce a wide variety of coffee filter sizes and qualities. “Each WARO is connected to the exhaust system in order to remove scrap paper,” explains Weber. 10,000 metric tons of waste paper are removed in this way every year. The scrap is then fed back into the paper production process. A further 28 metric tons of paper dust is created each year which is turned into briquettes to burn for energy.

The significant reduction in energy consumption results in particular from the fact that the system can operate both centrally and locally. “Whereas in the past, all machines were constantly served by a central exhaust system – even if not all were running – the new system can also serve a single WARO. This enables us to supply the required suction power exactly where it is needed and control production much more flexibly,” says Weber.

“The investment has paid off in more ways than one,” adds Wäntig. “From an economic standpoint, for ecological reasons and in terms of improving work and living conditions for our staff, neighboring companies and homes. We have come one step closer to our sustainability targets and demonstrated our innovative strength.”



*A sustainability project  
par excellence*

Wolfgang Wäntig, Michael Weber, Eduard Pertsch  
Head of Quality and Sustainability, Head of Production, Project Manager



# Proximity is more than a glimmer of hope

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## OUTLOOK / THE MELITTA GROUP'S CORPORATE SOCIAL RESPONSIBILITY/

Whether in Minden, Bremen, São Paulo, Clearwater or other locations of the Melitta Group: many children and adolescents grow up in difficult circumstances, have only limited access to education, or have been traumatized by experiences which make it impossible for them to lead self-determined and carefree lives. Without support, these young people would be denied the chance to live what many of us consider a normal life.

As a family business, corporate social responsibility is part of Melitta's DNA. Melitta regards itself as a good corporate citizen and strives to play its role in alleviating society's problems. In those regions where Melitta operates and is close to the local population, the Group provides human and financial resources to open up new perspectives and opportunities, especially for children and adolescents. In the course of the past fiscal year, Melitta developed a comprehensive sustainability strategy for the entire Group. The numerous CSR activities already developed and implemented by its operating divisions over the past decades have now been pooled and aligned with Group objectives – so that efforts can be even more effective. The strategy is based on three pillars: employee responsibility, environmental responsibility and social commitment.

In the coming years, the main focus will be on social commitment. These efforts will include in particular moves to ensure education and training, the provision of places in kindergartens, schools and training courses, as well as cooperation with initiatives and foundations that provide support for children, adolescents and young families. In addition to this social commitment, there will be also projects to promote culture and sports in 2016.

Entrepreneurs also have  
responsibilities – not only for  
their company, but for the  
environment, other citizens,  
and their ideas and beliefs.



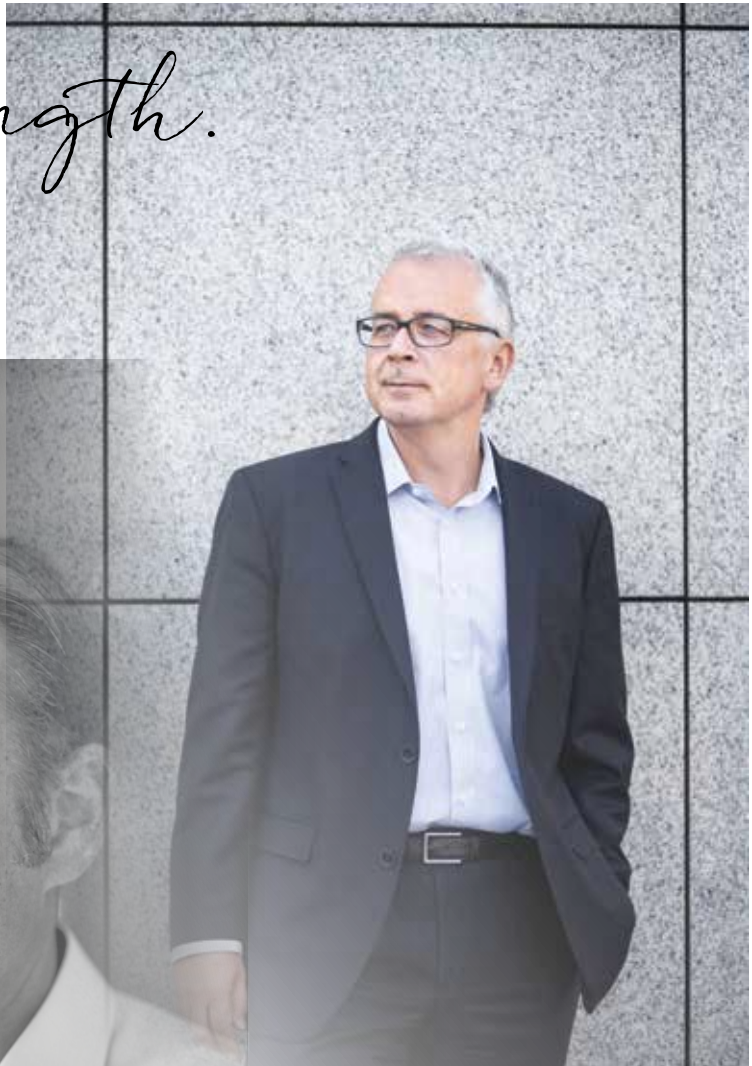




*Our team spirit  
is a  
great strength.*



Dirk Marek Head of HR Policy



Markus Zeyen Managing Director of Corporate Legal Affairs and HR Policy



# Living proximity – achieving more together

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The success of Melitta is the success of its employees. Reason enough to think every day about how working together can be optimized. What values should underpin our cooperation. How can we all pull together. And how can we inspire each other daily to achieve the best for our customers.

*Markus Zeyen, Managing Director of the Corporate Legal Affairs & HR Policy Division, sinks into his chair and smiles warmly. “I could talk about employer branding all day,” he says cheerfully. “Melitta has been involved with this issue for quite a few years now and we’re well into the topic.” Opposite him sits Dirk Marek, Head of HR Policy, stirring his freshly prepared coffee. “We’ll try to limit ourselves to the most important aspects,” he adds with a grin. “Sometimes you’re in danger of not seeing the forest for the trees. What questions do you have for us?”*

Melitta  
is also a strong  
brand as  
an employer.

DIRK MAREK  
HEAD OF HR POLICY

**In late 2013, Melitta launched a campaign with the claim “Melitta – More Opportunities”. Why?**

Markus Zeyen: Like other companies, Melitta faces the challenge of retaining and recruiting talented employees, as the declining population trend is causing an ever growing shortage of skilled workers. In collaboration with the HR managers of our operating divisions, we therefore began thinking about positioning Melitta as an employer in 2006 and drafted an employer branding strategy. This was followed by numerous workshops, surveys and analyses at our operating divisions around the world, the results of which were used to shape our self-image of Melitta as an employer. Today we have a very specific and authentic picture of Melitta's strengths and weaknesses as an employer.

**What weaknesses did you find then?**

Dirk Marek: It quickly became apparent that although Melitta is very well known as a brand, many people don't know which other brands belong to the Melitta Group. Even many of our employees know little about what colleagues in other divisions actually do. There is a lack of knowledge therefore about the professional skills needed by Melitta. We also noted that little is known about Melitta's international operations or the fact that Melitta is a family-owned business. We therefore now emphasize these points more strongly in our communication.

**And which strengths did you discover?**

**What is the essence of Melitta?**

Markus Zeyen: Four special aspects emerged in particular: firstly, Melitta offers its employees space and visibility; secondly, numerous perspectives and continuity; thirdly, diversity and presence; and fourthly a high degree of respect and pleasant interaction. To put all of this in a nutshell, we chose the slogan “Melitta – More Opportunities”. We feel this encapsulates everything.

**Melitta consists of fairly dissimilar operating divisions.**

**Did that not lead to many differing or even contradictory opinions in the staff survey?**

Markus Zeyen: We suspected that as well initially. However, we found there were very many similarities when it came to the desired and perceived characteristics of Melitta as an employer. We attribute this to the prevailing culture within the Group that is driven by shared ideas. This was also reflected in the development of our canon of values adopted in 2014. The overwhelming majority of our employees are in favor of the same values, namely performance orientation, passion, excellence, cooperation, respect, commitment and sustainability.

**How did you communicate the survey results to staff?**

Dirk Marek: Following the analysis phase, we developed a communication concept and elaborated a range of measures. As our employer branding strategy also focuses on employee retention, internal communication played a major role in our communication concept. The aim was to publicize the elaborated employer characteristics of Melitta, the so-called Employer Value Proposition, throughout the company. And that meant contacting and involving every employee of the Melitta Group world-wide. For example, all employees received a high-quality notebook in which Melitta's employer positioning was featured. There were also numerous events and activities.

**And how does Melitta communicate with potential job candidates?**

Dirk Marek: We take part in various recruitment events, such as our stand at the Graduate Congress. Last year, we also revamped the Careers section of Melitta's corporate website, introduced e-recruitment and implemented numerous other measures to attract attention to Melitta. However, the most visible element of our employer branding strategy is the ad campaign. Developing it posed a number of challenges for us, as it has to work for several industries, be internationally viable and convey several messages. We therefore designed advertising motifs that show one and the same person in four different situations. This illustrates the four outstanding characteristics of Melitta as an employer. The professions displayed are not ones necessarily associated with Melitta. Moreover, all the brands belonging to the Group are listed in order to underline the size and internationality of Melitta.

**How was the campaign and the underlying employer branding strategy received? Did you get any feedback?**

Dirk Marek: We received a lot of positive feedback from our employees. Not least because we uncovered a number of weaknesses during the analysis process and were able to remedy them. We also have the impression that the vast majority of employees feel very comfortable with Melitta's employer positioning and feel it accurately represents their company. We are especially proud of our excellent performance in the recent Focus study in which employees rate their employer. We were 22nd in the list of Germany's Top 25 employers. The Group even came second in both the "Finished and Consumer Goods" and "Food and Beverages" categories.

*Employer branding is a process, not a campaign.*

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**MARKUS ZEYEN**  
MANAGING DIRECTOR OF CORPORATE  
LEGAL AFFAIRS AND HR POLICY

**What are the next steps?**

Markus Zeyen: The information campaign for employees and ad campaign for potential applicants are not the conclusion of the employer branding strategy, just highly visible elements of it. What we want is an ongoing process that continually questions Melitta's self-image as an employer: what makes Melitta special? What sets us apart from the competition? What are the needs and expectations of our employees? We will therefore continue to systematically analyze what Melitta as an employer offers its employees and how cooperation can be shaped and steered in the best possible way.



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# Highlights 2014 – our best moments ...

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## 01.01.

*Coffee enjoyment from  
the foot of the volcano*

Melitta® BellaCrema® Selection of the Year 2014 is a further special flavor experience which Melitta offers in Whole Bean and Pad variants: the Volcáño Panama beans used for this coffee come from a small, exquisite cultivation area in Central America. Here in the fertile highlands between the oceans, the Volcáño Panama bean used for our Selection of the Year develops its soft character and distinctive intensive aroma with a fine, nutty flavor.



## 04.02.

*No chance for scaling*

With its revamped descaler range, Swirl® now has five products lined up for the fight against limescale. New to the range are the Anti Calc Power Spray for shining kitchen and bathroom surfaces and the Anti Calc 3in1 Tablets for descaling filter coffeemakers and kettles. Together with Swirl® Anti Calc Bio Powder, Swirl® Anti Calc Bio Power Concentrate and Swirl® Cleaning Powder, the range offers everything to ensure clean homes, free of lime residues.



The new Toppits® Roasting Bag 2in1 combines the benefits of a roasting and a steaming bag. Thanks to its OptiVit® valve, the bag can be securely sealed without having to cut the film. The hot air escapes through the valve clip. The result is a clean oven or microwave and no danger of burning when boiling, roasting or steaming food.



# 14.03.

*First offspring  
of a new generation*

At the spring trade show Internorga, Melitta unveils the first model of a completely new generation of fully automatic coffee machines. With its sleek, minimal design, clear function areas, and high-quality aluminum housing, the Melitta® Cafina® XT6 draws admiring glances. XT stands for Extended Technology – a name that already indicates that the Melitta® Cafina® XT6 aims to establish a new standard for food service professionals.



# 03.04.

*Red Dot Design Award  
for Melitta Caffeo Barista*

Melitta's Caffeo Barista® is the Red Dot Award Winner 2014. The jury was not only impressed by the wide range of features offered by Melitta's latest automatic coffee machine, but also by its clean lines and excellent workmanship. With its minimalist exterior in high-gloss silver or black, the machine makes a perfect addition to any kitchen and sets an elegant highlight.



reddot award 2014  
winner





## 01.06. *Eco-friendly coffee enjoyment*

Bamboo is the most versatile, most widespread, and above all most rapidly renewable crop in the world. Melitta therefore used this unique commodity to develop filter papers with 60 percent bamboo content. The new Melitta® Natura product thus combines sustainability with carefully balanced and aromatic coffee enjoyment. New to Natura in June: the patented three filter zones with varying pore density to ensure outstandingly aromatic coffee.



## 15.07. *Favorite café-enjoyment*

“My Café” is Melitta’s new whole bean coffee range available in the three roasting grades „Mild Roast“, „Medium Roast“ and „Dark Roast“: combining Melitta’s over 100-year-old coffee tradition with the modern variety of gourmet coffees. Melitta’s experts carefully select beans from different provenances for the new, multi-faceted coffees, compose them into ideally coordinated blends and create the perfect aroma with roastings individually tailored to the respective beans. The result is a coffee with character and distinctively nuanced flavors – for your favorite in-house café.

## 20.08. *One year Mission eco & care*



The product marking for Melitta’s electrical appliances launched in the previous year has now firmly established itself in the market. The sustainability label informs consumers in a clear and transparent way that not only economic and ecological aspects were considered during the production of the marked products, but also social factors. MISSION eco&care thus pursues a much more comprehensive understanding of sustainability than existing and widely known labels on the market.

## 02.09.

*Against fine dust and allergies*

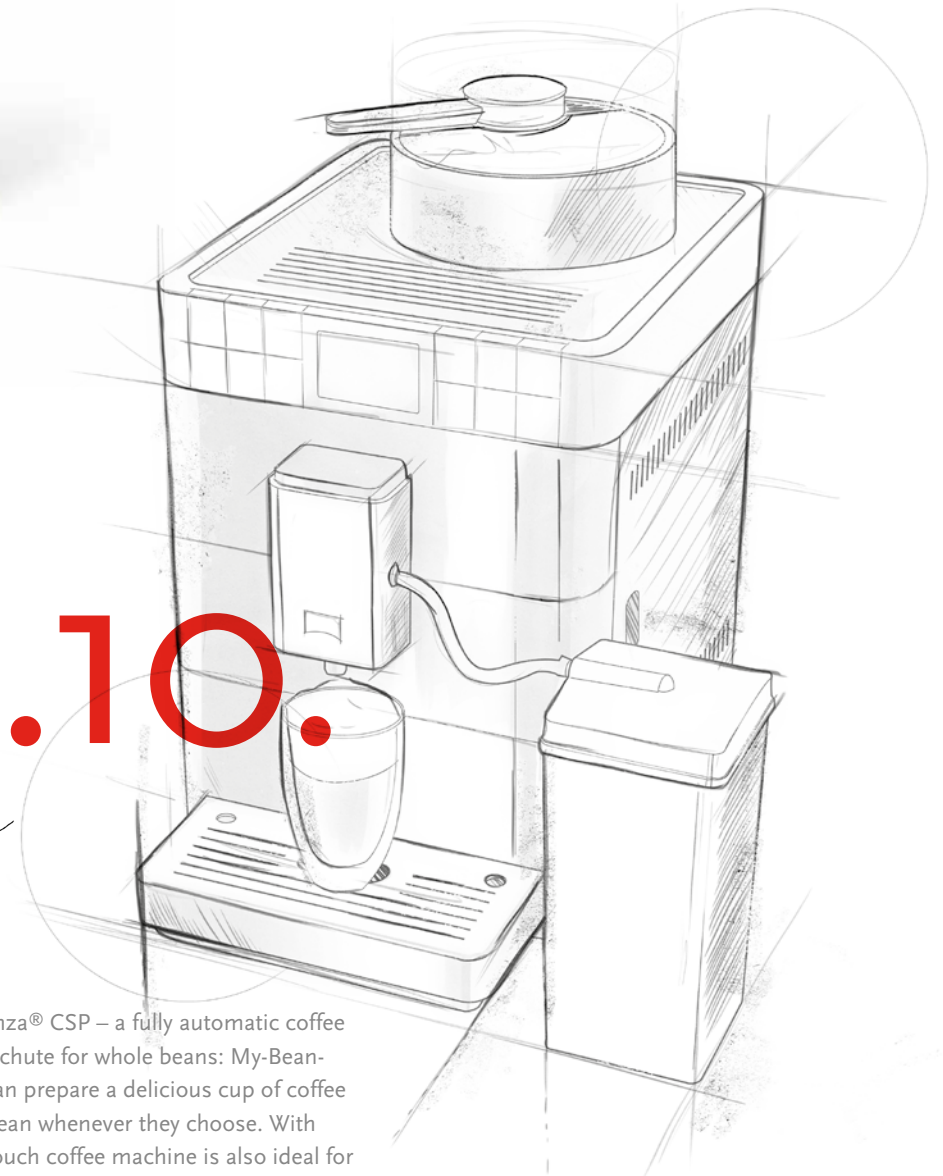


The newly developed Swirl MicroPor® Plus vacuum cleaner bags trap even fine dust particles like mold spores, bacteria and allergens – as certified by TÜV NORD. The Dirtlock® closure ensures clean disposal without releasing the dust and dirt in the bag. The environment can also breathe easily: Swirl® vacuum cleaner bags in MicroPor® Plus quality are made using at least 40 percent recycled material and renewable raw materials.

## 01.10.

*World first:  
each to his own*

Melitta launches the Caffeo® Varianza® CSP – a fully automatic coffee machine featuring a single-portion chute for whole beans: My-Bean-Select®. The benefit is that users can prepare a delicious cup of coffee using their own personal favorite bean whenever they choose. With its compact dimensions, the one-touch coffee machine is also ideal for smaller kitchens.







# 12.11.

*Two-time industry winner*

"Highest Customer Trust" and "Best Customer Service" in the category automatic coffee machine manufacturer: Melitta leaves the competition behind in consumer rankings. Melitta takes 1st place in both the Trust Index of German magazine "Wirtschaftswoche" and the "Service Champions 2014" survey conducted by German daily "Die Welt" and the Goethe University of Frankfurt am Main.



# 27.11.

*9th Round Table of the Cofresco Forum*

In Chipping Campden, UK, experts from the world of science and research discuss the convenience trend and its impact on the safety and packaging of food. While the morning lectures present an overview of the latest research results, consumer research methods are discussed in the afternoon. The Cofresco Forum was initiated in 2001 to promote the international exchange of research results in the field of household food packaging, freshkeeping and preparation.



# 2014

*Freshly brewed please!*

The trend toward manually filtered coffee is becoming increasingly popular – first in the USA, and now in all major cities of the world. The traditional “pour-over” brewing method unlocks some 800 aromas, creates a deliciously scented coffee cloud, and is 100 percent “home-made”. The most important utensils are: the Melitta® porcelain coffee filter and matching Melitta® filter papers.

## Chief Corporate Management

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### **Dr. Stephan Bentz**

“Our focus has always been on long-term and sustainable success. This applies equally to the achievement of our economic, environmental and social objectives. Responsibility, respect, mutual appreciation, openness and fairness are not just phrases for us, but integral elements of our corporate culture.”

### **Jero Bentz**

“In order to meet the future challenges of our markets, it is vital that we focus on success. We can only develop and outperform the competition if we pursue new ideas and make the necessary changes. Our aim is to offer excellent services with our brands and products that consistently exceed customer expectations.”

### **Volker Stühmeier**

“One of the great strengths of our company is our solidarity, our team spirit and our passion. Binding and solution-oriented communication, as well as reliable behavior both internally and with our external partners, help us continuously improve our performance. This strength – coupled with enthusiasm and commitment – is the basis for our continued growth.”



Volker Stühmeier

A stylized, handwritten signature in black ink.

Jero Bentz

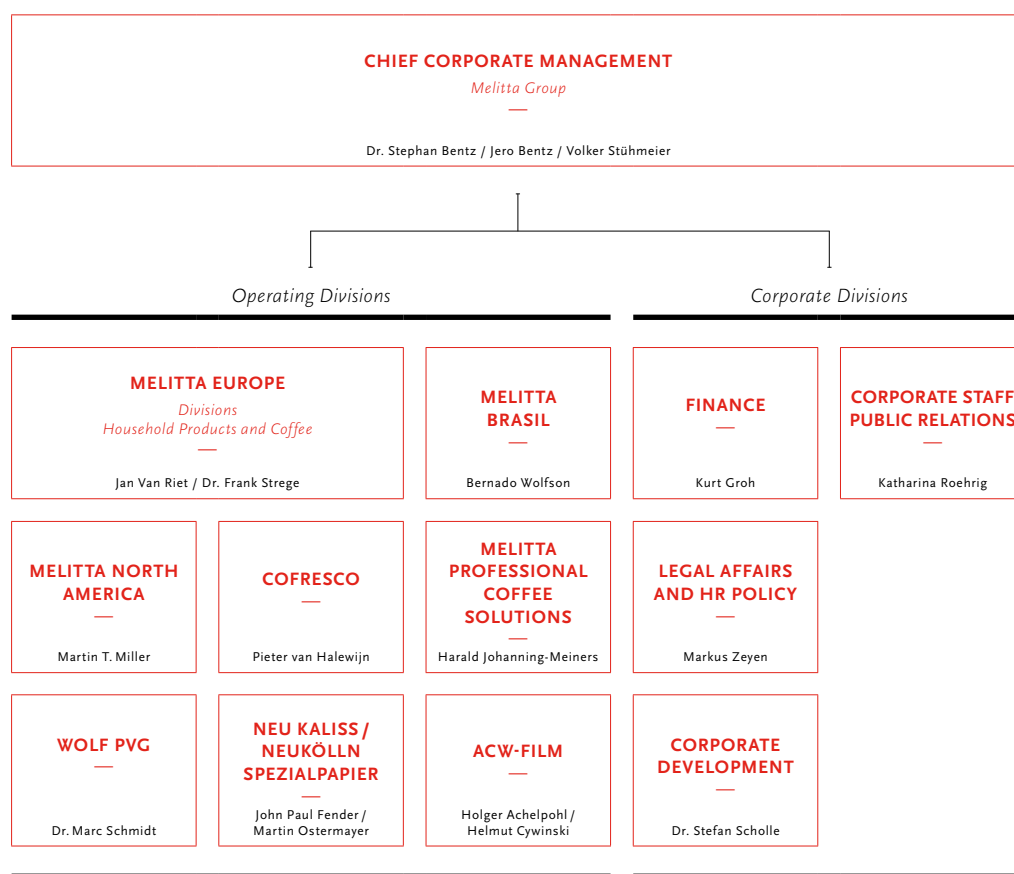
A stylized, handwritten signature in black ink.

Dr. Stephan Bentz

A stylized, handwritten signature in black ink.

# Group

## STRUCTURE



**General Partners of Melitta Unternehmensgruppe Bentz KG**  
Dr. Thomas Bentz (until 31.12.2014)  
Dr. Stephan Bentz  
Jero Bentz

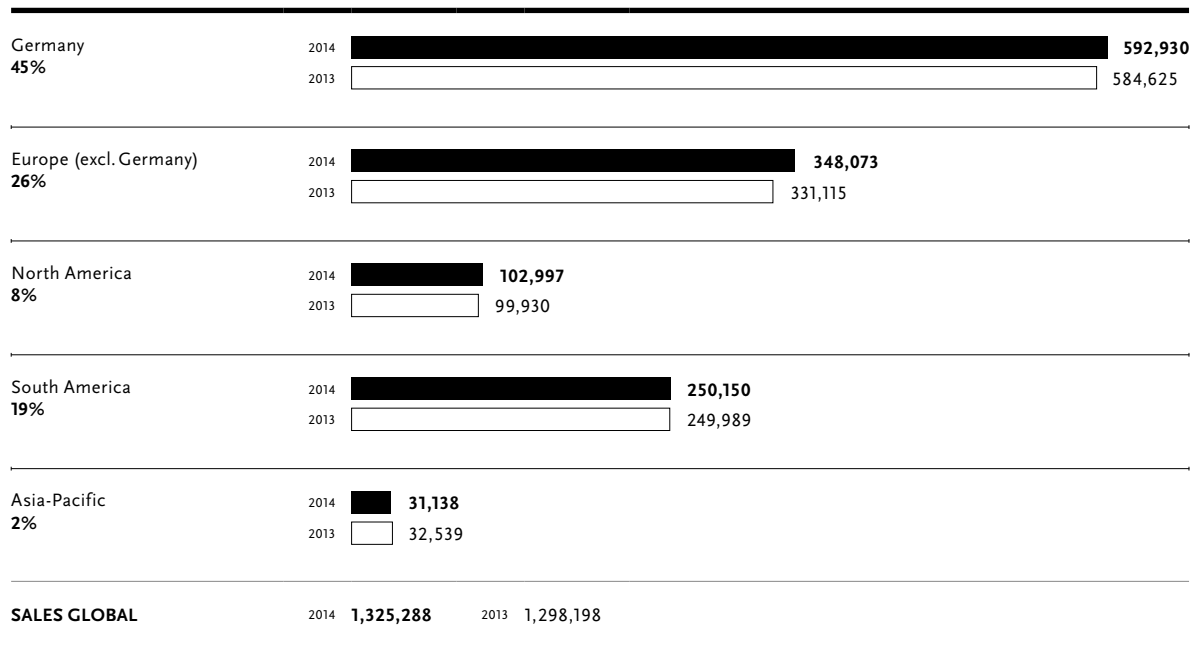
**Limited Partners**  
Claudia Bertelmann-Taufß  
Jara Bentz  
Thomas Dominik Bentz  
Dr. Thomas Bentz (as of 01.01.2015)

**Advisory Council**  
Javier Conzález  
Claus Holst-Gydesen  
Dr. Uwe Tillmann  
Dr. Thomas Bentz  
Dr. Stephan Bentz



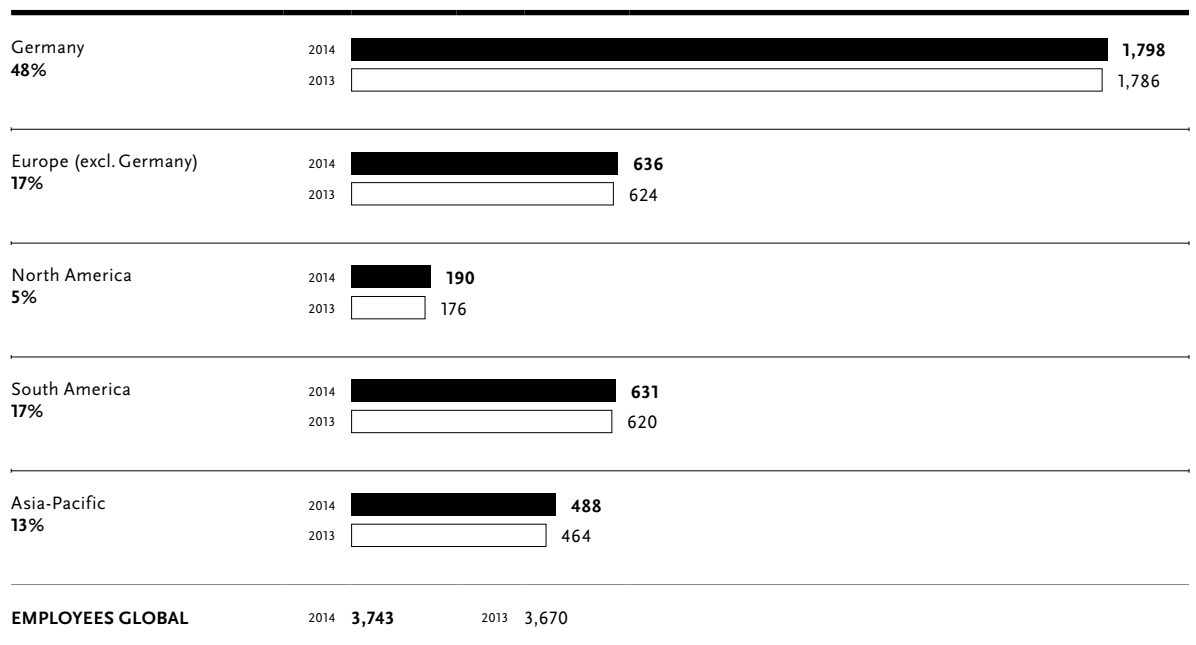
## SALES BY REGION

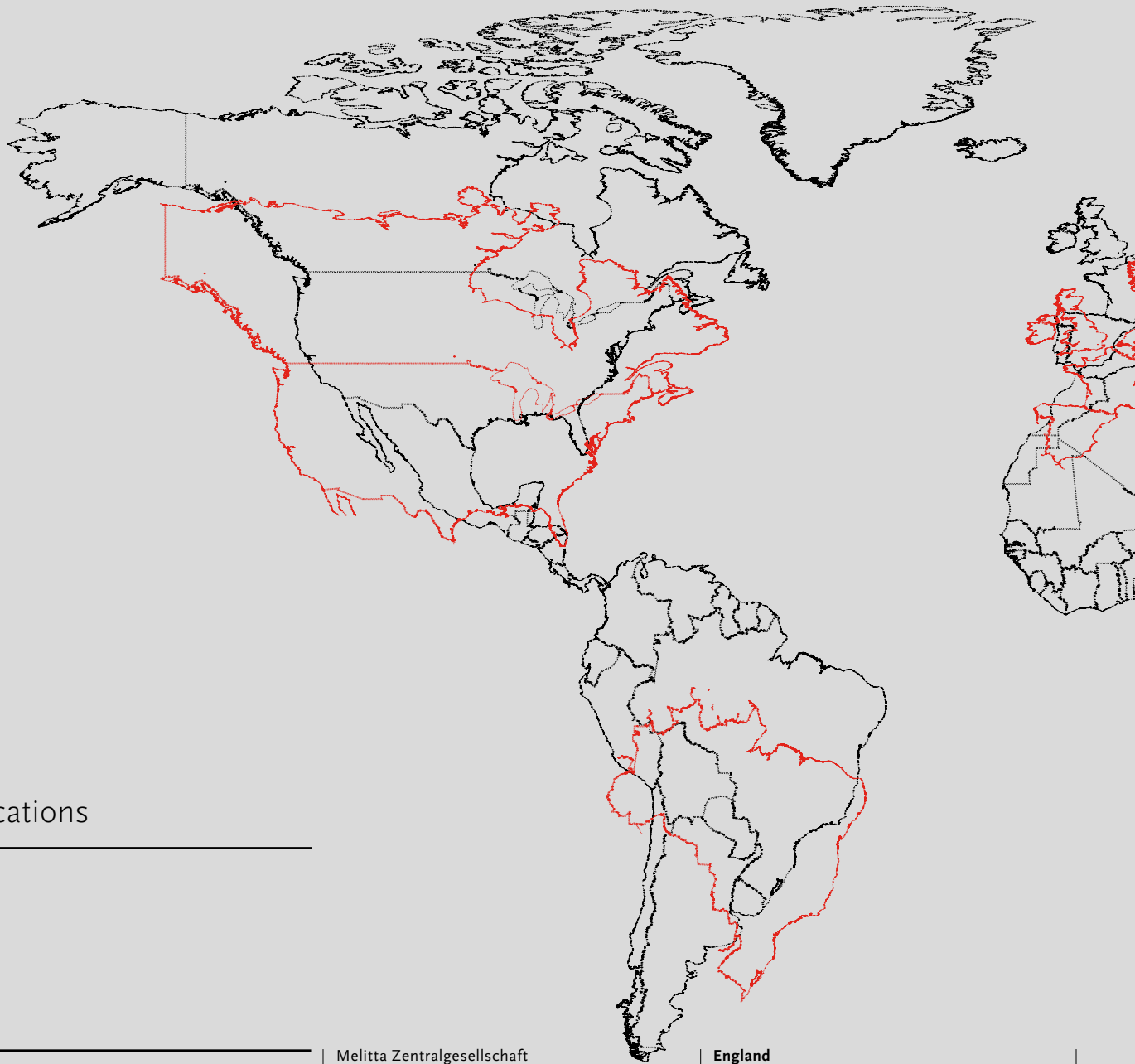
in € thous.



## EMPLOYEES BY REGION

full-time employees, annual average





## Locations

### EUROPE

#### Austria

##### Salzburg

Melitta Ges.mbH

Melitta Professional Coffee Solutions International GmbH

{ Austrian office }

#### Belgium

##### Lokeren

Melitta België N.V.

#### Denmark

##### Roskilde

Melitta Nordic A/S

#### Germany

##### Minden

Melitta Unternehmensgruppe Bentz KG

Melitta Bentz GmbH & Co. KG

Bentz Beteiligungs GmbH & Co. KG

Melitta Zentralgesellschaft mbH & Co. KG

Melitta Europa GmbH & Co. KG

{ Household Products Division }

Cofresco Frischhalteprodukte GmbH & Co. KG

Melitta Professional Coffee Solutions

GmbH & Co. KG

##### Bremen

Melitta Europa GmbH & Co. KG

{ Coffee Division }

##### Berlin

Neukölln Spezialpapier NK

GmbH & Co. KG

##### Vlotho / Spenge

Wolf PVG GmbH & Co. KG

##### Neu Kaliss

Neu Kaliss Spezialpapier GmbH

##### Rhede

ACW-Film GmbH & Co. KG

Webo GmbH & Co. KG

#### England

##### Maidenhead

MSS (UK) Ltd.

##### Peterborough

Melitta International GmbH

{ UK Division }

#### France

##### Saint Tibault des Vignes

Melitta Professional Coffee Solutions France S.A.S.

##### Paris

Cofresco PM S.A.S.

Melitta France S.A.S.

##### Chézy

Melitta France S.A.S.

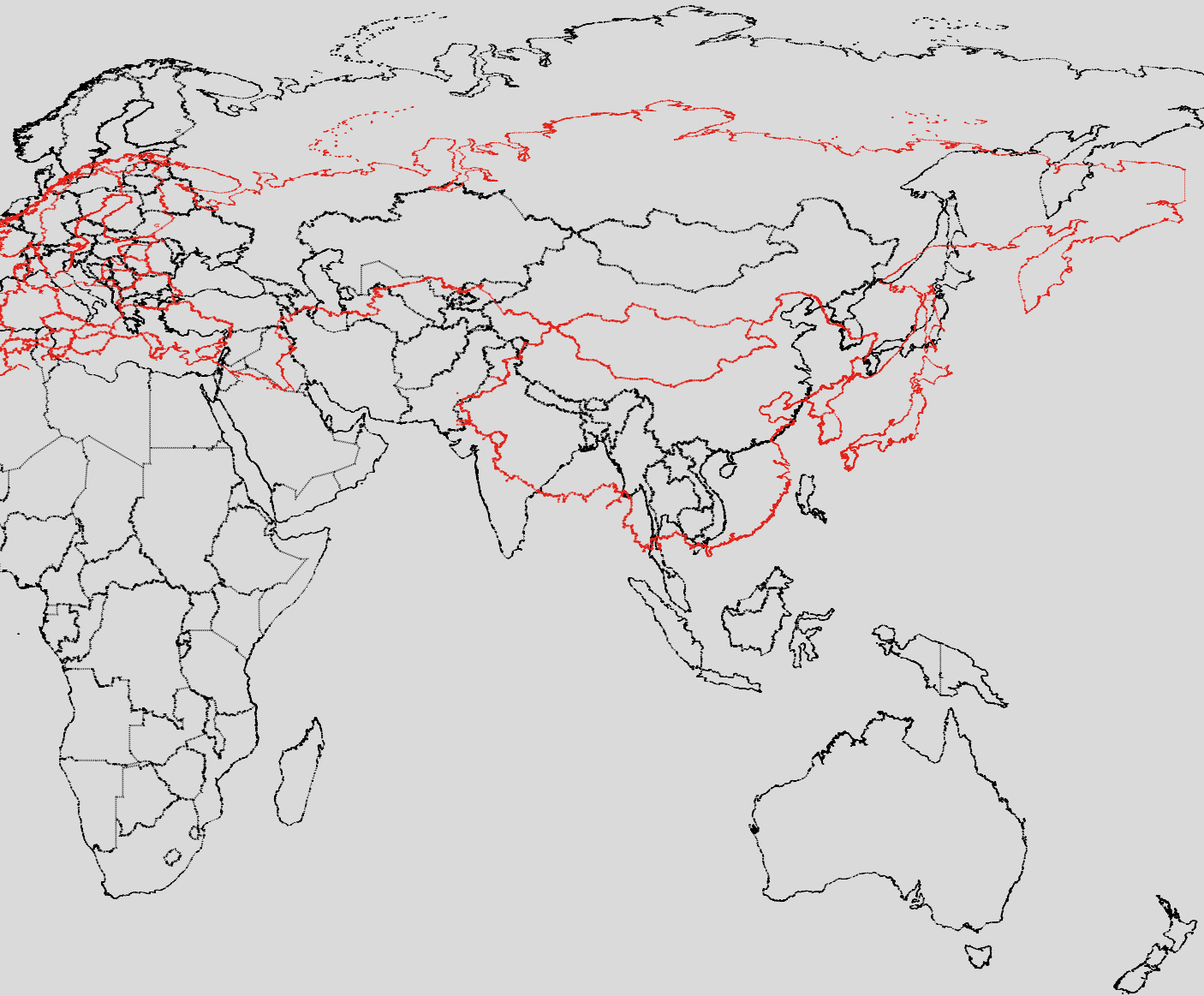
#### Netherlands

##### Hardinxveld-Giessendam

Melitta SystemService Benelux B.V.

##### Gorinchem

Melitta Nederland B.V.



#### Poland

##### Brodnica

Cofresco Polska Sp. z o.o.

#### Russia

##### St. Petersburg

Melitta RusCom OOO

Cofresco RusCom OOO

#### Sweden

##### Helsingborg

Melitta Nordic AB

#### Switzerland

##### Egerkingen

Melitta GmbH

##### Hunzenschwil

Cafina AG

#### Spain

##### Alcobendas / Madrid

Cofresco Iberica S.A.

#### Czech Republic

##### Prague

Melitta ČR s.r.o.

#### NORTH AMERICA

#### USA

##### Clearwater

Melitta USA Inc.

##### Cherry Hill

European Coffee Classics Inc.

##### Elgin

Melitta SystemService USA Inc.

#### Canada

##### Vaughan, Ontario

Melitta Canada Inc.

#### SOUTH AMERICA

#### Brazil

##### São Paulo / Avaré / Bom Jesus

Melitta do Brasil Industria e Comércio Ltda.

##### Guaíba

Celupa – Indústria Celulose e Papel Guaíba Ltda.

#### ASIA-PACIFIC

#### China

##### Shenzhen

Shenzhen Melitta Household

Products Ltd.

#### Japan

##### Tokyo

Melitta Professional Coffee Solutions Asia Pacific

Melitta Japan Ltd.



48	<i>Managing Directors and Corporate Staff Management</i>
50	<i>Melitta Europe</i>
54	<i>Melitta Brasil</i>
56	<i>Melitta North America</i>
58	<i>Cofresco</i>
60	<i>Melitta Professional Coffee Solutions</i>
62	<i>Wolf PVG</i>
64	<i>Neu Kaliss / Neukölln Spezialpapier</i>
66	<i>ACW-Film</i>



## Managing Directors and Corporate Staff Management

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**Dr. Frank Strege**  
Melitta Europe, Coffee Division



**Bernado Wolfson**  
Melitta Brasil



**Martin T. Miller**  
Melitta North America



**John Paul Fender**  
Neu Kaliss / Neukölln Spezialpapier



**Jan Van Riet**  
Melitta Europe, Household Products Division



**Martin Ostermayer**  
Neu Kaliss / Neukölln Spezialpapier



**Pieter van Halewijn**  
Cofresco

**Helmut Cywinski**  
ACW-Film



**Harald Johanning-Meiners**  
Melitta Professional Coffee Solutions



**Katharina Roehrig**  
Public Relations



**Holger Achelpohl**  
ACW-Film



**Dr. Marc Schmidt**  
Wolf PVG



**Dr. Stefan Scholle, Markus Zeyen, Kurt Groh**  
Corporate Development, Legal Affairs & HR Policy, Finance



## Melitta Europe Household Products Division and Coffee Division

Melitta Europe consists of two business divisions: the Household Products Division offers coffee and tea filter solutions, as well as filter coffeemakers and fully automatic coffee machines under the Melitta® and Cilia® brands. The division also markets vacuum cleaner bags and accessories, cleaning products, and household waste disposal solutions under the Swirl® brand. The Coffee Division is responsible for Melitta's European coffee business. The range offers perfect coffee enjoyment for every taste: from filter coffee to instant cappuccino, and from whole beans for automatic coffee machines to pad ranges for single-cup preparation.

The overwhelming majority of Melitta Europe's brands occupy leading positions in their markets. Melitta® filter papers have long stood for the ultimate in coffee enjoyment. Filter coffeemakers and fully automatic coffee machines under the Melitta® brand, tea filter solutions and products from Cilia®, and the products of the Swirl® brand are renown for their high quality and innovative strength. In the coffee segment, Melitta® is one of the best-known and highest-selling brands. Its success is based on a balanced mix of proven and new features, high product quality and above all a strong understanding of consumer needs.

### Market and business trends in 2014

Sales of the Household Products Division fell by three percent in 2014. The main reasons were the discontinuation of the division's Codiac business in France, the decision not to supply coffee filter paper to other market players, and falling filter bag sales. The main growth drivers in the past fiscal year, however, were the division's fully automatic coffee machines and waste disposal products.

Despite the extreme increases in green bean prices, the Coffee Division made encouraging progress in the past year. Sales were up by almost six percent. This success was largely driven by strong growth in demand outside Germany. In addition, the new and innovative "My Café" range and continuation of the "Selection of the Year" concept were very well received by the market. The past fiscal year was also dominated by major investment projects, such as a new grinding line, a new packing machine, a plant for regenerative afterburning, and a new roasting machine.

## Key Figures Melitta Europe

SALES in € thous.	2014	* 244,883	** 402,594	<b>647,477</b>
	2013	* 250,785	** 381,231	632,016

CAPITAL EXPENDITURES in € thous.	2014	* 12,247	** 2,143	<b>14,390</b>
	2013	* 7,359	** 5,452	12,811

EMPLOYEES full-time employees, annual average	2014	* 1,233	** 203	<b>1,436</b>
	2013	* 1,257	** 193	1,450

\* Household Products Division, \*\* Coffee Division

## LOCATIONS

Household Products Division  
Minden, Germany

Coffee Division  
Bremen, Germany

## BRANDS



## WEBSITE

www.melitta.de  
www.swirl.de  
www.cilia.de



## Outlook 2015

The Household Products Division is expected to achieve mid-range, single-digit growth in fiscal year 2015. There are plans to roll out numerous new products and marketing initiatives. However, there will also be numerous challenges in the year ahead. These include growing competition from private label brands and system competitors in several markets. Moreover, increased demands for improved terms from our trade customers – especially in France – may put pressure on earnings. It is possible that the present currency developments may adversely impact earnings and sales growth.

The Coffee Division is expected to continue its growth of the past year with consistently high demand for its products. Headcount is likely to increase again in 2015. In addition, further investments are planned in both production equipment and the brand. The development of the brand strategy started in 2011, aimed at achieving a differentiation and rejuvenation of the existing brand portfolio, will be continued in 2015.

## Sustainability

### Substantial investments to reduce emissions

In the Household Products Division, the sustainability strategy MISSION eco & care created a few years ago has been further developed. This included evaluating the filter paper category according to sustainability criteria and a voluntary commitment to comply with the newly defined Code of Conduct. The past fiscal year was also dominated by the installation of a new exhaust system which significantly reduces the division's environmental footprint.

In the Coffee Division, emissions were reduced by investing in specially designed and powerful new equipment. Sustainability efforts also focused on implementing the Corporate Responsibility project and increasing the division's community support activities. In the past fiscal year, for example, numerous charity activities were organized in coffee growing regions, health and support programs for employees were developed, and corporate citizenship projects implemented at the division's site.

Across both its divisions, Melitta Europe formulated and published its voluntary commitment to comply with a newly defined Code of Conduct.



## Melitta Europe

### QUALITY MANAGEMENT

#### Household Products Division

- DIN EN ISO 9001:2008
- DIN EN ISO 14001:2009
- EMAS – Environmental Management System in accordance with Regulation (EC) No. 1221/2009 via voluntary participation in a Community eco-management and audit scheme
- FSC Chain of Custody
- PEFC Chain of Custody
- IFS Household and Personal Care Products (International Feature Standard)
- BRC Consumer Products (British Retail Consortium)

#### Coffee Division

- IFS Food
- Bio
- UTZ
- Rainforest Alliance
- Fairtrade
- 4C (verification)
- certification “audit berufundfamilie”
- award “ausgezeichnet familienfreundlich”

### COUNTRIES

#### Household Products Division

- |                  |                    |                  |
|------------------|--------------------|------------------|
| – Austria        | Export business in | – Serbia         |
| – Belgium        | Europe with:       | – Slovenia       |
| – Czech Republic |                    | – Spain          |
| – Denmark        | – Bosnia and       | – Ukraine        |
| – Finland        | Herzegovina        |                  |
| – France         | – Bulgaria         | Export business  |
| – Germany        | – Croatia          | world-wide with: |
| – Luxembourg     | – Cyprus           |                  |
| – Netherlands    | – Estonia          | – Australia      |
| – Norway         | – Greece           | – China          |
| – Russia         | – Hungary          | – India          |
| – Sweden         | – Ireland          | – Israel         |
| – Switzerland    | – Italy            | – Namibia        |
| – United Kingdom | – Kazakhstan       | – Japan          |
|                  | – Kosovo           | – New Zealand    |
|                  | – Latvia           | – South Africa   |
|                  | – Lithuania        | – South Korea    |
|                  | – Macedonia        | – Taiwan         |
|                  | – Malta            | – Thailand       |
|                  | – Montenegro       | – Tunisia        |
|                  | – Poland           | – United Arab    |
|                  | – Portugal         | Emirates         |
|                  | – Romania          |                  |

#### Coffee Division

- |                       |                |                |
|-----------------------|----------------|----------------|
| Germany               | – Italy        | – Singapore    |
|                       | – Jordan       | – South Africa |
| Export business with: | – Kazakhstan   | – South Korea  |
| – Albania             | – Kosovo       | – Spain        |
| – Austria             | – Kuwait       | – Sweden       |
| – Australia           | – Lebanon      | – Taiwan       |
| and Micronesia        | – Libya        | – Tajikistan   |
| – Bahrain             | – Lithuania    | – Thailand     |
| – Belarus             | – Luxembourg   | – Tunisia      |
| – Belgium             | – Macedonia    | – Ukraine      |
| – Bulgaria            | – Mongolia     | – United Arab  |
| – China               | – Montenegro   | Emirates       |
| – Croatia             | – Namibia      |                |
| – Cyprus              | – New Zealand  |                |
| – Czech Republic      | – Netherlands  |                |
| – Egypt               | – Oman         |                |
| – Estonia             | – Poland       |                |
| – France              | – Qatar        |                |
| – Ghana               | – Romania      |                |
| – Greece              | – Russia       |                |
| – Hong Kong           | – Saudi Arabia |                |
| – Israel              |                |                |



## Melitta Brasil

Melitta Brasil offers a comprehensive range of coffee products, coffee filter papers, ready-to-drink coffee- and milk-based beverages, and coffee preparation products. The operating division has three production facilities: two coffee roasting plants in the south of Brazil and one paper mill. Following strong growth over the past decade, Melitta Brasil is now the country's leading supplier of premium branded products in the coffee segment.

The offerings of Melitta Brasil are characterized by above-average quality, frequent innovation, and compelling consumer benefits. Its coffees all boast outstanding flavor and the "Regiões Brasileiras" line comprises various regional blends. The filter papers produced by Melitta Brasil ensure the full aroma is able to develop. With Melitta® Wake, the operating division offers unique and innovative coffee enjoyment for younger consumers: ready-to-drink beverages based on milk and coffee in a wide range of flavors to enjoy on the go.

### Market and business trends in 2014

Melitta Brasil continued its strong revenue growth of the previous years in 2014. Growth rates in all product areas exceeded the market average. Sales volumes of both coffee and filters reached record levels with further gains in market share. This encouraging trend was driven by extensive advertising activities as well as the continuous expansion of indirect sales channels.

### Outlook 2015

Melitta Brasil is upbeat about its prospects for 2015. Despite the adverse economic climate, the operating division expects further growth in all areas – coffee, filters and Wake. There are plans to strengthen the operating division's presence – especially via regional expansion in the north-east of the country – and to set up new sales locations. The necessary organizational measures have already been implemented. The main focus will be on capturing new customers and segments in order to achieve greater market penetration. This expansion will be supported once again by various advertising activities and point-of-sale promotions.

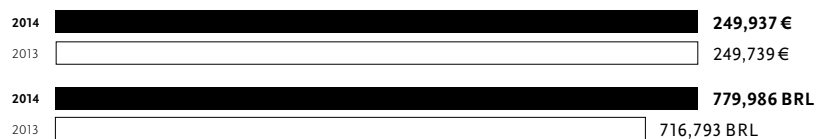
### Sustainability

#### More coffee blends from sustainable sources

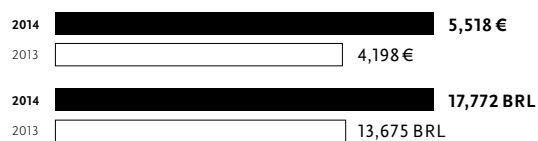
Six of the coffee blends offered by Melitta Brasil are produced using coffee beans from sustainable sources. They apply the sustainability standards of the 4C Association and guarantee compliance with numerous minimum requirements regarding environmental protection, social commitment in the respective communities, and working conditions for employees. Melitta actively supports efforts in these rural areas by providing teaching materials for local school-children. The operating division plans to increase the proportion of its sustainable coffee blends even further.

## Key Figures Melitta Brasil

### SALES in thous.



### CAPITAL EXPENDITURES in thous.



### EMPLOYEES full-time employees, annual average



### LOCATIONS

São Paulo, Brazil  
Avaré, Brazil  
Bom Jesus, Brazil  
Guaíba, Brazil

### COUNTRIES

– Brazil  
– Paraguay  
– Uruguay  
– Argentina  
– Bolivia  
– Chile

### QUALITY MANAGEMENT

– ISO 9001:2008

### BRANDS



### WEBSITE

[www.melitta.com.br](http://www.melitta.com.br)



## Melitta North America

Melitta North America produces filters and roasted coffee, both under the Melitta® brand name and for the business-to-business market. For the booming single-serve coffee segment in the US, the operating division also supplies its own range of coffees and filters for use in these brewers. Melitta North America's core markets are the USA and Canada. Its products are also marketed in Mexico, Central America and the Caribbean.

In its main market, the USA, Melitta® is the leading brand of coffee filters and one of the top suppliers of premium coffee. Melitta North America has positioned itself as a brand of superior quality products, with the unique brand positioning "The Flavor of Europe in Every Cup".

### Market and business trends in 2014

Melitta North America can look back on a very encouraging fiscal year 2014 with double-digit growth in sales revenue. This result was driven primarily by the successful roll-out of new product innovations – especially in the single-serve market. The operating division's reusable filters for single-serve coffee preparation gained market leadership in this segment. Melitta's single-serve coffee capsules were also a hit with consumers, offering the quality of traditional drip coffee but with the convenience of single-serve brewing. In addition, the division enjoyed solid growth in its B2B capsule business, resulting in round-the-clock production at its Cherry Hill coffee roastery.

### Outlook 2015

The trend toward single-serve coffee is projected to continue its rapid growth in the coming years – especially in the USA. As a result, Melitta North America can expect a number of changes in 2015 as the market for filter paper and traditional roast and ground continues to decline. Nevertheless, further growth is forecast for 2015 as the division continues to innovate in order to capitalize on the single-serve phenomenon.

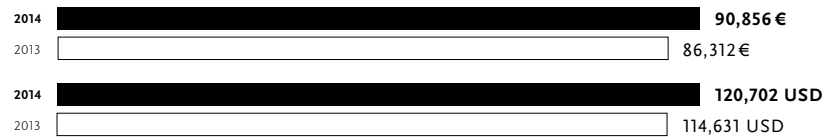
### Sustainability

#### Respecting ecological aspects in product design

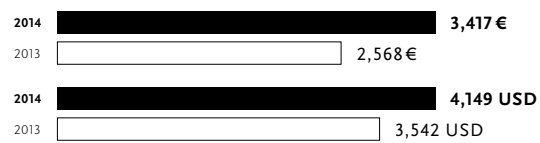
The operating division Melitta North America regularly considers ecological aspects when developing and designing its products. For example, its single-serve capsules were the first 100 percent recyclable single-serve solution on the market. The re-usable Melitta® "Java Jig" incorporates a paper filter, allowing consumers an eco-friendly alternative for single-serve coffee preparation. Packaging for filter paper uses 100 percent recycled materials and the division's facilities have active recycling programs in place. New roasting technology at the coffee plant uses 30 percent less energy than previous technology. In addition, Melitta North America stepped up its CSR activities in 2014, through increased donations and greater cooperation with local communities.

## Key Figures Melitta North America

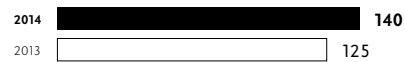
### SALES in thous.



### CAPITAL EXPENDITURES in thous.



### EMPLOYEES full-time employees, annual average



### LOCATIONS

Clearwater, USA  
Cherry Hill, USA  
Toronto, Canada

### COUNTRIES

– USA  
– Canada  
– Guatemala  
– Costa Rica  
– El Salvador  
– Panama  
– Nicaragua  
– Mexico  
– Caribbean  
– Australia

### QUALITY MANAGEMENT

– FSSC 22000  
– QAI Organic  
– Kosher ("OU")  
– Rainforest Alliance

### BRANDS



### WEBSITE

[www.melitta.com](http://www.melitta.com)  
[www.melitta.ca](http://www.melitta.ca)





## Cofresco

Cofresco is Europe's leading supplier of branded products in the field of household film, foil and paper. The operating division's brands are at home in all European countries. Cofresco's portfolio comprises product solutions for the wrapping, preparing and freezing of food, for the safe storage of household and garden items, and for the disposal of waste.

Throughout Europe, the Cofresco brands stand for quality – over 70 million households enjoy the benefits and added value of the various product offerings. With its brands Toppits®, Albal®, Handy Bag®, Glad® and PrimaPack®, Cofresco is the market leader in 15 European nations. Cofresco conducts its own research and develops technological solutions for current and future consumer needs – with the aid of the Cofresco Forum.

### Market and business trends in 2014

Fiscal 2014 was a year of mixed progress for Cofresco. Although it reached its sales targets, the resulting level of profitability is still less than satisfactory – despite the acquisition of the remaining shares in Cofresco held by SC Johnson. Due to intensified competition, market conditions remain challenging. Sales volumes were increased in several key markets for Cofresco. The French market in particular made good progress. The year was dominated by numerous product innovations and roll-outs, as well as relaunches of various products.

### Outlook 2015

The operating division does not expect any significant changes in its business development for the year ahead. There are plans to strengthen the division's international presence, to continue its advertising campaigns – especially for new products in the three largest markets: Germany, France and Spain – and to implement further product launches, relaunches and new price/content concepts. With regard to new product development and sales promotion, Cofresco will continue to focus on the core areas of its product range.

### Sustainability

#### Strategic alignment of sustainability activities

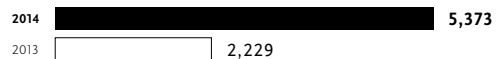
In the past fiscal year, Cofresco systematized its sustainability activities and developed a comprehensive sustainability concept. The aim is to strategically align the division's existing sustainability initiatives and to monitor and steer the success of its measures more effectively. This also includes consideration of ecological aspects in its product portfolio, such as the launch of a cling film under the Albal® brand in France last year which is made in part from renewable bio PE film.

## Key Figures Cofresco

SALES  
in € thous.



CAPITAL EXPENDITURES  
in € thous.



EMPLOYEES  
full-time employees, annual average



### LOCATIONS

Minden, Germany  
Brodnica, Poland

### COUNTRIES

- Germany
- France
- Spain
- Belgium
- Netherlands
- Sweden
- Norway
- Austria
- Switzerland
- Ireland
- Portugal
- Czech Republic

### QUALITY MANAGEMENT

- EN ISO 9001 (Minden & Poland)
- EN ISO 14001 (Minden)
- EN ISO 50001 (Minden)
- FSC (Minden & Poland)
- PEFC (Minden & Poland)
- BRCO/loP (Poland)

### BRANDS



### WEBSITE

[www.toppits.de](http://www.toppits.de)  
[www.cofresco.de](http://www.cofresco.de)



## Melitta Professional Coffee Solutions

Melitta Professional Coffee Solutions specializes in supplying equipment for professional hot beverage preparation in the system and non-system catering segments. Its core business comprises the development, production and global marketing of fully automatic machines for coffee specialties and filter coffee machines under the Melitta® and Cafina® brands, technical service for its professional customer base, and the sale of coffee, tea, hot chocolate and accessories.

All product development and manufacturing efforts are focused on ensuring outstanding quality in the cup. The aim is to actively enhance the taste experience of guests in cafés, restaurants and hotels – and thus improve the bottom line of its food service clients. Melitta Professional Coffee Solutions offers its top-quality professional coffee machines around the world. The implementation of customer-specific requirements with the highest quality standards is one of the division's USPs. Its own international team of customer service technicians ensures maximum machine availability and protects the customer's investment over many years.

### Market and business trends in 2014

Despite a weaker investment climate and high currency losses in the division's important Japanese market, Melitta Professional Coffee Solutions was able to increase sales slightly in the past fiscal year. This was partly due to the division's customer service business as well as rising coffee sales, which once again performed very well. There was particularly encouraging growth with major household-name clients in the UK, France, the Benelux countries and Germany. The successful and growing internationalization of the division's business was not only reflected in the foundation of a new subsidiary for the Asia-Pacific region, but also in a change of name from Melitta SystemService to Melitta Professional Coffee Solutions.

### Outlook 2015

The roll-out of the Melitta® Cafina® XT6 – a product belonging to the new XT generation of fully automatic coffee machines – was well received by the trade in the past year. There are also good prospects for the planned launch of new models, such as the Melitta® Cafina® CT8 as top model for the system catering segment and high-volume segment, as well as the Melitta® Cafina® XT4 as an entry-level model for professionals.

The general investment climate in the division's core markets and strong currency fluctuations in Switzerland continue to pose a challenge. Countermeasures include various marketing activities, the expansion of key account business and international technical customer service, as well as a stronger presence in highly promising countries, such as Latin America and Australia. Opportunities for business with large corporate clients in 2015 have also been identified in Eastern Europe, Asia-Pacific and the USA.

### Sustainability

#### Helping set environmental standards

From a sustainability perspective, the energy efficiency of equipment, the materials used, and the recycling of old equipment have long played a major role for Melitta Professional Coffee Solutions. The operating division is active in these fields in a number of associations and standardization committees and makes important contributions to the development and adoption of the corresponding standards in Germany and Europe. Significant energy and emission savings were once again achieved in the past year. The division's sustained CSR commitment is also reflected by its "La Tazza Verde" coffee range which has borne the Bio and Fair-trade labels since 2009.

## Key Figures Melitta Professional Coffee Solutions

### SALES

in € thous.



### CAPITAL EXPENDITURES

in € thous.



### EMPLOYEES

full-time employees, annual average



### LOCATIONS

Minden, Germany  
Hunzenschwil, Switzerland

### COUNTRIES

#### Own companies in:

- Germany
- Switzerland
- Austria
- Benelux
- France
- UK
- USA
- Japan
- Asia-Pacific

#### Sales partners in Europe:

- Cyprus
- Denmark
- Estonia
- Finland
- Greece
- Lithuania
- Norway
- Poland
- Romania
- Russia
- Slovakia
- Spain
- Sweden
- Turkey
- Ukraine

#### in North, Central and South America:

- Brazil
- Chile
- Ecuador
- Mexico
- Uruguay

- Qatar
- Singapore
- South Korea
- Taiwan
- Thailand
- United Arab Emirates

#### in Asia-Pacific:

- Australia
- China
- Hong Kong
- India
- Israel
- Kuwait
- Lebanon
- Malaysia
- Philippines

#### and in Africa:

- Morocco
- Namibia
- South Africa

### QUALITY MANAGEMENT

- Hygiene management system HACCP-Hazard Analysis and Critical Control Points acc. to the requirements of EN 15593:2008
- Certified acc. to DIN ISO 29990 (Learning services for non-formal education and training – basic requirements for service providers)

### BRANDS



caféina®



### WEBSITE

[www.melitta-professional.de](http://www.melitta-professional.de)



## Wolf PVG

Wolf PVG is a highly specialized systems supplier for all aspects of vacuum cleaning and industrial filter technology. Its products include vacuum cleaner nozzles, filters, vacuum cleaner bags and attachment flanges for vacuum cleaner bags. These products are developed and produced for both industrial and end-user customers.

Wolf PVG boasts a high level of innovation and a wide range of products. The extraordinary variety of products which the division offers provides a one-stop solution for its customers. From design to engineering, tool and machine construction, to serial manufacturing, Wolf PVG offers a full range of services under one roof. The operating division is renown for its high quality standards and its systematic alignment with customer needs.

### Market and business trends in 2014

Fiscal 2014 was a satisfactory year for Wolf PVG in which most of the forecasts made at the beginning of the period proved accurate. As expected, the challenging market environment and phasing out of individual products in its OEM business led to a six percent decrease in sales. However, costs were also reduced by a variety of savings and site optimization projects. The planned introduction of new products laid the foundation for the expansion of the division's business fields.

### Outlook 2015

The market environment will remain challenging in 2015. In order to enhance Wolf PVG's competitive strength, cost optimization measures will be continued and restructuring implemented in order to improve earnings. At the same time, new business fields will be developed and expanded – especially in the field of industrial filtration technology. This will also involve stepping up marketing efforts for domestic air filters developed in the past year.

### Sustainability

#### Increasingly eco-friendly product portfolio

Both the production and product portfolio of Wolf PVG have long been heavily influenced by sustainability issues. Whereas energy management and the use of materials are the main focus of efforts in manufacturing, an increasing number of ecological requirements are being implemented in the product portfolio. The new Ecodesign Directive – which sets the European legal framework for the ecological design of energy-consuming products – will continue to dominate development discussions with customers in 2015 and influence the design of the division's product range in the coming years.



## Key Figures Wolf PVG

### SALES

in € thous.



### CAPITAL EXPENDITURES

in € thous.



### EMPLOYEES

full-time employees, annual average



### LOCATIONS

Vlotho-Exter, Germany  
 Spenge, Germany

### COUNTRIES

– Germany  
 – Italy  
 – France  
 – Austria  
 – Switzerland  
 – Netherlands  
 – Poland  
 – Denmark  
 – Sweden  
 – Turkey  
 – Hungary  
 – UK  
 – Czech Republic  
 – Portugal  
 – Greece  
 – South Korea  
 – Vietnam  
 – China  
 – Malaysia  
 – Japan  
 – USA

### QUALITY MANAGEMENT

– DIN EN ISO 50001:2011  
 – DIN EN ISO 9001:2008

### BRANDS



### WEBSITE

[www.wolf-pvg.de](http://www.wolf-pvg.de)



## NEU KALISS SPEZIALPAPIER

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### Neu Kaliss / Neukölln Spezialpapier

Neu Kaliss / Neukölln Spezialpapier manufactures specialist papers and nonwoven materials for industrial use. Its range of nonwoven materials includes nonwoven wallpapers, conductive nonwoven fabrics and solar nonwovens. In its paper business, the operating division produces and processes coffee filter bags, beer glass and coffee cup drip catchers, crepe papers for dentists and large bakeries, udder papers and extractor hood filters.

In the nonwoven wallpaper market, Neu Kaliss / Neukölln Spezialpapier is one of the world's top five manufacturers. It supplies both the mass market and premium segments. The products manufactured and processed by Neu Kaliss / Neukölln Spezialpapier are often customized – and in some cases exclusive – high-quality goods using the latest technologies.

#### Market and business trends in 2014

2014 was a mixed year for Neu Kaliss / Neukölln Spezialpapier. Whereas the Neu Kaliss plant was operating at full capacity throughout almost the entire year, the main focus in Berlin-Neukölln was the development of new products. The global demand for nonwoven wallpaper stagnated in the past year, while at the same time the number of potential competitors increased. In the last quarter of 2014 in particular, the politically unstable situation in Ukraine and Russia, as well as the currency crisis surrounding the ruble, led to severe restrictions in the operating division's markets.

#### Outlook 2015

The Russia-Ukraine crisis will continue to affect developments in the wallpaper industry and thus the course of business for Neu Kaliss / Neukölln Spezialpapier in this important region for the division. However, new markets – such as filtration, the automotive industry and acoustics – offer interesting perspectives and new business opportunities. 2015 is therefore likely to be a further difficult year, but with numerous interesting prospects. It is assumed that market conditions will improve during the course of the year.

#### Sustainability

##### Further progress in energy management

Following the successful launch of a new energy management system according to DIN EN ISO 50001 at the Berlin-Neukölln plant in 2013, the Neu Kaliss facility was also certified according to this standard in 2014. On the basis of this energy management system, energy savings potential was identified and measures to increase energy efficiency initiated in the past year. The division thus achieved a number of its own goals to reduce the impact of its activities on the environment and meet the sustainability targets it set itself.

## Key Figures Neu Kaliss / Neukölln Spezialpapier

SALES in € thous.	2014	<div></div>	41,232
	2013	<div></div>	41,144

CAPITAL EXPENDITURES in € thous.	2014	<div></div>	1,976
	2013	<div></div>	1,834

EMPLOYEES full-time employees, annual average	2014	<div></div>	212
	2013	<div></div>	210

### LOCATIONS

Neu Kaliss, Germany  
Berlin-Neukölln, Germany

### COUNTRIES

– All EU countries  
– USA  
– China  
– South Korea  
– Japan  
– Malaysia  
– Russia  
– Turkey  
– Ukraine

### QUALITY MANAGEMENT

– DIN EN ISO 9001:2008

### WEBSITE

[www.nkpaper.com](http://www.nkpaper.com)



## ACW-Film

ACW-Film develops, modifies, prints, laminates and produces flexible packaging for the German consumer goods industry. The operating division supplies – also just-in-time – films, film laminates, papers and film/paper composites for the special packaging machinery of its clients. The main focus is on the delivery of high-quality, innovative and customized packaging films for the confectionery, cleaning and fresh meat industries.

ACW-Film focuses on the supply of specialty and niche products within the packaging film segment. Its key competitive advantages include a high degree of flexibility and fast response times. In addition, ACW-Film boasts cutting-edge technologies and exceptional customer service. The high quality of products manufactured by ACW-Film – which are also available in small batches – guarantees excellent, high-performance and trouble-free processing for its clients.

### Market and business trends in 2014

The operating division ACW-Film failed to reach the targets set for 2014. Sales fell by around nine percent during the past fiscal year. The business trend was dominated in particular by numerous investments aimed at improving ACW-Film's market position. Necessary changes were made to personnel and operating structures, complex preparatory work was conducted for the modernization and installation of machinery, and numerous new products were developed. Earnings also reflect increased competition from manufacturers in Southern and Eastern Europe.

### Outlook 2015

Following the successful realignment of staffing and operational structures, fiscal year 2015 will be dominated by a marketing and sales drive to win back former customers and gain new ones. The necessary groundwork was already laid in 2014 with the set-up of the company's own sales force. With the commissioning of a new gravure printing machine and waste air purification plant, ACW-Film has once again invested heavily in modern technologies to ensure optimum production conditions and greater capacity for its clients. In the current fiscal year, the company aims to convert the numerous product development requests it has received into long-term relationships and thus compensate for lost revenue in 2014.

### Sustainability

#### Intelligent use of energy and materials

Over the past few years, the operating division ACW-Film has introduced a variety of measures to save energy and thus reduce CO<sub>2</sub> emissions. These include using waste heat from cooling units to provide hot water for the heating of the production halls and installing energy-friendly, long-life LED lamps for indoor lighting. In the production process itself, only alcohol-based solvents are used and all inks employed are in the lowest water hazard category. In addition, scrap film is collected for secondary use by means of a comprehensive recycling system.

## Key Figures ACW-Film

### SALES

in € thous.



### CAPITAL EXPENDITURES

in € thous.



### EMPLOYEES

full-time employees, annual average



### LOCATIONS

Rhede (Ems), Germany

### COUNTRIES

– Germany

### QUALITY MANAGEMENT

- Hygiene management system HACCP-Hazard Analysis and Critical Control Points acc. to the requirements of EN 15593:2008
- Management of hygiene in the production of packaging for foodstuffs

### WEBSITE

[www.acw-film.de](http://www.acw-film.de)





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## Group Management Report

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### BASIS OF THE GROUP

**The company** The internationally operating Melitta Group is one of Germany's best-known family companies. Our clearly differentiated branded goods boast leading positions in major high-volume B2C markets and high-margin niche segments of the B2B market. This applies in particular to the Melitta® brand – both for the consumer and food service sectors. Our other brands are either market leaders in Europe and the Americas or vying for market leadership. We have also expanded our B2B business, as planned, over the past few years. It mainly consists of special-grade papers and packaging films.

The Group's structure enables our decentralized management to closely align operations with the needs of respective markets via our operating divisions and national subsidiaries. With the aid of central corporate divisions, Chief Corporate Management steers the Group according to strategic objectives and on the basis of our mission, shared values and fundamental corporate principles.

In their respective markets, the Group's products are marketed under international brand names, such as Melitta®, Swirl®, Toppits® and other regional brands. In our B2B business, certain product categories – such as nonwoven wallpapers – are already successfully marketed around the world, while others are currently being established.

With their clear focus on coffee enjoyment, the product categories marketed under the Melitta® brand account for the largest share

of Group turnover. They include filter papers, coffee, filter coffee-makers and fully automatic coffee machines for private and commercial use.

With brands such as Swirl®, our product categories in the field of dust filter bags and vacuum cleaner accessories, as well as garbage disposal, enjoy leading positions – especially in Germany and other western European countries.

Our products for the storing and freshkeeping of food and the disposal of household waste are marketed under the Toppits®, Albal® and Handy Bag® brands.

The remaining product categories are marketed to industrial clients (B2B). They include specialist papers for the wallpaper industry and industrial films for food packaging.

The innovation and development activities of our companies are designed to detect or shape new consumer trends in order to turn them into new and clearly differentiated products which will secure the company's sustainable development. This also applies to our food service and B2B clients.

### ECONOMIC REPORT

**Business environment** The German economy grew faster in 2014 than the average of the past ten years. According to the latest calculations, gross domestic product (GDP) rose by 1.6%

compared to the previous year. The key driver of this growth was the generally positive mood among consumers, which together with falling oil prices and improved employment figures led to strong domestic demand. In the other western European countries, Spain enjoyed significant year-on-year growth, while the economic situation in France and Italy remained difficult.

The US and Canadian economies recorded faster growth of around 2% in 2014, while Japanese economic growth of 1.1% was weaker than that of Germany. The economic environment in Brazil remained difficult in 2014. The expected boost to structural and equipment investments and general consumer sentiment from hosting the FIFA World Cup have so far failed to materialize. Against the backdrop of rising inflation and interest rates, there are currently no signs of growth in Brazil.

**Development of business** The development of the global roasted coffee market was uneven in the past year. In Germany, sales volumes fell by 2.6%. The ongoing decline in filter coffee sales could not be fully offset by growth in the “Whole Bean” and “Coffee Capsule” segments. Filter coffee’s share of roasted coffee sales fell to 68% (prior year: 70%). At the end of 2014 in particular, there was a significant increase in our market share of the filter coffee market. Over the year as a whole, however, our average market share was slightly down on the previous year. Since the beginning of 2014, there has been an unexpectedly strong rise in green bean prices which led to price hikes in the “Filter Coffee” and “Whole Bean” segments in the summer of 2014. Prices in the “Pad” segment remained relatively unchanged.

Despite the adverse economic conditions in Brazil, the roasted coffee market grew by 1.8%. In the second-most important market for us after Germany for coffee and tea preparation products, we achieved the targeted market share gains in virtually all regions.

In the USA, there was a decrease in sales volumes of filter coffee during 2014. Strong growth in coffee capsule sales in Canada helped lift total market revenues. There were no significant changes in our market shares in these regions.

There was a further market decline for filter papers in Germany and France. By contrast, the Brazilian market enjoyed strong year-on-year growth. Due to the ongoing positive development of coffee capsules, the market for filter paper in the USA and Canada continued to decline. Demand for filter coffeemakers in Germany was firmer while the importance of online sales continued to grow strongly. In Sweden and France, the market was generally weaker. Demand for fully automatic coffee machines was up on the previous year, in terms of both sales volume and revenue.

All in all, the European markets for film-based products for food storage and garbage bags made good progress. Increased consumer confidence helped lift demand for higher-quality branded products in Spain, France and Germany. In a generally growing market, we also managed to expand our market shares – especially in the important markets of Germany, France and Spain.

The market for commercial coffee machines is growing worldwide. We were only able to participate in this development to a certain extent.

In our B2B business, the market for nonwoven wallpaper in particular was severely impaired by the political and economic situation in Russia and Ukraine. Competition in this market was also fiercer and led to declining price levels and increasing production volumes.

All in all, market developments were in line with the expected growth in demand for consumer goods in 2014.

There were no changes in the organization and structure of the Group which had a material effect on our business during the reporting period.

**Earnings** The Melitta Group generated total sales of €1,325 million in 2014. This corresponds to year-on-year growth of 2% and resulted from a 3% rise in sales volume, increased trade prices and changes in product structure (+1%), as well as currency effects (–2%). At the beginning of 2014, we targeted sales growth of 3–5%.

Among the individual product categories, there were positive budget deviations especially in our coffee business. Due to the political and economic crisis in Russia and Ukraine, there was an unexpected fall in demand for industrial papers from Germany's wallpaper manufacturers. As a result, we were unable to reach the targeted revenue growth in this segment. In other product categories, such as coffee machines and domestic coffeemakers, our ambitious sales targets were thwarted by increasingly strong competition in Europe.

The Melitta Group's European companies achieved overall sales growth of 3% to €974 million. This development is mainly attributable to our coffee business in Germany, whereby in a declining market for filter coffee the fall in sales in this category was offset by higher sales in other product groups. Sales were also driven by innovations, such as the BellaCrema®, Selection of the Year, and "My Café" lines added to our whole bean range in mid-2014. There was also growth in exports of coffee products and private label brands. We regard the positive trend of our coffee business as the result of a sustained improvement in the image of our branded products. The consistently positive consumer response to our product innovations in the coffee segment is a clear sign of the market's perception of our coffee expertise. We also achieved significant sales growth in our coffee machine business, thanks in part to new product launches. Although sales of filter coffeemakers fell year on year, we were able to successfully defend our market leadership with new models for our highly popular Look® series. Sales of filter papers fell in 2014: this category continues to suffer from the overall decline in the European filter market and the competition from private label brands.

Sales of commercial coffee machines were up slightly on the previous year. Despite a difficult economic environment – capital spending in the food service industry did not improve significantly in 2014 – more machines were sold than in 2013 and revenue from customer services increased slightly. Additional revenue was generated by the launch of the new fully automatic Melitta® Cafina® XT6. Acquired in 2012, MSS UK won two prestigious clients in the UK and achieved a growth rate well into double figures. Sales in Western Europe also made encouraging progress.

The operating division Cofresco continued its positive development of the previous year in 2014. With products marketed under the Toppits®, Albal® and Handy Bag® brands, it achieved encouraging single-digit sales growth in its three major markets – Germany, Spain and France – with its range of branded products. There was disproportionately strong growth in France with the addition of a major trade client.

There was also a positive trend in sales of Swirl® garbage bags. Sales of dust filter bags, however, were unable to maintain the prior-year level. In spite of the ongoing trend toward bagless vacuum cleaners and growing competition from private label brands, we succeeded in defending our market shares but were unable to achieve sales growth in a generally declining market.

Our companies in Brazil once again enjoyed strong growth in 2014. Sales of coffee in particular, but also filter papers, outstripped overall growth in Group sales in local currency. However, the 9% average annual decline in the value of the Brazilian currency had a negative impact and offset our Brazilian growth in consolidated sales. As in the previous year, the Brazilian companies accounted for 19% of consolidated sales. Melitta generated revenue of €250 million in Brazil.

There was a similarly positive development to Brazil on the North American market where our US subsidiaries also achieved encouraging growth in coffee sales. Due to the increasing demand of American consumers for coffee capsule systems, the market for coffee filters is declining. As a result, we were unable to match the prior-year sales level in this category. The annual average dollar-euro exchange rate did not change significantly in 2014 compared to the

previous year. The positive trend in the USA therefore also translated to an improvement in consolidated revenue. Sales were driven above all by the coffee capsule business in 2014, while filter papers, filter coffee and coffee pads all suffered a decline in sales.

In Canada, sales in local currency were on a par with the previous year. Due to an average decline in the Canadian currency against the euro of 7%, however, there was a slight year-on-year decrease in consolidated sales. Sales revenues of our companies in the USA and Canada increased from €97 million in 2013 to €101 million in 2014 and accounted for 8% of consolidated sales (prior year: 7%).

Despite adverse market conditions, sales of nonwoven wallpaper were similar to the prior-year figure. Sales of packaging films for the food industry were slightly down on the previous year in 2014.

## ASSETS AND FINANCE

**Capital structure** As of December 31, 2014, the Melitta Group's equity capital stood at €252 million. The increase of €16 million resulted from the net balance of shareholder contributions and withdrawals, the consolidated net profit and foreign currency changes without effect on income. The ratio of equity to the consolidated balance sheet total – less cash and cash equivalents ("liquid funds") – amounted to 40% (prior year: 39%).

Net bank balances were down €8 million, from €18 million to €10 million as of December 31, 2014. The figure is calculated by netting liquid funds with bank liabilities.

Non-current liabilities as of December 31, 2014 consist exclusively of pension accruals and similar obligations amounting to €145 million (prior year: €142 million), as well as bank liabilities of €5 million. The increase in pension accruals resulted mainly from the further fall in interest rates used to discount future payment obligations.

As of December 31, 2014, the Melitta Group had current liabilities of €297 million (prior year: €252 million). The rise is mainly due to an increase of €34 million in trade payables and an increase of €35 million in bank liabilities. €15 million of this rise in bank liabilities relates to the refinancing of a loan from a former joint venture partner disclosed under other liabilities in the previous year. As a result, other liabilities were reduced on balance by €13 million. There was a net decline in accruals and other liabilities of €11 million.

There was an increase in total assets during the reporting period of €69 million, from €630 million to €699 million.

Non-current assets at the end of the reporting period were up by €11 million. This was mainly due to the net effect of gross capital expenditures totaling €37 million and depreciation and amortization of €26 million. In 2014, the Melitta Group made extensive investments in the expansion of production plant, such as the modernization and expansion of its coffee roasting plants in Germany, the USA and Brazil, in environmental protection measures (new extraction system in the paper production and converting departments in Minden), and in filter paper production in Brazil. The investments made were €7 million above the budgeted figure for 2014 of €30 million.

Current assets increased by €58 million, from €398 million to €456 million. This was mainly due to higher inventories (€8 million) and trade receivables (€15 million), as well as an increase in liquid funds of €32 million.

**Liquidity** The liquidity of the Melitta Group is analyzed via the cash flow statement. The Group generated positive cash flow from operating activities in 2014, which was used for financing and investing activities. Financing activities mainly comprise new loans for investments and working capital (€25 million) and for ensuring liquidity reserves (€25 million), as well as opposing amounts for the planned repayment of bank loans and withdrawals of the owners. Financial funds of €37 million were required for capital expenditures.

In fiscal year 2014, the Melitta Group had sufficient credit lines to finance its working capital.

## SUBSEQUENT EVENTS AND OVERALL ASSESSMENT

In January 2014, the Higher Regional Court (OLG) of Düsseldorf reached a verdict in proceedings with the German Federal Cartel Office, against which an appeal was filed with the Federal Supreme Court (Bundesgerichtshof). In its published findings, the Federal Supreme Court dismissed the appeal as unfounded and the Melitta Group decided in April 2015 to file an appeal against this verdict with the Federal Constitutional Court (Bundesverfassungsgericht).



In the course of fiscal year 2014, it was once again apparent that the Group's operating divisions are exposed to varying opportunities and risks in their business development. Planning deviations among the various companies largely offset each other across the portfolio as a whole. Taking these varying developments into account, Chief Corporate Management regards fiscal year 2014 as unsatisfactory on the whole.

#### **Financial and non-financial performance indicators**

Melitta's corporate management system is geared toward long-term, value-oriented and profitable growth. To this end, we have defined specific controlling processes. Our key performance indicators are sales revenue, EBIT and return on net capital employed.

The most important non-financial performance indicators include Melitta's attractiveness as an employer. This is assessed on the basis of regularly collected data on staff fluctuation, absenteeism and the results of standardized staff surveys.

#### **EMPLOYEES**

The number of employees worldwide (annual average) rose by 47 to 3,737 while the number of apprentices fell to 71 (prior year: 77).

A key aspect of our strategic HR work is dealing with the effects of demographic change and the resulting shortage of skilled workers. The aim is to retain staff already working for Melitta and to recruit further new employees.

With its balanced internal and external communication activities, Melitta once again strengthened its position as an attractive employer in the past year.

Intensive discussions of existing guidelines and the derivation of new, group-wide Melitta values represent a further component of our employee-oriented work environment.

#### **OPPORTUNITY AND RISK REPORT**

The Melitta Group uses a differentiated management system aimed at the structured identification and assessment of those risks to which the company is exposed. It includes all organizational regulations and measures for the early recognition, evaluation and analysis of risks.

Melitta pursues a balanced risk policy. In the course of auditing the annual financial statements 2014, we opted for a voluntary audit of our early recognition system according to Sec. 91 (2) of the German Stock Corporation Act (AktG). It was confirmed that the risk early recognition system was suitable and generally complied with statutory requirements.

The management system comprises suitable reporting procedures. These ensure that the managers responsible are constantly and quickly informed about potential risks and opportunities. This enables both the Group and individual companies to take fast and effective corrective measures.

The main risks of the Melitta Group result from general economic developments, sector developments, and risks from general operating activities. In addition, price increases for commodities (especially green beans) and unfavorable exchange rate developments may lead to negative deviations from the Group's targets.

The monitoring and controlling of financial risks is entrusted to the Group's treasury division. Foreign exchange and interest hedging instruments (options, swaps, futures and interest derivatives) are used where necessary to hedge against specific risks from existing or foreseeable underlying transactions. Liquidity risks and risks from cash flow fluctuations are countered constantly by local and group-wide liquidity planning.

However, these general risks are also countered by opportunities. For the Melitta Group, these arise in particular from an upturn in the economy and the resulting impetus to consumer spending, as well as the rising propensity to purchase commercial coffee machines.

Melitta generally seeks to utilize additional market opportunities while taking account of the risks involved. These result from the further internationalization of our business via the targeted penetration of new markets and the tapping and expansion of fast-growing product segments, such as fully automatic coffee machines for both domestic and commercial use, and the rising demand in the "Whole Bean" and "Capsule Coffee" segments. Financial and profit-related opportunities with positive deviations from the planned trend in revenue and earnings result from additional sales, falling commodity prices and more favorable exchange rates.

## FORECAST REPORT

According to general expectations, consumer spending will be an important growth driver in Western Europe, the USA and Canada in 2015. We therefore expect a positive business environment in these key regions for us. In Brazil, however, there are signs of a further decline in economic growth with rising inflation and interest rates.

We expect commodity prices to remain volatile.

There are no significant changes in the market and competitive environment at present.

With regard to currency fluctuations, we expect a further devaluation of the Brazilian real. The projected sales increase of our Brazilian companies in 2015 will therefore have little effect on consolidated revenue. The US dollar is generally expected to gain in value over the euro in 2015. The expected positive development of our American business will therefore have a positive impact on consolidated revenue.

Against this backdrop, we anticipate sales growth of 3–5% in 2015. Additional growth opportunities may arise from extensions of our existing product portfolio. We aim to support the Group's growth more than previously by means of targeted acquisitions in the coming years.

Capital expenditures will be in the range of €30 million. These investments and the expansion of business will be financed via cash flow from operating activities.

There are still sufficient credit lines based on bilateral agreements to finance our current operations if needed.

The balance sheet at year-end 2015 is likely to be largely unchanged from the previous year with a consistently high equity ratio and moderate net financial liabilities.

Minden, March 2015

**The general partners of  
Melitta Unternehmensgruppe Bentz KG**

# Consolidated Balance Sheet

## Melitta Unternehmensgruppe

### Bentz KG

as at 12-31-2014 (abridged version) in € thous.

ASSETS	12-31-2014	12-31-2013
Intangible assets	15,145	14,189
Tangible assets	201,041	191,186
Financial assets		
_ Shares in affiliated companies	1,371	5,197
_ Participation interests	23,846	20,900
_ Other financial assets	1,617	947
<b>Non-current assets</b>	<b>243,020</b>	<b>232,419</b>
Inventories	145,102	136,722
Receivables and other current assets		
_ Trade receivables	202,197	187,107
_ Other receivables and current assets	20,601	17,354
Securities	23,465	3,966
Cash and cash equivalents	46,719	37,279
<b>Current assets</b>	<b>438,084</b>	<b>382,428</b>
<b>Other assets</b>	<b>17,709</b>	<b>15,478</b>
<b>TOTAL ASSETS</b>	<b>698,813</b>	<b>630,325</b>

<b>EQUITY AND LIABILITIES</b>	<b>12-31-2014</b>	<b>12-31-2013</b>
<b>Equity (prev. year: including non-controlling interests)</b>	<b>252,261</b>	235,926
Pension accruals	<b>144,931</b>	142,335
Other accruals	<b>91,078</b>	100,945
<b>Accruals</b>	<b>236,009</b>	243,280
Debts	<b>63,147</b>	23,658
Trade payables	<b>97,041</b>	62,730
Other liabilities	<b>42,830</b>	56,962
<b>Liabilities</b>	<b>203,018</b>	143,350
<b>Prepaid expenses</b>	<b>7,525</b>	7,769
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>698,813</b>	630,325

## Explanatory Notes on the Consolidated Balance Sheet

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### 1. GENERAL INFORMATION ON ACCOUNTING AND VALUATION

Certain items of the consolidated financial statements, drawn up in accordance with Sec. 13 German Company Disclosure Law (PublG) in conjunction with Sec. 294–314 German Commercial Code (HGB), have been combined for the publication of this annual report for fiscal 2014. The Melitta Group makes use of the exemption pursuant to Sec. 13 (3) Sentence 2 PublG regarding the publishing of income statements. The consolidated financial statements and Group management report, which were awarded an unqualified audit opinion by the independent auditors, and the disclosures pursuant to Sec. 5 (5) Sentence 3 PublG are published in the Federal Gazette.

#### CONSOLIDATED GROUP

The consolidated financial statements include all domestic and foreign companies under the common control of Melitta Unternehmensgruppe Bentz KG.

The consolidated group comprises 58 (prior year: 54) companies, of which 26 are based in Germany and 32 abroad.

Due to their minor importance for the assets, liabilities, financial position and earnings of the Group, six companies (prior year: nine) were not included in the consolidated financial statements. Despite a shareholding of over 20%, four other companies (prior year: four) were not included as associated companies since Melitta Unterneh-

mensgruppe Bentz KG exerts no significant influence on their business and financial policy.

In accordance with Secs. 311, 312 HGB, major participations are to be valued using the equity method if a significant influence can be exerted on their business and financial policy. This is the case with two companies (prior year: two).

The following changes to the consolidated group occurred in comparison to the previous year: Airflo Europe N.V., Overpelt, was liquidated. With the sale of shares in Airflo Finance B.V., Amsterdam, and Airflo Holding B.V., Amsterdam, within the Group, the shareholding previously disclosed as a participation was fully consolidated as of December 31, 2014. Cofresco Operations GmbH, Minden, was founded as a subsidiary of Cofresco Frischhalteprodukte GmbH & Co. KG, Minden, and Melitta Japan AG, Tokyo, (new), was newly founded as a subsidiary of Melitta PCS Asia Pacific AG, Tokyo, and consolidated for the first time as of December 31, 2014. Melitta Japan AG, Tokyo, (old), was renamed as Melitta PCS Asia Pacific AG, Tokyo.

The companies included in the consolidation have exercised their legal option to be exempted from an audit of their annual financial statements. The auditor of the consolidated financial statements examined the summarized annual financial statements included in the consolidated financial statements and satisfied himself that these annual financial statements complied with the accounting and measurement regulations of the German Commercial Code and generally accepted accounting principles.



## CONSOLIDATION METHODS

The consolidated financial statements were prepared as at December 31, 2014. This is the balance sheet date for all companies included in the consolidated accounts.

In the capital consolidation process, the acquisition cost or balance sheet valuation of the shareholding is offset against the proportional share of shareholders' equity on the date of the initial consolidation. Goodwill is formed for any resulting differences – insofar as these cannot be directly attributed to, and depreciated with, individual asset items – and amortized in the following years with a useful life of 5–15 years with an effect on income. This consolidation method is also used for investments in associated companies. The assessment of the amortization period is based on the future use of the goodwill.

Investments in associated companies are consolidated using the book value method. Inter-group trading profits from transactions with associated companies were not eliminated.

Debt was consolidated according to Sec. 303 (1) HGB, while income and expenditure were consolidated pursuant to Sec. 305 (1) HGB and unrealized results eliminated in accordance with Sec. 304 (1) HGB.

Deferred taxes were formed for temporary differences with an effect on income from consolidation transactions using individual tax rates.

## ACCOUNTING AND VALUATION PRINCIPLES

Uniform valuation of assets throughout the Group is guaranteed by the application of corporate guidelines, valid for all members of the Melitta Group – with the exception of those companies consolidated using the equity method. These corporate guidelines correspond to commercial law regulations.

Intangible assets are valued at cost, while property, plant and equipment are valued at acquisition or production cost; they are written down using the straight-line or diminishing balance method. In addition to direct costs, production costs also include a proportionate amount of overhead costs and depreciation. Investment subsidies do not reduce the cost of acquisition or production but are recognized as other operating income. Financial assets are valued no higher than at acquisition cost, or the lower fair value. In the case of permanent impairment, fixed assets are subjected to non-scheduled depreciation.

Inventories are valued at acquisition or production cost. Raw materials, supplies and merchandise are valued at the lower of average purchase prices and current values. Unfinished and finished goods are valued at production cost, which also includes a reasonable amount of necessary overhead cost and depreciation. Production costs are lowered accordingly, should this be necessary to avoid valuation losses. Suitable allowances are made to cover the risk from holding inventories.

Advanced payments, accounts receivable, other assets and cash and cash equivalents are carried at their nominal values or the lower rate for foreign currencies and the lower fair value in the case of recognizable risks. Lump-sum allowances have been made to cover general credit risks.

Pursuant to Sec. 306 HGB, deferred tax assets and liabilities are formed for consolidation entries with an effect on income. Deferred tax assets were formed for tax loss carryforwards for which it can be assumed with adequate probability that they will be used in future, as well as for temporary differences between the commercial and tax balance sheet (in the items non-current assets, current assets, accruals and liabilities), after netting with deferred tax liabilities. For the measurement of deferred taxes, the individual tax rates of the affiliated companies included in consolidation were considered (14–37%).

Accruals for pensions are calculated using the projected unit credit method. Pension accruals are measured with an interest rate of 4.53% as at December 31, 2014 (prior year: 4.88%). In accordance with the simplifying provision of Sec. 253 (2) Sentence 2 HGB, a standard remaining term of 15 years was assumed for the obligations. Future pay increases were taken into account at a rate of 3.5% p.a. and pension increases at a rate of 1.5%. Standard consideration throughout the consolidated German companies was also given to the relevant biometric calculation basis (including the RT 2005 G mortality chart) and other calculation principles for the settlement amount to be used. Accruals for pensions of foreign companies

were calculated as of December 31, 2014 using the projected unit credit method with an interest rate of 4.53% and individual assumptions as to pay and pension increases, as well as biometric assumptions; in total, they have only minor significance for the consolidated financial statements.

Other accruals cover all recognizable risks and uncertain commitments in the amount of the respective settlement amount. Accruals with maturities of over one year were measured in accordance with Sec. 253 (2) HGB. Pursuant to Sec. 246 (2) HGB, assets (plan assets) measured at fair value were netted with accruals for pension obligations. The resulting positive balance from netting is disclosed in the balance sheet as an asset-side difference from asset allocation.

Subject to the fulfillment of the corresponding prerequisites, transactions expected with a high level of probability (hedged items) are placed together with derivative financial instruments in hedging relationships in order to balance contrasting value changes or cash flows from the acceptance of comparable risks. Such hedging relationships are presented in the financial statements using the net hedge presentation method.

Financial instruments are measured using generally accepted valuation models and mathematical procedures based on current market data.

Liabilities are carried at their respective settlement amounts.

### CURRENCY TRANSLATION

The annual financial statements of consolidated subsidiaries prepared in foreign currencies are translated using the modified closing-date method. This means that balance sheet items in foreign currencies are converted at the closing-date rate and income statement items at average rates of 2014. Shares in affiliated companies, subscribed capital and reserves are translated at historic rates and any resulting differences in values are netted in equity.

Assets and liabilities denominated in foreign currencies are translated at the spot rate as of the balance sheet date, providing there are no hedging transactions.

## 2. NON-CURRENT ASSETS

in € thous.	Book values 12-31-2014	Book values 12-31-2013*	Additions	Depreciation current year	Other changes
Intangible assets	15,145	14,189	5,988	4,794	– 238
Tangible assets					
– Land	88,616	89,492	2,071	4,166	1,219
– Machines and equipment	90,520	78,906	13,469	13,129	11,274
– Other assets	21,905	22,788	14,867	3,509	–12,241
<b>Total tangible assets</b>	<b>201,041</b>	<b>191,186</b>	<b>30,407</b>	<b>20,804</b>	<b>252</b>
Financial assets					
– Shares in affiliated companies	1,371	5,197	0	7	–3,819
– Participation interests	23,846	20,900	3	0	2,943
– Other financial assets	1,617	947	685	0	–15
<b>Total financial assets</b>	<b>26,834</b>	<b>27,044</b>	<b>688</b>	<b>7</b>	<b>–891</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>243,020</b>	<b>232,419</b>	<b>37,083</b>	<b>25,605</b>	<b>–877</b>

\* Differences arising from the currency translation of fixed and other assets at current rate values are offset against shareholders' equity or the corresponding liability items without affecting earnings.

## 3. INVENTORIES

in € thous.	12-31-2014	12-31-2013
Europe	112,470	105,820
North America	11,760	12,681
South America	14,028	11,099
Asia-Pacific	6,844	7,122
<b>TOTAL INVENTORIES</b>	<b>145,102</b>	<b>136,722</b>

#### 4. TRADE RECEIVABLES

in € thous.	12-31-2014	12-31-2013
Europe	165,297	151,170
North America	11,784	10,247
South America	21,157	22,002
Asia-Pacific	3,959	3,688
<b>TOTAL TRADE RECEIVABLES</b>	<b>202,197</b>	<b>187,107</b>

#### 5. DEBTS

in € thous.	12-31-2014	12-31-2013
Europe	60,002	18,149
North America	338	83
South America	2,807	5,426
Asia-Pacific	0	0
<b>TOTAL DEBTS</b>	<b>63,147</b>	<b>23,658</b>

There are liabilities due to banks with terms of over five years of € 2,969 thousand.

#### 6. TRADE PAYABLES

in € thous.	12-31-2014	12-31-2013
Europe	84,964	53,373
North America	4,821	3,416
South America	3,202	1,986
Asia-Pacific	4,054	3,955
<b>TOTAL TRADE PAYABLES</b>	<b>97,041</b>	<b>62,730</b>

Minden, March 2015

The general partners of  
Melitta Unternehmensgruppe Bentz KG

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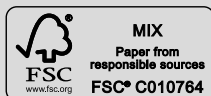
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