

**otto group**

**Otto (GmbH & Co KG)**

*(Hamburg, Federal Republic of Germany)*

## **EUR 300,000,000 Undated Resettable Fixed Rate Subordinated Notes**

**ISIN XS1853998182, Common Code 185399818, WKN A2LQ0B**

**Issue Price: 99.253 per cent.**

Otto (GmbH & Co KG) (the "**Issuer**" or the "**Company**") will issue on 17 July 2018 (the "**Issue Date**") Undated Resettable Fixed Rate Subordinated Notes (the "**Notes**") in an aggregate principal amount of EUR 300,000,000. The Notes will be issued in bearer form in denominations of EUR 1,000 (the "**Principal Amount**"). The Notes will be governed by the laws of the Federal Republic of Germany ("**Germany**").

The Notes will bear interest on their aggregate principal amount from and including 17 July 2018 (the "**Interest Commencement Date**") to, but excluding, 17 July 2025 (the "**First Call Date**") at a fixed rate of 4.00 % per annum. Thereafter, and unless previously redeemed, the applicable Reset Rate of Interest for each Interest Period (each as defined in the Terms and Conditions) for the period from (and including) the First Call Date to (but excluding) the date on which the Issuer redeems the Notes in accordance with the terms and conditions of the Notes (the "**Terms and Conditions**") shall be the applicable annual swap rate for Euro swap transactions with a term of 5 years for the relevant Interest Period plus the Margin (as defined in the Terms and Conditions). Interest shall be scheduled to be paid annually in arrears on 17 July in each year (each an "**Interest Payment Date**") commencing on 17 July 2019.

On each Interest Determination Date the applicable Reset Rate of Interest payable under the Notes from (and including) the First Call Date to (but excluding) the date on which the Issuer redeems the Notes in whole is calculated by reference to the annual swap rate for Euro swap transactions with a term of 5 years, which appears on the Reuters Screen Page ICESWAP2 as of 11.00 a.m. (Frankfurt time) on the relevant Interest Determination Date, and which is provided by ICE Benchmark Administration (IBA) (the "**Administrator**"). The Administrator is an authorised administrator under the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**Benchmark Regulation**") and appears in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to article 36 of the Benchmark Regulation.

**The Issuer is entitled to defer interest payments (in whole but not in part) by giving notice to the Noteholders not less than 14 Business Days prior to the relevant Interest Payment Date. Deferred interest payments will constitute arrears of interest ("Arrears of Interest"). The Issuer may pay outstanding Arrears of Interest (in whole but not in part) at any time upon due notice (as set out in § 5 of the Terms and Conditions) and it shall pay outstanding Arrears of Interest (in whole, but not in part) under certain other circumstances (as set out in § 5 of the Terms and Conditions). Arrears of Interest will not bear interest.**

**The Notes do not have a maturity date. The Notes are redeemable by the Issuer at its discretion (in whole but not in part) with effect at any date during the period from and including 17 April 2025 to and including the First Call Date or on any Interest Payment Date thereafter and, in each case as described in the Terms and Condition. Additionally, if either a Gross-Up Event, an Accounting Event, a Tax Event, a Solicited Rating Event or a Change of Control Event (each as defined in the Terms and Conditions) shall have occurred, the Issuer may call the Notes for redemption (in whole but not in part) at any time, in each case as described in the Terms and Condition of the Notes. In the event that the Issuer and/or any Subsidiary has, severally or jointly, purchased Notes equal to or in excess of 80 % of the aggregate principal amount of the Notes initially issued, the Issuer may call and redeem the remaining Notes (in whole but not in part) at any time, as described in the Terms and Conditions.**

The Notes will initially be represented by a Temporary Global Note, without interest coupons, which will be exchangeable in whole or in part for a Permanent Global Note without interest coupons, not earlier than 40 days after the Interest Commencement Date, upon certification as to non-U.S. beneficial ownership.

This prospectus (the "**Prospectus**") constitutes a prospectus within the meaning of Article 5(3) of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended, *inter alia*, by Directive 2014/51/EU) (the "**Prospectus Directive**"). The Issuer will prepare and make available on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) an appropriate supplement to this Prospectus if at any time the Issuer is required to prepare a prospectus supplement pursuant to Article 13 of the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities (*Loi du 10 juillet 2005 relative aux prospectus pour valeurs mobilières*), as amended (the "**Luxembourg Prospectus Law**"). This Prospectus will be published in electronic form together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier, Luxembourg* ("**CSSF**") in its capacity as competent authority under the Luxembourg Prospectus Law. By approving this Prospectus, the CSSF gives no undertaking as to the economic and financial opportuneness of the transaction and the quality or solvency of the Issuer in line with the provisions of Article 7 (7) of the Luxembourg Prospectus Law. The Issuer has requested the CSSF to provide the competent authority in Germany in Austria and may request the CSSF to provide competent authorities in additional host Member States within the European Economic Area, with a certificate of approval attesting that this Prospectus has been drawn up in accordance with the Luxembourg Prospectus Law.

Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to the official list of the Luxembourg Stock Exchange (the "**Official List**") and to be admitted to trading on the Euro MTF market ("**Euro MTF**") operated by the Luxembourg Stock Exchange. The Euro MTF is a multilateral trading facility for the purposes of Directive 2014/65/EU (as amended, "**MiFID II**"), and therefore a non-EU-regulated market.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). The Notes are being offered and sold in offshore transactions outside the United States in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**"). The Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

**Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition.**

**Investing in the Notes involves certain risks. Please review the section entitled "*Risk Factors*" beginning on page 35 of this Prospectus.**

*Sole Structuring Advisor*

**UniCredit Bank**

*Joint Lead Managers*

**Commerzbank**

**M.M. Warburg**

**UniCredit Bank**

*Co-Manager*

**Deutsche Bank**

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## SUMMARY

*Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7).*

*This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.*

*Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".*

### Section A – Introduction and warnings

Element	Description of Element	Disclosure requirement
A.1	Warnings	<p>This summary should be read as an introduction to the Prospectus.</p> <p>Any decision to invest in the Notes should be based on consideration of the Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation in its Member State, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2	Consent to the use of the prospectus	<p>The Issuer consents to the use of the Prospectus by all financial intermediaries (general consent) and accepts responsibility for the content of the Prospectus also with respect to subsequent resale or final placement of the Notes by any financial intermediary which was given consent to use the Prospectus.</p> <p>The subsequent resale or final placement of Notes by financial intermediaries in Luxembourg, Germany and Austria can be made during the offer period which is expected to commence on 12 July 2018 and will be open until 17 July 2018 being the date of issuance of the Notes.</p> <p><b>Any financial intermediary using the Prospectus has to state on its website that it uses the Prospectus in accordance with the consent and the conditions attached thereto.</b></p> <p><b>In the event of an offer being made by a financial intermediary, this financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.</b></p>

## Section B – Issuer

Element	Description of Element	Disclosure requirement																																							
B.1	Legal and commercial name of the Issuer	Otto (GmbH & Co KG) (the " <b>Issuer</b> " and together with its consolidated subsidiaries, the " <b>Otto Group</b> ").																																							
B.2	Domicile / legal form / legislation / country of incorporation of the Issuer	The Issuer is a limited partnership whose general partner is a limited liability company (Gesellschaft mit beschränkter Haftung & Compagnie Kommanditgesellschaft (GmbH & Co KG)). The Issuer is incorporated and operates under the laws of the Federal Republic of Germany. The head office is in Hamburg, Germany.																																							
B.4b	Trends affecting the Issuer and the industries in which it operates	The Otto Group operates in a competitive environment. Intensive competition in the retail sector in general, and in e-commerce in particular, could adversely affect the financial condition and results of operations of the Issuer.																																							
B.5	Group / Issuer's position within the Group	The Otto Group is a globally active group of retailers and retail-related service providers whose activities are divided into three business segments: Multichannel Retail, Financial Services and Services. The Issuer is the operating company for OTTO, the Otto Group's historical core company, and also acts as holding company for the Otto Group.																																							
B.9	Profit forecast or estimate	Not applicable. No profit forecast or estimate are made.																																							
B.10	Qualifications in the audit report	Not applicable. The audit report does not include any qualifications.																																							
B.12	Selected key financial information	<table border="1"> <thead> <tr> <th></th> <th>Financial Year 1 March 2017 until 28 February 2018 (audited)</th> <th>Financial Year 1 March 2016 until 28 February 2017 (audited)</th> </tr> </thead> <tbody> <tr> <td colspan="3" style="text-align: center;"><b>in EUR million</b></td> </tr> <tr> <td>Revenue</td> <td>13,653</td> <td>12,512</td> </tr> <tr> <td>EBITDA</td> <td>750</td> <td>730</td> </tr> <tr> <td>EBIT</td> <td>405</td> <td>365</td> </tr> <tr> <td>EBT</td> <td>629</td> <td>262</td> </tr> <tr> <td>Profit for the year</td> <td>519</td> <td>41</td> </tr> <tr> <td>Free cash flow</td> <td>243</td> <td>-126</td> </tr> <tr> <td colspan="3" style="text-align: center;"><b>28 February 2018</b></td> </tr> <tr> <td>Equity</td> <td>1,532</td> <td>1,308</td> </tr> <tr> <td>Total assets</td> <td>9,105</td> <td>8,466</td> </tr> <tr> <td>Net financial debt</td> <td>2,509</td> <td>2,300</td> </tr> <tr> <td colspan="3" style="text-align: center;"><b>28 February 2017</b></td> </tr> </tbody> </table>		Financial Year 1 March 2017 until 28 February 2018 (audited)	Financial Year 1 March 2016 until 28 February 2017 (audited)	<b>in EUR million</b>			Revenue	13,653	12,512	EBITDA	750	730	EBIT	405	365	EBT	629	262	Profit for the year	519	41	Free cash flow	243	-126	<b>28 February 2018</b>			Equity	1,532	1,308	Total assets	9,105	8,466	Net financial debt	2,509	2,300	<b>28 February 2017</b>		
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	No material adverse change / significant changes in financial or trading position	There has been no material adverse change in the prospects of the Issuer since 28 February 2018. Not applicable. There has been no significant change in the financial or trading position of the Issuer or the Otto Group since 28 February 2018.																																							
B.13	Recent events, which are to a material extent relevant to the evaluation of the Issuer's solvency	Not applicable. There have been no recent events which are to a material extent relevant to the evaluation of the Issuer's solvency.																																							

Element	Description of Element	Disclosure requirement
B.14	Description of the Group / Issuer's position within the Group / Dependency of the Issuer upon other entities within the group	<i>Please see Element B.5</i> Not applicable. The Issuer is not dependent upon other entities within the Group.
B.15	Issuer's principal activities	The Otto Group's activities are divided into three business segments, namely (i) Multichannel Retail, (ii) Financial Services and (iii) Services. The Multichannel Retail segment comprises the Otto Group's domestic and international companies that offer their products via the three distribution channels e-commerce, catalogue business and over-the-counter retail. The Financial Services segment comprises the Otto Group's offer of financial services such as debt collection, receivables management and innovative retail-related financial services. The Services segment comprises the Otto Group's logistics and sourcing companies.
B.16	Controlling interest over the Issuer	Limited Partners ( <i>Kommanditisten</i> ) of the Issuer are OTTO Aktiengesellschaft für Beteiligungen and GSV Aktiengesellschaft für Beteiligungen. These companies directly hold 100% of the limited partnership interests. The Michael Otto Stiftung and members of the Otto family together hold an interest of more than 98% in the Issuer.
B.17	Credit ratings	Not applicable. Neither the Issuer nor the Notes have received a credit rating.

### Section C – Securities

Element	Description of Element	Disclosure requirement
C.1	Type and class of securities being offered / security identification numbers	The Issuer is issuing unsecured notes (the " <b>Notes</b> "). The security identification numbers of the Notes are: ISIN: XS1853998182 Common Code: 185399818 German Securities Identification Number (WKN): A2LQ0B
C.2	Currency	The Notes are issued in Euro (" <b>EUR</b> ").
C.5	Restrictions on free transferability	Not applicable, the Notes are freely transferable.
C.8	Rights attached to the Notes, ranking of the Notes, limitations of the rights attached to the Notes	<b>Rights attached to the Notes:</b> The Notes entitle the Holders, in particular, to the interest payments described in Element C.9. <b>Ranking of the Notes:</b> The obligations of the Issuer under the Notes constitute direct, unsecured and subordinated obligations of the Issuer, ranking pari passu among themselves, pari passu with all Parity Obligations and senior only to the Junior Obligations, and in the event of the liquidation or insolvency, or any other proceedings for the avoidance of insolvency, of, or against, the Issuer, the obligations under the Notes shall be fully subordinated to all other present and future obligations of the Issuer (except for Parity Obligations and Junior Obligations), whether subordinated or

Element	Description of Element	Disclosure requirement
		<p>unsubordinated, except as otherwise provided by mandatory provisions of law or as expressly provided for by the terms of the relevant instrument so that in any such event no amounts shall be payable in respect of the Notes unless all claims that rank senior to the Notes have been satisfied in full.</p> <p><b>"Parity Obligation"</b> means any present or future security, registered security or other obligation which (i) is issued or assumed by the Issuer and the Issuer's obligations under which rank or are expressed to rank pari passu with the Issuer's obligations under the Notes, or (ii) is guaranteed by the Issuer or for which the Issuer has otherwise assumed liability where the Issuer's obligations under the relevant guarantee or other assumption of liability rank or are expressed to rank pari passu with the Issuer's obligations under the Notes.</p> <p><b>"Junior Obligation"</b> means (i) any present or future security, registered security or other obligation which (A) is issued or assumed by the Issuer and the Issuer's obligations under which rank or are expressed to rank junior to the Issuer's obligations under the Notes, or (B) is guaranteed by the Issuer or for which the Issuer has otherwise assumed liability where the Issuer's obligations under the relevant guarantee or other assumption of liability rank or are expressed to rank junior to the Issuer's obligations under the Notes, and (ii) any general or limited partnership interests in the Issuer.</p> <p><b>Limitation of the rights attached to the Notes:</b>  Except for (i) the possibility of the Issuer (x) to defer interest payments and (y) to call the Notes for redemption or to repurchase and cancel Notes and (ii) the prohibition of set-off, there are no limitations to the rights attached to the Notes.</p> <p><b><i>Prohibition of set-off</i></b>  No Noteholder may set-off any claims arising under the Notes against any claims that the Issuer may have against it. The Issuer may not set-off any claims it may have against any Noteholder against any of its obligations under the Notes.</p> <p><b><i>Early redemption at the option of the Issuer</i></b>  The Notes have no final maturity date.</p> <p>The Issuer may call and redeem the Notes (in whole but not in part) with effect (i) as at any date during the period from and including 17 April 2025 to and including the First Call Date and (ii) as of each Interest Payment Date thereafter upon giving not less than 30 and not more than 60 days' notice. If such call notice is given, the Issuer will redeem the Notes on the Redemption Date specified in the notice at an amount per Note equal to the Principal Amount, plus any interest accrued on the Note to but excluding the Redemption Date and any Arrears of Interest payable.</p> <p><b><i>Issuer Call Right and Redemption due to a Gross-up Event, an Accounting Event, a Tax Event, or a Solicited Rating Event</i></b>  If at any time after the issue date of the Notes a Gross-up Event, an Accounting Event or a Tax Event occurs, or if at any time after the issue date of the Notes and prior to the First Call Date a Solicited Rating Event</p>

Element	Description of Element	Disclosure requirement
		<p>occurs, the Issuer may call the Notes for redemption (in whole but not in part) at any time upon giving of not less than 30 and not more than 60 days' notice.</p> <p><i>Gross-up Event</i></p> <p>If the Notes are called for redemption because of the occurrence of a Gross-up Event, the Issuer will redeem the Notes on the Redemption Date specified in the notice at an amount per Note equal to the Principal Amount plus any interest accrued on the Note to but excluding the Redemption Date and any Arrears of Interest payable.</p> <p>A "<b>Gross-up Event</b>" shall have occurred if the Issuer has or will become obliged to pay Additional Amounts as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Germany or any political subdivision or taxing authority of or in the Federal Republic of Germany, or as a result of any amendment to, or any change in, any official interpretation or application of any such laws of regulations by any legislative body, court, or taxing authority, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination), provided that the relevant amendment, change or execution becomes effective on or after the issue date of the Notes and provided further that the payment obligation cannot be avoided by the Issuer taking such reasonable measures it (acting in good faith) deems appropriate.</p> <p><i>Accounting Event / Tax Event</i></p> <p>If the Notes are called for redemption because of the occurrence of an Accounting Event or a Tax Event, the Issuer will redeem the Notes on the Redemption Date specified in the notice at an amount per Note equal to, (x) if such redemption occurs prior to the First Call Date, 101 % of the Principal Amount; or (y) if such redemption occurs on or after the First Call Date, the Principal Amount, in each case plus any interest accrued on the Note to but excluding the Redemption Date and any Arrears of Interest payable.</p> <p>An "<b>Accounting Event</b>" shall have occurred if a recognised accountancy firm, acting upon instructions of the Issuer, has delivered a letter or report to the Issuer, stating that as a result of a change in accounting principles (or the application thereof) since the issue date of the Notes the funds raised through the issuance of the Notes may not or may no longer be recorded as "equity" pursuant to IFRS or any other accounting standards that may replace IFRS for the purposes of the annual consolidated financial statements of the Issuer.</p> <p>A "<b>Tax Event</b>" shall have occurred if (i) an opinion of a recognised independent tax counsel has been delivered to the Issuer, stating that on or after the issue date of the Notes, as a result of (A) any amendment to, or change in, the laws (or any rules or regulations thereunder) of the Federal Republic of Germany or any political subdivision or any taxing authority of any or in any of the foregoing which is enacted, promulgated, issued or becomes effective otherwise on or after the issue date of the Notes; (B) any amendment to, or change in, an official and binding interpretation of</p>



Element	Description of Element	Disclosure requirement
		<p>any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the issue date of the Notes; or (C) any generally applicable official interpretation or pronouncement that provides for a position with respect to such laws or regulations that differs from the previous generally accepted position which is issued or announced on or after the issue date of the Notes; payments by the Issuer on the Notes are no longer, or within 90 days of the date of that opinion will no longer be, fully deductible by the Issuer for purposes of any tax on income; and (ii) such risk cannot be avoided by the Issuer taking reasonable measures available to it.</p> <p><i>Solicited Rating Event</i></p> <p>If the Notes are called for redemption because of the occurrence of a Solicited Rating Event prior to the First Call Date, the Issuer will redeem the Notes on the Redemption Date specified in the notice at an amount per Note equal to the Make-whole Redemption Amount plus any interest accrued on the Note to but excluding the Redemption Date and any Arrears of Interest payable.</p> <p>The "<b>Make-whole Redemption Amount</b>" per Note shall be the Present Value, subject to a minimum equal to the Principal Amount. The Make-whole Redemption Amount will be calculated by the Make-whole Determination Agent.</p> <p>The "<b>Present Value</b>" will be the sum of (i) the Principal Amount discounted from the First Call Date to the Redemption Date; and (ii) the sum of the amounts, each discounted to the Redemption Date, of the remaining interest payments which would otherwise become due on each Interest Payment Date falling after the Redemption Date to and including the First Call Date (less any interest accrued on the Note to but excluding the Redemption Date). The Make-whole Determination Agent will calculate the Present Value in accordance with market convention on a basis which is consistent with the calculation of interest, using a benchmark yield plus 0.65 %.</p> <p>A "<b>Solicited Rating Event</b>" occurs if any Rating Agency that the Issuer has solicited has assigned a rating to the Issuer after the issue date of the Notes.</p> <p><i>Issuer Call Right in the case of Minimal Outstanding Aggregate Principal Amount</i></p> <p>In the event that the Issuer and/or any Subsidiary has, severally or jointly, purchased Notes equal to or in excess of 80 % of the aggregate principal amount of the Notes initially issued, the Issuer may call and redeem the remaining Notes (in whole but not in part) at any time upon giving not less than 30 and not more than 60 days' notice at an amount per Note equal to the Principal Amount, plus any interest accrued on the Note to but excluding the Redemption Date but yet unpaid and any Arrears of Interest payable.</p>

Element	Description of Element	Disclosure requirement
		<p><b><i>Issuer Call Right and Redemption following a Change of Control.</i></b></p> <p>If a Change of Control Event has occurred, the Issuer (i) shall give notice thereof within 14 days following the Change of Control Event (the "<b>Change of Control Notice</b>") to the Noteholders, and (ii) may redeem the Notes on the Change of Control Event Effective Date at an amount per Note equal to the Principal Amount, plus any interest accrued on the Note to but excluding the Redemption Date and any Arrears of Interest payable.</p> <p>A "<b>Change of Control Event</b>" occurs if, after the issue date of the Notes, both a Change of Control and a Negative Rating Event occur.</p> <p>A "<b>Change of Control</b>" will be deemed to have occurred if any person or persons, who on the date of issue of the Notes were not partners of the Issuer or shareholders of its general partner, acting in concert (as defined in § 34 (2) of the German Securities Trading Act (<i>Wertpapierhandelsgesetz - WpHG</i>) or any person or persons acting on behalf of any such person(s), at any time directly or indirectly acquire(s) (i) more than 50 % of the limited liability capital (<i>Kommanditkapital</i>) of the Issuer or more than 50 % of the share capital (<i>Stammkapital</i>) of its general partner or (ii) such number of partnership interests (<i>Anteile am Kommanditkapital</i>) of the Issuer or shares in the capital (<i>Anteile am Stammkapital</i>) of its general partner carrying more than 50 % of the voting rights exercisable at respective general meetings of the Issuer or its general partner.</p> <p>"<b>Negative Rating Event</b>" occurs if, at the time of the occurrence of a Change of Control, (i) in case the Issuer has not been rated, from any Rating Agency it has solicited: the Issuer fails to obtain an Investment Grade Rating from any Rating Agency within 180 days from the occurrence of a Change of Control; or (ii) in case the Issuer has been rated Investment Grade Rating or below Investment Grade Rating from any Rating Agency it has solicited, and such rating is, within 180 days from the occurrence of a Change of Control, either downgraded to a non-investment grade rating or withdrawn and is not within such 180-day period subsequently (in the case of a downgrade) upgraded to Investment Grade Rating by such Rating Agency or (in the case of withdrawal) replaced by an Investment Grade Rating from any other Rating Agency. No Negative Rating Event will occur if at the end of the 180-day period after the occurrence of a Change of Control the Issuer has obtained an Investment Grade Rating from at least one Rating Agency that the Issuer has solicited.</p> <p><b><i>Events of Default, Cross Default and Negative pledge</i></b></p> <p>The Terms and Conditions do neither contain any events of default clause, nor a cross default clause nor a negative pledge clause.</p> <p><b><i>Resolutions of Noteholders</i></b></p> <p>In accordance with the German Act on Debt Securities of 2009 (<i>Schuldverschreibungsgesetz – "SchVG"</i>) the Notes contain provisions pursuant to which Noteholders may agree by resolution to amend the Terms and Conditions (with the consent of the Issuer) and to decide upon certain other matters regarding the Notes. Resolutions of Noteholders</p>

Element	Description of Element	Disclosure requirement
		<p>properly adopted, either in a meeting of Noteholders or by vote taken without a meeting in accordance with the Terms and Conditions, are binding upon all Noteholders. Resolutions providing for material amendments to the Terms and Conditions require a majority of not less than 75 per cent. of the votes cast. Resolutions regarding other amendments are passed by a simple majority of the votes cast.</p>
C.9	Interest rate / Interest commencement date / Interest payment dates	<p><i>Please see Element C.8 for information on rights attached to the Notes, ranking of the Notes, limitations to the rights attached to the Notes.</i></p> <p>Subject to a deferral of interest, the Notes shall bear interest on their Principal Amount from and including 17 July 2018 (the "<b>Interest Commencement Date</b>") to but excluding the first Interest Payment Date, and thereafter from and including each Interest Payment Date to but excluding the next following Interest Payment Date.</p> <p>Interest shall be scheduled to be paid annually in arrear on 17 July of each year, commencing on 17 July 2019 (each such date, an "<b>Interest Payment Date</b>").</p> <p>For the period from and including the Interest Commencement Date to but excluding 17 July 2025 (the "<b>First Call Date</b>") the Notes will bear interest at a fixed rate of 4.00 % <i>per annum</i>.</p> <p>For the period from and including the First Call Date to but excluding the date on which the Issuer redeems the Notes in whole the Notes will bear interest at the applicable Reset Rate of Interest for the relevant Interest Period.</p> <p>"<b>Reset Rate of Interest</b>" means the Reset Reference Rate for the Reset Period in which the relevant Interest Period falls plus the Margin.</p> <p>"<b>Margin</b>" means 8.58 % <i>per annum</i>.</p> <p>"<b>Reset Period</b>" means each period from and including the First Call Date to but excluding the first Reset Date and thereafter from and including each Reset Date to but excluding the next following Reset Date.</p> <p>"<b>Reset Date</b>" means the First Call Date and each fifth anniversary of the First Call Date.</p> <p>The "<b>Reset Reference Rate</b>" for the relevant Reset Period will be determined by the Calculation Agent on the Interest Determination Date prior to the relevant Reset Date on which the relevant Reset Period commences (the "<b>Reference Reset Date</b>") and will be the annual swap rate for Euro swap transactions with a term of 5 years commencing on the Reference Reset Date, expressed as a percentage, as displayed on the Reset Screen Page as of 11:00 a.m. Frankfurt time on the relevant Interest Determination Date.</p> <p>"<b>Interest Determination Date</b>" means, in respect of the Reset Reference Rate to be determined in relation to the period from and including a Reset Date to but excluding the next following Reset Date, the second TARGET Business Day preceding the Reset Date on which such period commences.</p>

Element	Description of Element	Disclosure requirement
		<p>"<b>TARGET Business Day</b>" means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2) is open.</p> <p>"<b>Reset Screen Page</b>" means, the Reuters Screen Page "ICESWAP2" (or any successor page) under the heading "EURIBOR BASIS".</p> <p>If a Change of Control occurs and the Issuer does not redeem the Notes in whole the applicable Rate of Interest will be increased by 5.00 % per annum from the Change of Control Event Effective Date.</p> <p><b>Optional Interest Deferral</b></p> <p>Interest which accrues during an Interest Period will be due and payable (<i>fällig</i>) on the relevant Interest Payment Date, unless the Issuer elects, by giving notice to the Noteholders not less than 14 Business Days prior to the relevant Interest Payment Date, to defer the relevant payment of interest (in whole but not in part).</p> <p>If the Issuer elects not to pay accrued interest on an Interest Payment Date, then it will not have any obligation to pay such interest on such Interest Payment Date. Any such non-payment of interest will not constitute a default of the Issuer or any other breach of its obligations under the Notes or for any other purpose.</p> <p>Interest not due and payable in accordance with the above will constitute arrears of interest ("<b>Arrears of Interest</b>"). Arrears of Interest will not bear interest.</p> <p><b>Optional Settlement of Arrears of Interest.</b></p> <p>The Issuer may pay outstanding Arrears of Interest (in whole but not in part) at any time by giving notice to the Noteholders not less than 10 Business Days prior to such voluntary payment and specifying (i) the amount of Arrears of Interest to be paid and (ii) the date fixed for such payment.</p> <p><b>Mandatory Payment of Arrears of Interest.</b></p> <p>The Issuer must pay outstanding Arrears of Interest (in whole but not in part) on the earliest of the following dates (each a "<b>Mandatory Settlement Date</b>")</p> <p>(a) the first Interest Payment Date following the date (i) on which an allocation of any profits or other amounts to a withdrawal account, being made in respect of any general or limited partnership interest of the Issuer (with the exception of any Permitted Allocations); or (ii) on which the Issuer or any of its subsidiaries</p> <p>(A) has made a payment of remuneration in respect of any Parity Obligation, Junior Obligation or Equity Accounted Obligation or, (B) has repaid in whole or in part any Parity Obligation, Junior Obligation or Equity Accounted Obligation, unless (y) the Issuer or the relevant Subsidiary was obliged under the terms and conditions of such Parity Obligation, Junior Obligation or Equity Accounted Obligation to make such payment or repayment; or</p>

Element	Description of Element	Disclosure requirement
		<p>(B) the relevant (re-)payments on, or in respect of, any Parity Obligation, Junior Obligation or Equity Accounted Obligation were Intra-Group Payments;</p> <p>unless (x) the Issuer or the relevant Subsidiary was obliged under the terms and conditions of such Parity Obligation, Junior Obligation or Equity Accounted Obligation to make such payment or repayment; or (y) the relevant (re-)payments on, or in respect of, any Parity Obligation, Junior Obligation or Equity Accounted Obligation were Intra-Group Payments; or</p> <p>(b) the next Interest Payment Date on which the Issuer pays the interest scheduled to be paid on the Notes on such Interest Payment Date;</p> <p>(c) the date on which the Notes are redeemed</p> <p>(d) the date on which the Issuer or any of its subsidiaries repurchases any Parity Obligation or Junior Obligation prior to its maturity, unless the Issuer or the relevant Subsidiary acquires (in each case directly or indirectly) any Parity Obligation in whole or in part by way of a public tender offer or public exchange offer or otherwise at a consideration per Parity Obligation which is below its par value; or</p> <p>(e) the date on which an order is made for the liquidation of the Issuer (other than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer).</p> <p><b>"Equity Accounted Obligation"</b> means any present or future security, registered security or other obligation which, pursuant to the Applicable Accounting Standards, qualifies as "equity" in the consolidated balance sheet of the Issuer.</p>
	Underlying on which interest rate is based	Not applicable for the interest rate applicable in respect of the period from and including the Interest Commencement Date to but excluding the First Call Date. Such interest rate is not based on an underlying. The interest rate for Reset Periods from and including the First Call Date will be based on the Reference Rate (as defined above).
	Maturity date including repayment procedures	The Notes have no final maturity date. Unless the Notes are previously redeemed or repurchased and cancelled, the Notes will be redeemed at an amount per Note equal to the Specified Denomination, plus any interest accrued on the Note to but excluding the Redemption Date (as specified in the notice) but yet unpaid and any Arrears of Interest payable on such Redemption Date. Payment shall be made to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.
	Indication of yield	The yield of the Notes to the First Call Date is 4.125 per cent. per annum and is calculated on the basis of the issue price of the Notes (the <b>"Issue Price"</b> ). The yield of the Notes for the Reset Periods thereafter cannot be determined as of the date of this Prospectus.

<b>Element</b>	<b>Description of Element</b>	<b>Disclosure requirement</b>
	Name of representative of the Noteholders	Not applicable. In accordance with the SchVG the Notes provide that the Noteholders may by majority resolution appoint a representative for all Noteholders (the " <b>Noteholders' Representative</b> "). The responsibilities and functions assigned to the Noteholders' Representative appointed by a resolution are determined by the SchVG and by majority resolutions of the Noteholders.
C.10	Derivative component in interest payment	See C.9 Not applicable. The Notes have no derivative component.
C.11	Admission to trading of securities	Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on Euro MTF market operated by the Luxembourg Stock Exchange.

## **Section D – Risks**

<b>Element</b>	<b>Description of Element</b>	<b>Disclosure requirement</b>
D.2	Key risks specific to the Issuer	<p>Intensive competition in the retail sector could adversely impact the financial condition and results of operations of the Issuer.</p> <p>A significant portion of sales is exposed to the risk of constantly changing customer tastes and fashion trends.</p> <p>The Otto Group has a substantial volume of trade receivables and is exposed to the risk of non-payment under these receivables. The payment behavior of customers depends on their creditworthiness and on macroeconomic conditions.</p> <p>The Otto Group has global sourcing and selling activities and a number of subsidiaries which are not located in the Euro zone. As a result, the Otto Group is affected by fluctuations in currency exchange rates.</p> <p>A loss of important employees could have a negative impact on the Otto Group's financial condition and results of operations.</p> <p>The market for logistics services is highly competitive and characterised by increasing cost pressure and the entrance of new competitors, which require adjustments to existings systems and processes. The strong growth of the e-commerce sector has led to unprecedented volume peaks in recent months. At the same time, personnel is increasingly scarce, especially in the tight German labour market. These factors led to a decrease in profitability of the Otto Group's Services segment in financial year 2017/18.</p> <p>The Otto Group makes intensive use of information technology in critical business processes. The materialisation of IT-related risks could result in substantial reputational damage or market disadvantages, lead to turnover losses and affect the Otto Group's operating business and its customer relations.</p> <p>The Otto Group allocates significant amounts of capital to areas where it has identified growth potential. Strategic errors or underperformance of business models could result in impairments of assets on the Otto Group's balance sheet and/or may otherwise have a negative impact on the Otto Group's financial condition and results of operations.</p>

Element	Description of Element	Disclosure requirement
		<p>The Otto Group regularly explores opportunities by way of acquisitions and market entries. Each acquisition bears substantial risks as the underlying assumptions may not prove correct. In addition, the Otto Group co-operates with joint venture partners, where in case of a disagreement between the joint venture partners the success of the respective partnership could be jeopardized.</p> <p>The Otto Group is exposed to a number of financial risks e.g. counterparty credit risks, liquidity risks, interest rate risks and market risks.</p> <p>The Issuer believes that the tax returns of the Issuer and its subsidiaries are prepared in accordance with the applicable tax rules. Nevertheless, potential additional tax claims could adversely affect the Otto Group's financial condition and results of operations.</p> <p>The Otto Group seeks to cover foreseeable risks through insurance coverage. Such insurance cover, however, may not fully cover the risks to which the companies are exposed.</p> <p>The Otto Group is regularly faced with lawsuits and litigation in the course of its business. Even though the Issuer believes that the current pending lawsuits do not pose any material risk, material lawsuits cannot be ruled out for the future.</p> <p>The Otto Group's retail companies depend on external suppliers, which might become insolvent, thus having a negative impact on the supply chain.</p> <p>The Otto Group is subject to risks associated with the international procurement of goods such as economic, political or social instability in the regions in which the Otto Group sources its goods.</p> <p>The Otto Group is exposed to the risk of a potential rise in procurement prices due to higher factor costs in the producing countries.</p> <p>If independent manufacturers of the Otto Group do not comply with relevant labour law provisions or are in breach of environmental or social international standards, this could be detrimental to the Otto Group's reputation and consequently have a negative impact on the Otto Group's financial condition and results of operations.</p> <p>SportScheck GmbH is currently undergoing a restructuring and weighed on Group profitability in financial year 2017/18 and is likely to continue to do so in financial year 2018/19 despite the ongoing restructuring measures.</p> <p>The Otto Group constantly assesses its portfolio of companies and may make disposals where deemed appropriate. Depending on the individual case, these disposals may have a positive or negative impact on Group profitability.</p> <p>The market environment in Russia remains challenging. Following the recent adoption of new diplomatic and economic sanctions against Russia, a further rise in geopolitical tensions and/or a further deterioration of the Russian economy could have a negative impact on the Otto Group's Russian activities.</p> <p>In connection with the Brexit, the economic outlook for the UK is uncertain. A deterioration in the UK economy would likely have a negative impact on Otto Group's UK activities.</p>

Element	Description of Element	Disclosure requirement
		<p>In the U.S., there is uncertainty regarding trade policies and status of imports. In addition, a rise in the global level of protectionism could negatively affect the business of the Otto Group.</p> <p>The Otto Group invests steadily in innovation, infrastructure and growth-focussed businesses. Should the execution of business plans and infrastructure investments not be successful, this could adversely affect the Otto Group's financial condition and results of operations.</p> <p>The amount of the Otto Group's provisions for pension obligations is based on certain actuarial assumptions. If these assumptions prove wrong or change over time, this may lead to a substantial increase in the provisions for pension obligations. In addition, the Otto Group is exposed to capital markets and investment risks with regards to its funded plans.</p> <p>The entry into force of IFRS 16 in 2019, will lead to an increase in the amount of liabilities on the Otto Group's balance sheet.</p>

D.3	Key risks specific to the Notes	<ul style="list-style-type: none"> <li>• Notes may not be a suitable investment for all investors</li> <li>• The Notes have no scheduled maturity.</li> <li>• Interest payments under the Notes may be deferred at the option of the Issuer.</li> <li>• There is a risk of early redemption of the Notes.</li> <li>• Risk due to the subordination of the Notes.</li> <li>• No limitation of the Issuer on issuing senior or pari passu securities or other liabilities.</li> <li>• The Noteholders are exposed to risks relating to fixed interest notes.</li> <li>• The Noteholders are exposed to risks relating to the reset of interest rates linked to the 5-year swap rate.</li> <li>• Risks associated with the reform of EURIBOR and other interest rate benchmarks.</li> <li>• The Notes do not include express events of default or a cross default.</li> <li>• The Notes do not contain any financial covenants.</li> <li>• The Noteholders have no voting rights.</li> <li>• The Noteholders' only remedy against the Issuer is the institution of legal proceedings to enforce payment or to file an application for insolvency proceedings of the Issuer.</li> <li>• Risk in connection with German Act on Issues of Debt Securities.</li> <li>• There has been no prior market for the Notes, a liquid market may not develop, and the Notes may be subject to significant market price volatility.</li> <li>• The development of market prices of the Notes depends on various factors.</li> <li>• The trading market for debt securities may be volatile and may be adversely impacted by many events.</li> <li>• The market value of the Notes could decrease if the creditworthiness of the Issuer worsens.</li> <li>• The Notes may be traded with accrued interest, but under certain</li> </ul>
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		<p>circumstances described above, subsequent interest payments may not be made in full or in part.</p> <ul style="list-style-type: none"> <li>• An investment in the Notes may be subject to the risk of inflation.</li> <li>• Investors will have to rely on the procedures of Euroclear Bank SA/NV and Clearstream Banking S.A. for transfer, payment and communication with the Issuer.</li> <li>• The income under the Notes may be reduced by taxes.</li> <li>• Incidental costs related in particular to the purchase and sale of the Notes may have a significant impact on the profit potential of the Notes.</li> <li>• No assurance can be given as to the impact of any possible judicial decision or change of laws or administrative practices after the date of this Prospectus</li> <li>• A potential investor may not rely on the Issuer, the Managers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes.</li> <li>• Exchange rate risks and exchange controls.</li> <li>• Special Investment Risks- U.S. Foreign Account Tax Compliance Withholding</li> <li>• Risks connected with a potential Financial Transaction Tax (FTT)</li> </ul>
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## Section E – Offer

Element	Description of Element	Disclosure requirement
E.2b	Reasons for the offer and use of proceeds	The Issuer intends to use the net proceeds from the issuance of the Notes for general corporate purposes of the Group.
E.3	Terms and conditions of the offer	<p>The Notes will be offered in Luxembourg, Germany and Austria during an offer period which will commence on 12 July 2018 and which will end with the expiry of 17 July 2018 (the "<b>Issue Date</b>"), subject to a shortening or extension of the offer period.</p> <p>There are no conditions to which the offer is subject.</p> <p>Delivery and payment of the Notes and the confirmation of the allotment to investors will be made on 26 March 2018. The Notes will be delivered via book-entry through the clearing systems and their depository banks against payment of the Issue Price.</p>
E.4	Material interests in the offer	Not applicable. There are no interests of natural and legal persons other than the Issuer involved in the issue, including conflicting ones that are material to the issue.
E.7	Estimated expenses charged to the Investor	Not applicable. The Issuer will not charge any costs or expenses directly to any investor in connection with the Notes. Investors must, however, inform themselves about any costs, expenses or taxes in connection with the Notes which are generally applicable in their respective country of residence, including any charges their own depository banks charge them for purchasing or holding securities.

**GERMAN TRANSLATION OF THE SUMMARY  
(ZUSAMMENFASSUNG)**

*Zusammenfassungen bestehen aus Informationsblöcken, die als "Angaben" bezeichnet werden. Diese Angaben sind in Abschnitten A-E (A.1 – E.7) nummeriert.*

*Diese Zusammenfassung enthält alle Angaben, die für eine Zusammenfassung für diese Art von Wertpapier und diese Emittentin erforderlich sind. Da einige Angaben nicht aufgenommen werden müssen, kann die Nummerierung Lücken enthalten.*

*Auch wenn eine Angabe für diese Art von Wertpapier und diese Emittentin in diese Zusammenfassung aufgenommen werden muss, kann es sein, dass keine relevanten Informationen zur Verfügung stehen. In diesem Fall wird eine kurze Beschreibung der geforderten Angabe mit dem Hinweis "entfällt" in die Zusammenfassung aufgenommen.*

**Abschnitt A – Einleitung und Warnhinweise**

<b>Punkt</b>	<b>Beschreibung</b>	<b>Geforderte Angaben</b>
A.1	Warnhinweise	<p>Die Zusammenfassung sollte als Prospekt einleitung verstanden werden.</p> <p>Ein Anleger sollte sich bei jeder Entscheidung, in die Schuldverschreibungen zu investieren, auf den Prospekt als Ganzes stützen. Ein Anleger, der wegen der in dem Prospekt enthaltenen Angaben Klage einreichen will, muss möglicherweise nach den nationalen Rechtsvorschriften seines Mitgliedstaats für die Übersetzung des Prospekts aufkommen, bevor das Verfahren eingeleitet werden kann.</p> <p>Zivilrechtlich haften nur diejenigen Personen, die die Zusammenfassung samt etwaiger Übersetzungen vorgelegt und übermittelt haben, und dies auch nur für den Fall, dass die Zusammenfassung verglichen mit den anderen Teilen des Prospekts irreführend, unrichtig oder inkohärent ist oder verglichen mit den anderen Teilen des Prospekts wesentliche Angaben, die in Bezug auf Anlagen in die Schuldverschreibungen für die Anleger eine Entscheidungshilfe darstellen, vermissen lassen.</p>
A.2	Zustimmung zur Verwendung des Prospekts	<p>Die Emittentin stimmt der Verwendung des Prospekts durch alle Finanzintermediäre zu (generelle Zustimmung) und übernimmt die Verantwortung für den Inhalt des Prospekts auch im Hinblick für die spätere Weiterveräußerung oder endgültige Platzierung der Schuldverschreibungen durch einen Finanzintermediär, der die Zustimmung zur Verwendung des Prospekts erhalten hat.</p> <p>Die spätere Weiterveräußerung oder endgültige Platzierung der Schuldverschreibungen durch Finanzintermediäre in Luxemburg, Deutschland und Österreich kann während der Angebotsfrist erfolgen. Der Beginn der Angebotsfrist wird für den 12. Juli 2018 erwartet, und die Angebotsfrist endet am 17. Juli 2018, dem Tag der Begebung der Schuldverschreibungen.</p> <p><b>Jeder Finanzintermediär, der diesen Prospekt verwendet, muss auf seiner Internetseite bestätigen, dass er diesen Prospekt in Übereinstimmung mit der Zustimmung und den ihr beigefügten Bedingungen verwendet.</b></p>

Punkt	Beschreibung	Geforderte Angaben
		<b>Falls ein Angebot durch einen Finanzintermediär erfolgt, wird dieser Finanzintermediär den Anlegern Informationen über die Bedingungen des Angebots zum Zeitpunkt der Vorlage des Angebots zur Verfügung stellen.</b>

## Abschnitt B – Emittentin

Punkt	Beschreibung	Geforderte Angaben																																										
B.1	Gesetzliche und kommerzielle Bezeichnung der Emittentin	Otto (GmbH & Co KG) (die " <b>Emittentin</b> " und, zusammen mit ihren konsolidierten Tochtergesellschaften, die " <b>Otto Group</b> ").																																										
B.2	Sitz / Rechtsform / geltendes Recht / Land der Gründung der Emittentin	Die Emittentin ist eine unter deutschem Recht operierende Kommanditgesellschaft, mit einer Gesellschaft mit beschränkter Haftung als Komplementärin (Gesellschaft mit beschränkter Haftung & Compagnie Kommanditgesellschaft (GmbH & Co KG)), nach dem Recht der Bundesrepublik Deutschland. Der Geschäftssitz der Emittentin ist in Hamburg, Bundesrepublik Deutschland.																																										
B.4b	Trends mit Auswirkung auf die Emittentin und ihre Branchen	Die Otto Group agiert in einem wettbewerbsintensiven Marktumfeld. Der Konkurrenzdruck im Einzelhandel im Allgemeinen, und im E-Commerce im Speziellen, kann sich nachteilig auf die Finanz- und die Ertragslage der Emittentin auswirken.																																										
B.5	Gruppe / Stellung der Emittentin innerhalb der Gruppe	Die Otto Group ist eine weltweit agierende Handels- und Dienstleistungsgruppe, deren Aktivitäten in drei Segmente gegliedert sind: Multichannel-Einzelhandel, Finanzdienstleistungen und Service. Die Emittentin ist operative Gesellschaft für die Einzelgesellschaft OTTO, die historische Kerngesellschaft der Otto Group, und zugleich Holdinggesellschaft der Otto Group.																																										
B.9	Gewinnprognosen oder -schätzungen	Nicht anwendbar. Es wird keine Gewinnprognose oder Gewinnschätzung veröffentlicht.																																										
B.10	Beschränkungen im Bestätigungsvermerk	Nicht anwendbar. Der Bestätigungsvermerk enthält keine Beschränkungen.																																										
B.12	Ausgewählte wesentliche historische Finanzinformationen	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right;">Geschäftsjahr 1. März 2017 bis 28. Februar 2018 (geprüft)</th> <th style="text-align: right;">Geschäftsjahr 1. März 2016 bis 28. Februar 2017 (geprüft)</th> </tr> <tr> <th></th> <th colspan="2" style="text-align: center;">EUR Millionen</th> </tr> </thead> <tbody> <tr> <td>Umsatzerlöse</td> <td style="text-align: right;">13.653</td> <td style="text-align: right;">12.512</td> </tr> <tr> <td>EBITDA</td> <td style="text-align: right;">750</td> <td style="text-align: right;">730</td> </tr> <tr> <td>EBIT</td> <td style="text-align: right;">405</td> <td style="text-align: right;">365</td> </tr> <tr> <td>EBT</td> <td style="text-align: right;">629</td> <td style="text-align: right;">262</td> </tr> <tr> <td>Jahresüberschuss</td> <td style="text-align: right;">519</td> <td style="text-align: right;">41</td> </tr> <tr> <td>Free cash flow</td> <td style="text-align: right;">243</td> <td style="text-align: right;">-126</td> </tr> <tr> <td></td> <td style="text-align: right;">Geschäftsjahr 1. März 2017 bis 28. Februar 2018 (geprüft)</td> <td style="text-align: right;">Geschäftsjahr 1. März 2016 bis 28. Februar 2017 (geprüft)</td> </tr> <tr> <td></td> <td colspan="2" style="text-align: center;">EUR Millionen</td> </tr> <tr> <td></td> <td style="text-align: right;">28 Februar 2018</td> <td style="text-align: right;">28 Februar 2017</td> </tr> <tr> <td>Eigenkapital</td> <td style="text-align: right;">1.532</td> <td style="text-align: right;">1.308</td> </tr> <tr> <td>Bilanzsumme</td> <td style="text-align: right;">9.105</td> <td style="text-align: right;">8.466</td> </tr> <tr> <td>Netto-Finanzverschuldung</td> <td style="text-align: right;">2.509</td> <td style="text-align: right;">2.300</td> </tr> </tbody> </table>		Geschäftsjahr 1. März 2017 bis 28. Februar 2018 (geprüft)	Geschäftsjahr 1. März 2016 bis 28. Februar 2017 (geprüft)		EUR Millionen		Umsatzerlöse	13.653	12.512	EBITDA	750	730	EBIT	405	365	EBT	629	262	Jahresüberschuss	519	41	Free cash flow	243	-126		Geschäftsjahr 1. März 2017 bis 28. Februar 2018 (geprüft)	Geschäftsjahr 1. März 2016 bis 28. Februar 2017 (geprüft)		EUR Millionen			28 Februar 2018	28 Februar 2017	Eigenkapital	1.532	1.308	Bilanzsumme	9.105	8.466	Netto-Finanzverschuldung	2.509	2.300
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Punkt	Beschreibung	Geforderte Angaben
	Keine wesentliche Verschlechterung der Aussichten / Wesentliche Veränderungen bei Finanzlage oder Handelsposition	Die Aussichten der Emittentin haben sich seit dem 28. Februar 2018 nicht wesentlich verschlechtert. Nicht anwendbar. Seit dem 28. Februar 2018 hat es keine wesentliche Veränderung der Finanzlage oder Handelsposition der Emittentin oder der Otto Group gegeben.
B.13	Für die Zahlungsfähigkeit der Emittentin in hohem Maße relevanten Ereignisse aus der jüngsten Zeit	Nicht anwendbar. Es gab keine wesentlichen aktuellen Entwicklungen, die für die Zahlungsfähigkeit der Emittentin in hohem Maße relevant wären.
B.14	Beschreibung der Gruppe / Stellung der Emittentin innerhalb der Gruppe / Abhängigkeit der Emittentin von anderen Unternehmen der Gruppe	<i>Bitte siehe Punkt B.5.</i> Nicht anwendbar. Die Emittentin ist nicht von anderen Unternehmen innerhalb der Gruppe abhängig.
B.15	Haupttätigkeiten der Emittentin	Die Haupttätigkeiten der Otto Group sind in drei Segmente untergliedert, namentlich (i) Multichannel-Einzelhandel, (ii) Finanzdienstleistungen und (iii) Service. Das Segment Multichannel-Einzelhandel umfasst die in- und ausländischen Gesellschaften der Otto Group, die ihre Produkte über die drei Vertriebswege E-Commerce, Katalog und stationärer Einzelhandel anbieten. Das Segment Finanzdienstleistungen umfasst das Angebot an internationalen Finanzdienstleistungen der Otto Group wie Inkasso, Forderungsmanagement und innovative Finanzdienstleistungen für den Einzelhandel. Das Segment Service umfasst die Logistik- und Einkaufsgesellschaften der Otto Group.
B.16	Beteiligungen an der Emittentin / Beherrschungsverhältnisse	Kommanditisten der Emittentin sind OTTO Aktiengesellschaft für Beteiligungen, GSV Aktiengesellschaft für Beteiligungen. Diese Gesellschaften halten direkt 100% der Kommanditanteile. Die Michael Otto Stiftung and Mitglieder der Familie Otto halten zusammen Anteile in Höhe von mehr als 98% an der Emittentin.
B.17	Ratings	Nicht anwendbar. Weder die Emittentin noch die Schuldverschreibungen haben ein Rating erhalten.

### Abschnitt C – Wertpapiere

Punkt	Beschreibung	Geforderte Angaben
C.1	Art und Gattung der angebotenen Wertpapiere / Wertpapierkennnummern	Die Emittentin begibt unbesicherte Schuldverschreibungen (die " <b>Schuldverschreibungen</b> "). Die Wertpapierkennnummern der Schuldverschreibungen sind: ISIN: XS1853998182 Common Code: 185399818 WKN: A2LQ0B
C.2	Währung	Die Schuldverschreibungen werden in Euro (" <b>EUR</b> ") begeben.

Punkt	Beschreibung	Geforderte Angaben
C.5	Beschränkungen für die freie Übertragbarkeit	Entfällt, die Schuldverschreibungen sind frei übertragbar.
C.8	Rechte, die mit den Wertpapieren verbunden sind (einschließlich Rang der Wertpapiere und Beschränkungen dieser Rechte)	<p><b>Mit den Schuldverschreibungen verbundene Rechte:</b> Die Schuldverschreibungen berechtigen die Anleihegläubiger insbesondere zu den in Punkt C.9 beschriebenen Zinszahlungen.</p> <p><b>Rang der Schuldverschreibungen:</b> Die Schuldverschreibungen begründen direkte, nicht besicherte, nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit jeder Gleichrangigen Verbindlichkeit gleichrangig sind und nur den Nachrangigen Verbindlichkeiten im Rang vorgehen; im Fall der Liquidation oder der Insolvenz der Emittentin oder eines anderen der Abwendung der Insolvenz dienenden Verfahrens gegen die Emittentin gehen die Verbindlichkeiten aus den Schuldverschreibungen allen anderen bestehenden und zukünftigen Verbindlichkeiten der Emittentin (mit Ausnahme der Gleichrangigen Verbindlichkeiten und der Nachrangigen Verbindlichkeiten), ob nachrangig oder nicht nachrangig, vollständig nach, soweit zwingende gesetzliche Vorschriften nichts anderes vorschreiben bzw. die Bedingungen des betreffenden Instruments nicht ausdrücklich etwas anderes vorsehen, so dass die Zahlungen auf die Schuldverschreibungen solange nicht erfolgen, wie die Ansprüche, die den Schuldverschreibungen im Rang vorgehen, nicht vollständig befriedigt sind.</p> <p><b>"Gleichrangige Verbindlichkeit"</b> bezeichnet jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jede andere Verbindlichkeit, (i) das bzw. die von der Emittentin begeben bzw. eingegangen worden ist und bei dem bzw. der die daraus bestehenden Verbindlichkeiten der Emittentin mit den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen gleichrangig oder als gleichrangig vereinbart sind, oder (ii) das bzw. die von der Emittentin dergestalt garantiert ist oder für das die Emittentin dergestalt die Haftung übernommen hat, dass die Verbindlichkeiten der Emittentin aus der maßgeblichen Garantie oder Haftungsübernahme mit den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen gleichrangig oder als gleichrangig vereinbart sind.</p> <p><b>"Nachrangige Verbindlichkeit"</b> bezeichnet (i) jedes andere Wertpapier, Namenswertpapier oder jede andere Verbindlichkeit, (A) das bzw. die von der Emittentin begeben bzw. eingegangen worden ist und bei dem bzw. der die daraus bestehenden Verbindlichkeiten der Emittentin zu den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen nachrangig oder als nachrangig vereinbart sind, oder (B) das von der Emittentin dergestalt garantiert ist oder für das die Emittentin dergestalt die Haftung übernommen hat, dass die Verbindlichkeiten der Emittentin aus der maßgeblichen Garantie oder Haftungsübernahme zu den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen nachrangig oder als nachrangig vereinbart sind, und (ii) die Komplementär- oder Kommanditbeteiligungen an der Emittentin.</p>

Punkt	Beschreibung	Geforderte Angaben
		<p><b>Beschränkungen der mit den Schuldverschreibungen verbundenen Rechte:</b></p> <p>Die mit den Schuldverschreibungen verbundenen Rechte unterliegen keinen Beschränkungen, mit Ausnahme (i) der Möglichkeit der Emittentin (x) Zinszahlungen aufzuschieben und (y) die Schuldverschreibungen zu kündigen oder zurückzukaufen und zu entwerten und (ii) einem Aufrechnungsverbot.</p> <p><b><i>Aufrechnungsverbot</i></b></p> <p>Die Gläubiger sind nicht berechtigt, Forderungen aus den Schuldverschreibungen gegen mögliche Forderungen der Emittentin aufzurechnen. Die Emittentin ist nicht berechtigt, Forderungen gegenüber Gläubigern gegen Verpflichtungen aus den Schuldverschreibungen aufzurechnen.</p> <p><b><i>Vorzeitige Rückzahlung nach Wahl der Emittentin</i></b></p> <p>Die Schuldverschreibungen haben keinen Endfälligkeitstag.</p> <p>Die Emittentin ist berechtigt, durch Bekanntmachung unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen, die Schuldverschreibungen (insgesamt und nicht nur teilweise) mit Wirkung zu (i) jedem Tag während des Zeitraums ab dem 17. April 2025 (einschließlich) bis zu dem Ersten Rückzahlungstermin (einschließlich) und (ii) jedem darauffolgenden Zinszahlungstag zu kündigen. Im Falle einer solchen Kündigung hat die Emittentin die Schuldverschreibungen an dem in der Bekanntmachung festgelegten Rückzahlungstermin zu einem Betrag je Schuldverschreibung zurückzuzahlen, der dem festgelegten Nennbetrag zuzüglich der bis zu dem Rückzahlungstermin (ausschließlich) aufgelaufenen Zinsen sowie sämtlicher fälligen Aufgeschobenen Zinszahlungen entspricht.</p> <p><b><i>Kündigungsrecht und Rückzahlung bei einem Quellensteuer-Ereignis, einem Rechnungslegungsereignis, einem Steuerereignis oder einem Angeforderten Ratingereignis.</i></b></p> <p>Wenn irgendwann nach dem Tag der Begebung der Schuldverschreibungen ein Quellensteuer-Ereignis, ein Rechnungslegungsereignis oder ein Steuerereignis eintritt, oder wenn irgendwann nach dem Tag der Begebung der Schuldverschreibungen aber vor dem Ersten Rückzahlungstermin ein Angefordertes Ratingereignis eintritt, ist die Emittentin berechtigt, die Schuldverschreibungen jederzeit (insgesamt, jedoch nicht teilweise) durch Bekanntmachung unter Einhaltung einer Frist von mindestens 30 und höchstens 60 Tagen zu kündigen. Im Falle einer solchen Kündigung hat die Emittentin die Schuldverschreibungen am in der Bekanntmachung festgelegten Rückzahlungstermin zurückzuzahlen.</p> <p><b><i>Quellensteuer-Ereignis</i></b></p> <p>Wenn die Kündigung aufgrund des Eintritts eines Quellensteuer-Ereignisses erfolgt, hat die Emittentin die Schuldverschreibungen an dem in der Bekanntmachung festgelegten Rückzahlungstermin zu einem Betrag je Schuldverschreibung zurückzuzahlen, der dem festgelegten Nennbetrag zuzüglich der bis zu dem Rückzahlungstermin (ausschließlich) in Bezug auf die Schuldverschreibung aufgelaufenen Zinsen sowie sämtlicher</p>

Punkt	Beschreibung	Geforderte Angaben
		<p>fälligen Aufgeschobenen Zinszahlungen entspricht.</p> <p>Ein "<b>Quellensteuer-Ereignis</b>" liegt vor, falls die Emittentin verpflichtet ist oder verpflichtet sein wird, Zusätzliche Beträge als Folge einer Änderung oder Ergänzung von Gesetzen oder Vorschriften der Bundesrepublik Deutschland oder einer ihrer Gebietskörperschaften oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der offiziellen Auslegung oder Anwendung dieser Gesetze oder Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht, eine Steuerbehörde, eine Aufsichtsbehörde oder eine sonstige Behörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung gerichtlicher oder aufsichtsrechtlicher Entscheidungen) zu zahlen, allerdings nur soweit die betreffende Änderung, Ergänzung oder Durchführung an oder nach dem Tag der Begebung der Schuldverschreibungen wirksam wird und die Emittentin die Zahlungsverpflichtung nicht durch das Ergreifen von Maßnahmen vermeiden kann, die sie nach Treu und Glauben für angemessen hält.</p> <p><i>Rechnungslegungsereignis / Steuerereignis</i></p> <p>Wenn die Kündigung aufgrund des Eintritts eines Rechnungslegungsereignisses oder eines Steuerereignisses erfolgt, hat die Emittentin die Schuldverschreibungen an dem in der Bekanntmachung festgelegten Rückzahlungstermin zu einem Betrag je Schuldverschreibung zurückzuzahlen, der (x) sofern die Rückzahlung vor dem Ersten Rückzahlungstermin erfolgt, 101 % des Festgelegten Nennbetrags entspricht; bzw. (y) sofern die Rückzahlung am oder nach dem Ersten Rückzahlungstermin erfolgt, dem Festgelegten Nennbetrag entspricht, jeweils zuzüglich der bis zu dem Rückzahlungstermin (ausschließlich) in Bezug auf die Schuldverschreibung aufgelaufenen Zinsen sowie sämtlicher fälligen Aufgeschobenen Zinszahlungen.</p> <p>Ein "<b>Rechnungslegungsereignis</b>" liegt vor, wenn eine anerkannte Wirtschaftsprüfungsgesellschaft, die im Auftrag der Emittentin handelt, der Emittentin einen Brief oder einen Bericht übermittelt, wonach aufgrund einer Änderung der Rechnungslegungsgrundsätze (oder deren Anwendung) seit dem Tag der Begebung der Schuldverschreibungen die durch die Ausgabe der Schuldverschreibungen beschafften Gelder nicht oder nicht mehr als "Eigenkapital" gemäß IFRS bzw. anderen Rechnungslegungsstandards, die die Emittentin für die Erstellung ihres konsolidierten Jahresabschlusses anstelle der IFRS anwenden kann, ausgewiesen werden dürfen.</p> <p>Ein "<b>Steuerereignis</b>" liegt vor, wenn (i) der Emittentin ein Gutachten eines anerkannten unabhängigen Steuerberaters übergeben worden ist, aus dem hervorgeht, dass an oder nach dem Tag der Begebung der Schuldverschreibungen als Folge (A einer Änderung oder Ergänzung der Gesetze (oder von aufgrund dieser Gesetze erlassenen Bestimmungen oder Vorschriften) der Bundesrepublik Deutschland oder einer ihrer jeweiligen Gebietskörperschaften oder Steuerbehörden, die an oder nach dem Tag der Begebung der Schuldverschreibungen erlassen, verkündet oder anderweitig wirksam wird, (B) einer Änderung oder Ergänzung der bindenden offiziellen Auslegung solcher Gesetze, Bestimmungen oder Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht, eine Regierungsstelle</p>

Punkt	Beschreibung	Geforderte Angaben
		<p>oder eine Aufsichtsbehörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung gerichtlicher oder aufsichtsrechtlicher Entscheidungen), die an oder nach dem Tag der Begebung der Schuldverschreibungen erlassen, verkündet oder anderweitig wirksam wird, oder (C) einer allgemein anwendbaren offiziellen Auslegung oder Verkündung, die an oder nach dem Tag der Begebung der Schuldverschreibungen erlassen oder verkündet wird und nach der die Rechtslage im Hinblick auf diese Gesetze oder Vorschriften von der früheren allgemein anerkannten Rechtslage abweicht, Zahlungen, die von der Emittentin in Bezug auf die Schuldverschreibungen zu leisten sind, von der Emittentin nicht mehr für die Zwecke der Ertragsteuer voll abzugsfähig sind, bzw. innerhalb von 90 Tagen nach dem Datum dieses Gutachtens nicht mehr voll abzugsfähig sein werden; und (ii) die Emittentin dieses Risiko nicht durch das Ergreifen zumutbarer Maßnahmen vermeiden kann.</p> <p><i>Angefordertes Ratingereignis</i></p> <p>Wenn die Kündigung aufgrund des Eintritts eines Angeforderten Ratingereignisses vor dem Ersten Rückzahlungstermin erfolgt, hat die Emittentin die Schuldverschreibungen an dem in der Bekanntmachung festgelegten Rückzahlungstermin zu einem Betrag je Schuldverschreibung zurückzuzahlen, der dem Make-whole Rückzahlungsbetrag entspricht, zuzüglich der bis zu dem Rückzahlungstermin (ausschließlich) in Bezug auf die Schuldverschreibung aufgelaufenen Zinsen sowie sämtlicher fälligen Aufgeschobenen Zinszahlungen.</p> <p>Der "<b>Make-whole Rückzahlungsbetrag</b>" je Schuldverschreibung entspricht dem Abgezinsten Marktwert, mindestens jedoch dem Festgelegten Nennbetrag. Der Make-whole Rückzahlungsbetrag wird von der Make-whole Bestimmungsstelle berechnet.</p> <p>Der "<b>Abgezinste Marktwert</b>" einer Schuldverschreibung ist die Summe aus (i) dem von dem Ersten Rückzahlungstermin auf den Rückzahlungstag abgezinsten Wert des Festgelegten Nennbetrags; und (ii) der Summe der jeweiligen, auf den Rückzahlungstag abgezinsten Werte der verbleibenden Zinszahlungen, die ansonsten an jedem Zinszahlungstag nach dem Rückzahlungstag bis zum Ersten Rückzahlungstermin (einschließlich) fällig werden würden (abzüglich der bis zu dem Rückzahlungstermin (ausschließlich) in Bezug auf die Schuldverschreibung aufgelaufenen Zinsen). Die Make-whole Bestimmungsstelle errechnet den Abgezinsten Marktwert gemäß der Marktkonvention auf einer Grundlage, die der Berechnung von Zinsen entspricht, wobei sie eine Benchmark-Rendite zuzüglich 0,65 % zugrunde legt.</p> <p>Ein "<b>Angefordertes Ratingereignis</b>" tritt ein, wenn eine Ratingagentur, die von der Emittentin beauftragt wurde, der Emittentin nach dem Tag der Begebung der Schuldverschreibungen ein Rating erteilt hat.</p> <p><i><b>Kündigungsrecht der Emittentin bei geringem ausstehenden Gesamtnennbetrag.</b></i></p> <p>Falls die Emittentin und/oder eine Tochtergesellschaft allein oder gemeinsam Schuldverschreibungen im Volumen von 80 % oder mehr des ursprünglich begebenen Gesamtnennbetrages der Schuldverschreibungen erworben hat, kann die Emittentin die verbleibenden</p>



Punkt	Beschreibung	Geforderte Angaben
		<p>Schuldverschreibungen jederzeit (insgesamt, jedoch nicht teilweise) durch Bekanntmachung unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen kündigen und am festgelegten Rückzahlungstermin zu einem Betrag je Schuldverschreibung in Höhe der festgelegten Stückelung zuzüglich der bis zum Rückzahlungstermin (ausschließlich) in Bezug auf die Schuldverschreibung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie sämtlicher fälligen Aufgeschobenen Zinszahlungen zurückzahlen.</p> <p><b>Kündigungsrecht und Rückzahlung bei Eintritt eines Kontrollwechsels.</b>  Wenn ein Kontrollwechselereignis eingetreten ist, (i) wird die Emittentin innerhalb von 14 Tagen nach dem Kontrollwechselereignis den Anleihegläubigern davon Mitteilung machen (eine "<b>Kontrollwechselmitteilung</b>") und (ii) ist die Emittentin berechtigt, die Schuldverschreibungen am Kontrollwechselereignis-Stichtag zu einem Betrag je Schuldverschreibung zurückzuzahlen, der dem festgelegten Nennbetrag zuzüglich der bis zu dem Kontrollwechselereignis-Stichtag (ausschließlich) aufgelaufenen Zinsen sowie sämtlicher fälligen Aufgeschobenen Zinszahlungen entspricht.</p> <p>Ein "<b>Kontrollwechselereignis</b>" liegt vor, wenn nach dem Tag der Begebung der Schuldverschreibungen sowohl ein Kontrollwechsel als auch ein Negatives Ratingereignis eintreten.</p> <p>Ein "<b>Kontrollwechsel</b>" gilt als eingetreten, wenn eine Person oder mehrere Personen, die am Tag der Begebung der Schuldverschreibungen nicht Gesellschafter der Emittentin oder ihrer Komplementärin waren und die im Sinne von § 34 Absatz 2 WpHG abgestimmt handeln, oder einer oder mehrere Dritte, die im Auftrag einer solchen Person oder Personen handeln, zu irgendeiner Zeit mittelbar oder unmittelbar (i) mehr als 50 % des Kommanditkapitals der Emittentin oder mehr als 50 % des Stammkapitals ihrer Komplementärin oder (ii) eine solche Anzahl von Anteilen am Kommanditkapital der Emittentin oder Stammkapital ihrer Komplementärin erworben hat, auf die mehr als 50 % der bei jeweiligen Gesellschafterversammlungen der Emittentin oder ihrer Komplementärin stimmberechtigten Stimmrechte entfallen.</p> <p>Ein "<b>Negatives Ratingereignis</b>" liegt im Hinblick auf einen Kontrollwechsel vor: (i) falls bei Eintritt des Kontrollwechsels kein Rating der Emittentin von einer Ratingagentur (aufgrund einer Beauftragung durch die Emittentin) vorliegt: wenn es der Emittentin nicht gelingt, innerhalb von 180 Tagen nach Eintritt des Kontrollwechsels ein Investment Grade Rating einer Ratingagentur zu erhalten; oder (ii) falls bei Eintritt des Kontrollwechsels die Emittentin (aufgrund einer Beauftragung durch die Emittentin) von einer Ratingagentur mit Investment Grade Rating oder unterhalb von Investment Grade Rating bewertet ist und dieses Rating von einer Ratingagentur innerhalb von 180 Tagen nach Eintritt des Kontrollwechsels zu einem non-investment grade Rating herabgestuft oder das Rating zurückgezogen wurde und nicht innerhalb dieser 180-Tagesperiode anschließend (im Falle einer Herabstufung) durch diese Ratingagentur wieder auf ein Investment Grade Rating heraufgestuft oder (im Falle eines Zurückziehens) durch das Investment Grade Rating einer anderen Ratingagentur ersetzt wurde. Ein Negatives Ratingereignis liegt</p>

Punkt	Beschreibung	Geforderte Angaben
		<p>nicht vor, wenn die Emittentin beim Ablauf der 180-Tagesperiode nach Eintritt des Kontrollwechsels von mindestens einer Ratingagentur, die von der Emittentin beauftragt wurde, ein Investment Grade Rating erhalten hat.</p> <p><b>Kündigungsgründe (Events of Default), Drittverzug (Cross Default) und Negativverpflichtungen</b></p> <p>Die Anleihebedingungen enthalten keine Regelungen zu Kündigungsgründen (Events of Default), Drittverzug (Cross Default) und Negativverpflichtungen.</p> <p><b>Gläubigerbeschlüsse</b></p> <p>In Übereinstimmung mit dem Schuldverschreibungsgesetz 2009 ("SchVG") sehen die Schuldverschreibungen vor, dass die Anleihegläubiger durch Beschluss (mit Zustimmung der Emittentin) Änderungen der Anleihebedingungen zustimmen und gewisse sonstige Maßnahmen in Bezug auf die Schuldverschreibungen beschließen. Beschlüsse der Anleihegläubiger können nach Maßgabe der Anleihebedingungen entweder in einer Gläubigerversammlung oder im Wege der Abstimmung ohne Versammlung gefasst werden und sind für alle Anleihegläubiger verbindlich. Beschlüsse der Anleihegläubiger, durch welche der wesentliche Inhalt der Anleihebedingungen geändert wird, bedürfen einer Mehrheit von mindestens 75% der an der Abstimmung teilnehmenden Stimmrechte. Sonstige Beschlüsse bedürfen der einfachen Mehrheit der teilnehmenden Stimmrechte.</p>
C.9	Zinssatz / Zinslaufbeginn / Fälligkeitstermine /	<p><i>Siehe Punkt C.8 für Angaben zu mit den Schuldverschreibungen verbundenen Rechten, Rangordnung sowie Beschränkungen der mit den Schuldverschreibungen verbundenen Rechte.</i></p> <p>Vorbehaltlich des Aufschubs der Zinszahlung werden die Schuldverschreibungen bezogen auf ihren festgelegten Nennbetrag ab dem 17. Juli 2018 (der "<b>Verzinsungsbeginn</b>") (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) und danach von jedem Zinszahlungstag (einschließlich) bis zum nächstfolgenden Zinszahlungstag (ausschließlich) verzinst.</p> <p>Zinsen werden nachträglich am 17. Juli eines jeden Jahres (jeweils ein "<b>Zinszahlungstag</b>") bezahlt. Der erste Zinszahlungstag ist der 17. Juli 2019.</p> <p>Für den Zeitraum vom Verzinsungsbeginn (einschließlich) bis zum 17. Juli 2025 (der "<b>Erste Rückzahlungstermin</b>") (ausschließlich) werden die Schuldverschreibungen mit einem festen Zinssatz in Höhe von 4,00 % <i>per annum</i> verzinst.</p> <p>Für den Zeitraum ab dem Ersten Rückzahlungstermin (einschließlich) bis zum Kalendertag, an dem die Emittentin die Schuldverschreibungen vollständig zurückzahlt (ausschließlich), werden die Schuldverschreibungen mit dem anwendbaren Reset-Zinssatz für die relevante Zinsperiode verzinst.</p> <p>"<b>Reset-Zinssatz</b>" bezeichnet den Reset-Referenzsatz für den jeweiligen Reset-Zeitraum, in den die jeweilige Zinsperiode fällt, zuzüglich der Marge.</p> <p>"<b>Marge</b>" bedeutet 8,58 % <i>per annum</i>.</p> <p>"<b>Reset-Zeitraum</b>" bezeichnet jeden Zeitraum ab dem Ersten</p>

Punkt	Beschreibung	Geforderte Angaben
		<p>Rückzahlungstermin (einschließlich) bis zum ersten Reset-Termin (ausschließlich) und nachfolgend ab jedem Reset-Termin (einschließlich) bis zu dem jeweils nächstfolgenden Reset-Termin (ausschließlich).</p> <p><b>"Reset-Termin"</b> bezeichnet den Ersten Rückzahlungstermin und jeden fünften Jahrestag des Ersten Rückzahlungstermins.</p> <p>Der <b>"Reset-Referenzsatz"</b> für den jeweiligen Reset-Zeitraum wird von der Berechnungsstelle an dem Zinsfestlegungstag vor dem Reset-Termin, an dem der jeweilige Reset-Zeitraum beginnt, bestimmt (der <b>"Referenzanpassungstermin"</b>) und ist der jährliche Swapsatz für Euro-Swap-Transaktionen mit einer Laufzeit von 5 Jahren beginnend mit dem Referenzanpassungstermin, ausgedrückt als Prozentsatz, der am jeweiligen Zinsfestlegungstag um 11:00 Uhr Frankfurter Zeit auf der Reset-Bildschirmseite angezeigt wird.</p> <p><b>"Zinsfestlegungstag"</b> bezeichnet in Bezug auf den Reset-Referenzsatz, der für den Zeitraum von einem Reset-Termin (einschließlich) bis zum nächstfolgenden Reset-Termin (ausschließlich) festzustellen ist, den zweiten TARGET Geschäftstag vor dem Reset-Termin, an dem dieser Zeitraum beginnt.</p> <p><b>"TARGET-Geschäftstag"</b> bezeichnet jeden Tag, an dem das Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2) geöffnet ist.</p> <p><b>"Reset-Bildschirmseite"</b> bezeichnet die Reuters Bildschirmseite "ICESWAP2" (oder einer Nachfolgesseite) unter der Überschrift "EURIBOR BASIS".</p> <p>Wenn ein Kontrollwechsel eintritt und die Emittentin die Schuldverschreibungen nicht insgesamt zurückzahlt, erhöht sich der für die Zinszahlung auf die Schuldverschreibungen sonst anwendbare Zinssatz ab dem Kontrollwechselereignis-Stichtag um 5,00 % per annum.</p> <p><b>Wahlweiser Zinsaufschub</b></p> <p>Zinsen, die während einer Zinsperiode auflaufen, werden an dem betreffenden Zinszahlungstag fällig, sofern sich die Emittentin nicht durch eine Bekanntmachung an die Anleihegläubiger innerhalb einer Frist von nicht weniger als 14 Geschäftstagen vor dem betreffenden Zinszahlungstag dazu entscheidet, die betreffende Zinszahlung (insgesamt, jedoch nicht teilweise) auszusetzen.</p> <p>Wenn sich die Emittentin an einem Zinszahlungstag zur Nichtzahlung aufgelaufener Zinsen entscheidet, dann ist sie nicht verpflichtet, an dem betreffenden Zinszahlungstag Zinsen zu zahlen. Eine Nichtzahlung von Zinsen aus diesem Grunde begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund der Schuldverschreibungen oder für sonstige Zwecke.</p> <p>Nach obiger Maßgabe nicht fällig gewordene Zinsen sind aufgeschobene Zinszahlungen (<b>"Aufgeschobene Zinszahlungen"</b>). Aufgeschobene Zinszahlungen werden nicht verzinst.</p> <p><b>Freiwillige Zahlung von Aufgeschobenen Zinszahlungen</b></p> <p>Die Emittentin ist berechtigt, ausstehende Aufgeschobene Zinszahlungen jederzeit insgesamt, jedoch nicht teilweise nach Bekanntmachung an die Anleihegläubiger unter Einhaltung einer Frist von nicht weniger als 10 Geschäftstagen vor einer freiwilligen Zinszahlung zu zahlen, wobei eine</p>

Punkt	Beschreibung	Geforderte Angaben
		<p>solche Bekanntmachung (i) den Betrag an Aufgeschobenen Zinszahlungen, der gezahlt werden soll, und (ii) den für diese Zahlung festgelegten Termin enthalten muss.</p> <p><b>Pflicht zur Zahlung von Aufgeschobenen Zinszahlungen</b></p> <p>Die Emittentin ist verpflichtet, Aufgeschobene Zinszahlungen insgesamt und nicht nur teilweise am ersten der folgenden Kalendertage zu zahlen (jeweils ein "<b>Pflichtnachzahlungstermin</b>"):</p> <p>(a) dem ersten Zinszahlungstag, der auf den Tag folgt, (i) an dem eine Zuweisung von Gewinnbeteiligungen oder anderen Beträgen zu Entnahmekonten in Bezug auf einen Komplementär- oder Kommanditanteil der Emittentin erfolgt ist (ausgenommen sind Erlaubte Zuweisungen); oder (ii) an dem die Emittentin oder eine ihrer Tochtergesellschaften</p> <p>(A) eine Zahlung von Dividenden oder sonstigen Vergütungen auf eine Gleichrangige Verbindlichkeit, Nachrangige Verbindlichkeit oder als Eigenkapital bilanzierte Verbindlichkeit geleistet hat, oder</p> <p>(B) eine Gleichrangige Verbindlichkeit, Nachrangige Verbindlichkeit oder als Eigenkapital bilanzierte Verbindlichkeit insgesamt oder teilweise zurückgezahlt hat,</p> <p>es sei denn, (x) die Emittentin oder die betreffende Tochtergesellschaft war nach Maßgabe der Vertragsbedingungen der betreffenden Gleichrangigen Verbindlichkeit, Nachrangigen Verbindlichkeit oder als Eigenkapital bilanzierten Verbindlichkeit zu der betreffenden Zahlung oder Rückzahlung verpflichtet; oder (y) die betreffenden (Rück-)Zahlungen auf oder in Bezug auf die Gleichrangige Verbindlichkeit, Nachrangige Verbindlichkeit oder als Eigenkapital bilanzierte Verbindlichkeit waren Konzerninterne Zahlungen; oder</p> <p>(b) dem nächsten Zinszahlungstag, an dem die Emittentin die Zinsen zahlt, die an diesem Zinszahlungstag auf die Schuldverschreibungen zur Zahlung vorgesehen sind;</p> <p>(c) dem Kalendertag, an dem die Schuldverschreibungen zurückgezahlt werden;</p> <p>(d) dem Tag, an dem die Emittentin oder eine ihrer Tochtergesellschaften eine Gleichrangige Verbindlichkeit oder Nachrangige Verbindlichkeit vor ihrer Endfälligkeit zurückkauft, es sei denn, die Emittentin oder die betreffende Tochtergesellschaft erwirbt (jeweils direkt oder indirekt) eine Gleichrangige Verbindlichkeit (insgesamt oder teilweise) im Wege eines öffentlichen Rückkaufangebots oder eines öffentlichen Umtauschangebots oder auf andere Weise zu einer unter dem Nennwert liegenden Gegenleistung je Gleichrangiger Verbindlichkeit zurück; oder</p> <p>(e) an dem Tag, an dem ein Beschluss zur Liquidation der Emittentin ergeht (sofern dies nicht für die Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht, bei dem bzw. der die Emittentin noch zahlungsfähig ist und bei dem bzw. der die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt).</p> <p>"<b>Als Eigenkapital bilanzierte Verbindlichkeit</b>" bezeichnet jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jede andere Verbindlichkeit, das bzw. die gemäß der Anwendbaren</p>

Punkt	Beschreibung	Geforderte Angaben
		Rechnungslegungsstandards in der konsolidierten Bilanz der Emittentin als "Eigenkapital" behandelt werden.
	Basiswert, auf dem der Zinssatz basiert	Entfällt für den Zinssatz anwendbar auf den Zeitraum vom Verzinsungsbeginn (einschließlich) bis zum Ersten Rückzahlungstermin (ausschließlich). Dieser Zinssatz basiert nicht auf einem Basiswert. Der Zinssatz für die Reset-Zeiträume ab dem Ersten Rückzahlungstag (einschließlich) basiert auf dem Referenzsatz (wie vorstehend definiert).
	Fälligkeitstag einschließlich Rückzahlungsverfahren	Die Schuldverschreibungen haben keinen Endfälligkeitstag. Sofern die Schuldverschreibungen nicht zuvor zurückgezahlt bzw. zurückgekauft und gekündigt wurden, hat die Emittentin die Schuldverschreibungen am in der Bekanntmachung festgelegten Rückzahlungstermin zu einem Betrag je Schuldverschreibung in Höhe der Festgelegten Stückelung zuzüglich der bis zu diesem Rückzahlungstermin (ausschließlich) in Bezug auf die Schuldverschreibung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie sämtlicher fälligen Aufgeschobenen Zinszahlungen zurückzuzahlen. Zahlungen erfolgen an das Clearing-System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing-Systems.
	Rendite	Die Rendite der Schuldverschreibungen bis zum Ersten Rückzahlungstermin beträgt 4,125 % jährlich und wird anhand des Ausgabepreises der Schuldverschreibungen (der " <b>Ausgabepreis</b> ") berechnet. Die Rendite der Schuldverschreibungen für die nachfolgenden Reset-Zeiträume kann zum Datum des Prospekts noch nicht bestimmt werden.
	Name des Vertreters der Inhaber der Wertpapiere	Entfällt. In Übereinstimmung mit dem SchVG sehen die Schuldverschreibungen vor, dass die Anleihegläubiger durch Beschluss einen gemeinsamen Vertreter bestellen können (der " <b>Gemeinsame Vertreter</b> "). Die Aufgaben und Befugnisse des durch Beschluss bestellten Gemeinsamen Vertreters bestimmen sich nach dem SchVG sowie den Mehrheitsbeschlüssen der Anleihegläubiger.
C.10	Derivative Komponente bei Zinszahlung	Siehe C.9 Entfällt. Die Schuldverschreibungen haben keine derivative Komponente.
C.11	Handel in Wertpapieren	Es wurde beantragt, dass die Schuldverschreibungen an der Luxemburger Wertpapierbörse zum Handel im Euro MTF zugelassen werden.

## Abschnitt D – Risiken

Punkt	Beschreibung	Geforderte Angaben
D.2	Zentrale Risiken bezogen auf die Emittentin	<p>Intensiver Wettbewerb im Einzelhandelssektor könnte sich nachteilig auf die Finanz- und Ertragslage der Emittentin auswirken.</p> <p>Ein wesentlicher Anteil der Umsätze ist dem fortwährenden Risiko wechselnder Kundenwünsche und Modetrends ausgesetzt.</p> <p>Die Otto Group hat ein erhebliches Volumen an Forderungen aus Lieferungen und Leistungen und ist dem Risiko der Nichtzahlung unter diesen Forderungen aus Lieferungen und Leistungen ausgesetzt. Die Zahlungsmoral hängt von der Bonität der Kunden und von makroökonomischen Rahmenbedingungen ab.</p> <p>Die Otto Group hat globale Beschaffungs- und Vertriebsaktivitäten sowie eine Vielzahl von Tochterunternehmen außerhalb der Euro-Zone. Die Otto</p>

Punkt	Beschreibung	Geforderte Angaben
		<p>Group ist daher Risiken aus Wechselkursschwankungen ausgesetzt.</p> <p>Ein Verlust wichtiger Mitarbeiter könnte einen negativen Effekt auf die Finanz- und Ertragslage der Otto Group haben.</p> <p>Der Markt für Logistikdienstleistungen ist wettbewerbsintensiv und gekennzeichnet durch einen steigenden Kostendruck und den Eintritt neuer Wettbewerber, was Anpassungen bei existierenden Systemen und Prozessen erforderlich macht. Das starke Wachstum des E-Commerce-Bereichs hat in den letzten Monaten zu beispiellosen Pegelspitzen geführt. Zur gleichen Zeit wird Personal zunehmend knapp, besonders in dem angespannten deutschen Arbeitsmarkt. Diese Faktoren führen zu einem Rückgang der Profitabilität der Otto Group im Segment Service im Geschäftsjahr 2017/18.</p> <p>Die Otto Group nutzt intensiv Informationstechnologie in kritischen Geschäftsprozessen. Das Eintreten von IT-nahen Risiken könnte zu erheblichen Reputationsschäden oder Marktnachteilen sowie zu Umsatzausfällen führen und das operative Geschäft der Otto Group und ihre Kundenbeziehungen beeinflussen.</p> <p>Die Otto Group setzt erhebliche Kapitalbeträge in Bereichen ein, in denen sie Wachstumspotenzial sieht. Strategische Fehler oder unzureichende Leistungen der Geschäftsmodelle können zu Wertminderungen in der Bilanz der Otto Group führen und/oder können sich anderweitig negativ auf die Vermögens- und Ertragslage der Otto Group auswirken.</p> <p>Die Otto Group prüft regelmäßig neue Geschäftsmöglichkeiten in Form von Akquisitionen und Markteintritten. Jede Akquisition birgt erhebliche Risiken, da sich die der Akquisition zugrundeliegenden Annahmen als falsch erweisen könnten. Ferner arbeitet die Otto Group mit Joint Venture Partnern zusammen, wobei im Falle von Uneinigkeiten zwischen den Joint Venture Partnern der Erfolg der jeweiligen Partnerschaft gefährdet sein könnte.</p> <p>Die Otto Group ist einer Reihe von finanziellen Risiken ausgesetzt, wie beispielweise Kontrahentenrisiken, Liquiditätsrisiken, Zinsänderungsrisiken und Marktrisiken.</p> <p>Die Emittentin geht davon aus, dass die Steuererklärungen der Emittentin und ihrer Tochtergesellschaften den geltenden Steuervorschriften entsprechen. Dennoch könnten sich potenzielle Steuernachforderungen negativ auf die Vermögens- und Ertragslage der Otto Group auswirken.</p> <p>Die Otto Group bemüht sich, vorhersehbare Risiken durch Versicherungsschutz abzudecken. Trotzdem deckt der Versicherungsschutz die Risiken, denen die Gesellschaften ausgesetzt sind, möglicherweise nicht vollständig ab.</p> <p>Die Otto Group sieht sich im laufenden Geschäft regelmäßig Rechtsstreitigkeiten und Gerichtsprozessen ausgesetzt. Obwohl die Emittentin meint, dass die derzeit anhängigen Rechtsstreitigkeiten kein wesentliches Risiko darstellen, so kann in Zukunft nicht ausgeschlossen werden, dass es zu materiellen Rechtsstreitigkeiten kommt.</p> <p>Die Einzelhändler der Otto Group sind von externen Zulieferern abhängig. Eine Insolvenz von Zulieferern könnte sich negativ auf die Versorgungskette auswirken.</p> <p>Die Otto Group unterliegt Risiken aus der internationalen Beschaffung von Waren, wie zum Beispiel wirtschaftlicher, politischer und sozialer</p>

Punkt	Beschreibung	Geforderte Angaben
		<p>Instabilität in den Regionen, aus denen die Otto Group ihre Waren bezieht.</p> <p>Die Otto Group ist dem Risiko höherer Einkaufspreise aufgrund von steigenden Faktorkosten in den Produktionsländern ausgesetzt.</p> <p>Sollten unabhängige Produzenten der Otto Group maßgebliche arbeitsrechtliche Vorschriften nicht einhalten oder gegen internationale Umwelt- und Sozialstandards verstoßen, könnte sich dies negativ auf die Reputation der Otto Group und ihre Finanz- und Ertragslage auswirken.</p> <p>SportScheck GmbH befindet sich zurzeit in Restrukturierung und belastete die Profitabilität der Group im Geschäftsjahr 2017/18 und wird dies voraussichtlich auch weiter im Geschäftsjahr 2017/18 tun, trotz laufender Restrukturierungsmaßnahmen.</p> <p>Die Otto Group überprüft ständig ihr Unternehmensportfolio stetig und nimmt, wo sie es für angemessen hält, Unernehmensverkäufe vor. Abhängig vom Einzelfall können sich diese Verkäufe positiv oder negativ auf die Profitabilität der Otto Group auswirken.</p> <p>Das Marktumfeld in Russland ist weiterhin herausfordernd. Anschließend an die jüngst erfolgte Verabschiedung neuer diplomatischer und wirtschaftlicher Sanktionen gegen Russland, könnte sich eine weitere Steigerung der geopolitischen Unsicherheit sowie eine Verschlechterung der wirtschaftlichen Lage negativ auf die Aktivitäten der Otto Group in Russland auswirken.</p> <p>In Zusammenhang mit dem Brexit ist die ökonomische Perspektive für das Vereinigten Königreich ungewiss. Eine Verschlechterung der Ökonomie des Vereinigten Königreichs würde sich wahrscheinlich negativ auf die britischen Aktivitäten der Otto Group auswirken.</p> <p>In den USA besteht Unsicherheit hinsichtlich der Handelspolitik und des Status von Importen. Darüber hinaus könnte ein Anstieg des weltweiten Protektionismus sich negativ auf die Otto Group auswirken.</p> <p>Im Zusammenhang mit dem Brexit könnten sich die ökonomischen Bedingungen im Vereinigten Königreich verschlechtern und sich negativ auf die britischen Aktivitäten der Otto Group auswirken.</p> <p>In den USA besteht Unsicherheit hinsichtlich der Handelspolitik und der Besteuerung von Importen. Darüberhinaus könnte ein Anstieg des weltweiten Protektionismus sich negativ auf die Otto Group auswirken.</p> <p>Die Otto Group investiert fortlaufend in Innovationen, Infrastruktur und wachstumsorientierte Geschäftsmodelle. Sollte die Umsetzung von Business-Plänen und Infrastrukturinvestitionen nicht erfolgreich sein, könnte dies negative Auswirkungen auf die Finanz- und Ertragslage der Otto Group haben.</p> <p>Die Höhe der Rückstellungen für Pensionsverpflichtungen der Otto Group basiert auf bestimmten versicherungsmathematischen Annahmen. Wenn sich diese Annahmen als falsch herausstellen oder sich im Laufe der Zeit ändern, kann dies zu einer deutlichen Erhöhung der Rückstellungen für Pensionen führen. Daneben ist die Otto Group bei ihren kapitalgedeckten Versorgungsplänen Kapitalmarkt- und Anlagerisiken ausgesetzt.</p> <p>Die Einführung des IFRS 16 in 2019, wird zu einer Erhöhung der Verbindlichkeiten in der Bilanz der Otto Group führen.</p>

D.3	Zentralen Risiken, die den Wertpapieren eigen sind	<ul style="list-style-type: none"> <li>• Die Schuldverschreibungen sind nicht für alle Investoren ein geeignetes Investment.</li> <li>• Die Schuldverschreibungen haben kein festgelegtes Laufzeitende.</li> <li>• Zinszahlungen unter den Schuldverschreibungen können nach Wahl der Emittentin aufgeschoben werden.</li> <li>• Es besteht das Risiko einer vorzeitigen Rückzahlung der Schuldverschreibungen.</li> <li>• Risiken als Folge des Ranges der Schuldverschreibung als nachrangige Verbindlichkeiten.</li> <li>• Die Emittentin unterliegt keinen Beschränkungen bei der Ausgabe von weiteren vorrangigen oder gleichrangigen Wertpapieren oder sonstigen Verbindlichkeiten.</li> <li>• Anleihegläubiger unterliegen Risiken verbunden mit festverzinslichen Schuldverschreibungen.</li> <li>• Anleihegläubiger unterliegen Risiken im Zusammenhang mit dem Zinssatzreset gebunden an die 5 Jahres Swap Rate.</li> <li>• Risiken im Zusammenhang mit der Reform des EURIBOR und anderen Zins-Benchmarks.</li> <li>• Die Schuldverschreibungen enthalten keine ausdrücklichen Kündigungsgründe (<i>Events of Default</i>) oder Drittverzugs-Klauseln (<i>Cross Default</i>)</li> <li>• Die Schuldverschreibungen enthalten keine Finanzverpflichtungen (<i>Covenants</i>) für die Emittentin</li> <li>• Anleihegläubiger haben keine Stimmrechte.</li> <li>• Die einzigen Mittel der Gläubiger zur Durchsetzung von Ansprüchen gegenüber der Emittentin sind die Einleitung eines Klageverfahrens zur Erzwingen von Zahlungen oder ein Antrag auf Eröffnung eines Insolvenzverfahrens über das Vermögen der Emittentin.</li> <li>• Risiken im Zusammenhang mit dem Schuldverschreibungsgesetz</li> <li>• Es gibt keinen bereits existierenden Markt für die Schuldverschreibungen und es könnte sich kein liquider Markt entwickeln. Der Preis der Schuldverschreibungen könnte signifikanten Schwankungen unterliegen.</li> <li>• Die Entwicklung des Marktpreises der Schuldverschreibungen ist von einer Vielzahl von Faktoren abhängig.</li> <li>• Der Markt für Fremdkapital-Wertpapiere kann erheblichen Schwankungen unterliegen und von einer Vielzahl von Ereignissen negativ beeinflusst werden.</li> <li>• Der Marktwert der Schuldverschreibungen könnte sich verringern, wenn die Kreditwürdigkeit der Emittentin sich verschlechtert.</li> <li>• Die Schuldverschreibungen können inklusive aufgelaufener Zinsen gehandelt werden, allerdings kann es in bestimmten Fällen, wie oben beschrieben, dazu kommen, dass Zinszahlungen ganz oder teilweise entfallen.</li> </ul>
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		<ul style="list-style-type: none"> <li>• Ein Investment in die Schuldverschreibungen kann Inflationsrisiken unterliegen.</li> <li>• Investoren sind bezüglich der Übertragung der Schuldverschreibungen, bei Zinszahlungen und in der Kommunikation mit der Emittentin auf die Verfahren von Euroclear Bank SA/NV und Clearstream Banking S.A. angewiesen.</li> <li>• Der Ertrag der Schuldverschreibungen könnte durch Steuern verringert werden.</li> <li>• Nebenkosten insbesondere im Zusammenhang mit dem Kauf oder Verkauf der Schuldverschreibungen können einen erheblichen Einfluss auf das mit den Schuldverschreibungen verbundene Gewinnpotential haben.</li> <li>• Es gibt keine Gewissheit wie sich Gerichtsentscheidungen, Rechtsänderungen oder Änderungen in der Verwaltungspraxis nach dem Datum dieses Prospektes auswirken werden.</li> <li>• Potentielle Investoren können sich bei der Bewertung der rechtlichen Zulässigkeit eines Erwerbs der Schuldverschreibungen weder auf die Emittentin, noch auf die Platzeure oder ihre jeweils verbundene Unternehmen stützen.</li> <li>• Wechselkursrisiken und Devisenbeschränkungen.</li> <li>• Besondere Anlagerisiken im Zusammenhang mit U.S. Foreign Account Tax Compliance Withholding</li> <li>• Risiken im Zusammenhang mit der möglichen Einführung einer Finanzmarkttransaktionssteuer</li> </ul>
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## Abschnitt E – Angebot

Punkt	Beschreibung	Geforderte Angaben
E.2b	Gründe für das Angebot und Zweckbestimmung der Erlöse	Die Emittentin beabsichtigt die Erlöse aus der Emission der Schuldverschreibungen für allgemeine Unternehmenszwecke der Gruppe zu verwenden.
E.3	Angebots-konditionen	Die Schuldverschreibungen werden in Luxemburg, Deutschland und Österreich innerhalb eines Angebotszeitraumes angeboten, der am 12. Juli 2018 beginnt und mit Ablauf des 17. Juli 2018 (der " <b>Ausgabetag</b> ") endet, vorbehaltlich einer Verkürzung oder Verlängerung des Angebotszeitraums. Das Angebot unterliegt keinen Bedingungen. Lieferung und Zahlung der Schuldverschreibungen und Bestätigung der Zuteilung an Anleger erfolgen am 17. Juli 2018. Die Lieferung der Schuldverschreibungen erfolgt durch buchmäßige Übertragung über die Clearingsysteme und ihre Depotbanken gegen Zahlung des Emissionspreises.
E.4	Für die Emission wesentliche Interessen	Entfällt. Außer den Interessen der Emittentin bestehen keinerlei Interessen von natürlichen oder juristischen Personen an der Begebung, auch nicht solche Interessen, die im Widerspruch stehen und wesentlich für die Begebung sein würden.

<b>Punkt</b>	<b>Beschreibung</b>	<b>Geforderte Angaben</b>
E.7	Schätzung der Ausgaben, die dem Anleger in Rechnung gestellt werden	Entfällt. Die Emittentin wird den Anleihegläubigern in Verbindung mit den Schuldverschreibungen keine Kosten oder Ausgaben direkt in Rechnung stellen. Anleihegläubiger müssen sich aber über etwaige Kosten, Ausgaben oder Steuern in Verbindung mit den Schuldverschreibungen informieren, die generell in ihrem jeweiligen Herkunftsstaat anfallen, einschließlich etwaiger Gebühren, die ihre eigenen Depotbanken für den Erwerb oder das Halten von Wertpapieren berechnen.

## RISK FACTORS

*Before deciding to purchase the Notes, investors should carefully review and consider the following risk factors and the other information contained in this Prospectus. Should one or more of the risks described below materialise, this may have a material adverse effect on the business, prospects, shareholders' equity, assets, financial position and results of operations (Vermögens-, Finanz- und Ertragslage) or general affairs of the Issuer or the Group. Moreover, if any of these risks occur, the market value of the Notes and the likelihood that the Issuer will be in a position to fulfil its payment obligations under the Notes may decrease, in which case the Noteholders could lose all or part of their investments. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Notes for other reasons than those described below. Additional risks of which the Group is not presently aware could also affect the business operations of the Group and have a material adverse effect on the Group's business activities and financial condition and results of operations. Prospective investors should read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.*

*Words and expressions defined in "Terms and Conditions of the Notes" below shall have the same meanings in this section.*

*Potential investors should, among other things, consider the following:*

### **Risks relating to the Issuer and the Group**

**The following is a description of the risk factors, which may affect the ability of the Issuer to fulfil its obligations under the Notes. Potential investors should carefully read and consider these risk factors before deciding upon the purchase of the Notes.**

**Potential investors should consider these risk factors and all other information provided in this Prospectus and consult their own experts. In addition, the investors should bear in mind that several of the mentioned risks may occur simultaneously and that their implication can, possibly together with other circumstances, thus be intensified. The order in which the risks are described does neither represent a conclusion about their probability of occurrence nor the gravity or significance of the individual risks. The following information is not exhaustive. Indeed, further risks which have not been visible yet may also affect the business activities of the Group and the ability of the Issuer to fulfil its obligations arising from the Notes. Due to the occurrence of each individual risk described in the following, investors could lose their invested capital in whole or in part.**

An investment in the Notes comes along with accepting risks of the underlying operational business of the Issuer. As an internationally operating company the risk situation of the Issuer comprises various aspects. The overall risk situation and any of the following single risks may influence the future income, asset and liquidity situation of the Issuer negatively:

#### ***Risk factors in respect of market and competition***

Intensive competition in the retail sector could adversely impact the financial condition and results of operations of the Issuer. A decreased level of economic activity could lead to deterioration in consumer spending and therefore negatively affect the Otto Group's financial condition and result of operations.

The Issuer regularly aims to tap new markets, which could lead to high expenditures for market development, market launch and market penetration. The market objectives connected with business expansion may not be achieved.

Should competition intensify in the market segments in which the Otto Group operates, a decrease in profit margins cannot be excluded. In the worst case the Issuer and/or its subsidiaries could be forced out of the market.

In the e-commerce sector, competition is particularly intense due to low entry barriers and the fast development of the online market. In addition, numerous competitors follow a strategy of offering low prices to gain market share at the expense of profitability, especially in the market for fashion and electronic devices. The competitive dynamics in the sector therefore represent a noteworthy risk for the Issuer.

The Otto Group's financial services companies, which operate in the fields of receivables management and debt collection, face the risks of a stricter legal environment as well as the risk of a deterioration in economic conditions, which in turn would negatively affect the realisation of non-performing receivables.

### ***Changing customer taste and fashion trends***

Although the Otto Group offers a wide range of products in its retail segment, a significant portion of sales is exposed to the risk of constantly changing customer tastes and fashion trends. Should assortments fail to appeal to customers' taste, or fail to meet their expectations of quality, this could lead to declining sales and a write-down of inventory, which could adversely affect the Otto Group's financial condition and results of operations.

### ***Defaults by customers in respect of their payment obligations***

The Otto Group offers its customers a range of payment options, including installments and payment by invoice. As a consequence, the Otto Group has a substantial volume of trade receivables and is exposed to the risk of non-payment under these receivables. The payment behavior of customers depends on their creditworthiness and on macroeconomic conditions. Should the Otto Group's debtor risk measurement and control systems turn out to be insufficient for any reason, this could have a negative impact on the Otto Group's financial condition and results of operations.

### ***Fluctuations in currency exchange rates***

The Otto Group has global sourcing and selling activities and a number of subsidiaries which are not located in the Euro zone. As a result, the Otto Group is affected by fluctuations in currency exchange rates. To the extent deemed appropriate and economically viable, financial instruments are used to hedge the exposure to foreign currency fluctuations. However, to the extent that such financial instruments are not sufficient or not effective, fluctuations of local currencies against the Euro could affect the Otto Group's financial condition and results of operations. In times of particular volatility in the foreign exchange markets, such as observed for the Russian rouble in recent years, entire business models may become unprofitable.

### ***Risk factors in respect of management and employees***

The Otto Group's business success depends considerably on the quality of its employees. A loss of important employees could have a negative impact on the Otto Group's financial condition and results of operations. If no qualified personnel can be found within an appropriate period for the seamless continuation of its business, this could also adversely affect the Otto Group's financial condition and results of operations.

### ***Risks related to the Otto Group's logistics operations***

The market for logistics services is highly competitive and characterised by increasing cost pressure and the entrance of new competitors. In addition, new customer requirements pose new logistical challenges. These customer demands include same-day, next-day and scheduled delivery, which require adjustments to existing systems and processes.

The strong growth of the e-commerce sector has led to unprecedented volume peaks in recent months. At the same time, personnel is increasingly scarce, especially in the tight German labour market. Therefore, in order to cope with volume peaks while maintaining high quality standards, continuous high investments into the logistics infrastructure as well as higher personnel expenses and increased use of subcontractors are required. These factors led to a decrease in profitability of the Otto Group's Services segment in financial year 2017/18.

In addition, the recent political debates on emissions and particulate pollution present the risk of stricter traffic regulation for conventional cars, including potential driving bans, which could negatively impact both Hermes and the subcontractors employed by it. In order to address this risk, Hermes is increasingly testing emission-free and electric vehicles for "last mile" delivery as well as alternative delivery concepts.

### ***IT-related risks***

The Otto Group makes intensive use of information technology in critical business processes. Operational risks related to the Otto Group's heavy reliance on IT systems include, inter alia, the risk of unauthorised access, fraud and sabotage, software or system failures, server breakdowns or a slow-down in transfer rates, loss of data or lack of data availability, as well as the risk of potentially false pricing information in the Otto Group's webshops. The identification and evaluation of the risks take place as part of a group-wide security risk management.

Due to a mainly decentralized IT-organization, the probability that any of these risks materialize as well as the respective impact varies per Otto Group subsidiary. Consequently, the Otto Group subsidiaries seek to minimize these IT-related risks by deploying counter measures individually. These may include organizational measures like the implementation of an Information Security Management System as well as technical measures like security monitoring or security analysis. Each Otto Group subsidiary defines the desired security level. Central group functions define mandatory frame conditions within group policies and ensure supervision.

The materialisation of any of the aforementioned IT-related risks could result in substantial reputational damage or market disadvantages for the Otto Group and/or its subsidiaries, to turnover losses as well as affect the Otto Group's operating business and/or its customer relations. All of the above could have a negative impact on the Otto Group's financial condition and results of operations.

### ***Risk of strategic and investment errors***

The Otto Group aims to achieve its growth targets by allocating significant amounts of capital to areas where it has identified growth potential. Should the assumptions on which such strategic decisions are based turn out to be wrong, or should the Otto Group fail to establish the desired market position in these growth areas, the Otto Group's investments in such areas may not achieve the expected benefits, or may even turn out to be worthless. Such strategic errors or underperformance of business models could result in impairments of assets on the Otto Group's balance sheet and/or may otherwise have a negative impact on the Otto Group's financial condition and results of operations.

### ***Risk factors in respect of startups, mergers and acquisitions and joint ventures***

The Otto Group regularly explores new opportunities by way of acquisitions and market entries. In addition, the Otto Group regularly sets up new companies in promising sectors and invests in startups via its venture capital activities. Each acquisition bears substantial risks as the assumptions on which the business rationale and the purchase price are based may turn out to be incorrect. Business plans for startups may not be achieved and startup valuations may be subject to significant volatility. It cannot be excluded that an investment will not generate the expected returns or will be a total loss. This risk increases with increasing size and/or complexity of the acquisition target or market entry.

In addition, the Otto Group co-operates with external partners in order to spread investment risk in several joint ventures, and may opt to conclude additional such partnerships in the future. With every joint venture, there is a risk of disagreement between the joint venture partners, which may jeopardise the success of the respective partnership.

### ***Risk factors in respect of debt and other financial risks***

The Otto Group's worldwide setup exposes it to a number of financial risks. Counterparty credit risk, liquidity risk, interest rate risk and market risk are of particular importance for the Otto Group.

Counterparty credit risk refers to the risk of a borrower or counterparty defaulting or partly defaulting on liabilities due to a deterioration in its financial situation. Liquidity risk refers to a situation where a company does not have sufficient funds to meet its payment obligations, or where the liquidity required cannot be obtained on acceptable terms.

The main financing sources of the Otto Group are credit lines granted by banks and other funding instruments consisting of, amongst others, bond issues, commercial paper, asset backed securities and other instruments in the bank and capital markets. The Otto Group seeks to maintain a significant amount of undrawn credit lines at any time.

Regarding its debt financing, the Otto Group depends on the economic environment, in particular in the national and international bank and capital markets. These markets are affected by several factors, such as stock exchange trends, central bank policy, market expectations and international conflicts, which cannot be influenced by the Issuer. Several years after the global financial crisis, the banking sector continues to undergo profound transformations. Due to regulatory requirements, strategic shifts or changes in ownership, banks with whom the Otto Group has business relationships may pursue more restrictive lending policies in the future, or may even exit markets altogether. In addition, the gradual phase-out of extremely accommodative monetary policies by the world's central banks in general, and by the European Central Bank in particular, may lead to an increase in interest rates and a deterioration in funding conditions. This risk may particularly apply to borrowers who do not have a public credit rating, as is the case of the Otto Group.

The Otto Group's liquidity needs are monitored based on a rolling monthly liquidity forecast with a twelve-month horizon, and a daily forecast with a horizon of four weeks or more. Should the financial planning prove inadequate, this could have a significant negative impact on the financial position of the Otto Group. If, at the time of financial liabilities maturing, refinancing is not available at attractive conditions, this may lead to an increase in financing costs for the Otto Group. The Otto Group seeks to mitigate this risk by spreading the maturities of its financings over time.

Considerable expenses accrue each year for the payment of interest and other costs relating to the Issuer's various sources of funding. These costs affect the liquidity and profitability of the Issuer. In case of an increase in interest rates or in the other costs of financing, or if the availability of financing is reduced, this could have a negative impact on the financial condition of the Otto Group.

### ***Tax risk***

A final tax audit report and final tax assessments for the Issuer and for the relevant German subsidiaries have been issued by the competent tax authorities for the years until 2012. However, the 2008 tax assessments about the determination of taxable profits of the Issuer is final but under appeal procedure determined by the ex-partners of the Issuer. The tax statements for the years 2013-2015 and most of 2016 are present and subject to the reservation of reexamination.

The Issuer believes that the tax returns of the Issuer and its subsidiaries are prepared in accordance with the relevant fiscal regulations. If the relevant tax authorities come to a different conclusion with regards to particular issues, this could lead to additional tax claims, which could adversely affect the Otto Group's financial condition and results of operations.

### ***Existing insurance coverage may turn out to be inadequate***

The Otto Group seeks to cover foreseeable risks through insurance coverage. Such insurance cover, however, may not fully cover the risks to which the companies are exposed. This can be the case with insurance covering legal and administrative claims, as well as with respect to insurance covering other risks. For certain risks, adequate insurance coverage may not be available in the market or may not be available at reasonable conditions. Consequently, any harm resulting from the materialisation of these risks could result in significant reinvestment requirements, expenses and/or liabilities, which could have a negative impact on the Otto Group's financial condition and results of operations.

### ***Risks related to lawsuits and litigation***

The Otto Group is regularly faced with lawsuits and litigation in the course of its business. The Issuer believes that none of the lawsuits that are currently pending pose a material risk to the Otto Group. However, such lawsuits cannot be ruled out completely for the future. Due to the Otto Group's worldwide activities, including in countries such as the United States where court rulings may be particularly onerous, future litigation might have a material adverse impact on the Issuer.

### ***Solvency of suppliers***

As a retailer, the Issuer depends on its external suppliers. Insolvencies in the supply chain could lead to restrictions in the deliverability of goods.

### ***International procurement of goods***

The Otto Group purchases a considerable proportion of its goods abroad, in particular in Asia. As a result, the Otto Group is subject to risks associated with the international procurement of goods.

Economic, political or social instability in the regions in which the Otto Group sources its goods, import or export restrictions as well as adverse trade tariffs may have a detrimental effect on the Otto Group's operations.

Immediate availability for delivery, in good quality, is a key competitive factor in the retail segment. Delivery problems and quality issues may adversely affect customer trust in the reliability of the Otto Group's operations.

Any of the aforementioned events could adversely affect the Otto Group's financial condition and results of operations.

### ***Increase in the purchase price of goods***

The Otto Group is exposed to the risk of a potential rise in procurement prices. Factor costs in the producing countries - above all in Asia – are expected to increase in the long run. In addition, the Otto Group is exposed to the risk of increased transport costs and higher fuel prices. These factors may lead to a deterioration in profitability. This may have a negative impact on the Otto Group's financial condition and results of operations.

### ***Working conditions of suppliers***

The Otto Group does not have its own production facilities and purchases the products marketed by it either directly from manufacturers or from trade companies. The Otto Group has a professional purchasing management in place, with special emphasis on the selection of its suppliers. The aim is to minimise quality deficits through close collaboration with suppliers and manufacturers and through ongoing quality controls.

Many of the Otto Group's manufacturers are based in countries where working and environmental conditions as well as social standards are inconsistent with Western European or generally recognised international standards. The Otto Group has committed itself to environmentally sustainable and socially responsible practices and endeavours to commit its suppliers to comply with these policies as well. However, the Otto Group cannot guarantee that its suppliers will always comply with these standards in practice.

Should one of the independent manufacturers not comply with the relevant labour law provisions or should they be in breach of generally recognised environmental or social international standards, this could be detrimental to the Otto Group's reputation and consequently have an adverse impact on the Otto Group's financial condition and results of operations.

### ***Ongoing restructurings and active portfolio management***

The Otto Group defines itself as a group of future-proof companies with sustainably successful business models. The economic viability of each of the Otto Group's activities is constantly being monitored and adequate measures are taken where adjustments are deemed necessary.

Given the diversity of the Otto Group's portfolio of activities, the Group is regularly confronted with underperformance at one or more subsidiaries. In these cases, the Otto Group seeks to implement adequate restructuring measures. Depending on the individual situation, these restructuring measures may negatively affect Group profitability and there can be no assurance that these measures will produce the desired turnaround.

Restructuring measures are currently being implemented at SportScheck, which is going through a realignment of its business model. SportScheck weighed on Group profitability in financial year 2017/18 and is likely to continue to do so in financial year 2018/19 despite the ongoing restructuring measures.

In addition to restructurings, the Otto Group constantly assesses its portfolio of companies and may make targeted disposals where deemed appropriate. Depending on the individual case, these disposals may have a positive or negative impact on Group profitability.

### ***Risks related to macroeconomic conditions and political uncertainty in foreign markets***

The Otto Group's prospects in foreign markets are closely linked to the development of macroeconomic conditions in these markets.

In Russia, the Otto Group operates in a macroeconomic environment that remains challenging. The volatility of the Russian rouble observed in recent years presents a noteworthy risk, especially for the Otto Group's businesses that purchase goods in euros and sell them in rouble. Following the recent adoption of new diplomatic and economic sanctions against Russia, a further rise in geopolitical tensions and/or a further deterioration of the Russian economy cannot be excluded. This could have a negative impact on the Otto Group's Russian activities, which contributed 2.4% to the Otto Group's revenues in financial year 2017/18.

In the United Kingdom, the Otto Group operates the retail companies under the umbrella of Freemans Grattan Holdings, as well as the logistics activities of Hermes Parcelnet. Following the UK's decision to exit the European Union ("**Brexit**"), the economic outlook for the UK is uncertain. A deterioration in the UK economy would likely have a negative impact on the Otto Group's UK activities. To mitigate these risks, the Otto Group has set up a dedicated project team which closely monitors Brexit-related developments and their consequences for the Otto Group.

In the United States, political positions taken by the new U.S. presidential administration have led to greater uncertainty regarding the status of trade relations between the United States and its trade partners, as well as regarding the status of importers who sell goods manufactured outside the United States. Depending on their concrete implementation, these politics might have a negative impact on the Otto Group's US operations. In addition, they may also lead to an increase in the level of protectionism globally, which could have a detrimental effect on the global economy in general. Sectors of the economy that are highly dependent on international trade, such as the retail sector in which the Otto Group operates, might be particularly hurt by higher barriers to free trade.

### ***Investments in innovation, infrastructure and growth-focussed businesses***

The Otto Group invests steadily in innovative business models and the logistics and IT infrastructure. These measures are a burden on profitability in the short term, but are designed to secure the long-term competitiveness of the Otto Group.

Companies with a strategic emphasis on revenue growth, such as ABOUT YOU, are not run with a focus on achieving positive earnings in the short-term and are expected to have a negative impact on profitability in financial year 2018/19. In addition, the Group company OTTO, which aims to further develop its platform strategy in financial year 2018/19, is temporarily expected to forego the strong positive profitability it recorded in previous years in order to accelerate revenue growth.

Should the execution of business plans and infrastructure investments not be successful, or should the benefits that are expected from these investments not materialise, this could adversely affect the Otto Group's financial condition and results of operations.

### ***Risks related to the Otto Group's pension obligations***

As of 28 February 2018, the Otto Group's provisions for pension obligations amounted to EUR 1,417 million.

The Otto Group's main defined-benefit pension plans are located in Germany and the UK. Pension plans in Germany are generally unfunded, while the pension plans in the UK are mostly funded.

The Otto Group is exposed to various risks in connection with its defined-benefit pension plans. The amount of its provisions for pension obligations is based on certain actuarial assumptions, which include discount rates, salary trends, pension trends, inflation and staff fluctuation. If these assumptions prove wrong or change over time, this may lead to a substantial increase in the provisions for pension obligations recognised on the Otto Group's balance sheet.

With the revised IAS 19, which has come into force in 2013, actuarial gains and losses have an immediate impact on the Otto Group's financial statements. As a consequence, changes in actuarial assumptions may lead to considerable volatility in the Otto Group's balance sheet in the form of large shifts between equity and liabilities. In this respect, the Otto Group is particularly exposed to changes in the level of interest rates, which affect the discount factor used to determine pension provisions.



In addition to actuarial risks, the Otto Group is exposed to capital market and investment risk with regards to its funded pension plans. As of 28 February 2018, the Otto Group's pension plan assets amounted to EUR 588 million.

### ***Change in accounting for operating leases***

In 2019, the new accounting standard IFRS 16 will enter into force. As a consequence, there will no longer be a distinction between finance and operating leases for the lessee. All such leasing arrangements will appear on the lessee's balance sheet in the future. This will lead to an increase in the amount of liabilities on the Otto Group's balance sheet. Details on the Otto Group's operating leases are set out in note 42 to the Otto Group's Annual Report 2017/18.

### **Risks relating to the Notes**

An investment in the Notes involves certain risks associated with the characteristics of the Notes. Such risks could result in principal or interest not being paid on time or at all by the Issuer and/or a material impairment of the market price of the Notes. The following is a description of risk factors in relation to the Notes.

#### ***Notes may not be a suitable investment for all investors***

Potential investors in the Notes must determine the suitability (either alone or with the help of a financial adviser) of that investment in light of their own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment it is considering, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including the risk not to receive any return on investment or repayment of the invested amount, and also including risks arising if the currency for principal or interest payments on the Notes, i.e. Euro, is different from the currency in which its financial activities are principally denominated;
- (iv) understand thoroughly the terms of the Notes, recognize that it may not be possible to dispose of the Notes for a substantial period of time and be familiar with the behavior of the financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Prior to making an investment decision, each potential investor should consider carefully, in light of its own financial circumstances and investment objectives, all the information contained in this Offering Circular or incorporated by reference herein.

#### ***The Notes have no scheduled maturity.***

The Notes have no scheduled maturity and may run for an indefinite period. Accordingly, the Issuer is under no obligation to repay all or any part of the nominal amount of the Notes at a certain point in time and Noteholders have no right to require redemption of the Notes. The Terms and Conditions of the Notes only provide for call and redemption rights of the Issuer. Therefore, Noteholders should be aware that they may be required to bear the financial risks of an investment in the Notes for an indefinite period of time.

#### ***Interest payments under the Notes may be deferred at the option of the Issuer.***

Noteholders should be aware that interest may not be due and payable (*fällig*) on the scheduled Interest Payment Date, and that the payment of the resulting Arrears of Interest is subject to certain further conditions. Failure to pay interest as a result of an interest deferral will not constitute a default of the Issuer or a breach of any other obligations under the Notes or for any other purposes. Noteholders will not receive any additional interest or compensation for the deferral of payment. In particular, the resulting Arrears of Interest will not bear interest.

As a result of the interest deferral provision of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which interest payments are not subject to such deferrals and may be more sensitive generally to adverse changes in the Issuer's financial condition. Investors should be aware that any deferral of interest payments may have an adverse effect on the market price of the Notes.

***There is a risk of early redemption.***

The Notes may be subject to redemption (in whole but not in part) at any time upon the occurrence of a Gross-up Event, a Accounting Event, a Tax Event, a Solicited Rating Event or a Change of Control Event (each as defined in the Terms and Conditions) or in the event that the Issuer and/or any Subsidiary has purchased Notes equal to or in excess of 80% of the Aggregate Principal Amount of the Notes initially issued. Furthermore, the Issuer may call and redeem the Notes (in whole but not in part) with effect (i) as at any date during the period from and including 17 April 2025 to and including the First Call Date and (ii) as of each Interest Payment Date thereafter upon giving not less than 30 and not more than 60 days' notice to the Noteholders.

The redemption at the option of the Issuer may affect the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed.

The Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate of return. Potential investors should consider reinvestment risk in light of other investments available at that time.

Most of the events triggering early redemption are outside the control of the Issuer. In particular, tax rules applicable to financing instruments such as the Notes are subject to change from time to time and while the Issuer has taken steps to confirm the tax treatment of the Notes, including consulting with tax advisers, there can be no assurance as to whether no Gross-up Event, Accounting Event or Tax Event will occur.

***Risk due to the subordination of the Notes.***

The Terms and Conditions provide that the Notes constitute subordinated obligations of the Issuer, ranking pari passu among themselves, pari passu with all Parity Obligations and senior only to the Junior Obligations, and in the event of the liquidation or insolvency, or any other proceedings for the avoidance of insolvency, of, or against, the Issuer, the obligations under the Notes shall be fully subordinated to all other present and future obligations of the Issuer (except for Parity Obligations and Junior Obligations), whether subordinated or unsubordinated, except as otherwise provided by mandatory provisions of law or as expressly provided for by the terms of the relevant instrument so that in any such event no amounts shall be payable in respect of the Notes until the claims of all Issuer's senior ranking claims have first been satisfied in full.

Noteholders must accept that, in the circumstances described above, (i) the Issuer will make payments in respect of the Notes only in accordance with the subordination described above, and (ii) the rights of the Noteholders under the Notes will be subject to the provisions of the insolvency laws applicable to the Issuer from time to time.

If the Issuer's financial condition were to deteriorate, the Noteholders could suffer direct and materially adverse consequences. There is a significant risk that Noteholders will lose all or some of its investment should the Issuer become insolvent.

***No limitation on issuing senior or pari passu securities or other liabilities.***

There is no restriction on the amount of securities or other liabilities which the Issuer may issue, incur or guarantee and which rank senior to, or pari passu with, the Notes. The issue of any such securities, the granting of any such guarantees or the incurrance of any such other liabilities may reduce the amount (if any) recoverable by Noteholders on the insolvency, winding-up, liquidation or dissolution of the Issuer and/or may increase the likelihood of a deferral of Interest Payments under the Notes.

***The Noteholders are exposed to risks relating to fixed interest notes.***

The Notes bear interest at a fixed rate from and including the Interest Commencement Date to but excluding the First Call Date, which will be reset from and including the First Call Date for subsequent periods of five years.

Noteholders are exposed to the risk that the price of such Notes may fall because of changes in the market yield. While the nominal interest rate (i.e. the coupon) of the Notes is initially fixed until the First Call Date, and thereafter reset and fixed for subsequent periods of five years, the market yield typically changes on a daily basis. If the market yield increases, the price of the Notes typically falls. If the market yield falls, the price of the Note typically increases. Noteholders should be aware that movements of the market yield can adversely affect the price of the Notes and can lead to losses for the Noteholders.

Noteholders should also be aware that the market yield has two components, namely the risk-free rate and the credit spread. The credit spread is reflective of the yield that investors require in addition to the yield on a risk-free investment of equal tenor as a compensation for the risks inherent in the Notes. The market yield of the Notes can change due to changes of the credit spread, the risk-free rate, or both.

In addition, Noteholders are exposed to reinvestment risk with respect to proceeds from coupon payments or early redemptions by the Issuer. If the market yield declines, and if Noteholders want to invest such proceeds in comparable transactions, Noteholders will only be able to reinvest such proceeds in comparable transactions at the then prevailing lower market yields.

***The Noteholders are exposed to risks relating to the reset of interest rates linked to the 5-year swap rate.***

From and including the First Call Date, each Note bears interest at a rate per annum equal to the applicable Reset Rate of Interest. The Reset Rate of Interest (i) equals the annual swap rate for Euro swap transactions with a term of 5 years plus a constant margin, (ii) is applicable for a five-year period (or for a shorter period in case the Notes are redeemed), and (iii) is re-calculated every five years. Investors should be aware that the future performance of the annual swap rate for Euro swap transactions with a term of 5 years and hence the interest income on the Notes cannot be anticipated. Due to varying interest income, investors may not be able to determine a definite yield of the Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments without resetting nominal interest rates.

As mentioned under "*The Noteholders are exposed to risks relating to fixed interest notes.*", the market yield has two components, namely the risk-free rate and the credit spread. Noteholders should be aware that the Reset Rate of Interest is calculated by adding a constant margin (a proxy for the credit spread of the Notes at the time of issuance) to the annual swap rate for Euro swap transactions with a term of 5 years prevailing at the relevant Reset Date. Although the coupon is adjusted every 5 years to the then prevailing market level (i.e. the annual swap rate for Euro swap transactions with a term of 5 years), the second component of the coupon (i.e. the constant margin) is kept unchanged and may not reflect the credit spread of the Notes at the time of the reset.

***Risks associated with the reform of EURIBOR and other interest rate benchmarks.***

The Euro Interbank Offered Rate ("**EURIBOR**") and other interest rates or other types of rates and indices such as the annual swap rate for Euro swap transactions which are deemed "benchmarks" (each a "**Benchmark**" and together, the "**Benchmarks**"), to which the distributions on the Notes will, from and including the First Call Date, be linked, have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented.

International proposals for reform of Benchmarks include the European Council's regulation (EU) 2016/1011 of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmark Regulation**") which fully applies since 1 January 2018. According to the Benchmark Regulation, a Benchmark may only be used if its administrator obtains authorisation or is registered and in case of an administrator which is based in a non-EU jurisdiction, if the administrator's legal benchmark system is considered equivalent (Art. 30 Benchmark Regulation), the administrator is recognised (Art. 32 Benchmark

Regulation) or the benchmarks is endorsed (Art. 33 Benchmark Regulation) (subject to applicable transitional provisions). If this is not the case, the Notes could be impacted.

The Benchmark Regulation could have a material impact on the Notes in any of the following circumstances:

- the Benchmark for determining the relevant Reset Reference Rate could not be used as such if its administrator does not obtain authorisation or is based in a non-EU jurisdiction which (subject to applicable transitional provisions) does not satisfy the 'equivalence' conditions, is not 'recognised' pending such a decision and is not 'endorsed' for such purpose. In such event, the Notes could be impacted; and
- the methodology or other terms of the benchmark could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level and could lead to adjustments to the Reset Reference Rate of the Notes.

If the Calculation Agent determines that the Screen Page and/or the Reset Reference Rate is not available as at the relevant Reset Rate Determination Date because EURIBOR is no longer being calculated or administered, then the benchmark replacement provisions set forth in the Terms and Conditions will apply.

Uncertainty as to the continuation of the Reset Reference Rate and/or the EURIBOR and the rate that would be applicable if the Reset Reference Rate and/or the EURIBOR were discontinued may adversely affect the trading market and the value of the Notes. At this time, it is not possible to predict what the effect of these developments will be or what the impact on the value of the Notes will be.

In addition to the aforementioned proposal, there are numerous other proposals, initiatives and investigations which may impact Benchmarks.

Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted. For example, on 27 July 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcement**"). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

Any changes to a Benchmark as a result of the Benchmark Regulation or other initiatives, could have a material adverse effect on the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Although it is uncertain whether or to what extent any of the above-mentioned changes and/or any further changes in the administration or method of determining a Benchmark could have an effect on the value of any Notes or the distributions which will, as from and including the First Call Date, be linked to the relevant Benchmark, investors should be aware that any changes to the relevant Benchmark may have a material adverse effect on the value of the Notes.

***The Notes do not include express events of default or a cross default.***

The Noteholders should be aware that the Terms and Conditions of the Notes do not contain any express event of default provisions. There will also not be any cross default under the Notes.

***The Notes do not contain any financial covenants.***

The Issuer will not be restricted from incurring additional unsecured debt or other liabilities, including senior debt, under the terms of the Notes. If the Issuer incurs additional debt or liabilities, the Issuer's ability to pay its obligations on the Notes could be adversely affected. In addition, under the Notes, the Issuer will not be restricted from paying dividends or issuing or repurchasing their other securities. Noteholders will not be protected under the terms of the Notes in the event of a highly leveraged transaction, a reorganization or a restructuring, merger or similar transaction that may adversely affect Noteholders.

***The Noteholders have no voting rights.***

The Notes are non-voting with respect to general meetings of shareholders of the Issuer. Consequently, the Noteholders cannot influence any decisions by the Issuer to defer interest payments or to optionally settle such

Arrears of Interest or any other decisions by the Issuer's shareholders concerning the capital structure or any other matters relating to the Issuer.

***The Noteholders' only remedy against the Issuer is the institution of legal proceedings to enforce payment or to file an application for insolvency proceedings.***

The only remedy against the Issuer available to the Noteholders for recovery of amounts which have become due in respect of the Notes will be the institution of legal proceedings to enforce payment of the amounts or to file an application for the institution of insolvency proceedings. On an insolvency or liquidation of the Issuer, any Holder may only claim the amounts due and payable under the Notes, after the Issuer has discharged or secured in full (i.e. not only with a quota) all claims that rank senior to the Notes.

***Risk in connection with German Act on Issues of Debt Securities.***

Pursuant to the Terms and Conditions of the Notes, the Noteholders may agree with the Issuer by majority resolution to amendments of the Terms and Conditions of the Notes in accordance with and subject to the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen* – "SchVG"). Therefore, a Holder is subject to the risk of being outvoted by a majority resolution of such Noteholders and losing rights towards the Issuer against his will in the event that Noteholders holding a sufficient aggregate nominal amount of the Notes participate in the vote and agree to amend the Terms and Conditions of the Notes or on other matters relating to the Notes by majority vote in accordance with the Terms and Conditions of the Notes and the SchVG. As such majority resolution is binding on all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority, certain rights of such Holder against the Issuer under the Terms and Conditions of the Notes may be amended or reduced or even cancelled.

In addition, the Noteholders' rights to convene a Noteholders' meeting and to solicit a Noteholders' resolution are limited as, pursuant to section 9 paragraph 1 of the SchVG, a holders' meeting will only be convened if Noteholders jointly holding at least 5% of the outstanding Notes request such convocation in writing stating their particular interest in convening such a meeting.

In case of an appointment of a joint representative (*gemeinsamer Vertreter*) for all Noteholders, it is possible that a Holder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions of the Notes against the Issuer, such right passing to the joint representative who is then exclusively responsible to claim and enforce the rights of all the Noteholders.

***There has been no prior market for the Notes, a liquid market may not develop, and the Notes may be subject to significant market price volatility.***

The Notes constitute a new issue of securities. Prior to their issue, there has been no public market for the Notes. Although application has been made to the Luxembourg Stock Exchange to list the Notes on its official list, there can be no assurance that an active public market for the Notes will develop. Even if such a market were to develop, neither the Issuer nor the Managers nor any other person is obligated to maintain it. In an illiquid market, an investor might not be able to sell his Notes at all or at any time at fair market prices. The possibility to sell the Notes might additionally be restricted due to country-specific reasons. Moreover, the liquidity and the market for the Notes can be expected to vary with changes in the securities market and economic conditions, the financial condition and prospects of the Issuer and other factors which generally influence the market prices of securities. Such fluctuations may significantly affect liquidity and market prices for the Notes. Furthermore, the comparatively small issue volume may also affect liquidity for the Notes since there usually is limited secondary trading activity in such Notes. Market liquidity in hybrid financial instruments similar to the Notes has historically been limited. In addition, potential investors should note that hybrid financial instruments similar to the Notes have experienced pronounced price fluctuations in times of distressed markets, for example in connection with the crisis of the financial markets and the banking sector since 2007.

***The development of market prices of the Notes depends on various factors.***

The market value of the Notes is influenced by a change in the creditworthiness (or the perception thereof) of the Issuer and a number of other factors including market interest and rate of return and the remaining time until the day of maturity.

The development of market prices of the Notes depends on various factors, such as changes of market interest rate levels, the policies of central banks, overall economic developments, inflation rates or the lack of or excess demand for the relevant type of Note. The Noteholders are therefore exposed to the risk of an unfavorable development of market prices of their Notes which materialize if the Noteholders sell the Notes prior to their redemption.

***The trading market for debt securities may be volatile and may be adversely impacted by many events.***

The market for debt securities issued by the Issuer is influenced by a number of interrelated factors, including economic, financial and political conditions and events in Germany as well as economic conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialized countries. There can be no assurance that events in Germany, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Notes or that economic and market conditions will not have any other adverse effect. Accordingly, the price at which a Holder will be able to sell its Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such Holder.

***The market value of the Notes could decrease if the creditworthiness of the Issuer worsens.***

If the likelihood decreases that the Issuer will be in a position to make scheduled payments on the Notes and perform other obligations under the Notes for example, because of the materialization of any of the risks regarding the Issuer, the market value of the Notes will fall.

Furthermore, investors are exposed to the risk that the credit spread of the Issuer widens, also resulting in a decrease in the price of the Notes (credit spread risk). A credit spread is the margin payable by the Issuer to the holder of a Note as a premium for the assumed credit risk of the Issuer. Credit spreads are offered and sold as premiums on current risk-free interest rates or as discounts on the price. Factors influencing the credit spread include, among other things (such as the liquidity situation or the general level of interest rates), the creditworthiness of the Issuer and the probability of default.

In addition, even if the likelihood that the Issuer will be in position to fully perform all obligations under the Notes when they fall due actually has not decreased, market participants could nevertheless have a different perception. Furthermore, the market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business as the Issuer could adversely change. If any of these risks materializes, third parties would only be willing to purchase Notes for a lower price than before the materialization of mentioned risk. Under these circumstances, the market value of the Notes will decrease.

***The Notes may be traded with accrued interest, but under certain circumstances described above, subsequent interest payments may not be made in full or in part.***

The Notes may trade, and the prices for the Notes may appear on trading systems on which the Notes are traded, with accrued interest. If this occurs, purchasers of Notes in the secondary market will pay a price that includes such accrued interest upon the purchase of the Notes. However, if an interest payment is deferred (see also "*Interest payments under the Notes may be deferred at the option of the Issuer.*"), purchasers of such Notes will not be entitled to an interest payment (in full or in part, as the case may be), and will not receive any compensation for an increased price paid due to accrued interest.

***An investment in the Notes may be subject to the risk of inflation.***

The inflation risk is the risk of future money depreciation. The real yield from an investment is reduced by inflation. The higher the rate of inflation, the lower the real yield on the Notes. If the inflation rate is equal to or higher than the nominal yield, the real yield is zero or even negative.

***Investors will have to rely on the procedures of Euroclear Bank SA/NV and Clearstream Banking S.A. for transfer, payment and communication with the Issuer.***

The Notes will be represented by one or more global notes. Such global notes will be deposited with a common depositary for Euroclear Bank SA/NV and Clearstream Banking S.A. (together, the "ICSDs"). Investors will not be entitled to receive definitive notes. The ICSDs will maintain records of the beneficial interests in the global notes. While the Notes are represented by one or more global notes, investors will be able to trade their beneficial interests

only through the ICSDs and the Issuer will discharge its payment obligations under the Notes by making payments to the common depository for the ICSDs for distribution to their account holders. A holder of a beneficial interest in global notes must rely on the procedures of the ICSDs to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of beneficial interest in, the global notes.

***The income under the Notes may be reduced by taxes.***

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. Potential investors are advised not to rely on the tax discussions contained in this Prospectus but to seek advice from their own tax advisors on their individual taxation with respect to the acquisition, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor.

***Incidental costs related in particular to the purchase and sale of the Notes may have a significant impact on the profit potential of the Notes.***

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) may be incurred in addition to the purchase or sale price of the Notes. These incidental costs may significantly reduce or eliminate any profit from holding the Notes. Credit institutions as a rule charge commissions which are either fixed minimum commissions or pro-rata commissions, depending on the order value. To the extent that additional, domestic or foreign, parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, investors may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs). In addition to such costs directly related to the purchase of Notes (direct costs), investors must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

***No assurance can be given as to the impact of any possible judicial decision or change of laws or administrative practices after the date of this Prospectus***

The Terms and Conditions of the Notes are based on German law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to German law (including German tax laws) or administrative practice or the official application or interpretation of German law after the date of this Prospectus.

***A potential investor may not rely on the Issuer, the Managers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes.***

Each potential investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and is a fit, proper and suitable investment for it (or if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

A potential investor may not rely on the Issuer, the Managers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above. Without independent review and advice, an investor may not adequately understand the risks inherent with an investment in the Notes and may lose parts or all of his capital invested without taking such or other risks into consideration before investing in the Notes.

### ***Exchange rate risks and exchange controls.***

The Notes are denominated in Euro. Potential investors should bear in mind that an investment in the Notes involves currency risks. This presents certain risks relating to currency conversions if a Holder's financial activities are denominated principally in a currency or currency unit (the "**investor's currency**") other than Euro. These include the risk that exchange rates may change significantly (including changes due to devaluation of the Euro or revaluation of the investor's currency) and the risk that authorities with jurisdiction over the investor's currency may impose or modify exchange controls. An appreciation in the value of the investor's currency relative to the Euro would decrease (i) the investor's currency-equivalent yield on the Notes, (ii) the investor's currency equivalent value of the principal payable on the Notes and (iii) the investor's currency-equivalent market value of the Notes. In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable currency exchange rate. As a result, Noteholders may receive less interest or principal than expected, or no interest or principal.

### ***Special Investment Risks- U.S. Foreign Account Tax Compliance Withholding***

Pursuant to the foreign account tax compliance provisions of the Hiring Incentives to Restore Employment Act of 2010 ("**FATCA**"), the Issuer and other non-U.S. financial institutions through which payments on the Notes are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, payments made after 31 December 2018 in respect of (i) any Notes issued or materially modified after the date on which the final regulations applicable to "foreign passthru payments" are filed in the Federal Register and (ii) any Notes which are treated as equity for U.S. federal tax purposes, whenever issued.

Whilst the Notes are in global form and held within the ICSDs, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the ICSDs (see TAXATION - *U.S. Foreign Account Tax Compliance Withholding*). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer's obligations under the Notes are discharged once it has made payment to, or to the order of the ICSDs and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries. Further, foreign financial institutions in a jurisdiction which has entered into an intergovernmental agreement with the United States (an "**IGA**") are generally not expected to be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments they make.

If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of FATCA, none of the Issuer, any paying agent or any other person would, pursuant to the Terms and Conditions of the Notes be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

### ***Financial Transaction Tax ("**FTT**")***

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**"). In December 2015, Estonia withdrew from the group of states willing to introduce the FTT. The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are exempt. Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in



a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State. However, the FTT proposal remains subject to negotiation between the (still) Participating Member States and its adoption and the scope of any such tax is uncertain. Additional EU member states may decide to participate.

Prospective investors should consult their own tax advisers in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Notes.

## **RESPONSIBILITY STATEMENT**

The Issuer with its registered office in Hamburg, Germany, accepts responsibility for the information contained in this Prospectus and hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuer further confirms that (i) this Prospectus contains all information with respect to the Issuer and its subsidiaries taken as a whole and to the Notes which is material in the context of the issue and offering of the Notes, including all information which, according to the particular nature of the Issuer and of the Notes is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and the Group and of the rights attached to the Notes; (ii) the statements contained in this Prospectus relating to the Issuer, the Group and the Notes are in every material particular true and accurate and not misleading; (iii) there are no other facts in relation to the Issuer, the Group or the Notes the omission of which would, in the context of the issue and offering of the Notes, make any statement in this Prospectus misleading in any material respect; and (iv) reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

## NOTICE TO INVESTORS

No person is authorised to give any information or to make any representation other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer or the Managers (as defined in the section "OFFER, SALE AND SUBSCRIPTION OF THE NOTES").

This Prospectus should be read and understood in conjunction with any supplement hereto and with any documents incorporated herein or therein by reference.

This Prospectus contains certain forward-looking statements, including statements using the words "believes", "anticipates", "intends", "expects" or other similar terms. This applies in particular to statements in the section "GENERAL INFORMATION ON THE ISSUER AND THE GROUP" and statements elsewhere in this Prospectus relating to, among other things, the future financial performance, plans and expectations regarding developments in the business of the Group. These forward-looking statements are subject to a number of risks, uncertainties, assumptions and other factors that may cause the actual results, including the financial position and profitability of the Group, to be materially different from or worse than those expressed or implied by these forward-looking statements. The Issuer does not assume any obligation to update such forward-looking statements and to adapt them to future events or developments.

Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the Notes should be considered as a recommendation by the Issuer or the Managers to a recipient hereof and thereof that such recipient should purchase any Notes.

For the avoidance of doubt the content of any website referred to in this Prospectus does not form part of this Prospectus.

This Prospectus reflects the status as of its date. The offering, sale and delivery of the Notes and the distribution of this Prospectus may not be taken as an implication that the information contained herein is accurate and complete subsequent to the date hereof or that there has been no adverse change in the financial condition of the Issuer since the date hereof.

The language of this Prospectus is English. In respect of the Terms and Conditions German is the controlling and legally binding language.

### **ALTERNATIVE PERFORMANCE MEASURES:**

This Prospectus contains certain alternative performance measures ("**APMs**") which are not recognised financial measures under IFRS. Such APMs must be considered only in addition to, and not as a substitute for or superior to, financial information prepared in accordance with IFRS included elsewhere in the Prospectus. Investors are cautioned not to place undue reliance on these APMs and are also advised to review them in conjunction with the financial statements of the Issuer and related notes.

This Prospectus contains the following APMs:

*Earnings before tax ("**EBT**")*: Reconciliation and explanation for EBT can be found in the Otto Group's Annual Report 2017/18 page 121. The Issuer reports its EBT because it believes it is a helpful figure for evaluating the Otto Group's financial performance. The EBT reported is not necessarily comparable to the performance figures published by other companies as EBT or the like.

*Earnings before interest and tax ("**EBIT**")*: Reconciliation and explanation for segment EBIT to be found in the Otto Group's Annual Report 2017/18 pages 132-133, which is incorporated by reference. The Issuer reports its EBIT because it believes it is a helpful figure for evaluating the Otto Group's and its segments' operating performance. The EBIT reported is not necessarily comparable to the performance figures published by other companies as EBIT or the like.

*Earnings before interest, tax, depreciation and amortisation ("EBITDA")*: Reconciliation and explanation for EBITDA to be found in the Otto Group's Annual Report 2017/18 page 121. The Issuer reports its EBITDA because it believes it is a helpful figure for evaluating the Otto Group's and its segments' operating performance. The EBITDA reported is not necessarily comparable to the performance figures published by other companies as EBITDA or the like.

*Net financial debt*: Reconciliation and explanation for Net financial debt to be found in the Otto Group's Annual Report 2017/18 pages 95/96. The Issuer reports its Net financial debt because it believes it is a helpful figure for evaluating the Otto Group's capital structure. The Net financial debt reported is not necessarily comparable to the performance figures published by other companies as net financial debt or the like.

In this Prospectus, all references to "€", "EUR" or "Euro" are to the currency introduced at the start of the third stage of the European Economic and Monetary Union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the Euro, as amended.

To the extent permitted by the laws of any relevant jurisdiction, neither any Manager nor any of its respective affiliates nor any other person mentioned in this Prospectus, except for the Issuer, accepts responsibility for the accuracy and completeness of the information contained in this Prospectus or any document incorporated by reference, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accept any responsibility for the accuracy and completeness of the information contained in any of these documents. The Managers have not independently verified any such information and accept no responsibility for the accuracy thereof.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The distribution of this Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required to inform themselves about and to observe any such restrictions. For a description of the restrictions see "OFFER, SALE AND SUBSCRIPTION OF THE NOTES – SELLING RESTRICTIONS".

**MIFID II PRODUCT GOVERNANCE / ELIGIBLE COUNTERPARTIES, PROFESSIONAL INVESTORS AND RETAIL INVESTORS TARGET MARKET** – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each having at least extended knowledge and each as defined in MiFID II; (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate and (iii) the following channels for distribution of the Notes to retail clients are appropriate: investment advice, portfolio management and non-advised sales, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.

**IN CONNECTION WITH THE ISSUE OF THE NOTES, UNICREDIT BANK AG (THE "STABILISING MANAGER") (OR ANY PERSON ACTING ON BEHALF OF ANY STABILISING MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISING**

**MANAGER (OR ANY PERSON ACTING ON BEHALF OF THE STABILISING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.**

## **USE OF PROCEEDS**

In connection with the offering of the Notes, the Issuer will receive net proceeds of approximately EUR 295,644,000 (subject to a discretionary fee to be paid to the Joint Lead Managers of up to 0.20 % of the principal amount of the Notes).

The Issuer intends to use the net proceeds for general corporate purposes of the Group.

## TERMS AND CONDITIONS OF THE NOTES

### ANLEIHEBEDINGUNGEN

*Diese Anleihebedingungen sind in deutscher Sprache abgefasst und mit einer Übersetzung in die englische Sprache versehen. Der deutsche Wortlaut ist allein rechtsverbindlich. Die englische Übersetzung dient nur zur Information.*

#### § 1

##### Einzelne Definitionen und Auslegung

Soweit aus dem Zusammenhang nicht etwas anderes hervorgeht, haben die nachfolgenden Begriffe in diesen Anleihebedingungen die folgende Bedeutung:

**"Als Eigenkapital bilanzierte Verbindlichkeit"** bezeichnet jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jede andere Verbindlichkeit, das bzw. die gemäß der Anwendbaren Rechnungslegungsstandards in der konsolidierten Bilanz der Emittentin als "Eigenkapital" behandelt werden.

**"Anleihegläubiger"** hat die in § 2(5) festgelegte Bedeutung.

**"Angefordertes Ratingereignis"** hat die in § 6(3)(c) festgelegte Bedeutung.

**"Anwendbare Rechnungslegungsstandards"** bezeichnet die Rechnungslegungsstandards, die die betreffende Person von Zeit zu Zeit für die Erstellung ihres Konzernabschlusses anwendet.

**"Aufgeschobene Zinszahlungen"** hat die in § 5(1)(a) festgelegte Bedeutung.

**"Austauschtag"** hat die in § 2(3)(b) festgelegte Bedeutung.

**"Berechnungsstelle"** hat die in § 10(2) festgelegte Bedeutung.

**"CBL"** hat die in § 2(4) festgelegte Bedeutung.

**"Clearing System"** hat die in § 2(4) festgelegte Bedeutung.

**"Dauerglobalurkunde"** hat die in § 2(3)(a) festgelegte Bedeutung.

**"Emittentin"** hat die in § 2(1) festgelegte Bedeutung.

**"Erlaubte Zuweisungen"** bezeichnet jede Haftungsprämie, die an den Komplementär gezahlt wird.

### TERMS AND CONDITIONS

*These Terms and Conditions are written in the German language and provided with an English language translation. The German text will be the only legally binding version. The English language translation is provided for convenience only.*

#### § 1

##### Certain Definitions and Interpretation

Unless the context otherwise requires, the following terms shall have the following meanings in these Terms and Conditions:

**"Equity Accounted Obligation"** means any present or future security, registered security or other obligation which, pursuant to the Applicable Accounting Standards, qualifies as "equity" in the consolidated balance sheet of the Issuer.

**"Noteholder"** has the meaning specified in § 2(5).

**"Solicited Rating Event"** has the meaning specified in § 6(3)(c).

**"Applicable Accounting Standards"** means the relevant accounting standards applied by the relevant person from time to time for drawing up its consolidated financial statements.

**"Arrears of Interest"** has the meaning specified in § 5(1)(a).

**"Exchange Date"** has the meaning specified in § 2(3)(b).

**"Calculation Agent"** has the meaning specified in § 10(2).

**"CBL"** has the meaning specified in § 2(4).

**"Clearing System"** has the meaning specified in § 2(4).

**"Permanent Global Note"** has the meaning specified in § 2(3)(a).

**"Issuer"** has the meaning specified in § 2(1).

**"Permitted Allocations"** means any liability premium paid to the general partner.

**"Erster Rückzahlungstermin"** hat die in § 4(2)(i) festgelegte Bedeutung.

**"Euroclear"** hat die in § 2(4) festgelegte Bedeutung.

**"Festgelegter Nennbetrag"** hat die in § 2(1) festgelegte Bedeutung.

**"Festgelegte Währung"** hat die in § 2(1) festgelegte Bedeutung.

**"Feststellungsperiode"** hat die in § 4(9) festgelegte Bedeutung.

**"Feststellungstermin"** hat die in § 4(9) festgelegte Bedeutung.

**"Gemeinsamer Vertreter"** hat die in § 14(6) festgelegte Bedeutung.

**"Geschäftstag"** hat die in § 5(1)(a) festgelegte Bedeutung.

**"Gleichrangige Verbindlichkeit"** hat die in § 3(1) festgelegte Bedeutung.

**"Globalurkunde"** hat die in § 2(3)(a) festgelegte Bedeutung.

**"Hauptzahlstelle"** hat die in § 10(1) festgelegte Bedeutung.

**"ICSD"** hat die in § 2(4) festgelegte Bedeutung.

**"IFRS"** bezeichnet die internationalen Rechnungslegungsstandards im Sinne der Verordnung (EG) Nr. 1606/2002 des Europäischen Parlaments und des Rates vom 19. Juli 2002 betreffend die Anwendung internationaler Rechnungslegungsstandards in der jeweils geltenden Fassung.

**"Investment Grade Rating"** bezeichnet ein Rating von (i) BBB- oder höher im Fall von S&P und Fitch und (ii) Baa3 oder höher im Fall von Moody's, oder das entsprechende Äquivalent dieser Ratings im Fall von S&P, Moody's oder Fitch sowie das entsprechende Äquivalent in den Ratingkategorien einer anderen Ratingagentur, durch die S&P, Moody's oder Fitch ersetzt wurde.

**"Internal Revenue Code"** hat die in § 8(1)(h) festgelegte Bedeutung.

**"Kontrollwechsel"** hat die in § 6(5)(b) festgelegte Bedeutung.

**"Kontrollwechselereignis"** hat die in § 6(5)(b) festgelegte Bedeutung.

**"Kontrollwechselmitteilung"** hat die in § 6(5)(a) festgelegte Bedeutung.

**"First Call Date"** has the meaning specified in § 4(2)(i).

**"Euroclear"** has the meaning specified in § 2(4).

**"Principal Amount"** has the meaning specified in § 2(1).

**"Specified Currency"** has the meaning specified in § 2(1).

**"Determination Period"** has the meaning specified in § 4(9).

**"Determination Date"** has the meaning specified in § 4(9).

**"Noteholders' Representative"** has the meaning specified in § 14(6).

**"Business Day"** has the meaning specified in § 5(1)(a).

**"Parity Obligation"** has the meaning specified in § 3(1).

**"Global Note"** has the meaning specified in § 2(3)(a).

**"Principal Paying Agent"** has the meaning specified in § 10(1).

**"ICSD"** has the meaning specified in § 2(4).

**"IFRS"** means international accounting standards within the meaning of the Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, as amended from time to time.

**"Investment Grade Rating"** means a rating of (i) BBB- or higher by S&P and Fitch and, (ii) Baa3 or higher by Moody's, or the equivalent of such ratings by S&P, Moody's or Fitch and the equivalent in respect of rating categories of any Rating Agencies substituted for S&P, Moody's or Fitch.

**"Internal Revenue Code"** has the meaning specified in § 8(1)(h).

**"Change of Control"** has the meaning specified in § 6(5)(b).

**"Change of Control Event"** has the meaning specified in § 6(5)(b).

**"Change of Control Notice"** has the meaning specified in § 6(5)(a).



**"Kontrollwechselereignis-Stichtag"** hat die in § 6(5)(c) festgelegte Bedeutung.

**"Konzerninterne Zahlungen"** sind Zahlungen, die ausschließlich zwischen der Emittentin und einer oder mehrerer ihrer Tochtergesellschaften oder zwischen Tochtergesellschaften der Emittentin geleistet werden.

**"Make-whole Bestimmungsstelle"** hat die in § 10(3) festgelegte Bedeutung.

**"Make-whole Rückzahlungsbetrag"** hat die in § 6(3)(c) festgelegte Bedeutung.

**"Marge"** hat die in § 4(3) festgelegte Bedeutung.

**"Nachrangige Verbindlichkeit"** hat die in § 3(1) festgelegte Bedeutung.

**"Negatives Ratingereignis"** hat die in § 6(5)(b) festgelegte Bedeutung.

**"Neue Emittentin"** hat die in § 13(1) festgelegte Bedeutung.

**"Pflichtnachzahlungsereignis"** hat die in § 5(3) festgelegte Bedeutung.

**"Pflichtnachzahlungstermin"** hat die in § 5(3) festgelegte Bedeutung.

**"Qualifizierte Mehrheit"** hat die in § 14(2) festgelegte Bedeutung.

**"Quellensteuer-Ereignis"** hat die in § 6(3)(c) festgelegte Bedeutung.

**"Ratingagentur"** bezeichnet (1) Standard & Poor's Rating Service oder deren entsprechenden Nachfolger ("**S&P**"), (2) Moody's Investors Service Inc. oder deren entsprechenden Nachfolger ("**Moody's**"), (3) Fitch Ratings Ltd. oder deren entsprechenden Nachfolger ("**Fitch**"), oder (4) falls S&P, Moody's oder Fitch oder alle drei kein Rating für die Emittentin öffentlich zur Verfügung stellen, eine Ratingagentur oder Ratingagenturen mit europaweitem Ansehen, die von der Emittentin ausgewählt wird und S&P, Moody's oder Fitch oder alle diese Agenturen ersetzt.

**"Rechnungslegungsereignis"** hat die in § 6(3)(c) festgelegte Bedeutung.

**"Referenzanpassungstermin"** hat die in § 4(3) festgelegte Bedeutung.

**"Reset-Bildschirmseite"** hat die in § 4(3) festgelegte Bedeutung.

**"Reset-Referenzbanken"** hat die in § 4(3) festgelegte Bedeutung.

**"Change of Control Event Effective Date"** has the meaning specified in § 6(5)(c).

**"Intra-Group Payments"** means payments made exclusively between the Issuer and one or more of its subsidiaries or between subsidiaries of the Issuer.

**"Make-whole Determination Agent"** has the meaning specified in § 10(3).

**"Make-whole Redemption Amount"** has the meaning specified in § 6(3)(c).

**"Margin"** has the meaning specified in § 4(3).

**"Junior Obligation"** has the meaning specified in § 3(1).

**"Negative Rating Event"** has the meaning specified in § 6(5)(b).

**"New Issuer"** has the meaning specified in § 13(1).

**"Mandatory Payment Event"** has the meaning specified in § 5(3).

**"Mandatory Settlement Date"** has the meaning specified in § 5(3).

**"Qualified Majority"** has the meaning specified in § 14(2).

**"Gross-up Event"** has the meaning specified in § 6(3)(c).

**"Rating Agency"** means (1) Standard & Poor's Rating Service and its successors ("**S&P**"), (2) Moody's Investors Service Inc. and its successors ("**Moody's**"), and (3) Fitch Ratings Ltd. and its successors ("**Fitch**"), or (4) if S&P, Moody's or Fitch, or all three shall not make a rating of the Issuer publicly available, a European-wide reputable securities rating agency or agencies, as the case may be, selected by of the Issuer, which shall be substituted for S&P, Moody's or Fitch or all three, as the case may be.

**"Accounting Event"** has the meaning specified in § 6(3)(c).

**"Reference Reset Date"** has the meaning specified in § 4(3).

**"Reset Screen Page"** has the meaning specified in § 4(3).

**"Reset Reference Banks"** has the meaning specified in § 4(3).

"**Reset-Referenzbankensatz**" hat die in § 4(3) festgelegte Bedeutung.

"**Reset-Referenzsatz**" hat die in § 4(3) festgelegte Bedeutung.

"**Reset-Termin**" hat die in § 4(3) festgelegte Bedeutung.

"**Reset-Zeitraum**" hat die in § 4(3) festgelegte Bedeutung.

"**Reset-Zinssatz**" hat die in § 4(3) festgelegte Bedeutung.

"**Rückzahlungstermin**" bezeichnet den Tag, an dem die Schuldverschreibungen nach Maßgabe dieser Anleihebedingungen zur Rückzahlung fällig werden.

"**Schuldverschreibungen**" hat die in § 2(1) festgelegte Bedeutung.

"**SchVG**" hat die in § 14(1) festgelegte Bedeutung.

"**Steuerereignis**" hat die in § 6(3)(c) festgelegte Bedeutung.

"**Steuern**" hat die in § 8(1) festgelegte Bedeutung.

"**TARGET-Geschäftstag**" hat die in § 4(3) festgelegte Bedeutung.

"**Tochtergesellschaft**" bezeichnet jede Gesellschaft, an der die Emittentin direkt oder indirekt mehrheitlich beteiligt ist und die von der Emittentin im Sinne von IFRS beherrscht wird.

"**Vereinigte Staaten**" hat die in § 2(3)(b) festgelegte Bedeutung.

"**Verzinsungsbeginn**" hat die in § 4(1)(a) festgelegte Bedeutung.

"**Vorläufige Globalurkunde**" hat die in § 2(3)(a) festgelegte Bedeutung.

"**Zahlstelle**" hat die in § 10(6) festgelegte Bedeutung.

"**Zahlstellen**" hat die in § 10(6) festgelegte Bedeutung.

"**Zinsberechnungszeitraum**" hat die in § 4(9) festgelegte Bedeutung.

"**Zinsbetrag**" hat die in § 4(6) festgelegte Bedeutung.

"**Zinsfestlegungstag**" hat die in § 4(3) festgelegte Bedeutung.

"**Zinsperiode**" hat die in § 4(3) festgelegte Bedeutung.

"**Reset Reference Bank Rate**" has the meaning specified in § 4(3).

"**Reset Reference Rate**" has the meaning specified in § 4(3).

"**Reset Date**" has the meaning specified in § 4(3).

"**Reset Period**" has the meaning specified in § 4(3).

"**Reset Rate of Interest**" has the meaning specified in § 4(3).

"**Redemption Date**" means the day on which the Notes become due for redemption in accordance with these Terms and Conditions.

"**Notes**" has the meaning specified in § 2(1).

"**SchVG**" has the meaning specified in § 14(1).

"**Tax Event**" has the meaning specified in § 6(3)(c).

"**Taxes**" has the meaning specified in § 8(1).

"**TARGET Business Day**" has the meaning specified in § 4(3).

"**Subsidiary**" means an entity in which the Issuer holds directly or indirectly a majority interest and which is controlled by the Issuer within the meaning of IFRS.

"**United States**" has the meaning specified in § 2(3)(b).

"**Interest Commencement Date**" has the meaning specified in § 4(1)(a).

"**Temporary Global Note**" has the meaning specified in § 2(3)(a).

"**Paying Agent**" has the meaning specified in § 10(6).

"**Paying Agents**" has the meaning specified in § 10(6).

"**Calculation Period**" has the meaning specified in § 4(9).

"**Interest Amount**" has the meaning specified in § 4(6).

"**Interest Determination Date**" has the meaning specified in § 4(3).

"**Interest Period**" has the meaning specified in § 4(3).

"**Zinssatz**" hat die in § 4(2) festgelegte Bedeutung.

"**Zinstagequotient**" hat die in § 4(9) festgelegte Bedeutung.

"**Zinszahlungstag**" hat die in § 4(1)(b) festgelegte Bedeutung.

"**Zusätzliche Beträge**" hat die in § 8(1) festgelegte Bedeutung.

## § 2

### Währung, Gesamtnennbetrag, Stückelung, Form und Clearing System

(1) *Währung, Gesamtnennbetrag, Stückelung, Übertragung.* Diese Emission von nachrangigen Schuldverschreibungen (die "**Schuldverschreibungen**") der Otto (GmbH & Co KG) (die "**Emittentin**") wird in Euro (die "**Festgelegte Währung**") im Gesamtnennbetrag von bis zu € 300.000.000 (in Worten: Euro dreihundert Millionen) in einer Stückelung von € 1.000 (der "**Festgelegte Nennbetrag**") begeben.

(2) *Form.* Die Schuldverschreibungen lauten auf den Inhaber.

(3) *Vorläufige Globalurkunde – Austausch.*

(a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die "**Vorläufige Globalurkunde**") ohne Zinsscheine verbrieft. Die vorläufige Globalurkunde wird gegen Schuldverschreibungen im Festgelegten Nennbetrag, die durch eine Dauerglobalurkunde (die "**Dauerglobalurkunde**") und, gemeinsam mit der Vorläufigen Globalurkunde, jeweils die "**Globalurkunde**") ohne Zinsscheine verbrieft sind, ausgetauscht. Die Vorläufige Globalurkunde und die Dauerglobalurkunde tragen jeweils die Unterschriften ordnungsgemäß bevollmächtigter Vertreter der Emittentin und sind jeweils von der Zahlstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.

(b) Die Vorläufige Globalurkunde wird frühestens an einem Tag (der "**Austauschtag**") gegen die Dauerglobalurkunde austauschbar, der 40 Tage nach dem Tag der Ausgabe der Vorläufigen Globalurkunde liegt. Ein solcher Austausch soll nur nach Vorlage von Bescheinigungen gemäß U.S. Steuerrecht erfolgen, wonach der oder die wirtschaftlichen Eigentümer der durch die Vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Personen

"**Rate of Interest**" has the meaning specified in § 4(2).

"**Day Count Fraction**" has the meaning specified in § 4(9).

"**Interest Payment Date**" has the meaning specified in § 4(1)(b).

"**Additional Amounts**" has the meaning specified in § 8(1).

## § 2

### Currency, Aggregate Principal Amount, Denomination, Form, Clearing System

(1) *Currency, Aggregate Principal Amount, Denomination, Transfer.* This issue of subordinated notes (the "**Notes**") of Otto (GmbH & Co KG) (the "**Issuer**") is being issued in Euro (the "**Specified Currency**") in the aggregate principal amount of up to € 300,000,000 (in words: Euro three-hundred million) in a denomination of € 1,000 (the "**Principal Amount**").

(2) *Form.* The Notes are being issued in bearer form.

(3) *Temporary Global Note – Exchange.*

(a) The Notes are initially represented by one temporary global note (the "**Temporary Global Note**") without interest coupons. The Temporary Global Note will be exchanged for Notes in the Principal Amount represented by a permanent global note (the "**Permanent Global Note**") and together with the Temporary Global Note, the "**Global Note**") without interest coupons. The Temporary Global Note and the Permanent Global Note shall each be signed by authorised signatories of the Issuer and shall each be authenticated by or on behalf of the Paying Agent. Definitive certificates representing individual Notes and interest coupons will not be issued.

(b) The Temporary Global Note shall be exchangeable for the Permanent Global Note on a date (the "**Exchange Date**") not earlier than 40 days after the date of issue of the Temporary Global Note. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note are not U.S. persons (other than certain financial institutions or certain persons holding Notes through such financial institutions) as required by U.S. tax

sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Zinszahlungen auf durch eine Vorläufige Globalurkunde verbrieft Schuldverschreibungen erfolgen erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist hinsichtlich einer jeden solchen Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Tag der Ausgabe der Vorläufigen Globalurkunde eingeht, wird als ein Ersuchen behandelt werden, diese Vorläufige Globalurkunde gemäß § 2(3)(b) auszutauschen. Wertpapiere, die im Austausch für die Vorläufige Globalurkunde geliefert werden, sind nur außerhalb der Vereinigten Staaten zu liefern.

Für die Zwecke von § 2(3) und § 7(1), bezeichnet "**Vereinigte Staaten**" die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia) sowie deren Territorien (einschließlich Puerto Rico, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und Northern Mariana Islands).

(4) *Clearing System.* Jede die Schuldverschreibungen verbrieftende Globalurkunde wird von einem oder im Namen eines Clearing Systems verwahrt. "**Clearing System**" meint Clearstream Banking S.A., 42 Avenue JF Kennedy, 1855 Luxemburg, Luxemburg ("**CBL**"), Euroclear Bank SA/NV, Boulevard du Roi Albert II, 1210 Brüssel, Belgien ("**Euroclear**"), (CBL and Euroclear jeweils "**ICSD**" und zusammen die "**ICSDs**") sowie jeden Funktionsnachfolger. Die Schuldverschreibungen werden als klassische Globalurkunde (classical global note) begeben und werden von einer gemeinsamen Verwahrstelle für die ICSDs verwahrt.

(5) *Anleihegläubiger.* "**Anleihegläubiger**" bezeichnet jeden Inhaber eines Miteigentumsanteils oder anderen wirtschaftlichen Interesses oder Rechts an den Schuldverschreibungen.

### § 3 Status der Schuldverschreibungen, Aufrechnungsverbot

(1) *Status der Schuldverschreibungen.* Die Schuldverschreibungen begründen direkte, nicht besicherte, nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit jeder Gleichrangigen Verbindlichkeit gleichrangig sind und nur den Nachrangigen Verbindlichkeiten im Rang vorgehen; im Fall der Liquidation oder der Insolvenz der Emittentin oder eines anderen der Abwendung der Insolvenz dienenden Verfahrens gegen die Emittentin gehen die Verbindlichkeiten aus den Schuldverschreibungen allen anderen

law. Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40<sup>th</sup> day after the date of issue of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to § 2(3)(b). Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States.

For purposes of § 2(3) and § 7(1), "**United States**" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

(4) *Clearing System.* Each Global Note representing the Notes will be kept in custody by or on behalf of the Clearing System. "**Clearing System**" means each of the following: Clearstream Banking S.A., 42 Avenue JF Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg ("**CBL**"), Euroclear Bank SA/NV, Boulevard du Roi Albert II, 1210 Brussels, Belgium ("**Euroclear**"), (CBL and Euroclear each an "**ICSD**" and together the "**ICSDs**") and any successor in such capacity. The Notes will be issued in classical global note form and will be kept in custody by a common depository for the ICSDs.

(5) *Noteholders.* "**Noteholder**" means any holder of a proportionate co-ownership or other beneficial interest or right in the Notes.

### § 3 Status of the Notes, Prohibition of Set-Off

(1) *Status of the Notes.* The obligations of the Issuer under the Notes constitute direct, unsecured and subordinated obligations of the Issuer, ranking *pari passu* among themselves, *pari passu* with all Parity Obligations and senior only to the Junior Obligations, and in the event of the liquidation or insolvency, or any other proceedings for the avoidance of insolvency, of, or against, the Issuer, the obligations under the Notes shall be fully subordinated to all other present and future obligations of the Issuer (except for Parity

bestehenden und zukünftigen Verbindlichkeiten der Emittentin (mit Ausnahme der Gleichrangigen Verbindlichkeiten und der Nachrangigen Verbindlichkeiten), ob nachrangig oder nicht nachrangig, vollständig nach, soweit zwingende gesetzliche Vorschriften nichts anderes vorsehen, so dass Zahlungen auf die Schuldverschreibungen solange nicht erfolgen, wie die Ansprüche, die nach diesem § 3(1) den Schuldverschreibungen im Rang vorgehen, nicht vollständig befriedigt sind.

Die Rechte der Anleihegläubiger aus den Schuldverschreibungen gegenüber der Emittentin begründen direkte, nachrangige und nicht besicherte Rechte, die im Fall der Liquidation oder der Insolvenz der Emittentin oder eines anderen der Abwendung der Insolvenz der Emittentin dienenden Verfahrens untereinander und mit jeder Gleichrangigen Verbindlichkeit im Rang gleichstehen und nur den Nachrangigen Verbindlichkeiten im Rang vorgehen.

Unter Beachtung dieser Nachrangregelung bleibt es der Emittentin unbenommen, ihre Verbindlichkeiten aus den Schuldverschreibungen auch aus dem sonstigen freien Vermögen zu bedienen.

Den Anleihegläubigern wird für ihre Rechte aus den Schuldverschreibungen weder durch die Emittentin noch durch Dritte irgendeine Sicherheit oder Garantie gestellt; eine solche Sicherheit oder Garantie wird auch zu keinem späteren Zeitpunkt gestellt werden.

**"Gleichrangige Verbindlichkeit"** bezeichnet jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jede andere Verbindlichkeit, (i) das bzw. die von der Emittentin begeben bzw. eingegangen worden ist und bei dem bzw. der die daraus bestehenden Verbindlichkeiten der Emittentin mit den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen gleichrangig oder als gleichrangig vereinbart sind, oder (ii) das bzw. die von der Emittentin dergestalt garantiert ist oder für das die Emittentin dergestalt die Haftung übernommen hat, dass die Verbindlichkeiten der Emittentin aus der maßgeblichen Garantie oder Haftungsübernahme mit den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen gleichrangig oder als gleichrangig vereinbart sind.

**"Nachrangige Verbindlichkeit"** bezeichnet (i) jedes andere Wertpapier, Namenswertpapier oder jede andere Verbindlichkeit, (A) das bzw. die von der Emittentin begeben bzw. eingegangen worden ist und bei dem bzw. der die daraus bestehenden Verbindlichkeiten der Emittentin zu den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen nachrangig oder als nachrangig vereinbart sind, oder (B) das von der Emittentin dergestalt garantiert ist oder für das die

Obligations and Junior Obligations), whether subordinated or unsubordinated, except as otherwise provided by mandatory provisions of law or as expressly provided for by the terms of the relevant instrument so that in any such event no amounts shall be payable in respect of the Notes unless all claims that pursuant to this § 3(1) rank senior to the Notes have been satisfied in full.

The rights of the Noteholders towards the Issuer under the Notes constitute direct, subordinated and unsecured claims, in the event of the liquidation or insolvency of the Issuer or any other proceedings for the avoidance of insolvency of the Issuer ranking *pari passu* among themselves, *pari passu* with all claims in respect of the Parity Obligations and senior only to the claims against the Issuer in respect of the Junior Obligations.

Subject to this subordination provision, the Issuer may satisfy its obligations under the Notes also from other available assets (freies Vermögen) of the Issuer.

No security or guarantee of whatever kind is, or shall at any time be, provided by the Issuer or any other person securing rights of the Noteholders under the Notes.

**"Parity Obligation"** means any present or future security, registered security or other obligation which (i) is issued or assumed by the Issuer and the Issuer's obligations under which rank or are expressed to rank *pari passu* with the Issuer's obligations under the Notes, or (ii) is guaranteed by the Issuer or for which the Issuer has otherwise assumed liability where the Issuer's obligations under the relevant guarantee or other assumption of liability rank or are expressed to rank *pari passu* with the Issuer's obligations under the Notes.

**"Junior Obligation"** means (i) any present or future security, registered security or other obligation which (A) is issued or assumed by the Issuer and the Issuer's obligations under which rank or are expressed to rank junior to the Issuer's obligations under the Notes, or (B) is guaranteed by the Issuer or for which the Issuer has otherwise assumed liability where the Issuer's obligations under the relevant guarantee or other assumption of liability rank or are expressed to rank junior to the Issuer's

Emittentin dergestalt die Haftung übernommen hat, dass die Verbindlichkeiten der Emittentin aus der maßgeblichen Garantie oder Haftungsübernahme zu den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen nachrangig oder als nachrangig vereinbart sind, und (ii) die Komplementär- oder Kommanditbeteiligungen an der Emittentin,

(2) *Aufrechnungsverbot.* Die Anleihegläubiger sind nicht berechtigt, Forderungen aus den Schuldverschreibungen gegen mögliche Forderungen der Emittentin aufzurechnen. Die Emittentin ist nicht berechtigt, Forderungen gegenüber Anleihegläubigern gegen Verpflichtungen aus den Schuldverschreibungen aufzurechnen.

#### § 4 Verzinsung

- (1) *Zinszahlungstage.*
- (a) Vorbehaltlich des Aufschubs der Zinszahlung nach § 5(1) werden die Schuldverschreibungen bezogen auf ihren festgelegten Nennbetrag ab dem 17. Juli 2018 (der "**Verzinsungsbeginn**") (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) und danach von jedem Zinszahlungstag (einschließlich) bis zum nächstfolgenden Zinszahlungstag (ausschließlich) verzinst.
- (b) Zinsen werden nachträglich am 17. Juli eines jeden Jahres (jeweils ein "**Zinszahlungstag**") bezahlt und werden nach Maßgabe von § 5(1) fällig. Der erste Zinszahlungstag ist der 17. Juli 2019.
- (2) *Zinssatz.* Der Zinssatz (der "**Zinssatz**") für jede Zinsperiode ist, sofern nachstehend nichts Abweichendes bestimmt wird,
- (a) für den Zeitraum vom Verzinsungsbeginn (einschließlich) bis zum 17. Juli 2025 (der "**Erste Rückzahlungstermin**") (ausschließlich) ein fester Zinssatz in Höhe von 4,00 % *per annum*, und
- (b) für den Zeitraum ab dem Ersten Rückzahlungstermin (einschließlich) bis zum Kalendertag, an dem die Emittentin die Schuldverschreibungen vollständig zurückzahlt (ausschließlich), der anwendbare Reset-Zinssatz für die relevante Zinsperiode.
- (3) *Bestimmte Definitionen.*

"**5-Jahres-Swapsatz-Angebotssatz**" bezeichnet vorbehaltlich § 4(4) das arithmetische Mittel der Geld- und Briefkurse für die jährliche Festzinsseite (berechnet auf der Grundlage eines Jahres mit 360

obligations under the Notes, and (ii) any general or limited partnership interests in the Issuer.

(2) *Prohibition of set-off.* No Noteholder may set-off any claims arising under the Notes against any claims that the Issuer may have against it. The Issuer may not set-off any claims it may have against any Noteholder against any of its obligations under the Notes.

#### § 4 Interest

- (1) *Interest Payment Dates.*
- (a) Subject to a deferral of interest pursuant to § 5(1), the Notes shall bear interest on their Principal Amount from and including 17 July 2018 (the "**Interest Commencement Date**") to but excluding the first Interest Payment Date, and thereafter from and including each Interest Payment Date to but excluding the next following Interest Payment Date.
- (b) Interest shall be scheduled to be paid annually in arrear on 17 July in each year (each such date, an "**Interest Payment Date**") and will fall due in accordance with § 5(1). The first Interest Payment Date is 17 July 2019.
- (2) *Rate of Interest.* The rate of interest (the "**Rate of Interest**") for each Interest Period will, except as otherwise provided below, be
- (a) for the period from and including the Interest Commencement Date to but excluding 17 July 2025 (the "**First Call Date**") a fixed rate of 4.00 % *per annum*, and
- (b) for the period from and including the First Call Date to but excluding the date on which the Issuer redeems the Notes in whole the applicable Reset Rate of Interest for the relevant Interest Period.
- (3) *Certain Definitions.*

"**5 year Swap Rate Quotation**" means, subject to § 4(4), the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on the basis of a 360-day year of twelve 30-day months) of a

Tagen und zwölf Monaten mit je 30 Tagen) einer Euro-Zinsswap-Transaktion fest gegen variabel (i) mit einer Laufzeit von 5 Jahren, die an dem betreffenden Referenzanpassungstermin beginnt, (ii) in einem Betrag, der für eine einzelne Transaktion in dem betreffenden Markt zum jeweiligen Zeitpunkt, die mit einem anerkannten Händler guter Bonität im Swap-Markt abgeschlossen wird, repräsentativ ist, und (iii) mit einer variablen Zinsseite, die auf dem 6-Monats-EURIBOR-Satz (berechnet auf der Grundlage der Anzahl der in einem Jahr mit 360 Tagen tatsächlich abgelaufenen Anzahl von Tagen) basiert.

"**Marge**" bedeutet 8,58 % *per annum*.

"**Reset-Referenzbanken**" bedeutet fünf im Interbankenmarkt führende Swap Händler, wie von der Emittentin von Zeit zu Zeit festgelegt.

"**Reset-Referenzbankensatz**" bezeichnet den jährlichen Prozentsatz, der auf Basis der von den Reset-Referenzbanken am Zinsfestlegungstag um etwa 11:00 Uhr Frankfurter Zeit an die Berechnungsstelle übermittelten 5-Jahres-Swapsatz-Angebotssätze bestimmt wird. Die Berechnungsstelle wird bei der Hauptniederlassung der Reset-Referenzbanken (wie von der Emittentin ausgesucht) jeweils um einen Angebotssatz bitten. Falls zumindest drei Angebotssätze zur Verfügung gestellt werden, ist der Prozentsatz für den Zinsfestlegungstag das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste Tausendstel Prozent, wobei 0,0005 aufgerundet wird) der Angebotssätze, bereinigt um den höchsten Angebotssatz (oder, falls mehrere Angebotssätze gleich hoch sind, einer der höchsten) und den niedrigsten Angebotssatz (oder, falls mehrere Angebotssätze gleich niedrig sind, einen der niedrigsten). Kann der Reset-Referenzbankensatz nicht gemäß den vorhergehenden Bestimmungen dieses Absatzes bestimmt werden, ist der Reset-Referenzbankensatz der letzte Swap-Satz für Euro-Swap-Transaktionen mit einer Laufzeit von 5 Jahren, ausgedrückt auf jährlicher Basis, der auf der Reset-Bildschirmseite verfügbar ist.

Der "**Reset-Referenzsatz**" für den jeweiligen Reset-Zeitraum wird von der Berechnungsstelle an dem Zinsfestlegungstag vor dem Reset-Termin, an dem der jeweilige Reset-Zeitraum beginnt, bestimmt (der "**Referenzanpassungstermin**") und ist der jährliche Swapsatz für Euro-Swap-Transaktionen mit einer Laufzeit von 5 Jahren beginnend mit dem Referenzanpassungstermin, ausgedrückt als Prozentsatz, der am jeweiligen Zinsfestlegungstag um 11:00 Uhr Frankfurter Zeit auf der Reset-Bildschirmseite angezeigt wird.

Falls der Reset-Referenzsatz am relevanten Zinsfestlegungstag nicht auf der Reset-Bildschirmseite erscheint, ist der Reset-Referenzsatz der Reset-Referenzbankensatz.

fixed-for-floating Euro interest rate swap transaction which (i) has a term of 5 years commencing on the relevant Reference Reset Date, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the 6-months EURIBOR rate (calculated on the basis of the actual number of days elapsed in a 360-day year).

"**Margin**" means 8.58 % *per annum*.

"**Reset Reference Banks**" means five leading swap dealers in the interbank market, determined by the Issuer from time to time.

"**Reset Reference Bank Rate**" means the percentage rate, expressed as an annual rate, determined on the basis of the 5-year Swap Rate Quotations provided by the Reset Reference Banks to the Calculation Agent at approximately 11.00 a.m. Frankfurt time on the Interest Determination Date. The Calculation Agent will request the principal office of each of the Reset Reference Banks (as selected by the Issuer) to provide a quotation of its rate. If at least three quotations are provided, the rate for that Interest Determination Date will be the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If the Reset Reference Bank Rate cannot be determined pursuant to the foregoing provisions of this paragraph, the Reset Reference Bank Rate will be equal to the last available 5-year swap rate for Euro swap transactions, expressed as an annual rate, on the Reset Screen Page.

The "**Reset Reference Rate**" for the relevant Reset Period will be determined by the Calculation Agent on the Interest Determination Date prior to the relevant Reset Date on which the relevant Reset Period commences (the "**Reference Reset Date**") and will be the annual swap rate for Euro swap transactions with a term of 5 years commencing on the Reference Reset Date, expressed as a percentage, as displayed on the Reset Screen Page as of 11:00 a.m. Frankfurt time on the relevant Interest Determination Date.

If the Reset Reference Rate does not appear on the Reset Screen Page on the relevant Interest Determination Date, the Reset Reference Rate will be the Reset Reference Bank Rate.

**"Reset-Bildschirmseite"** bezeichnet (vorbehaltlich § 4(4)) die Reuters Bildschirmseite "ICESWAP2" (oder einer Nachfolgesseite) unter der Überschrift "EURIBOR BASIS".

**"Reset-Termin"** bezeichnet den Ersten Rückzahlungstermin und jeden fünften Jahrestag des Ersten Rückzahlungstermins.

**"Reset-Zeitraum"** bezeichnet jeden Zeitraum ab dem Ersten Rückzahlungstermin (einschließlich) bis zum ersten Reset-Termin (ausschließlich) und nachfolgend ab jedem Reset-Termin (einschließlich) bis zu dem jeweils nächstfolgenden Reset-Termin (ausschließlich).

**"Reset-Zinssatz"** bezeichnet den Reset-Referenzsatz für den jeweiligen Reset-Zeitraum, in den die jeweilige Zinsperiode fällt, zuzüglich der Marge.

**"TARGET-Geschäftstag"** bezeichnet jeden Tag, an dem das Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2) geöffnet ist.

**"Zinsfestlegungstag"** bezeichnet in Bezug auf den Reset-Referenzsatz, der für den Zeitraum von einem Reset-Termin (einschließlich) bis zum nächstfolgenden Reset-Termin (ausschließlich) festzustellen ist, den zweiten TARGET Geschäftstag vor dem Reset-Termin, an dem dieser Zeitraum beginnt.

**"Zinsperiode"** bezeichnet den jeweiligen Zeitraum von dem Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) bzw. von jedem Zinszahlungstag (einschließlich) bis zum jeweils darauffolgenden Zinszahlungstag (ausschließlich).

(4) *Ersetzung der Benchmark.* Wenn die Berechnungsstelle feststellt, dass die Reset-Bildschirmseite, der 5-Jahres-Swapsatz-Angebotssatz und/oder der Reset-Referenzsatz an dem betreffenden Zinsfestlegungstag nicht zur Verfügung steht, weil der EURIBOR nicht weiter berechnet oder betrieben wird, wird die Emittentin im eigenen Ermessen einen unabhängigen Sachverständigen damit beauftragen, eine angemessene alternative Reset-Bildschirmseite, einen angemessenen alternativen Satz für den 5-Jahres-Swapsatz-Angebotssatz (einschließlich einer etwaigen Anpassung, die erforderlich wird, damit dieser alternative Satz vergleichbar ist mit einem 5-Jahres Mid-Swapsatz, der auf einem Satz für Einlagen im Interbankenmarkt mit einer Laufzeit von sechs Monaten basiert) oder einen angemessenen alternativen Reset-Referenzsatz festzustellen, wobei die Feststellungen des unabhängigen Sachverständigen für die Emittentin, die Berechnungsstelle und die Anleihegläubiger bindend ist (sofern nicht ein offensichtlicher Irrtum

**"Reset Screen Page"** means, subject to § 4(4), the Reuters Screen Page "ICESWAP2" (or any successor page) under the heading "EURIBOR BASIS".

**"Reset Date"** means the First Call Date and each fifth anniversary of the First Call Date.

**"Reset Period"** means each period from and including the First Call Date to but excluding the first Reset Date and thereafter from and including each Reset Date to but excluding the next following Reset Date.

**"Reset Rate of Interest"** means the Reset Reference Rate for the Reset Period in which the relevant Interest Period falls plus the Margin.

**"TARGET Business Day"** means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2) is open.

**"Interest Determination Date"** means, in respect of the Reset Reference Rate to be determined in relation to the period from and including a Reset Date to but excluding the next following Reset Date, the second TARGET Business Day preceding the Reset Date on which such period commences.

**"Interest Period"** means each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and from and including each Interest Payment Date to but excluding the following Interest Payment Date.

(4) *Benchmark replacement.* If the Calculation Agent determines that the Reset Screen Page, the 5 year Swap Rate Quotation and/or the Reset Reference Rate is not available as at the relevant Interest Determination Date because EURIBOR is no longer being calculated or administered, the Issuer will appoint in its sole discretion an independent financial adviser to determine an appropriate alternative Reset Screen Page, an appropriate alternative rate to the 5 year Swap Rate Quotation (including any necessary adjustment factor that is necessary to make such alternative rate comparable to a 5-year mid-swap rate based on the rate for deposits interbank market with a term of six months) and/or an appropriate alternative Reset Reference Rate, and the decision of the independent financial adviser will be binding (in the absence of manifest error) on the Issuer, the Calculation Agent and the Noteholders.



vorliegt).

(5) *Verzinsung nach Eintritt eines Kontrollwechsels.* Wenn ein Kontrollwechsel eintritt und die Emittentin die Schuldverschreibungen nicht insgesamt gemäß § 6(5)(a) zurückzahlt, erhöht sich der für die Zinszahlung auf die Schuldverschreibungen sonst anwendbare Zinssatz ab dem Kontrollwechselereignis-Stichtag um 5,00 % *per annum*.

(6) *Zinsbetrag.* Unverzüglich nach Bestimmung des Reset-Referenzsatzes wird die Berechnungsstelle den anwendbaren Zinssatz bestimmen und den vorbehaltlich § 5(1) auf die Schuldverschreibungen zahlbaren Zinsbetrag in Bezug auf den festgelegten Nennbetrag (der "**Zinsbetrag**") für die entsprechenden Zinsperioden bis zum nächsten Reset-Termin berechnen. Der Zinsbetrag wird ermittelt, indem der Zinssatz und der Zinstagequotient auf den festgelegten Nennbetrag angewendet werden. Der resultierende Betrag wird auf die kleinste Einheit der festgelegten Währung auf- oder abgerundet, wobei 0,5 solcher Einheiten aufgerundet werden.

(7) *Mitteilung von Zinssatz und Zinsbetrag.* Die Berechnungsstelle wird veranlassen, dass der Zinssatz und der Zinsbetrag (unter dem Vorbehalt der Anwendung von § 5(1)) für die jeweilige Zinsperiode (i) der Emittentin, der Zahlstelle und den Anleihegläubigern gemäß § 12 und (ii) jeder Börse, an der die betreffenden Schuldverschreibungen auf Veranlassung der Emittentin zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, in jedem Fall baldmöglichst mitgeteilt werden.

(8) *Verbindlichkeit der Festsetzungen.* Alle Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Berechnungsstelle für die Zwecke dieses § 4 gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern nicht ein offensichtlicher Irrtum vorliegt) für die Emittentin, die Zahlstelle und die Anleihegläubiger bindend.

(9) *Zinstagequotient.* "**Zinstagequotient**" bezeichnet im Hinblick auf die Berechnung eines Zinsbetrages auf die Schuldverschreibungen für einen beliebigen Zeitraum (ab dem ersten Tag dieses Zeitraums (einschließlich) bis zum letzten Tag dieses Zeitraums (ausschließlich) (der "**Zinsberechnungszeitraum**"),

(a) wenn der Zinsberechnungszeitraum der Feststellungsperiode, in die er fällt, entspricht oder kürzer als diese ist, die Anzahl der Tage in dem Zinsberechnungszeitraum dividiert durch die Anzahl der Tage in dieser

(5) *Interest following the occurrence of a Change of Control.* If a Change of Control occurs and the Issuer does not redeem the Notes in whole in accordance with § 6(5)(a), the applicable Rate of Interest will be increased by 5.00 % *per annum* from the Change of Control Event Effective Date.

(6) *Interest Amount.* The Calculation Agent will, without undue delay after the determination of the Reset Reference Rate, determine the applicable Rate of Interest and calculate the amount of interest (the "**Interest Amount**"), subject to § 5(1), payable on the Notes in respect of the Principal Amount for the relevant Interest Periods until the next Reset Date. Each Interest Amount shall be calculated by applying the Rate of Interest and the Day Count Fraction to the Principal Amount. The resulting figure will be rounded to the nearest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.

(7) *Notification of Rate of Interest and Interest Amount.* The Calculation Agent will cause the Rate of Interest and the Interest Amount (subject to the application of § 5(1)) for the relevant Interest Period to be notified (i) to the Issuer, the Paying Agent and to the Noteholders in accordance with § 12 and (ii) if required by the rules of any stock exchange on which the Notes are listed from time to time at the request of the Issuer, to such stock exchange, in each case as soon as possible.

(8) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 4 by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Paying Agent and the Noteholders.

(9) *Day Count Fraction.* "**Day Count Fraction**" means, in respect of the calculation of an amount of interest on the Notes for any period of time (from and including the first day of such period to but excluding the last day of such period) (the "**Calculation Period**"),

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the number of days in such Determination Period; and

Feststellungsperiode;

(b) wenn der Zinsberechnungszeitraum länger als eine Feststellungsperiode ist, die Summe aus:

(i) der Anzahl der Tage in diesem Zinsberechnungszeitraum, die in die Feststellungsperiode fallen, in der der Zinsberechnungszeitraum beginnt, dividiert durch die Anzahl der Tage in der diese Feststellungsperiode; und

(ii) der Anzahl der Tage in diesem Zinsberechnungszeitraum, die in die nachfolgende Feststellungsperiode fallen, dividiert durch die Anzahl der Tage in der diese Feststellungsperiode.

"**Feststellungstermin**" bezeichnet jeden 17. Juli.

"**Feststellungsperiode**" bezeichnet jeden Zeitraum ab einem Feststellungstermin (einschließlich), der in ein beliebiges Jahr fällt, bis zum nächsten Feststellungstermin (ausschließlich).

(10) *Zinslaufende.* Die Verzinsung der Schuldverschreibungen endet mit Beginn des Tages, an dem ihr Kapitalbetrag zur Rückzahlung fällig wird (falls die Schuldverschreibungen zurückgezahlt werden). Sollte die Emittentin eine Zahlung von Kapital auf die Schuldverschreibungen bei Fälligkeit nicht leisten, werden die Schuldverschreibungen bezogen auf ihren ausstehenden Gesamtnennbetrag vom Fälligkeitstag (einschließlich) bis zum Tag der tatsächlichen Rückzahlung der Schuldverschreibungen (ausschließlich) verzinst. Der in einem solchen Fall jeweils anzuwendende Zinssatz wird gemäß § 4(1) bis (9) bestimmt.

## § 5

### **Fälligkeit von Zinszahlungen; Aufschub von Zinszahlungen; Zahlung Aufgeschobener Zinszahlungen**

(1) *Fälligkeit von Zinszahlungen; wahlweiser Zinsaufschub*

(a) Zinsen, die während einer Zinsperiode auflaufen, werden an dem betreffenden Zinszahlungstag fällig, sofern sich die Emittentin nicht durch eine Bekanntmachung an die Anleihegläubiger gemäß § 12 innerhalb einer Frist von nicht weniger als 14 Geschäftstagen vor dem betreffenden Zinszahlungstag dazu entscheidet, die betreffende Zinszahlung (insgesamt, jedoch nicht teilweise) auszusetzen.

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(i) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the number of days in such Determination Period; and

(ii) the number of days in such Calculation Period falling in the next Determination Period divided by the number of days in such Determination Period.

"**Determination Date**" means each 17 July.

"**Determination Period**" means each period from and including a Determination Date in any year to but excluding the next Determination Date.

(10) *Cessation of interest accrual.* The Notes will cease to bear interest from the beginning of the day on which they become due for redemption (if the Notes are redeemed). If the Issuer fails to make the relevant redemption payment under the Notes when due, the Notes will bear interest on their outstanding aggregate principal amount from and including the due date to but excluding the day of actual redemption of the Notes. In such case, the applicable rate of interest will be determined pursuant to § 4(1) through (9).

## § 5

### **Due Date for interest payments; Deferral of Interest Payments; Payment of Arrears of Interest**

(1) *Due Date for interest payments; optional interest deferral*

(a) Interest which accrues during an Interest Period will be due and payable (*fällig*) on the relevant Interest Payment Date, unless the Issuer elects, by giving notice to the Noteholders not less than 14 Business Days prior to the relevant Interest Payment Date in accordance with § 12, to defer the relevant payment of interest (in whole but not in part).

Wenn sich die Emittentin an einem Zinszahlungstag zur Nichtzahlung aufgelaufener Zinsen entscheidet, dann ist sie nicht verpflichtet, an dem betreffenden Zinszahlungstag Zinsen zu zahlen. Eine Nichtzahlung von Zinsen aus diesem Grunde begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund der Schuldverschreibungen oder für sonstige Zwecke.

Nach Maßgabe dieses § 5(1)(a) nicht fällig gewordene Zinsen sind aufgeschobene Zinszahlungen ("**Aufgeschobene Zinszahlungen**").

"**Geschäftstag**" bezeichnet jeden Tag (außer einem Samstag oder Sonntag), an dem das Clearing System sowie alle maßgeblichen Stellen des Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2) geöffnet sind, um Zahlungen abzuwickeln.

(b) Aufgeschobene Zinszahlungen werden nicht verzinst.

(2) *Freiwillige Zahlung von Aufgeschobenen Zinszahlungen.* Die Emittentin ist berechtigt, ausstehende Aufgeschobene Zinszahlungen jederzeit insgesamt, jedoch nicht teilweise nach Bekanntmachung an die Anleihegläubiger unter Einhaltung einer Frist von nicht weniger als 10 Geschäftstagen vor einer freiwilligen Zinszahlung zu zahlen, wobei eine solche Bekanntmachung (i) den Betrag an Aufgeschobenen Zinszahlungen, der gezahlt werden soll, und (ii) den für diese Zahlung festgelegten Termin enthalten muss.

(3) *Pflicht zur Zahlung von Aufgeschobenen Zinszahlungen.* Die Emittentin ist verpflichtet, Aufgeschobene Zinszahlungen insgesamt und nicht nur teilweise am ersten der folgenden Kalendertage zu zahlen (jeweils ein "**Pflichtnachzahlungstermin**"):

(a) dem ersten Zinszahlungstag, der auf den Tag folgt,

(i) an dem eine Zuweisung von Gewinnbeteiligungen oder anderen Beträgen zu Entnahmekonten in Bezug auf einen Komplementär- oder Kommanditanteil der Emittentin erfolgt ist (ausgenommen sind Erlaubte Zuweisungen); oder

(ii) an dem die Emittentin oder eine ihrer Tochtergesellschaften

(A) eine Zahlung von Dividenden oder sonstigen Vergütungen auf eine Gleichrangige

If the Issuer elects not to pay accrued interest on an Interest Payment Date, then it will not have any obligation to pay such interest on such Interest Payment Date. Any such non-payment of interest will not constitute a default of the Issuer or any other breach of its obligations under the Notes or for any other purpose.

Interest not due and payable in accordance with this § 5(1)(a) will constitute arrears of interest ("**Arrears of Interest**").

"**Business Day**" means a day (other than Saturday or Sunday) on which the Clearing System as well as all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2) are open to effect payments.

(b) Arrears of Interest will not bear interest.

(2) *Optional Settlement of Arrears of Interest.* The Issuer may pay outstanding Arrears of Interest (in whole but not in part) at any time by giving notice to the Noteholders not less than 10 Business Days prior to such voluntary payment and specifying (i) the amount of Arrears of Interest to be paid and (ii) the date fixed for such payment.

(3) *Mandatory Payment of Arrears of Interest.* The Issuer must pay outstanding Arrears of Interest (in whole but not in part) on the earliest of the following dates (each a "**Mandatory Settlement Date**"):

(a) the first Interest Payment Date following the date

(i) on which an allocation of any profits or other amounts to a withdrawal account, being made in respect of any general or limited partnership interest of the Issuer (with the exception of any Permitted Allocations); or

(ii) on which the Issuer or any of its subsidiaries

(A) has made a payment of remuneration in respect of any Parity Obligation, Junior

<p>Verbindlichkeit, Nachrangige Verbindlichkeit oder als Eigenkapital bilanzierte Verbindlichkeit geleistet hat, oder</p> <p>(B) eine Gleichrangige Verbindlichkeit, Nachrangige Verbindlichkeit oder als Eigenkapital bilanzierte Verbindlichkeit insgesamt oder teilweise zurückgezahlt hat,</p> <p>es sei denn,</p> <p>(x) die Emittentin oder die betreffende Tochtergesellschaft war nach Maßgabe der Vertragsbedingungen der betreffenden Gleichrangigen Verbindlichkeit, Nachrangigen Verbindlichkeit oder als Eigenkapital bilanzierten Verbindlichkeit zu der betreffenden Zahlung oder Rückzahlung verpflichtet; oder</p> <p>(y) die betreffenden (Rück-)Zahlungen auf oder in Bezug auf die Gleichrangige Verbindlichkeit, Nachrangige Verbindlichkeit oder als Eigenkapital bilanzierte Verbindlichkeit waren Konzerninterne Zahlungen;</p> <p>(b) dem nächsten Zinszahlungstag, an dem die Emittentin die Zinsen zahlt, die an diesem Zinszahlungstag auf die Schuldverschreibungen zur Zahlung vorgesehen sind;</p> <p>(c) dem Kalendertag, an dem die Schuldverschreibungen gemäß § 6(2), § 6(3), § 6(4) oder § 6(5) zurückgezahlt werden;</p> <p>(d) dem Tag, an dem die Emittentin oder eine ihrer Tochtergesellschaften eine Gleichrangige Verbindlichkeit oder Nachrangige Verbindlichkeit vor ihrer Endfälligkeit zurückkauft, es sei denn, die Emittentin oder die betreffende Tochtergesellschaft erwirbt (jeweils direkt oder indirekt) eine Gleichrangige Verbindlichkeit (insgesamt oder teilweise) im Wege eines öffentlichen Rückkaufangebots oder eines öffentlichen Umtauschangebots oder auf andere Weise zu einer unter dem Nennwert liegenden Gegenleistung je Gleichrangiger Verbindlichkeit zurück; oder</p>	<p>Obligation or Equity Accounted Obligation or,</p> <p>(B) has repaid in whole or in part any Parity Obligation, Junior Obligation or Equity Accounted Obligation,</p> <p>unless</p> <p>(x) the Issuer or the relevant Subsidiary was obliged under the terms and conditions of such Parity Obligation, Junior Obligation or Equity Accounted Obligation to make such payment or repayment; or</p> <p>(y) the relevant (re-)payments on, or in respect of, any Parity Obligation, Junior Obligation or Equity Accounted Obligation were Intra-Group Payments;</p> <p>(b) the next Interest Payment Date on which the Issuer pays the interest scheduled to be paid on the Notes on such Interest Payment Date;</p> <p>(c) the date on which the Notes are redeemed in accordance with § 6(2), § 6(3), § 6(4) or § 6(5);</p> <p>(d) the date on which the Issuer or any of its subsidiaries repurchases any Parity Obligation or Junior Obligation prior to its maturity, unless the Issuer or the relevant Subsidiary acquires (in each case directly or indirectly) any Parity Obligation in whole or in part by way of a public tender offer or public exchange offer or otherwise at a consideration per Parity Obligation which is below its par value; or</p>
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- (e) an dem Tag, an dem ein Beschluss zur Liquidation der Emittentin ergeht (sofern dies nicht für die Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht, bei dem bzw. der die Emittentin noch zahlungsfähig ist und bei dem bzw. der die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt).

## § 6 Rückzahlung und Rückkauf

- (1) *Keine Endfälligkeit.* Die Schuldverschreibungen haben keinen Endfälligkeitstag und werden außer nach Maßgabe dieses § 6 nicht zurückgezahlt.

(2) *Kündigungsrecht und Rückzahlung nach Wahl der Emittentin am Ersten Rückzahlungstermin oder an jedem danach folgenden Zinszahlungstag.* Die Emittentin ist berechtigt, durch Bekanntmachung gemäß § 12 unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen, die Schuldverschreibungen (insgesamt und nicht nur teilweise) mit Wirkung zu (i) jedem Tag während des Zeitraums ab dem 17. April 2025 (einschließlich) bis zu dem Ersten Rückzahlungstermin (einschließlich) und (ii) jedem darauffolgenden Zinszahlungstag zu kündigen. Im Falle einer solchen Kündigung hat die Emittentin die Schuldverschreibungen an dem in der Bekanntmachung festgelegten Rückzahlungstermin zu einem Betrag je Schuldverschreibung zurückzuzahlen, der dem Festgelegten Nennbetrag zuzüglich der bis zu dem Rückzahlungstermin (ausschließlich) aufgelaufenen Zinsen sowie sämtlicher gemäß § 5(3) fälligen Aufgeschobenen Zinszahlungen entspricht.

(3) *Kündigungsrecht und Rückzahlung bei einem Quellensteuer-Ereignis, einem Rechnungslegungsereignis, einem Steuerereignis oder einem Angeforderten Ratingereignis.*

- (a) Wenn irgendwann nach dem Tag der Begebung der Schuldverschreibungen ein Quellensteuer-Ereignis, ein Rechnungslegungsereignis oder ein Steuerereignis eintritt, oder wenn irgendwann nach dem Tag der Begebung der Schuldverschreibungen aber vor dem Ersten Rückzahlungstermin ein Angefordertes Ratingereignis eintritt, ist die Emittentin berechtigt, die Schuldverschreibungen jederzeit (insgesamt, jedoch nicht teilweise) durch Bekanntmachung gemäß § 12 unter Einhaltung einer Frist von mindestens 30 und höchstens 60 Tagen zu kündigen. Im Falle einer solchen Kündigung hat die Emittentin die Schuldverschreibungen am in der Bekanntmachung festgelegten

- (e) the date on which an order is made for the liquidation of the Issuer (other than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer).

## § 6 Redemption and Repurchase

- (1) *No final maturity.* The Notes have no final maturity date and shall not be redeemed except in accordance with the provisions set out in this § 6.

(2) *Issuer Call Right and Redemption at the Option of the Issuer on the First Call Date or on any Interest Payment Date thereafter.* The Issuer may call and redeem the Notes (in whole but not in part) with effect (i) as at any date during the period from and including 17 April 2025 to and including the First Call Date and (ii) as of each Interest Payment Date thereafter upon giving not less than 30 and not more than 60 days' notice in accordance with § 12. If such call notice is given, the Issuer will redeem the Notes on the Redemption Date specified in the notice at an amount per Note equal to the Principal Amount, plus any interest accrued on the Note to but excluding the Redemption Date and any Arrears of Interest payable pursuant to § 5(3).

(3) *Issuer Call Right and Redemption due to a Gross-up Event, an Accounting Event, a Tax Event or a Solicited Rating Event.*

- (a) If at any time after the issue date of the Notes a Gross-up Event, an Accounting Event or a Tax Event occurs, or if at any time after the issue date of the Notes and prior to the First Call Date a Solicited Rating Event occurs, the Issuer may call the Notes for redemption (in whole but not in part) at any time upon giving of not less than 30 and not more than 60 days' notice in accordance with § 12. In this case the Issuer will redeem the Notes on the Redemption Date specified in the notice as follows:

Rückzahlungstermin wie folgt zurückzuzahlen:

- |  |  |
|--|--|
| <p>(i) Wenn die Kündigung aufgrund des Eintritts eines Quellensteuer-Ereignisses erfolgt, hat die Emittentin die Schuldverschreibungen an dem in der Bekanntmachung festgelegten Rückzahlungstermin zu einem Betrag je Schuldverschreibung zurückzuzahlen, der dem Festgelegten Nennbetrag zuzüglich der bis zu dem Rückzahlungstermin (ausschließlich) in Bezug auf die Schuldverschreibung aufgelaufenen Zinsen sowie sämtlicher gemäß § 5(3) fälligen Aufgeschobenen Zinszahlungen entspricht.</p> <p>(ii) Wenn die Kündigung aufgrund des Eintritts eines Rechnungslegungsereignisses oder eines Steuerereignisses erfolgt, hat die Emittentin die Schuldverschreibungen an dem in der Bekanntmachung festgelegten Rückzahlungstermin zu einem Betrag je Schuldverschreibung zurückzuzahlen, der,</p> <p>(x) sofern die Rückzahlung vor dem Ersten Rückzahlungstermin erfolgt, 101 % des Festgelegten Nennbetrags entspricht; bzw.</p> <p>(y) sofern die Rückzahlung am oder nach dem Ersten Rückzahlungstermin erfolgt, dem Festgelegten Nennbetrag entspricht,</p> <p>jeweils zuzüglich der bis zu dem Rückzahlungstermin (ausschließlich) in Bezug auf die Schuldverschreibung aufgelaufenen Zinsen sowie sämtlicher gemäß § 5(3) fälligen Aufgeschobenen Zinszahlungen.</p> <p>(iii) Wenn die Kündigung aufgrund des Eintritts eines Angeforderten Ratingereignisses vor dem Ersten Rückzahlungstermin erfolgt, hat die Emittentin die Schuldverschreibungen an dem in der Bekanntmachung festgelegten Rückzahlungstermin zu einem Betrag je Schuldverschreibung zurückzuzahlen, der dem Make-whole Rückzahlungsbetrag entspricht, zuzüglich der bis zu dem Rückzahlungstermin (ausschließlich) in Bezug auf die Schuldverschreibung aufgelaufenen Zinsen sowie sämtlicher gemäß § 5(3) fälligen</p> | <p>(i) If the Notes are called for redemption because of the occurrence of a Gross-up Event, the Issuer will redeem the Notes on the Redemption Date specified in the notice at an amount per Note equal to the Principal Amount plus any interest accrued on the Note to but excluding the Redemption Date and any Arrears of Interest payable pursuant to § 5(3).</p> <p>(ii) If the Notes are called for redemption because of the occurrence of an Accounting Event or a Tax Event, the Issuer will redeem the Notes on the Redemption Date specified in the notice at an amount per Note equal to,</p> <p>(x) if such redemption occurs prior to the First Call Date, 101 % of the Principal Amount; or</p> <p>(y) if such redemption occurs on or after the First Call Date, the Principal Amount,</p> <p>in each case plus any interest accrued on the Note to but excluding the Redemption Date and any Arrears of Interest payable pursuant to § 5(3).</p> <p>(iii) If the Notes are called for redemption because of the occurrence of a Solicited Rating Event prior to the First Call Date, the Issuer will redeem the Notes on the Redemption Date specified in the notice at an amount per Note equal to the Make-whole Redemption Amount plus any interest accrued on the Note to but excluding the Redemption Date and any Arrears of Interest payable pursuant to § 5(3).</p> |
|--|--|

Aufgeschobenen Zinszahlungen.

(b) Die Bekanntmachung der Kündigung muss diejenigen Tatsachen enthalten, auf welche die Emittentin ihr Kündigungsrecht stützt, und den für die Rückzahlung bestimmten Rückzahlungstermin angeben.

(c) Dabei gilt folgendes:

Der "**Abgezinste Marktwert**" einer Schuldverschreibung ist die Summe aus

- (i) dem von dem Ersten Rückzahlungstermin auf den Rückzahlungstag abgezinsten Wert des Festgelegten Nennbetrags; und
- (ii) der Summe der jeweiligen, auf den Rückzahlungstag abgezinsten Werte der verbleibenden Zinszahlungen, die ansonsten an jedem Zinszahlungstag nach dem Rückzahlungstag bis zum Ersten Rückzahlungstermin (einschließlich) fällig werden würden (abzüglich der bis zu dem Rückzahlungstermin (ausschließlich) in Bezug auf die Schuldverschreibung aufgelaufenen Zinsen).

Die Make-whole Bestimmungsstelle errechnet den Abgezinste Marktwert gemäß der Marktkonvention auf einer Grundlage, die der Berechnung von Zinsen gemäß § 4 entspricht, wobei sie die Benchmark-Rendite zuzüglich 0,65 % zugrunde legt. Dabei gilt Folgendes:

Die "**Benchmark-Rendite**" ist die am Rückzahlungs-Berechnungstag bestehende Rendite, wie sie etwa um 12.00 Uhr mittags (Ortszeit Frankfurt am Main) auf der Bildschirmseite für die Referenzanleihe, oder, sollte zu diesem Zeitpunkt keine Rendite festgestellt werden können, die vorstehend bestimmte Rendite so wie sie zu einem anderen Zeitpunkt, der von der Make-whole Bestimmungsstelle für angemessen erachtet wird, am Rückzahlungs-Berechnungstag auf der Bildschirmseite angezeigt wird.

"**Bildschirmseite**" ist Bloomberg HP (Einstellung "Last Yield to Convention" und Verwendung der Preisquelle "FRNK") (oder jede Nachfolgesseite oder Nachfolge-Preisquelle) für die Referenzanleihe, oder, falls diese Bloomberg-Seite oder Preisquelle nicht verfügbar ist, eine andere Seite (falls vorhanden) eines Informationsanbieters, die weitgehend ähnliche Daten anzeigt, wie von der Make-whole Bestimmungsstelle für angemessen erachtet.

(b) The notice shall also set forth the underlying facts of the Issuer's right to redemption and specify the Redemption Date fixed for redemption.

(c) Where:

The "**Present Value**" will be the sum of

- (i) the Principal Amount discounted from the First Call Date to the Redemption Date; and
- (ii) the sum of the amounts, each discounted to the Redemption Date, of the remaining interest payments which would otherwise become due on each Interest Payment Date falling after the Redemption Date to and including the First Call Date (less any interest accrued on the Note to but excluding the Redemption Date).

The Make-whole Determination Agent will calculate the Present Value in accordance with market convention on a basis which is consistent with the calculation of interest as set out in § 4, using the Benchmark Yield plus 0.65 %. Where:

"**Benchmark Yield**" means the yield as at the Redemption Calculation Date as appearing at around noon Frankfurt am Main time on the Screen Page in respect of the Benchmark Security, or if such yield cannot be so determined at such time, the yield determined as aforesaid as appearing on the Screen Page at such other time on the Redemption Calculation Date as may be considered to be appropriate by the Make-whole Determination Agent.

"**Screen Page**" means Bloomberg HP (setting "Last Yield to Convention" and using the pricing source "FRNK") (or any successor page or successor pricing source) for the Benchmark Security, or, if such Bloomberg page or pricing source is not available, such other page (if any) from such other information provider displaying substantially similar data as may be considered to be appropriate by the Make-whole Determination Agent.

**"Referenzanleihe"** ist die DBR 0,5% fällig 15. Februar 2025 (ISIN: DE0001102374) oder, falls diese Anleihe am Rückzahlungs-Berechnungstag nicht mehr aussteht, eine ersetzende Referenzanleihe, welche die Make-whole Bestimmungsstelle auswählt, jeweils mit einer Laufzeit, die mit der verbleibenden Restlaufzeit der Schuldverschreibung bis zu deren Ersten Rückzahlungstermin vergleichbar ist, und die im Zeitpunkt der Auswahlentscheidung und in Übereinstimmung mit der üblichen Finanzmarktpraxis zur Preisbestimmung bei Neuemissionen von Unternehmensanleihen mit einer bis zum Ersten Rückzahlungstermin der Schuldverschreibungen vergleichbaren Laufzeit verwendet würde.

**"Rückzahlungs-Berechnungstag"** ist der vierte Geschäftstag vor dem festgelegten Rückzahlungstermin.

Der **"Make-whole Rückzahlungsbetrag"** je Schuldverschreibung entspricht dem Abgezinsten Marktwert, mindestens jedoch dem Festgelegten Nennbetrag. Der Make-whole Rückzahlungsbetrag wird von der Make-whole Bestimmungsstelle berechnet.

Ein **"Quellensteuer-Ereignis"** liegt vor, falls die Emittentin verpflichtet ist oder verpflichtet sein wird, Zusätzliche Beträge als Folge einer Änderung oder Ergänzung von Gesetzen oder Vorschriften der Bundesrepublik Deutschland oder einer ihrer Gebietskörperschaften oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der offiziellen Auslegung oder Anwendung dieser Gesetze oder Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht, eine Steuerbehörde, eine Aufsichtsbehörde oder eine sonstige Behörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung gerichtlicher oder aufsichtsrechtlicher Entscheidungen) zu zahlen, allerdings nur soweit die betreffende Änderung, Ergänzung oder Durchführung an oder nach dem Tag der Begebung der Schuldverschreibungen wirksam wird und die Emittentin die Zahlungsverpflichtung nicht durch das Ergreifen von Maßnahmen vermeiden kann, die sie nach Treu und Glauben für angemessen hält.

Ein **"Rechnungslegungsereignis"** liegt vor, wenn eine anerkannte Wirtschaftsprüfungsgesellschaft, die im Auftrag der Emittentin handelt, der Emittentin einen Brief oder einen Bericht übermittelt, wonach aufgrund einer Änderung der Rechnungslegungsgrundsätze (oder deren Anwendung) seit dem Tag der Begebung der Schuldverschreibungen die durch die

**"Benchmark Security"** means the DBR 0.5% due 15 February 2025 (ISIN: DE0001102374), or, if such security is no longer outstanding on the Redemption Calculation Date, such substitute benchmark security selected by the Make-whole Determination Agent, in each case as having a maturity comparable to the remaining term of the Note to the First Call Date, that would be used at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the First Call Date.

**"Redemption Calculation Date"** means the fourth Business Day prior to the specified Redemption Date.

The **"Make-whole Redemption Amount"** per Note shall be the Present Value, subject to a minimum equal to the Principal Amount. The Make-whole Redemption Amount will be calculated by the Make-whole Determination Agent.

A **"Gross-up Event"** shall have occurred if the Issuer has or will become obliged to pay Additional Amounts as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Germany or any political subdivision or taxing authority of or in the Federal Republic of Germany, or as a result of any amendment to, or any change in, any official interpretation or application of any such laws of regulations by any legislative body, court, or taxing authority, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination), provided that the relevant amendment, change or execution becomes effective on or after the issue date of the Notes and provided further that the payment obligation cannot be avoided by the Issuer taking such reasonable measures it (acting in good faith) deems appropriate.

An **"Accounting Event"** shall have occurred if a recognised accountancy firm, acting upon instructions of the Issuer, has delivered a letter or report to the Issuer, stating that as a result of a change in accounting principles (or the application thereof) since the issue date of the Notes the funds raised through the issuance of the Notes may not or may no longer be recorded as "equity" pursuant to



Ausgabe der Schuldverschreibungen beschafften Gelder nicht oder nicht mehr als "Eigenkapital" gemäß IFRS bzw. anderen Rechnungslegungsstandards, die die Emittentin für die Erstellung ihres konsolidierten Jahresabschlusses anstelle der IFRS anwenden kann, ausgewiesen werden dürfen.

Ein "**Angefordertes Ratingereignis**" tritt ein, wenn eine Ratingagentur, die von der Emittentin beauftragt wurde, der Emittentin nach dem Tag der Begebung der Schuldverschreibungen ein Rating erteilt hat.

Ein "**Steuerereignis**" liegt vor, wenn

- (i) der Emittentin ein Gutachten eines anerkannten unabhängigen Steuerberaters übergeben worden ist, aus dem hervorgeht, dass an oder nach dem Tag der Begebung der Schuldverschreibungen als Folge
  - (A) einer Änderung oder Ergänzung der Gesetze (oder von aufgrund dieser Gesetze erlassenen Bestimmungen oder Vorschriften) der Bundesrepublik Deutschland oder einer ihrer jeweiligen Gebietskörperschaften oder Steuerbehörden, die an oder nach dem Tag der Begebung der Schuldverschreibungen erlassen, verkündet oder anderweitig wirksam wird,
  - (B) einer Änderung oder Ergänzung der bindenden offiziellen Auslegung solcher Gesetze, Bestimmungen oder Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht, eine Regierungsstelle oder eine Aufsichtsbehörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung gerichtlicher oder aufsichtsrechtlicher Entscheidungen), die an oder nach dem Tag der Begebung der Schuldverschreibungen erlassen, verkündet oder anderweitig wirksam wird, oder
  - (C) einer allgemein anwendbaren offiziellen Auslegung oder Verkündung, die an oder nach dem Tag der Begebung der Schuldverschreibungen erlassen oder verkündet wird

IFRS or any other accounting standards that may replace IFRS for the purposes of the annual consolidated financial statements of the Issuer.

A "**Solicited Rating Event**" occurs if any Rating Agency that the Issuer has solicited has assigned a rating to the Issuer after the issue date of the Notes.

A "**Tax Event**" shall have occurred if

- (i) an opinion of a recognised independent tax counsel has been delivered to the Issuer, stating that on or after the issue date of the Notes, as a result of
  - (A) any amendment to, or change in, the laws (or any rules or regulations thereunder) of the Federal Republic of Germany or any political subdivision or any taxing authority of any or in any of the foregoing which is enacted, promulgated, issued or becomes effective otherwise on or after the issue date of the Notes;
  - (B) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the issue date of the Notes; or
  - (C) any generally applicable official interpretation or pronouncement that provides for a position with respect to such laws or regulations that differs from the previous

und nach der die Rechtslage im Hinblick auf diese Gesetze oder Vorschriften von der früheren allgemein anerkannten Rechtslage abweicht,

generally accepted position which is issued or announced on or after the issue date of the Notes;

Zahlungen, die von der Emittentin in Bezug auf die Schuldverschreibungen zu leisten sind, von der Emittentin nicht mehr für die Zwecke der Ertragsteuer voll abzugsfähig sind, bzw. innerhalb von 90 Tagen nach dem Datum dieses Gutachtens nicht mehr voll abzugsfähig sein werden; und

payments by the Issuer on the Notes are no longer, or within 90 days of the date of that opinion will no longer be, fully deductible by the Issuer for purposes of any tax on income; and

(ii) die Emittentin dieses Risiko nicht durch das Ergreifen zumutbarer Maßnahmen vermeiden kann.

(ii) such risk cannot be avoided by the Issuer taking reasonable measures available to it.

(4) *Kündigungsrecht der Emittentin bei geringem ausstehenden Gesamtnennbetrag.* Falls die Emittentin und/oder eine Tochtergesellschaft allein oder gemeinsam Schuldverschreibungen im Volumen von 80 % oder mehr des ursprünglich begebenen Gesamtnennbetrages der Schuldverschreibungen erworben hat, kann die Emittentin die verbleibenden Schuldverschreibungen jederzeit (insgesamt, jedoch nicht teilweise) durch Bekanntmachung gemäß § 12 unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen kündigen und am festgelegten Rückzahlungstermin zu einem Betrag je Schuldverschreibung in Höhe der festgelegten Stückelung zuzüglich der bis zum Rückzahlungstermin (ausschließlich) in Bezug auf die Schuldverschreibung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie sämtlicher gemäß § 5(3) fälligen Aufgeschobenen Zinszahlungen zurückzahlen.

(4) *Issuer Call Right in the case of Minimal Outstanding Aggregate Principal Amount.* In the event that the Issuer and/or any Subsidiary has, severally or jointly, purchased Notes equal to or in excess of 80 % of the aggregate principal amount of the Notes initially issued, the Issuer may call and redeem the remaining Notes (in whole but not in part) at any time upon giving not less than 30 and not more than 60 days' notice in accordance with § 12 at an amount per Note equal to the Principal Amount, plus any interest accrued on the Note to but excluding the Redemption Date but yet unpaid and any Arrears of Interest payable pursuant to § 5(3) on the specified Redemption Date.

(5) *Kündigungsrecht und Rückzahlung bei Eintritt eines Kontrollwechsels.*

(5) *Issuer Call Right and Redemption following a Change of Control.*

(a) Wenn ein Kontrollwechselereignis eingetreten ist, (i) wird die Emittentin innerhalb von 14 Tagen nach dem Kontrollwechselereignis den Anleihegläubigern davon Mitteilung gemäß § 12 machen (eine "**Kontrollwechselmitteilung**") und (ii) ist die Emittentin berechtigt, die Schuldverschreibungen am Kontrollwechselereignis-Stichtag zu einem Betrag je Schuldverschreibung zurückzuzahlen, der dem festgelegten Nennbetrag zuzüglich der bis zu dem Kontrollwechselereignis-Stichtag (ausschließlich) aufgelaufenen Zinsen sowie sämtlicher gemäß § 5(3) fälligen Aufgeschobenen Zinszahlungen entspricht.

(a) If a Change of Control Event has occurred, the Issuer (i) shall give notice thereof within 14 days following the Change of Control Event (the "**Change of Control Notice**") to the Noteholders in accordance with § 12, and (ii) may redeem the Notes on the Change of Control Event Effective Date at an amount per Note equal to the Principal Amount, plus any interest accrued on the Note to but excluding the Redemption Date and any Arrears of Interest payable pursuant to § 5(3).

In der Kontrollwechselmitteilung sind die Umstände des Kontrollwechselereignisses anzugeben und ob die Emittentin beabsichtigt, die Schuldverschreibungen zurückzuzahlen. Zusätzlich wird die Emittentin gleichzeitig den Kontrollwechselereignis-Stichtag in der Kontrollwechselmitteilung bekannt machen.

(b) Dabei gilt folgendes:

Ein "**Kontrollwechsel**" gilt als eingetreten, wenn eine Person oder mehrere Personen, die am Tag der Begebung der Schuldverschreibungen nicht Gesellschafter der Emittentin oder ihrer Komplementärin waren und die im Sinne von § 34 Absatz 2 WpHG abgestimmt handeln, oder einer oder mehrere Dritte, die im Auftrag einer solchen Person oder Personen handeln, zu irgendeiner Zeit mittelbar oder unmittelbar

- (i) mehr als 50 % des Kommanditkapitals der Emittentin oder mehr als 50 % des Stammkapitals ihrer Komplementärin oder
- (ii) eine solche Anzahl von Anteilen am Kommanditkapital der Emittentin oder Stammkapital ihrer Komplementärin erworben hat, auf die mehr als 50 % der bei jeweiligen Gesellschafterversammlungen der Emittentin oder ihrer Komplementärin stimmberechtigten Stimmrechte entfallen.

Ein "**Kontrollwechselereignis**" liegt vor, wenn nach dem Tag der Begebung der Schuldverschreibungen sowohl ein Kontrollwechsel als auch ein Negatives Ratingereignis eintreten.

"**Kontrollwechselereignis-Stichtag**" bezeichnet den von der Emittentin in der Kontrollwechselmitteilung festgelegten Tag, der:

- (i) ein Geschäftstag sein muss; und
- (ii) nicht weniger als 45 und nicht mehr als 60 Tage nach Bekanntmachung der Kontrollwechselmitteilung liegen darf.

Ein "**Negatives Ratingereignis**" liegt im Hinblick auf einen Kontrollwechsel vor:

- (i) falls bei Eintritt des Kontrollwechsels kein Rating der Emittentin von einer Ratingagentur (aufgrund einer Beauftragung durch die Emittentin)

The Change of Control Notice shall specify the circumstances of the Change of Control Event. The Change of Control Notice shall also announce whether the Issuer intends to redeem the Notes and the Change of Control Event Effective Date.

(b) Where:

A "**Change of Control**" will be deemed to have occurred if any person or persons, who on the date of issue of the Notes were not partners of the Issuer or shareholders of its general partner, acting in concert (as defined in § 34 (2) of the German Securities Trading Act (*Wertpapierhandelsgesetz - WpHG*) or any person or persons acting on behalf of any such person(s), at any time directly or indirectly acquire(s)

- (i) more than 50 % of the limited liability capital (*Kommanditkapital*) of the Issuer or more than 50 % of the share capital (*Stammkapital*) of its general partner or
- (ii) such number of partnership interests (*Anteile am Kommanditkapital*) of the Issuer or shares in the capital (*Anteile am Stammkapital*) of its general partner carrying more than 50 % of the voting rights exercisable at respective general meetings of the Issuer or its general partner.

A "**Change of Control Event**" occurs if, after the issue date of the Notes, both a Change of Control and a Negative Rating Event occur.

"**Change of Control Event Effective Date**" means the date specified by the Issuer in the Change of Control Notice, which:

- (i) must be a Business Day; and
- (ii) must fall not less than 45 and not more than 60 days after publication of the Change of Control Notice.

"**Negative Rating Event**" occurs if, at the time of the occurrence of a Change of Control,

- (i) in case the Issuer has not been rated, from any Rating Agency it has solicited: the Issuer fails to obtain an Investment Grade Rating from any

vorliegt: wenn es der Emittentin nicht gelingt, innerhalb von 180 Tagen nach Eintritt des Kontrollwechsels ein Investment Grade Rating einer Ratingagentur zu erhalten; oder

- (ii) falls bei Eintritt des Kontrollwechsels die Emittentin (aufgrund einer Beauftragung durch die Emittentin) von einer Ratingagentur mit Investment Grade Rating oder unterhalb von Investment Grade Rating bewertet ist und dieses Rating von einer Ratingagentur innerhalb von 180 Tagen nach Eintritt des Kontrollwechsels zu einem non-investment grade Rating herabgestuft oder das Rating zurückgezogen wurde und nicht innerhalb dieser 180-Tagesperiode anschließend (im Falle einer Herabstufung) durch diese Ratingagentur wieder auf ein Investment Grade Rating heraufgestuft oder (im Falle eines Zurückziehens) durch das Investment Grade Rating einer anderen Ratingagentur ersetzt wurde.

Ein Negatives Ratingereignis liegt nicht vor, wenn die Emittentin beim Ablauf der 180-Tagesperiode nach Eintritt des Kontrollwechsels von mindestens einer Ratingagentur, die von der Emittentin beauftragt wurde, ein Investment Grade Rating erhalten hat.

(6) *Rückkauf von Schuldverschreibungen.* Die Emittentin oder Tochtergesellschaften können unter Einhaltung der einschlägigen gesetzlichen Vorschriften jederzeit Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis kaufen. Derartig erworbene Schuldverschreibungen können entwertet, gehalten oder wieder veräußert werden.

## § 7 Zahlungen

- (1) *Allgemein.*
- (a) *Zahlungen auf Kapital.* Zahlungen auf Kapital in Bezug auf die Schuldverschreibungen erfolgen nach Maßgabe von § 7(2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems außerhalb der Vereinigten Staaten.
- (b) *Zahlungen von Zinsen.* Zahlungen von Zinsen auf Schuldverschreibungen erfolgen nach Maßgabe von § 7(2) an das Clearing System oder dessen Order zur Gutschrift auf

Rating Agency within 180 days from the occurrence of a Change of Control; or

- (ii) in case the Issuer has been rated Investment Grade Rating or below Investment Grade Rating from any Rating Agency it has solicited, and such rating is, within 180 days from the occurrence of a Change of Control, either downgraded to a non-investment grade rating or withdrawn and is not within such 180-day period subsequently (in the case of a downgrade) upgraded to Investment Grade Rating by such Rating Agency or (in the case of withdrawal) replaced by an Investment Grade Rating from any other Rating Agency.

No Negative Rating Event will occur if at the end of the 180-day period after the occurrence of a Change of Control the Issuer has obtained an Investment Grade Rating from at least one Rating Agency that the Issuer has solicited.

(6) *Repurchase of Notes.* The Issuer or any Subsidiary may, subject to applicable laws, at any time purchase Notes in the open market or otherwise and at any price. Such acquired Notes may be cancelled, held or resold.

## § 7 Payments

- (1) *General.*
- (a) *Payment of Principal.* Payment of principal in respect of the Notes shall be made in accordance with § 7(2) to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System outside the United States.
- (b) *Payment of Interest.* Payment of interest on Notes shall be made in accordance with § 7(2) to the Clearing System or to its order for credit to the accounts of the relevant

den Konten der jeweiligen Kontoinhaber des Clearing Systems.

Zahlungen von Zinsen auf Schuldverschreibungen, die durch die Vorläufige Globalurkunde verbrieft sind, erfolgen nach Maßgabe von § 7(2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems, und zwar nach ordnungsgemäßer Bescheinigung gemäß § 2(3)(b).

(2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Schuldverschreibungen in der Festgelegten Währung.

(3) *Erfüllung.* Die Emittentin wird durch Leistung der Zahlung an das Clearing System oder dessen Order von ihrer Zahlungspflicht befreit.

(4) *Zahltag.* Fällt der Fälligkeitstag für eine Zahlung von Kapital und/oder Zinsen in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Geschäftstag ist, dann haben die Anleihegläubiger keinen Anspruch auf Zahlung vor dem nächsten Tag, der ein Geschäftstag ist, und sind nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen.

(5) *Bezugnahmen auf Kapital und Zinsen.* Bezugnahmen in diesen Anleihebedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Betrag, zu dem die Schuldverschreibungen gemäß § 6 zurückzuzahlen sind sowie sonstige auf oder in Bezug auf die Schuldverschreibungen zahlbaren Beträge. Bezugnahmen in diesen Anleihebedingungen auf Zinsen auf Schuldverschreibungen schließen, soweit anwendbar, sämtliche gemäß § 8 zahlbaren Zusätzlichen Beträge ein.

(6) *Hinterlegung von Kapital und Zinsen.* Die Emittentin ist berechtigt, beim Amtsgericht Hamburg Zins- oder Kapitalbeträge zu hinterlegen, die von den Anleihegläubigern nicht innerhalb von zwölf Monaten nach dem Fälligkeitstag beansprucht worden sind, auch wenn die Anleihegläubiger sich nicht in Annahmeverzug befinden. Soweit eine solche Hinterlegung erfolgt und auf das Recht der Rücknahme verzichtet wird, erlöschen die jeweiligen Ansprüche der Anleihegläubiger.

## **§ 8 Steuern**

(1) *Zusätzliche Beträge.* Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge werden ohne Einbehalt oder Abzug von Steuern, Abgaben, Festsetzungen oder behördlicher Gebühren jedweder Art geleistet ("**Steuern**"), die

account holders of the Clearing System.

Payment of interest on Notes represented by the Temporary Global Note shall be made in accordance with § 7(2) to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System, upon due certification as provided in § 2(3)(b).

(2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.

(3) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

(4) *Payment Day.* If the due date for payment of any principal and/or interest in respect of any Note is not a Business Day, then the Noteholders shall not be entitled to payment until the next day which is a Business Day and shall not be entitled to further interest or other payment in respect of such delay.

(5) *References to Principal and Interest.* References in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable, the following amounts: the amount at which the Notes are redeemed pursuant to § 6 and any other amounts which may be payable under or in respect of the Notes. References in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 8.

(6) *Deposit of Principal and Interest.* The Issuer may deposit with the local court in Hamburg amounts of interest or principal not claimed by the Noteholders within twelve months after the due date, even though such Noteholders may not be in default of acceptance of payment. If and to the extent that such deposit is effected and the right of withdrawal is waived, the respective claims of such Noteholders shall cease.

## **§ 8 Taxation**

(1) *Additional Amounts.* All amounts to be paid in respect of the Notes will be paid free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied,

von der Bundesrepublik Deutschland oder einer ihrer Gebietskörperschaften oder Behörden oder Stellen mit der Befugnis zur Erhebung von Steuern auferlegt, erhoben, eingezogen, einbehalten oder festgesetzt werden, sofern nicht die Emittentin kraft Gesetzes oder einer sonstigen Rechtsvorschrift zu einem solchen Einbehalt oder Abzug verpflichtet ist. Sofern die Emittentin zu einem solchen Einbehalt oder Abzug verpflichtet ist, wird die Emittentin zusätzliche Beträge (die "**Zusätzlichen Beträge**") an die Anleihegläubiger zahlen, so dass die Anleihegläubiger die Beträge erhalten, die sie ohne den betreffenden Einbehalt oder Abzug erhalten hätten. Solche Zusätzlichen Beträge sind jedoch nicht zahlbar wegen solcher Steuern in Bezug auf Schuldverschreibungen,

- (a) die von einer als Depotbank oder Inkassobeauftragter des Anleihegläubigers handelnden Person oder sonst auf andere Weise zu entrichten sind als dadurch, dass die Emittentin aus den von ihr zu leistenden Zahlungen von Kapital oder Zinsen einen Abzug oder Einbehalt vornimmt; oder
- (b) die wegen einer Verbindung des betreffenden Anleihegläubigers zu der Bundesrepublik Deutschland, die nicht nur aus der bloßen Inhaberschaft der Schuldverschreibungen besteht, einzubehalten oder abzuziehen sind; oder
- (c) die aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung, eines zwischenstaatlichen Abkommens oder einer zwischenstaatlichen Verständigung über deren Besteuerung, an der die Bundesrepublik Deutschland oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung, Vereinbarung, Abkommen oder Verständigung umsetzt oder befolgt, abzuziehen oder einzubehalten sind; oder
- (d) die aufgrund einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung von Kapital oder Zinsen wirksam wird; oder
- (e) die von einer Zahlstelle abgezogen oder einbehalten werden, wenn eine andere Zahlstelle die Zahlung ohne einen solchen Abzug oder Einbehalt hätte leisten können.

(2) *FATCA*. Die Emittentin ist keinesfalls verpflichtet, zusätzliche Beträge in Bezug auf einen Einbehalt oder Abzug von Beträgen zu zahlen, die gemäß Sections 1471 bis 1474 des U.S. Internal Revenue Code (in der jeweils geltenden Fassung oder gemäß Nachfolgebestimmungen), gemäß zwischenstaatlicher Abkommen, gemäß den in einer

collected, withheld or assessed by the Federal Republic of Germany or any political subdivision or any authority or any agency of or in the Federal Republic of Germany that has power to tax, unless the Issuer is compelled by law to make such withholding or deduction. If the Issuer is required to make such withholding or deduction, the Issuer will pay such additional amounts (the "**Additional Amounts**") to the Noteholders as the Noteholders would have received if no such withholding or deduction had been required, except that no such Additional Amounts will be payable for any such Taxes in respect of any Note:

- (a) which are payable by any person acting as custodian bank or collecting agent on behalf of a Noteholder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it, or
- (b) which are to be withheld or deducted by reason of the relevant Noteholder having some connection with the Federal Republic of Germany other than the mere holding of that Note; or
- (c) which are to be withheld or deducted pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty, agreement or understanding relating to such taxation and to which the Federal Republic of Germany or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty, agreement or understanding; or
- (d) which are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due; or
- (e) which are deducted or withheld by a Paying Agent from a payment if the payment could have been made by another Paying Agent without such deduction or withholding.

(2) *FATCA*. In any event, the Issuer will have no obligation to pay additional amounts deducted or withheld by the Issuer, the relevant Paying Agent or any other party ("**FATCA Withholding**") in relation to any withholding or deduction of any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any

anderen Rechtsordnung in Zusammenhang mit diesen Bestimmungen erlassenen Durchführungsvorschriften oder gemäß mit dem Internal Revenue Service geschlossenen Verträgen von der Emittentin, der jeweiligen Zahlstelle oder einem anderen Beteiligten abgezogen oder einbehalten wurden ("**FATCA-Steuerabzug**") oder Anleger in Bezug auf einen FATCA-Steuerabzug schadlos zu halten.

### § 9 Vorlegungsfrist, Verjährung

Die in § 801 Absatz 1 Satz 1 Bürgerliches Gesetzbuch bestimmte Vorlegungsfrist wird für die Schuldverschreibungen auf zehn Jahre verkürzt. Die Verjährungsfrist für innerhalb der Vorlegungsfrist zur Zahlung vorgelegte Schuldverschreibungen beträgt zwei Jahre von dem Ende der betreffenden Vorlegungsfrist an.

### § 10 Zahlstellen, Berechnungsstelle und Make-whole Bestimmungsstelle

(1) *Hauptzahlstelle.* Die Hauptzahlstelle (die "**Hauptzahlstelle**") ist:

**Commerzbank Aktiengesellschaft**  
Kaiserstraße 16 (Kaiserplatz)  
60311 Frankfurt am Main  
Deutschland

(2) *Berechnungsstelle.* Die Berechnungsstelle (die "**Berechnungsstelle**") ist:

**Commerzbank Aktiengesellschaft**  
Kaiserstraße 16 (Kaiserplatz)  
60311 Frankfurt am Main  
Deutschland

(3) *Make-whole Bestimmungsstelle.* Die "**Make-whole Bestimmungsstelle**" soll eine unabhängige international anerkannte Bank oder ein unabhängiger Finanzberater mit einschlägiger Expertise sein und wird von der Emittentin rechtzeitig vor Ausübung des Kündigungsrechts bei Eintritt eines Angeforderten Ratingereignisses ausgewählt und bestellt.

(4) *Erfüllungsgehilfen der Emittentin.* Die Hauptzahlstelle, die Berechnungsstelle und die Make-whole Bestimmungsstelle handeln ausschließlich als Beauftragte der Emittentin und übernehmen keine Verpflichtungen gegenüber den Anleihegläubigern; es wird kein Vertrags-, Auftrags- oder Treuhandverhältnis zwischen ihnen und den Anleihegläubigern begründet.

(5) *Berechnungen der Berechnungsstelle oder der Make-whole Bestimmungsstelle.* Sämtliche Bescheinigungen, Mitteilungen, Gutachten,

amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service or indemnify any investor in relation to any FATCA Withholding.

### § 9 Presentation Period, Prescription

The presentation period of the Notes provided in § 801 paragraph 1 sentence 1 of the German Civil Code (*Bürgerliches Gesetzbuch*) is reduced to ten years. The period for prescription for Notes presented for payment during the presentation period shall be two years beginning at the end of the relevant presentation period.

### § 10 Paying Agents, Calculation Agent and Make-whole Determination Agent

(1) *Principal Paying Agent.* Principal paying agent (the "**Principal Paying Agent**") shall be:

**Commerzbank Aktiengesellschaft**  
Kaiserstraße 16 (Kaiserplatz)  
60311 Frankfurt am Main  
Germany

(2) *Calculation Agent.* Calculation agent (the "**Calculation Agent**") shall be:

**Commerzbank Aktiengesellschaft**  
Kaiserstraße 16 (Kaiserplatz)  
60311 Frankfurt am Main  
Germany

(3) *Make-whole Determination Agent.* The "**Make-whole Determination Agent**" shall be an independent bank of international standing or an independent financial adviser with relevant expertise and will be selected and appointed by the Issuer in good time prior to the exercise of the call right due to a Solicited Rating Event.

(4) *Agents of the Issuer.* The Principal Paying Agent, the Calculation Agent and the Make-whole Determination Agent act solely as agents of the Issuer and do not assume any obligations towards or relationship of contract, agency or trust for or with any of the Noteholders.

(5) *Calculations made by the Calculation Agent or the Make-whole Determination Agent.* All certificates, communications, opinions,

Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Berechnungsstelle oder der Make-whole Bestimmungsstelle für die Zwecke dieser Anleihebedingungen gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern nicht vorsätzliches Fehlverhalten oder ein offensichtlicher Irrtum vorliegt) für die Emittentin, die Anleihegläubiger und die Zahlstellen bindend.

(6) *Ersetzung von Hauptzahlstelle und Berechnungsstelle sowie Änderung der Bestellung einer Make-whole Bestimmungsstelle.* Die Emittentin behält sich das Recht vor, jederzeit eine weitere Zahlstelle (gemeinsam mit der Hauptzahlstelle, die "**Zahlstellen**", und jede eine "**Zahlstelle**") oder eine andere Zahlstelle oder Berechnungsstelle zu beauftragen oder eine solche Beauftragung zu beenden und zusätzliche oder Nachfolge-Zahlstellen bzw. Berechnungsstellen zu ernennen sowie die Bestellung einer Make-whole Bestimmungsstelle zu ändern oder zu beenden und eine andere Make-whole Bestimmungsstelle zu bestellen. Den Anleihegläubigern werden Änderungen in Bezug auf die Zahlstellen, die Berechnungsstelle oder die Make-whole Bestimmungsstelle oder ihre jeweiligen Geschäftsstellen unverzüglich gemäß § 12 mitgeteilt.

#### § 11

##### **Begebung weiterer Schuldverschreibungen, Entwertung**

(1) *Begebung weiterer Schuldverschreibungen.* Die Emittentin ist berechtigt, jederzeit ohne Zustimmung der Anleihegläubiger weitere Schuldverschreibungen mit gleicher Ausstattung (mit Ausnahme des Tags der Begebung, des Verzinsungsbeginns und/oder des Ausgabekurses) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden.

(2) *Entwertung.* Sämtliche vollständig zurückgezahlten Schuldverschreibungen sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.

#### § 12

##### **Bekanntmachungen**

(1) *Veröffentlichungen.* Alle Bekanntmachungen, die die Schuldverschreibungen betreffen, werden im Bundesanzeiger (soweit erforderlich) und (solange die Schuldverschreibungen an der Luxemburger Wertpapierbörse notiert sind) auf der Internet-Seite der Luxemburger Börse unter [www.bourse.lu](http://www.bourse.lu) veröffentlicht. Jede Mitteilung gilt am Tag der ersten Veröffentlichung als wirksam erfolgt.

determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Terms and Conditions by the Calculation Agent or the Make-whole Determination Agent shall (in the absence of wilful misconduct or manifest error) be binding upon the Issuer, the Noteholders and the Paying Agents.

(6) *Replacement of Principal Paying Agent and Calculation Agent and Variation of Appointment of the Make-whole Determination Agent.* The Issuer reserves the right at any time to appoint an additional paying agent (together with the Principal Paying Agent, the "**Paying Agents**", and each a "**Paying Agent**") or to vary or terminate the appointment of any Paying Agent or the Calculation Agent and to appoint successor or additional Paying Agents or a successor Calculation Agent or to vary or terminate the appointment of the Make-whole Determination Agent and to appoint another Make-whole Determination Agent. Notice of any change in the Paying Agents or Calculation Agent or in the office address of any Paying Agent, the Calculation Agent or the Make-whole Determination Agent will be given without undue delay to the Noteholders in accordance with § 12.

#### § 11

##### **Further Issues, Cancellation**

(1) *Further Issues.* The Issuer may from time to time, without the consent of the Noteholders, issue further notes having the same terms and conditions as the Notes in all respects (except for the issue date, the interest commencement date and/or the issue price) so as to form a single series with the Notes.

(2) *Cancellation.* All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

#### § 12

##### **Notices**

(1) *Publication.* All notices regarding the Notes will be published in the Federal Gazette (to the extent required) and (so long as the Notes are listed on the Luxembourg Stock Exchange) on the website of the Luxembourg Stock Exchange on [www.bourse.lu](http://www.bourse.lu). Any notice will become effective for all purposes on the date of the first such publication.



(2) *Mitteilungen an das Clearing System.* Solange Schuldverschreibungen an der Luxemburger Börse notiert sind, findet § 12(1) Anwendung. Soweit die Regeln der Luxemburger Börse dies zulassen, kann die Emittentin eine Veröffentlichung nach § 12(1) durch eine Mitteilung an das Clearing System zur Weiterleitung an die Anleihegläubiger ersetzen; jede derartige Mitteilung gilt am fünften Tag nach dem Tag der Mitteilung an das Clearing System als den Anleihegläubigern mitgeteilt.

(3) *Mitteilungen des Anleihegläubigers.* Mitteilungen, die von einem Anleihegläubiger gemacht werden, müssen in Textform erfolgen und zusammen mit dem Nachweis seiner Inhaberschaft gemäß § 15(3) an die Zahlstelle geleitet werden. Eine solche Mitteilung kann über das Clearing System in der von der Zahlstelle und dem Clearing System dafür vorgesehenen Weise erfolgen.

### § 13 Ersetzung

(1) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, sofern sie sich nicht mit einer Zahlung von Kapital oder Zinsen auf die Schuldverschreibungen in Verzug befindet, ohne Zustimmung der Anleihegläubiger, eine andere Gesellschaft, die direkt oder indirekt von der Emittentin kontrolliert wird, als neue Emittentin für alle sich aus oder im Zusammenhang mit den Schuldverschreibungen ergebenden Verpflichtungen mit schuldbefreiender Wirkung für die Emittentin an die Stelle der Emittentin zu setzen (die "**Neue Emittentin**"), sofern

- (a) die Neue Emittentin sämtliche Verpflichtungen der Emittentin aus oder im Zusammenhang mit den Schuldverschreibungen übernimmt und, sofern eine Zustellung an die Neue Emittentin außerhalb der Bundesrepublik Deutschland erfolgen müsste, einen Zustellungsbevollmächtigten in der Bundesrepublik Deutschland bestellt;
- (b) die Emittentin und die Neue Emittentin sämtliche für die Schuldnerersetzung und die Erfüllung der Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen erforderlichen Genehmigungen erhalten haben;
- (c) die Neue Emittentin in der Lage ist, sämtliche zur Erfüllung der aufgrund der Schuldverschreibungen bestehenden Zahlungsverpflichtungen erforderlichen Beträge in der Festgelegten Währung an das Clearingsystem zu zahlen, und zwar ohne Abzug oder Einbehalt von Steuern oder sonstigen Abgaben jedweder Art, die von dem Land (oder den Ländern), in dem (in

(2) *Notification to Clearing System.* So long as any Notes are listed on the Luxembourg Stock Exchange, § 12(1) shall apply. If the Rules of the Luxembourg Stock Exchange so permit, the Issuer may deliver the relevant notice to the Clearing System for communication by the Clearing System to the Noteholders, in lieu of publication as set forth in § 12(1) above; any such notice shall be deemed to have been validly given on the fifth day after the day on which the said notice was given to the Clearing System.

(3) *Notices by a Noteholder.* Notices to be given by any Noteholder shall be made in text form together with an evidence of the Noteholder's entitlement in accordance with § 15(3) to the Paying Agent. Such notice may be given through the Clearing System in such manner as the Paying Agent and the Clearing System may approve for such purpose.

### § 13 Substitution

(1) *Substitution.* The Issuer may at any time, without the consent of the Noteholders, if no payment of principal or interest on any of the Notes is in default, substitute for the Issuer any other company which is directly or indirectly controlled by the Issuer, as new issuer (the "**New Issuer**") in respect of all obligations arising under or in connection with the Notes with the effect of releasing the Issuer of all such obligations, if:

- (a) the New Issuer assumes any and all obligations of the Issuer arising under or in connection with the Notes and, if service of process vis-à-vis the New Issuer would have to be effected outside the Federal Republic of Germany, appoints a process agent within the Federal Republic of Germany;
- (b) the Issuer and the New Issuer have obtained all authorisations and approvals necessary for the substitution and the fulfilment of the obligations arising under or in connection with the Notes;
- (c) the New Issuer is in the position to pay to the Clearing System or to the Principal Paying Agent in the Specified Currency and without deducting or withholding any taxes or other duties of whatever nature imposed, levied or deducted by the country (or countries) in which the New Issuer has its domicile or tax residence all amounts required for the performance of the payment obligations

denen) die Neue Emittentin ihren Sitz oder Steuersitz hat, auferlegt, erhoben oder eingezogen werden; und

- (d) die Emittentin unbedingt und unwiderruflich die Verpflichtungen der Neuen Emittentin aus den Schuldverschreibungen zu Bedingungen garantiert, die sicherstellen, dass jeder Anleihegläubiger wirtschaftlich mindestens so gestellt wird, wie er ohne die Ersetzung stehen würde.
- (e) der Hauptzahlstelle ein oder mehrere Rechtsgutachten von anerkannten Rechtsanwälten vorgelegt werden, die bestätigen, dass die Bestimmungen in den vorstehenden Unterabsätzen (i), (ii) und (iii) erfüllt wurden.

(2) *Bezugnahmen.* Im Fall einer Ersetzung gemäß § 13(1) gilt jede Bezugnahme in diesen Anleihebedingungen auf die Emittentin als Bezugnahme auf die Neue Emittentin.

Klarstellend sei erwähnt, dass dies nur gilt, soweit sich nicht aus Sinn und Zweck der jeweiligen Bedingung ergibt, dass die Bezugnahme entweder weiterhin nur auf die Otto (GmbH & Co KG) erfolgen soll, oder dass die Bezugnahme auf die Neue Emittentin und gleichzeitig auch auf die Otto (GmbH & Co KG), im Hinblick auf deren Verpflichtungen aus der Garantie gemäß § 13(1)(d) erfolgen soll.

Im Fall einer Schuldnerersetzung gilt jede Bezugnahme auf die Bundesrepublik Deutschland (außer in § 13) als eine solche auf den Staat, in welchem die Neue Emittentin steuerlich ansässig ist, soweit sich aus dem vorstehenden Satz 2 nichts anderes ergibt, und in § 6(5) gilt eine alternative Bezugnahme auf die Emittentin in ihrer Eigenschaft als Garantin als aufgenommen (zusätzlich zu der Bezugnahme auf die Neue Emittentin).

(3) *Bekanntmachung und Wirksamwerden der Ersetzung.* Die Ersetzung der Emittentin ist gemäß § 12 bekanntzumachen. Mit der Bekanntmachung der Ersetzung wird die Ersetzung wirksam und die Emittentin und im Fall einer wiederholten Anwendung dieses § 13 jede frühere Neue Emittentin von ihren sämtlichen Verpflichtungen aus den Schuldverschreibungen frei. Im Fall einer solchen Schuldnerersetzung werden die Wertpapierbörsen informiert, an denen die Schuldverschreibungen notiert sind.

#### § 14

##### **Änderung der Anleihebedingungen, Gemeinsamer Vertreter**

(1) *Änderung der Anleihebedingungen* Die Emittentin kann die Anleihebedingungen mit Zustimmung aufgrund Mehrheitsbeschlusses der Anleihegläubiger nach Maßgabe der §§ 5 ff. des

arising from or in connection with the Notes; and

- (d) the Issuer irrevocably and unconditionally guarantees such obligations of the New Issuer under the Notes on terms which ensure that each Noteholder will be put in an economic position that is at least as favourable as that which would have existed if the substitution had not taken place.
- (e) there shall have been delivered to the Principal Paying Agent an opinion or opinions of lawyers of recognised standing to the effect that subparagraphs (i), (ii) and (iii) above have been satisfied.

(2) *References.* In the event of a substitution pursuant to § 13(1), any reference in these Terms and Conditions to the Issuer shall be a reference to the New Issuer.

For the avoidance of doubt this shall apply only to the extent that the meaning and purpose of the relevant condition requires that the relevant reference shall continue to be a reference only to Otto (GmbH & Co KG), or that the reference shall be to the New Issuer and Otto (GmbH & Co KG), in relation to Otto (GmbH & Co KG)'s obligations under the guarantee pursuant to § 13(1)(d) at the same time.

In the event of a substitution any reference to the Federal Republic of Germany (except in § 13) shall be a reference to the New Issuer's country of domicile for tax purposes, unless sentence 2 above provides otherwise, and in § 6(5) an alternative reference to the Issuer in its capacity as guarantor shall be deemed to have been included in addition to the reference to the New Issuer.

(3) *Notice and effectiveness of substitution.* Notice of any substitution of the Issuer shall be given by notice in accordance with § 12. Upon such publication, the substitution shall become effective, and the Issuer and in the event of a repeated application of this § 13, any previous New Issuer shall be discharged from any and all obligations under the Notes. In the case of such substitution, the stock exchange(s), if any, on which the Notes are then listed will be notified.

#### § 14

##### **Amendments to the Terms and Conditions, Joint Representative**

(1) *Amendment to the Terms and Conditions.* The Issuer may amend the Terms and Conditions with the consent of a majority resolution of the Noteholders pursuant to §§ 5 et seq. of the German

Gesetzes über Schuldverschreibungen aus Gesamtemissionen (Schuldverschreibungsgesetz – *SchVG*) in seiner jeweiligen gültigen Fassung (das "**SchVG**") ändern. Eine Änderung der Anleihebedingungen ohne Zustimmung der Emittentin scheidet aus.

Die Anleihegläubiger können insbesondere einer Änderung wesentlicher Inhalte der Anleihebedingungen, einschließlich der in § 5 Absatz 3 *SchVG* vorgesehenen Maßnahmen mit Ausnahme der Ersetzung der Emittentin, die in § 13 abschließend geregelt ist, mit den in dem nachstehenden § 14(2) genannten Mehrheiten zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Anleihegläubiger verbindlich.

(2) *Mehrheitserfordernisse*. Vorbehaltlich des nachstehenden Satzes und der Erreichung der erforderlichen Beschlussfähigkeit, beschließen die Anleihegläubiger mit der einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Anleihebedingungen, insbesondere in den Fällen des § 5 Absatz 3 Nummer 1 bis 9 *SchVG*, geändert wird, bedürfen zu ihrer Wirksamkeit einer Mehrheit von mindestens 75 % der an der Abstimmung teilnehmenden Stimmrechte (eine "**Qualifizierte Mehrheit**"). Das Stimmrecht ruht, solange die Schuldverschreibungen der Emittentin oder einem mit ihr verbundenen Unternehmen (§ 271 Absatz 2 HGB) zustehen oder für Rechnung der Emittentin oder eines mit ihr verbundenen Unternehmens gehalten werden.

(3) *Abstimmung ohne Versammlung*. Alle Abstimmungen werden ausschließlich im Wege der Abstimmung ohne Versammlung durchgeführt. Eine Anleihegläubigerversammlung und eine Übernahme der Kosten für eine solche Versammlung durch die Emittentin findet ausschließlich im Fall des § 18 Absatz 4 S. 2 *SchVG* statt.

Beschlüsse der Anleihegläubiger im Wege der Abstimmung ohne Versammlung werden nach § 18 *SchVG* getroffen. Die Aufforderung zur Stimmabgabe durch den Abstimmungsleiter regelt die weiteren Einzelheiten der Beschlussfassung und der Abstimmung. Mit der Aufforderung zur Stimmabgabe werden die Beschlussgegenstände sowie die Vorschläge zur Beschlussfassung den Anleihegläubigern bekannt gegeben.

(4) *Anmeldung*. Die Stimmrechtsausübung ist von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Die Anmeldung muss bis zum dritten Tag vor dem Beginn des Abstimmungszeitraums unter der in der Aufforderung zur Stimmabgabe angegebenen Anschrift zugehen. Zusammen mit der Anmeldung müssen Anleihegläubiger den Nachweis ihrer Berechtigung zur Teilnahme an der Abstimmung durch eine besondere Bescheinigung ihrer

Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*) (*Schuldverschreibungsgesetz – SchVG*), as amended from time to time (the "**SchVG**"). There will be no amendment of the Terms and Conditions without the Issuer's consent.

In particular, the Noteholders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under § 5(3) of the *SchVG*, but excluding a substitution of the Issuer, which is exclusively subject to the provisions in § 13, by resolutions passed by such majority of the votes of the Noteholders as stated under § 14(2) below. A duly passed majority resolution will be binding upon all Noteholders.

(2) *Majority*. Except as provided by the following sentence and provided that the quorum requirements are being met, the Noteholders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of § 5(3) numbers 1 through 9 of the *SchVG*, may only be passed by a majority of at least 75 % of the voting rights participating in the vote (a "**Qualified Majority**"). The voting right is suspended as long as any Notes are attributable to the Issuer or any of its affiliates (within the meaning of § 271(2) of the German Commercial Code (*Handelsgesetzbuch*)) or are being held for the account of the Issuer or any of its affiliates.

(3) *Vote without a meeting*. All votes will be taken exclusively by vote taken without a meeting. A Noteholders' meeting and the assumption of the fees by the Issuer for such a meeting will only take place in the circumstances of § 9(4) sentence 2 of the *SchVG*.

Resolutions of the Noteholders by means of a voting not requiring a physical meeting (*Abstimmung ohne Versammlung*) will be made in accordance § 18 of the *SchVG*. The request for voting as submitted by the chairman (*Abstimmungsleiter*) will provide the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions will be notified to Noteholders together with the request for voting.

(4) *Registration*. The exercise of voting rights is subject to the registration of the Noteholders. The registration must be received at the address stated in the request for voting no later than the third day preceding the beginning of the voting period. As part of the registration, Noteholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of their respective custodian bank hereof in text form and by submission of a blocking instruction by the

Depotbank in Textform und die Vorlage eines Sperrvermerks der Depotbank erbringen, aus dem hervorgeht, dass die relevanten Schuldverschreibungen für den Zeitraum vom Tag der Absendung der Anmeldung (einschließlich) bis dem Ende des Abstimmungszeitraums (einschließlich) nicht übertragen werden können.

(5) *Zweite Anleihegläubigerversammlung.* Wird die Beschlussfähigkeit bei der Abstimmung ohne Versammlung nicht festgestellt, kann der Abstimmungsleiter eine Anleihegläubigerversammlung einberufen, welche als zweite Anleihegläubigerversammlung im Sinne des § 15(3) Satz 3 SchVG gilt. Die Teilnahme an der zweiten Anleihegläubigerversammlung und die Stimmrechtsausübung sind von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Die Anmeldung muss bis zum dritten Tag vor der zweiten Anleihegläubigerversammlung unter der in der Einberufung angegebenen Anschrift zugehen. Zusammen mit der Anmeldung müssen Anleihegläubiger den Nachweis ihrer Berechtigung zur Teilnahme an der Abstimmung durch eine besondere Bescheinigung ihrer Depotbank in Textform und die Vorlage eines Sperrvermerks der Depotbank erbringen, aus dem hervorgeht, dass die relevanten Schuldverschreibungen für den Zeitraum vom Tag der Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Versammlung (einschließlich) nicht übertragen werden können.

(6) *Gemeinsamer Vertreter.* Die Anleihegläubiger können durch Mehrheitsbeschluss die Bestellung und Abberufung eines gemeinsamen Vertreters, die Aufgaben und Befugnisse des gemeinsamen Vertreters, die Übertragung von Rechten der Anleihegläubiger auf den gemeinsamen Vertreter und eine Beschränkung der Haftung des gemeinsamen Vertreters bestimmen. Die Bestellung eines gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn er ermächtigt wird, wesentlichen Änderungen der Anleihebedingungen gemäß § 14(2) zuzustimmen.

Der gemeinsame Vertreter hat die Aufgaben und Befugnisse, welche ihm durch Gesetz oder von den Anleihegläubigern durch Mehrheitsbeschluss eingeräumt wurden. Er hat die Weisungen der Anleihegläubiger zu befolgen. Soweit er zur Geltendmachung von Rechten der Anleihegläubiger ermächtigt ist, sind die einzelnen Anleihegläubiger zur selbständigen Geltendmachung dieser Rechte nicht befugt, es sei denn der Mehrheitsbeschluss sieht dies ausdrücklich vor. Über seine Tätigkeit hat der gemeinsame Vertreter den Anleihegläubigern zu berichten. Für die Abberufung und die sonstigen Rechte und Pflichten des gemeinsamen Vertreters gelten die Vorschriften des SchVG.

custodian bank stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the day the voting period ends.

(5) *Second noteholders' meeting.* If it is ascertained that no quorum exists for the vote without meeting, the chairman (*Abstimmungsleiter*) may convene a meeting, which shall be deemed to be a second meeting within the meaning of § 15(3) sentence 3 of the SchVG. Attendance at the second meeting and exercise of voting rights is subject to the registration of the Noteholders. The registration must be received at the address stated in the convening notice no later than the third day preceding the second noteholders' meeting. Noteholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of its custodian bank hereof in text form and by submission of a blocking instruction by the custodian bank stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the stated end of the meeting.

(6) *Joint representative.* The Noteholders may by majority resolution provide for the appointment or dismissal of a joint representative, the duties and responsibilities and the powers of such joint representative, the transfer of the rights of the Noteholders to the joint representative and a limitation of liability of the joint representative. Appointment of a joint representative may only be passed by a Qualified Majority if such joint representative is to be authorised to consent to a material change in the substance of the Terms and Conditions in accordance with § 14(2) hereof.

The joint representative shall have the duties and powers provided by law or granted by majority resolutions of the Noteholders. The joint representative shall comply with the instructions of the Noteholders. To the extent that the joint representative has been authorised to assert certain rights of the Noteholders, the Noteholders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The joint representative shall provide reports to the Noteholders on its activities. The regulations of the SchVG apply with regard to the recall and the other rights and obligations of the joint representative.

Die Haftung des gemeinsamen Vertreters ist auf das Zehnfache seiner jährlichen Vergütung beschränkt, es sei denn, dem gemeinsamen Vertreter fällt Vorsatz oder grobe Fahrlässigkeit zur Last.

(7) *Bekanntmachungen.* Bekanntmachungen betreffend diesen § 14 erfolgen gemäß den §§ 5ff. SchVG sowie nach § 12.

(8) *Zuständiges Gericht.* Für Entscheidungen gemäß § 9 Absatz 2, § 13 Absatz 3 und § 18 Absatz 2 SchVG ist gemäß § 9 Absatz 3 SchVG das Amtsgericht zuständig, in dessen Bezirk die Emittentin ihren Sitz hat. Für Entscheidungen über die Anfechtung von Beschlüssen der Anleihegläubiger ist gemäß § 20 Absatz 3 SchVG das Landgericht ausschließlich zuständig, in dessen Bezirk die Emittentin ihren Sitz hat.

## § 15

### Anwendbares Recht, Erfüllungsort und Gerichtsstand

(1) *Anwendbares Recht, Erfüllungsort.* Form und Inhalt der Schuldverschreibungen sowie alle sich daraus ergebenden Rechte und Pflichten bestimmen sich ausschließlich nach dem Recht der Bundesrepublik Deutschland. Erfüllungsort ist Hamburg.

(2) *Gerichtsstand.* Nicht-ausschließlicher Gerichtsstand für alle sich aus den in diesen Anleihebedingungen geregelten Rechtsverhältnissen ergebenden Rechtsstreitigkeiten mit der Emittentin ist Hamburg.

(3) *Gerichtliche Geltendmachung.* Jeder Anleihegläubiger kann in Rechtsstreitigkeiten gegen die Emittentin im eigenen Namen seine Rechte aus den ihm zustehenden Schuldverschreibungen geltend machen unter Vorlage der folgenden Dokumente: (a) einer Bescheinigung seiner Depotbank, die (i) den vollen Namen und die volle Anschrift des Anleihegläubigers bezeichnet, (ii) den Nennbetrag der Schuldverschreibungen angibt, die am Ausstellungstag dieser Bescheinigung dem bei dieser Depotbank bestehenden Depot dieses Anleihegläubigers gutgeschrieben sind, und (iii) bestätigt, dass die Depotbank dem Clearing System und der Hauptzahlstelle eine schriftliche Mitteilung zugeleitet hat, die die Angaben gemäß (i) und (ii) enthält und Bestätigungsvermerke des Clearing Systems sowie des jeweiligen Clearingsystem-Kontoinhabers trägt, sowie (b) einer von einem Vertretungsberechtigten des Clearing Systems oder der Hauptzahlstelle bestätigten Ablichtung der Globalurkunde.

Unless the joint representative is liable for wilful misconduct (*Vorsatz*) or gross negligence (*grobe Fahrlässigkeit*), the joint representative's liability shall be limited to ten times the amount of its annual remuneration.

(7) *Notices.* Any notices concerning this § 14 will be made in accordance with § 5 et seq. of the SchVG and § 12.

(8) *Competent court.* The local court (*Amtsgericht*) in the district where the Issuer has its registered office will have jurisdiction for all judgments pursuant to § 9(2), § 13(3) and § 18(2) SchVG in accordance with § 9(3) SchVG. The regional court (*Landgericht*) in the district where the Issuer has its registered office will have exclusive jurisdiction for all judgments over contested resolutions by Noteholders in accordance with § 20(3) SchVG.

## § 15

### Governing Law and Place of Jurisdiction

(1) *Applicable law, place of performance.* The form and content of the Notes as well as all the rights and duties arising therefrom are governed exclusively by the laws of the Federal Republic of Germany. Place of performance is Hamburg.

(2) *Jurisdiction.* Non-exclusive court of venue for all litigation with the Issuer arising from the legal relations established in these Terms and Conditions is Hamburg.

(c) *Enforcement.* Any Noteholder may in any proceedings against the Issuer protect and enforce in its own name its rights arising under its Notes by submitting the following documents: (a) a certificate issued by its depositary bank (i) stating the full name and address of the Noteholder, (ii) specifying the principal amount of Notes credited on the date of such certificate to such Noteholder's securities account maintained with such depositary bank and (iii) confirming that the depositary bank has given a written notice to the Clearing System as well as to the Principal Paying Agent containing the information pursuant to (i) and (ii) and bearing acknowledgements of the Clearing System and the relevant Clearing System accountholder as well as (b) a copy of the Global Note certified by a duly authorised officer of the Clearing System or the Principal Paying Agent as being a true copy.

**§ 16**  
**Sprache**

Diese Anleihebedingungen sind in deutscher Sprache abgefasst. Eine Übersetzung in die englische Sprache ist beigefügt. Der deutsche Wortlaut ist allein rechtsverbindlich. Die englische Übersetzung dient nur zur Information.

**§ 16**  
**Language**

These Terms and Conditions are written in the German language and provided with an English language translation. The German version shall be the only legally binding version. The English language translation is provided for convenience only.

## GENERAL INFORMATION ON THE ISSUER AND THE GROUP

### 1. GENERAL INFORMATION ABOUT THE ISSUER

#### 1.1. INCORPORATION, REGISTRATION, REGISTERED OFFICE AND LEGAL FORM

Otto (GmbH & Co KG) was established on 17 August 1949 under German law by Prof. Dr. h.c. Werner Otto initially as a sole proprietorship and has been conducted in the legal form of a German *Kommanditgesellschaft* (limited partnership) since the beginning of the 1960s. The partnership's name was changed from Otto Versand GmbH & Co to Otto (GmbH & Co KG) by partners' resolution of 2 September 2002. The registration of the change of the partnership's name in the commercial register was effected on 8 October 2002. The Issuer is incorporated in Germany and was established under German law for an indefinite term. The Issuer is registered with the commercial register of Hamburg under HRA 62024 and is operating under German law. The Issuer operates under the legal name of "**Otto (GmbH & Co KG)**" and under the commercial name of "**OTTO**".

The corporate seat of the Issuer is Hamburg. The address of the head office is Werner-Otto-Straße 1-7, 22179 Hamburg, telephone number: +49 (40) 6461-0.

The financial year of Otto (GmbH & Co KG) starts on 1 March of each year and ends on the last day of February of the following year.

In accordance with German law, the "*Gesellschaft mit beschränkter Haftung & Compagnie Kommanditgesellschaft (GmbH & Co KG)*" is a special form of a limited partnership where the sole general partner is a limited liability company. The general partner (*Komplementärin*) of the Issuer is "Verwaltungsgesellschaft Otto mbH" (the "**General Partner**"). The limited partners (*Kommanditisten*) of the Issuer, which are listed in chapter 1.4, also hold all shares in the General Partner.

The Legal Entity Identifier ("**LEI**") of Otto (GmbH & Co KG) is: 529900LMI5FN0KFOE272.

#### 1.2. CORPORATE OBJECTS

In accordance with Article 2 of its partnership agreement, the corporate purpose of the Issuer is the distance selling of goods and services of all kinds, retailing within the framework of officially granted authorisations and the serial production of goods offered, excluding mechanical manufacturing. In order to achieve these purposes, the Issuer is entitled to set up, acquire or participate in similar companies or companies of the same kind.

#### 1.3. LIMITED LIABILITY CAPITAL (KOMMANDITKAPITAL) OF THE ISSUER

On 28 February 2018, the limited liability capital (*Kommanditkapital*) of the Issuer amounted to EUR 820,000,000 held by the limited partners (*Kommanditisten*).

#### 1.4. OWNERSHIP STRUCTURE OF THE LIMITED LIABILITY CAPITAL (KOMMANDITKAPITAL) OF THE ISSUER

Limited Partners (*Kommanditisten*) of the Issuer are:

- OTTO Aktiengesellschaft für Beteiligungen
- GSV Aktiengesellschaft für Beteiligungen.

These companies directly hold 100% of the limited partnership interests.

The largest indirect shareholder of the Otto Group, controlling the majority of voting rights, is the Michael Otto Stiftung, a foundation under German law whose objective is to ensure that the Otto Group remains a family company for future generations.

In total, the Michael Otto Stiftung and members of the Otto family together hold an interest of more than 98% in the Issuer.

## 1.5. AUDITORS

KPMG AG Wirtschaftsprüfungsgesellschaft, Michaelis Quartier, Ludwig-Erhard-Straße 11-17, 20459 Hamburg, Germany (hereinafter referred to as "KPMG"), was appointed as the statutory auditor of the Issuer for the financial years ended 28 February 2018 and 28 February 2017. KPMG audited the consolidated financial statements of the Issuer as of and for the financial years ended 28 February 2018 and 28 February 2017 and issued an unqualified auditor's report (*uneingeschränkte Bestätigungsvermerke*) in each case. KPMG is a member of the Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Rauchstraße 26, 10787 Berlin, Germany.

## 2. ORGANISATIONAL STRUCTURE

The Issuer is the operating company for OTTO, the Otto Group's historical core company, and also acts as holding company of the Otto Group. The Otto Group's activities are divided into three business segments, namely (i) Multichannel Retail, (ii) Financial Services and (iii) Services:

- (i) The Multichannel Retail segment comprises the Otto Group's domestic and international retail companies that offer their products via the three distribution channels e-commerce, catalogue business, and over-the-counter retail.
- (ii) The Financial Services segment comprises the Otto Group's offer of financial services such as debt collection, receivables management and innovative retail-related financial services.
- (iii) The Services segment comprises the Otto Group's logistics and sourcing companies. They render their services both to third-party customers as well as to companies in the Otto Group's Multichannel Retail segment.

The Issuer performs management and control functions within the Otto Group and is responsible for supporting the Otto Group's business strategy by managing its participations and providing access to the capital markets.

## 3. BUSINESS OVERVIEW

### 3.1. CORE BUSINESS, MOST IMPORTANT MARKETS

Founded in 1949, the Otto Group now is a globally active group of retailers and retail-related service providers with an average of 51,785 full-time and revenues of EUR 13,653 million in financial year 2017/18. The diversification and internationalisation of the Otto Group started in the mid-1970s, when a variety of investments, joint ventures and strategic partnerships turned the Otto Group into a group with operations worldwide. As of 28 February 2018, the Otto Group consists of more than 100 significant companies and has a presence in more than 30 countries across Europe, North and South America and Asia. It is organised into three business segments: Multichannel Retail, Financial Services and Services.

The Multichannel Retail segment is the historical core business of the Otto Group. The segment contributed EUR 10,541 million, a share of 77.2%, to the Otto Group's revenues in financial year 2017/18. Revenue growth for the segment compared to fiscal year 2016/2017 amounted to 7.4%. The segment's EBITDA amounted to EUR 407 million, the segment's EBIT reached EUR 161 million.

The Financial Services segment contributed EUR 841 million, a share of 6.2%, to the Otto Group's revenues in financial year 2017/18. Revenue growth for the segment compared to fiscal year 2016/2017 amounted to 14.9%. The segment's EBITDA amounted to EUR 357 million, the segment's EBIT reached EUR 338 million.

The Services segment's revenues amounted to EUR 2,271 million, i.e. 16.6% of the Group's revenues, in financial year 2017/18. Revenue growth for the segment compared to fiscal year 2016/2017 amounted to 15.8%. The segment's EBITDA reached EUR 74 million, the segment's EBIT amounted to EUR -6 million.

The Otto Group's EBIT amounted to EUR 405 million in financial year 2017/18, including inter-divisional costs of Group functions amounting to EUR 89 million, which were not allocated to one of the segments.

Germany remained the Otto Group's most important regional sales market in the financial year 2017/18, contributing 60.5% to consolidated revenues, ahead of the rest of Europe (excluding Germany and Russia) with 21.6%. North America contributed 13.9%, followed by Russia with 2.4%, Asia with 1.4% and other regions with 0.3%.



## **3.2. THE MULTICHANNEL RETAIL SEGMENT**

### **3.2.1. OVERVIEW OF THE SEGMENT**

The Multichannel Retail segment encompasses all of the Otto Group companies that offer their products across the three sales channels e-commerce, catalogue business and over-the-counter retail. The product range includes fashion, shoes, lifestyle products, furniture and home accessories, toys as well as electronics, sports and leisure products.

E-commerce has been the major revenue driver in recent years and remains the main source of growth of this segment. According to the Issuer's own estimates, the Otto Group is the number two in the German e-commerce market. Online revenues grew by 12.3% in the financial year 2017/18 and reached EUR 7.9 billion, contributing 74.8% to the total revenues in the Multichannel Retail segment. Within e-commerce, the share of mobile commerce is growing steadily. On average, the online shops of the Otto Group already generate more customer traffic from mobile devices than via desktop computers.

Thanks to a broad portfolio of brands and companies, the Multichannel Retail segment is diversified across a variety of countries, customer target groups and price segments. Major contributors to the revenues of the Multichannel Retail segment are described below.

### **3.2.2. OTTO**

The Group company OTTO ("**OTTO**") operates the webshop otto.de and is the Otto Group's retailer with the highest sales. OTTO's core target group consists of women aged between 30 and 40 as well as their families. As a generalist retailer, OTTO offers a comprehensive range of fashion, furniture, electronics and other lifestyle products. The company recognised online retail as an opportunity as early as 1995, when OTTO was one of the first German mail-order companies to launch an online shop. In financial year 2017/18, OTTO recorded revenues of 2,956 million euros, an increase of 8.5% compared to the previous year. E-commerce accounted for approximately 95% of revenues. According to the Issuer's own estimates, otto.de is Germany's largest online retailer in the "furniture and living" category.

OTTO is increasingly transforming its business model into an e-commerce platform, allowing third-party sellers to offer their products via otto.de. The objective is to greatly expand the range of products on offer at otto.de, thereby making OTTO even more relevant to its customers.

### **3.2.3. BONPRIX GROUP**

bonprix Handelsgesellschaft mbH ("**Bonprix**"), Hamburg, was established by the Otto Group in 1986. Bonprix sells fashion, textiles and accessories to price-conscious customer groups under its own brand name. Bonprix operates in 30 countries, including Germany, France, Italy, Central-Eastern Europe, Russia and the USA. Since the 1990s, the company has pursued a multichannel strategy – a mix of catalogues, branded retail stores and e-commerce. In financial year 2017/18, the Bonprix Group recorded revenues of 1,561 million euros, an increase of 3.2% compared to the previous year. E-commerce accounted for approximately 83% of revenues.

### **3.2.4. MYTOYS**

MyToys.de GmbH ("**myToys**") was founded as an internet start-up in the late 1990s. The Otto Group has owned a majority stake in myToys since 2000 and currently holds a stake of approximately 96%. MyToys is a specialist for toys and children's clothing. Apart from the online shop, the company also operates 17 over-the-counter stores and has an international presence with the online shop mytoys.com. In financial year 2017/18, myToys recorded revenues of 652 million euros, an increase of 17.3% compared to the previous year. E-commerce accounted for approximately 95% of revenues.

### **3.2.5. SCHWAB GROUP**

SCHWAB VERSAND GmbH ("**Schwab**") has been part of the Otto Group since 1976. As a full-range multichannel retailer, it sells fashion, technology and household products via catalogues and its online shop. With the sheego brand, Schwab is also well positioned in the important market segment for larger-size ladies' fashion. E-commerce accounted for approximately 82% of revenues at Schwab in financial year 2017/18.

### **3.2.6. HEINE GROUP**

Heinrich Heine GmbH ("**Heine**"), Karlsruhe, was founded by Heinrich Heine in 1951. Since 1976, Heine has been fully integrated into the Otto Group. Heine serves the high-end segments of the fashion and furniture markets and offers its products to the 35- to 55-year-old core target group via both catalogues and online shopping. In financial year 2017/18, e-commerce accounted for approximately 67% of revenues at Heine.

### **3.2.7. BAUR GROUP**

Baur Versand (GmbH & Co KG) ("**Baur**"), based in Burgkunstadt, Germany, was founded by Dr Friedrich Baur as Germany's first mail-order shoe company in 1925. In 1997, the Otto Group acquired an equity interest of 49% in Baur, which is still the current shareholding. The remaining 51% are held by Friedrich Baur Stiftung. The Otto Group controls Baur through its 100% stake in Verwaltungsgesellschaft Baur Versand mbH, the general partner of Baur.

Baur's range of goods covers fashion, shoes, furniture, and home accessories, which are sold in Germany and a number of European countries through its subsidiaries. In financial year 2017/18, the Baur Group recorded revenues of 757 million euros, an increase of 13.6% compared to the previous year. Roughly 91% of all orders at Baur are placed online.

### **3.2.8. WITT GROUP**

Josef Witt GmbH ("**Witt**") is Germany's oldest mail-order company specialised in textiles. Witt targets the 50+ age group with a range of differently positioned brands using all distribution channels – catalogue business, over-the-counter retail stores and online business – and is primarily active in Germany, Austria and Switzerland. In financial year 2017/18, the Witt Group recorded revenues of 818 million euros, an increase of 8.1% compared to the previous year. E-commerce accounted for approximately 20% of Witt's revenues.

### **3.2.9. SPORTSCHECK**

SportScheck GmbH ("**SportScheck**"), Munich, became a minority participation of the Otto Group in 1988, and a wholly-owned subsidiary in 1991. SportScheck focuses on sportswear, leisure wear and accessories and currently operates 19 stores in Germany. As a multi-channel retailer, the company also sells its products via catalogue and its website. In financial year 2017/18, SportScheck recorded revenues of 286 million euros, a decrease of 1.7% compared to the previous year. E-commerce accounted for ca. 38% of revenues.

### **3.2.10. CRATE AND BARREL GROUP**

Crate & Barrel Holdings, Inc. ("**Crate and Barrel**") was founded in 1962. The Otto Group acquired a majority stake in Crate and Barrel in 1998 and has held all voting common stock since 2011.

Crate and Barrel offers international housewares, furniture and home furnishings to demanding customers in the North American market. Crate and Barrel operates more than 100 over-the-counter retail stores, plus catalogue and online business in the USA. In addition, Crate and Barrel has expanded into Canada, as well as markets outside of North America via a franchise concept. In 2017/18, the Crate and Barrel Group recorded revenues of 1,564 million euros, an increase of 6.0% compared to the previous year. E-commerce accounted for 47% of revenues.

### **3.2.11. FREEMANS GRATTAN HOLDINGS**

Freemans PLC, founded in 1905, and Grattan PLC, founded in 1912, are multichannel retailers based in Bradford, United Kingdom. Both companies were acquired by the Otto Group in the 1990s and are now operated jointly under the umbrella of Freemans Grattan Holdings Ltd ("**FGH**").

As a generalist retailer, FGH offers a broad assortment of merchandise, ranging from fashionable clothing to household goods via a number of e-commerce platforms and catalogues catering to different target customer groups. E-commerce accounted for 81% of FGH's revenues in financial year 2017/18.

### **3.2.12. OTTO GROUP RUSSIA**

The Otto Group has been active in the Russian market since 1990. In 2009, the Otto Group acquired the NaDom Group, a distance-seller offering household, healthcare and cosmetics items, as well as shoes and accessories. In financial year 2017/18, e-commerce accounted for around 84% of Otto Group Russia's revenues. In April 2018, the Otto Group announced that it would discontinue the presence of otto.de and Quelle in the Russian market. Going forward, Otto Group Russia will focus on its other activities, such as the group's own brands Witt and Bonprix, which account for the majority of its revenues.

### **3.2.13. ABOUT YOU**

ABOUT YOU GmbH ("**ABOUT YOU**") is a fashion and technology company that was launched by the Otto Group in 2013. ABOUT YOU seeks to distinguish itself from competitors by providing a more inspiring shopping experience based on personalisation and the integration of user- and third-party generated content into the shop. ABOUT YOU mainly targets customers between 20 and 49 years. In addition to its presence in Germany, ABOUT YOU has started to expand into selected further European countries. In financial year 2017/18, ABOUT YOU recorded revenues of 283 million euros, an increase of 110% compared to the previous year. Approximately 98% of its revenues were generated from e-commerce.

In 2017, the Otto Group announced its decision to include external investors and strategic partners at ABOUT YOU. The objective is to further promote ABOUT YOU's strong growth ambitions and international expansion plans with the support of external expertise and capital. As part of this strategy, the Otto Group sold a 24.9% stake in ABOUT YOU to GFH Gesellschaft für Handelsbeteiligungen m.b.H. ("**GFH**"), an entity outside of the Otto Group ultimately controlled by Benjamin Otto. As a consequence of the shareholder agreement with GFH, the Otto Group no longer exercises exclusive control over ABOUT YOU. ABOUT YOU will therefore be consolidated in the Otto Group's financial statements using the equity method going forward.

Accounting for other external shareholders, the Otto Group's stake in ABOUT YOU amounts to 68.16% following the transaction with GFH. As part of the ongoing investor process, the shareholder structure of ABOUT YOU might change in the near term, which might result in a change of the Otto Group's stake in ABOUT YOU.

## **3.3. THE FINANCIAL SERVICES SEGMENT**

### **3.3.1. OVERVIEW OF THE SEGMENT**

The Financial Services segment covers an international portfolio of financial services. The Financial Services segment is largely characterised by the companies of the internationally operating EOS Group. In addition, the Otto Group holds minority participations in Cofidis and Hanseatic Bank, which are included in the Otto Group's financial statements using the equity method.

Third-party business with customers outside the Otto Group generates the overwhelming majority of the segment's overall business volume (96.7% as of financial year 2017/18).

### **3.3.2. EOS GROUP**

The EOS Group originated from a spin-off of the debt collection department of the Otto Group in 1974 and is still 100% owned by the Otto Group. The EOS Group covers a broad portfolio of retail-related financial services with a focus on receivables management. These services include the purchase of non-performing receivables, fiduciary debt collection and business process outsourcing. EOS is present in 25 countries around the world via more than 60 subsidiaries.

With the help of an international network of partner companies, the EOS Group has access to resources in more than 180 countries. The main target industries are the banking sector, utilities and the telecommunications market, as well as the public sector, real estate, mail order and e-commerce.

In financial year 2017/18, the EOS Group generated revenues with customers outside the Otto Group of 774 million euros, an increase of 20.0% compared to the previous year.

### **3.3.3. ARGOSYN / COFIDIS**

Argosyn SA, Villeneuve d'Ascq, France ("**Argosyn**") operates certain financial service companies that historically were part of the French 3 Suisses Group. The Otto Group's stake in Argosyn amounts to approximately 52%, with an entity controlled by the Mulliez family holding the remainder. Argosyn's main holding is a minority stake in the consumer finance company Cofidis Participations S.A. ("**Cofidis**"). The majority shareholder of Cofidis is the French cooperative bank Banque Fédérative du Crédit Mutuel, Strasbourg, France ("**Crédit Mutuel**"). Argosyn's stake in Cofidis amounts to approximately 29%. The Otto Group's stake in Cofidis may be further reduced in the future through the exercise of put and call options that are part of the shareholder agreement with Credit Mutuel.

### **3.3.4. HANSEATIC BANK**

Hanseatic Bank GmbH & Co KG, Hamburg ("**Hanseatic Bank**") was established by the Otto Group in 1969 to provide consumer credits to mail-order customers. Today, Hanseatic Bank provides individual financing solutions for its customers and partners in the areas of deposit-taking, real-estate-related financing, receivables management and credit cards. The Otto Group sold 75% of the shares in Hanseatic Bank to Société Générale in 2005 and currently holds a stake of 25% in Hanseatic Bank. Hanseatic Bank is included in the Otto Group's consolidated financial statements using the equity method.

## **3.4. THE SERVICES SEGMENT**

The companies bundled in the Services segment allow the Otto Group to offer a wide range of retail-related services. The Services segment is characterised by the Hermes brand. The companies operating under the Hermes brand ("**Hermes**") are mainly held by Hermes Europe GmbH, a 100% subsidiary of the Otto Group. They offer a broad range of services along the logistics value chain – including procurement, quality testing, transport, warehousing and delivery to both private and business customers. Distribution logistics, i.e. the delivery of parcels into people's homes, or to parcel shops operated by franchise partners, is the main growth area for Hermes and the focus of Hermes' service offering to external customers. In addition, Hermes also occupies a strong market position in the field of 2-man-handling, i.e. the delivery and mounting of heavy products such as furniture or larger household items.

The Otto Group founded Hermes in 1972, initially as a logistics operator for the Otto Group's own retail companies. Over time, Hermes has firmly established itself as an independent service provider in the marketplace, serving a large number of well-known retailers across Europe. In addition to third-party business, Hermes continues to provide logistic operations for the Otto Group's companies in the Multichannel Retail segment. In financial year 2017/18, third-party business accounted for 66.9% of total revenues in the Services segment.

In Germany, Hermes is among the leading parcel delivery services, occupying a number two position behind Deutsche Post according to the Issuer's own estimates. Besides Germany, the Otto Group provides logistic services in European key markets, including the UK via Hermes Parcelnet and France via Mondial Relay.

In financial year 2017/18, the Hermes Group recorded revenues of 2,113 million euros with customers outside the Otto Group, an increase of 34.2% compared to the previous year.

## **4. FINANCING**

The Otto Group uses a variety of financial instruments to finance its business, e.g. bilateral bank loans, asset backed financings, commercial paper and bond financing. The financing portfolio is spread across a well-balanced maturity profile.

The Otto Group has access to a considerable amount of credit lines granted by several banks on a bilateral basis. The use of these credit lines fluctuates throughout the year, but the Otto Group seeks to maintain a significant undrawn amount of credit lines at any time.

## **5. INVESTMENTS**

Between 28 February 2018 and the date of this Prospectus, the Issuer has made no new or previously unannounced investments, and its management has made no decisions or firm commitments on investments for the future, that would result in a significant change in the financial or trading position of the Otto Group.

The general investment strategy of the Otto Group is as follows.

The Otto Group seeks to grow and invest across all of its three business segments. Focus areas for investment are:

### **Multichannel Retail**

In the Multichannel Retail segment, the overarching strategic goal is to further expand the e-commerce sector across all interfaces and devices. E-commerce is by far the most important distribution channel for the Otto Group and is expected to remain the main growth driver going forward.

The Otto Group has defined two focus areas for growth and investment in the Multichannel Retail segment. On the one hand, the Otto Group aims for a strong expansion of its large retail platforms OTTO and ABOUT YOU. In addition, the Otto Group's well-established international brands Bonprix, Witt and Crate & Barrel have also been defined as focus firms for investment and further growth.

In the Multichannel Retail segment, the Otto Group also invests in startups through its participation in the venture capital company e.ventures and the early-stage fund Project A Ventures, thereby securing early access to promising new business models and entrepreneurial talents.

### **Financial Services**

In the Financial Services segment, the Otto Group's strategic focus is on the further development of the receivables management business at the EOS Group. As part of this strategy, the EOS Group intends to expand its investments in portfolios of non-performing receivables and will also make further investments into the optimisation and digitalisation of its collection processes.

In addition, the Otto Group also invests into new digital business models in the Financial Services segment, for example in the fields of personalised dunning and fraud prevention.

### **Services**

In the Services segment, Hermes invests into the development of its logistics network both in Germany and in its key international markets, i.e. France and the UK. Hermes' objective is to improve speed, reliability and transparency of its delivery services in order to meet its customers' steadily increasing demands.

### **IT infrastructure**

Finally, in order to be competitive in the fast-paced markets in which the Otto Group operates, state-of-the art technology is a key prerequisite. For this reason, the Otto Group continuously invests significant amounts into its IT infrastructure and the development of IT competencies in fields such as business intelligence, mobile and conversational commerce.

## **6. MATERIAL CONTRACTS**

The Otto Group did not enter into any contracts outside the ordinary course of business which could result in any obligation or entitlement that is material to the Issuer's ability to meet its obligations to the Noteholders in respect of the Notes.

The Otto Group does conclude profit and loss agreements as well as loss transfer declarations with its subsidiaries in the usual course of its business.

## **7. CORPORATE GOVERNANCE**

The corporate bodies governing the Otto Group are:

- the executive board (*Geschäftsführung*) of the General Partner ("**Executive Board**");
- the general partners' meeting (*Gesellschafterversammlung*) ("**General Partners' Meeting**");
- the partners' committee (*Gesellschafterrat*) ("**Partners' Committee**");
- the supervisory board (*Aufsichtsrat*) of the General Partner ("**Supervisory Board**").

The General Partner is exclusively responsible for managing the business of the Issuer. Pursuant to its articles of association, the General Partner acts through its managing directors, who are appointed and dismissed by the Supervisory Board.

## 7.1. EXECUTIVE BOARD

The members of the Executive Board of the General Partner are:

Alexander Birken, Hamburg

Chairman of the Executive Board and Chief Executive Officer (CEO) Otto Group

Dr. Rainer Hillebrand, Hamburg

Vice Chairman and Member of the Executive Board, Corporate Strategy, E-Commerce & Business Intelligence Otto Group

Dr. Marcus Ackermann, Hamburg

Member of the Executive Board, Multichannel Distance Selling Otto Group

Petra Scharner-Wolff, Hamburg

Member of the Executive Board, Chief Financial Officer (CFO), Controlling, Human Resources Otto Group

Kay Schiebur, Hamburg

Member of the Executive Board, Services Otto Group

Sven Seidel, Talheim

Member of the Executive Board, Multichannel Retail Otto Group

## 7.2. EXTERNAL MANDATES OF THE EXECUTIVE BOARD MEMBERS

The following list sets forth the mandates that the members of the Executive Board currently perform outside the Otto Group:

1. Alexander Birken  
Member of the Foundation Council (*Stiftungsrat*) "Albertinen Stiftung", Hamburg  
Chairman of the Executive Board (*Vorstandsvorsitzender*) "The Young ClassX e. V.", Hamburg  
Member of the Curatorship (*Kuratorium*) "HSBA Hamburg School of Business Administration", Hamburg  
Member of the Executive Board (*Vorstand*) and of the Steering Committee (*Präsidium*) "Handelsverband Deutschland (HDE)", Berlin
2. Dr. Rainer Hillebrand  
Member of the Advisory Board (*Beirat*) "Vorwerk & Co. KG", Wuppertal  
Member of the Steering Committee (*Präsidium*) and the Executive Board (*Vorstand*) "Bundesverband E-Commerce und Versandhandel Deutschland e.V. (bevh).", Berlin  
Member of the Advisory Council "Deutsche Telekom Capital Partners", Hamburg  
Member of the Curatorship (*Kuratorium*) "Kühne Logistics University", Hamburg  
Member of the Advisory Board "Business@school - an initiative of the Boston Consulting Group", Munich  
Member of the Supervisory Board (*Aufsichtsrat*), "Commerzbank Aktiengesellschaft", Frankfurt am Main
3. Dr. Marcus Ackermann  
Member of the Steering Committee (*Präsidium*) "IFH Institut für Handelsforschung GmbH", Cologne  
Member of "Ost-Ausschuss der Deutschen Wirtschaft", Berlin

- |    |                      |  |
|----|----------------------|--|
| 4. | Petra Scharner-Wolff | <p>Member of the Advisory Board (<i>Beirat</i>) "HDI-Gerling Industrie Versicherung AG", Hannover</p> <p>Member of the Advisory Board (<i>Beirat</i>) "Allianz Global Corporate &amp; Specialty SE", Munich</p> <p>Member of the Advisory Board (<i>Beirat</i>) "SCHUFA Holding AG", Wiesbaden</p> <p>Member of the Central Advisory Board (<i>Zentraler Beirat</i>), "Commerzbank AG", Frankfurt</p> <p>Member of the Advisory Board (<i>Beirat</i>), acatech (Deutsche Akademie der Technikwissenschaften), Munich</p> <p>Member of the Supervisory Board (<i>Aufsichtsrat</i>) "HELM AG", Hamburg</p> <p>From October 2018: Member of the Executive Board (<i>Vorstand</i>) "Jung Stiftung für Wissenschaft und Forschung", Hamburg</p> |
| 5. | Kay Schiebur         | <p>Member of the Advisory Board (<i>Beirat</i>) "Bundesvereinigung Logistik" (BVL), Bremen</p> <p>Member of the Supervisory Board (<i>Aufsichtsrat</i>) "GS-1 Germany", Cologne</p>  |
| 6. | Sven Seidel          | <p>Member of the Board of Directors "R. Faerch Plast A/S", Holstebro/Denmark</p> <p>Member of the Board of Directors "Faerch Plast Group A/S", Holstebro/Denmark</p>   |

There are no potential conflicting interests of the members of the Executive Board and the Supervisory Board between any duties to the Issuer and their private interests and/or other duties.

The members of the Executive Board and the Supervisory Board can be contacted under the Issuer's business address.

### **7.3. GENERAL PARTNERS' MEETING**

In connection with its management duties, the General Partner is bound by the instructions of the General Partners' Meeting. Resolutions of the General Partners' Meetings of the Issuer are adopted by simple majority of the votes attributable to the limited liability capital (*Kommanditkapital*), unless otherwise provided for in individual provisions of the partnership agreement or other agreements of the partners. There are numerous provisions in the partnership agreement requiring a majority other than the simple majority. Each EUR 1.00 of the capital confers one vote. The current partners are:

General Partner (*Komplementärin*):

Verwaltungsgesellschaft Otto mbH (the shares of which are owned by the limited partners (*Kommanditisten*))

Limited Partners (*Kommanditisten*):

OTTO Aktiengesellschaft für Beteiligungen, Hamburg, and GSV Aktiengesellschaft für Beteiligungen, Hamburg, together hold 100% of the limited partnership interests.

### **7.4. PARTNERS' COMMITTEE**

The Partners' Committee renders advice to the limited partners entitled to vote regarding their decisions to be adopted at General Partners' Meetings or otherwise in connection with the responsibilities assigned to them under applicable law and the articles of incorporation.

The Partners' Committee currently comprises the following members:

- Dr. Michael Otto, Hamburg  
(Chairman)

- Thomas Armbrust, Reinbek
- Dr. Wolfgang Lindner, Hamburg
- Alexander Otto, Hamburg
- Benjamin Otto, Hamburg
- Prof. Dr. Peer Witten, Hamburg

## **7.5. SUPERVISORY BOARD**

The members of the Supervisory Board of the General Partner are as follows:

Dr. Michael Otto, Hamburg

Chairman of the Supervisory Board, Businessman

Alexander Otto, Hamburg

Chairman of the Management Board ECE Projektmanagement G.m.b.H. & Co. KG

Benjamin Otto, Hamburg

Businessman

Karl-Heinz Grussendorf, Hamburg\*

Deputy Chairman of the Supervisory Board, Member of the Works' Council Otto (GmbH & Co KG)

Thomas Armbrust, Reinbek

Managing Director Kommanditgesellschaft CURA Vermögensverwaltung G.m.b.H. & Co.

Anita Beermann, Ahrensburg

Employee of Kommanditgesellschaft CURA Vermögensverwaltung G.m.b.H. & Co.

Horst Bergmann, Michelau\*

Chairman of the Works' Council Baur Versand (GmbH & Co KG)

Olaf Brendel, Hamburg\*

Chairman of the Works' Council Hermes Fulfilment GmbH

Dr. Thomas Finne, Hamburg

Managing Director Kommanditgesellschaft CURA Vermögensverwaltung G.m.b.H. & Co.

Petra Finnern, Jesteburg\*

Chairwoman of the Works' Council EOS Region Germany

Torsten Furgol, Magdeburg\*

Trade Union Secretary ver.di, Region Sachsen-Anhalt Nord

Michael Häberle, Karlsruhe\*

Department Manager Procurement Controlling, Heinrich Heine GmbH

Heike Lattekamp, Hamburg\*

Regional Specialist, ver.di Trade Union

Dr. Wolfgang Linder, Hamburg

General Manager (retired)

Heinrich Reisen, Grevenbroich\*

Customer Service, Hermes Germany GmbH

Lars-Uwe Rieck, Hamburg\*

Regional Specialist, ver.di Trade Union

Hans-Otto Schrader, Hamburg

General Manager (retired)



Dr. Winfried Steeger, Hamburg  
Attorney

Sandra Widmaier-Gebauer, Hamburg\*  
Executive employee / Human Resources

Prof. Dr. Peer Witten, Hamburg  
Honorary Chairman of BVL, Bundesvereinigung Logistik e.V.

\* Employee representative

## **7.6. BOARD PRACTICES**

The issuer is not required to establish an audit committee under German law.

The Issuer does not have to comply with the recommendations of the Government Commission of the German Corporate Governance Code (*Regierungskommission Deutscher Corporate Governance-Kodex* ("DCGC")), as the DCGC is primarily focused on listed companies and does not reflect the concept of a general partner being personally liable.

## **8. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**

### **8.1. INCORPORATION BY REFERENCE**

The audited consolidated financial statements of the Issuer for the financial year ending 28 February 2018 prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the additional requirements of German law pursuant to § 315a (1) HGB (*Handelsgesetzbuch*, German Commercial Code) and the unqualified auditors' opinion (*Bestätigungsvermerk*) thereon, together contained in the Otto Group's Annual Report (*Geschäftsbericht*) 2017/18, are incorporated by reference into this Prospectus.

The audited consolidated financial statements of the Issuer for the financial year ending 28 February 2017 prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the additional requirements of German law pursuant to § 315a (1) HGB (*Handelsgesetzbuch*, German Commercial Code) and the unqualified auditors' opinion (*Bestätigungsvermerk*) thereon, together contained in the Otto Group's Annual Report (*Geschäftsbericht*) 2016/17, are incorporated by reference into this Prospectus.

### **8.2. KEY FIGURES FROM THE CONSOLIDATED FINANCIAL STATEMENTS**

The following tables set out selected consolidated financial information of the Issuer for the financial year 2017/18 that ended on 28 February 2018.

**8.2.1. SELECTED ITEMS FROM THE CONSOLIDATED BALANCE SHEET**

	Financial Year 1 March 2017 until 28 February 2018	Financial Year 1 March 2016 until 28 February 2017
in EUR million		
<i>Assets</i>		
Non-current assets	4,643	4,125
Deferred tax	135	118
Current assets	4,328	4,223
Total assets	9,105	8,466
<i>Equity and liabilities</i>		
Equity	1,532	1,308
Non-current provisions and liabilities	3,770	3,505
Deferred tax	83	85
Current provisions and liabilities	3,720	3,569
Total equity and liabilities	9,105	8,466
Net financial debt	2,509	2,300

**8.2.2. SELECTED ITEMS FROM THE CONSOLIDATED INCOME AND CONSOLIDATED CASH FLOW STATEMENTS**

	Financial Year 1 March 2017 until 28 February 2018	Financial Year 1 March 2016 until 28 February 2017
in EUR million		
Revenue	13,653	12,512
EBITDA	750	730
EBIT	405	365
EBT	629	262
Profit for the year	519	41
Cash flow from operating activities	168	184
Cash flow from investing activities	75	-310
Free cash flow	243	-126
Cash flow from financing activities	-96	266

### 8.3. KEY FIGURES WITH THE FINANCIAL SERVICES SEGMENT ACCOUNTED FOR AT-EQUITY

The business undertaken by Otto Group companies in the Financial Services segment differs fundamentally from the Otto Group's Multichannel Retail and Services activities. In order to provide additional insight into the Otto Group's retail and service activities, the Otto Group prepares a second set of financial information (the "FS at equity view") in addition to the IFRS consolidated financial statements. In the Issuer's opinion, this adjusted financial information allows a more valid comparison with retail companies that do not have financial service activities.

The "FS at equity view" eliminates the assets, liabilities, expenses and income of the companies in the Financial Services segment from the consolidated financial statements, and instead reports the interests in Financial Services companies using the equity method. This reporting of interests in Group companies in Financial Services using the equity method is based on the overall percentage held at the level of the parent companies concerned which are not allocated to the Financial Services segment. Hence, minority interests in the share of results or share of net assets of Group companies in the Financial Services segment are only reported if these interests are held by third-party shareholders of parent companies in other segments.

The procedure described here deviates from IFRS and does not represent IFRS figures in that it forgoes the full consolidation of companies in the Financial Services segment that would have to be consolidated pursuant to IAS 27 (and is reported in the IFRS consolidated financial statements), based on the Otto Group's ability to exercise control over such companies.

All other recognition and measurement methods are applied consistently with those used in the IFRS consolidated financial statements.

#### 8.3.1. SELECTED BALANCE SHEET ITEMS (FS AT EQUITY VIEW)<sup>1</sup>

	Financial Year 1 March 2017 until 28 February 2018	Financial Year 1 March 2016 until 28 February 2017
in EUR million		
<i>Assets</i>		
Non-current assets	4,068	3,893
Deferred tax	148	130
Current assets	3,501	3,122
Total assets	7,716	7,145
<i>Equity and liabilities</i>		
Equity	1,471	1,249
Non-current provisions and liabilities	3,114	2,848
Deferred tax	61	64
Current provisions and liabilities	3,070	2,983
Total equity and liabilities	7,716	7,145
Net financial debt	1,594	1,432

<sup>1</sup> Reconciliation for the FS at equity view to be found in the Otto Group's Annual Report 2017/18 pages 202 – 212. For an explanation please see chapter 8.3 of this Prospectus.

### 8.3.2. SELECTED INCOME STATEMENT AND CASH FLOW ITEMS (FS AT EQUITY VIEW)<sup>9</sup>

	Financial Year 1 March 2017 until 28 February 2018	Financial Year 1 March 2016 until 28 February 2017
	in EUR million	
Revenue	12,813	11,780
EBITDA	705	719
EBIT	380	378
EBT	569	223
Profit for the year	506	31
Cash flow from operating activities	436	393
Cash flow from investing activities	-324	-434
Free cash flow	111	-41
Cash flow from financing activities	26	166

### 8.3.3. KEY CREDIT RATIOS (FS AT EQUITY VIEW<sup>2</sup>)

	Financial Year 1 March 2017 until 28 February 2018	Financial Year 1 March 2016 until 28 February 2017
Net financial debt (EUR million)	1,594	1,432
Net financial debt / EBITDA	2.3x	2.0x
Net financial debt / Equity	1.1x	1.1x
Equity / Total assets	19.1%	17.5%

In financial year 2017/18, net financial debt (in the "FS at equity" view) increased compared to the previous year. This was largely due to higher levels of investment at ABOUT YOU and Group-wide investments into the IT and logistics infrastructure. The disposal of the 3SI Commerce activities in financial year 2016/17 led to subsequent payouts in financial year 2017/18. This, as well as the restructuring of the French logistics portfolio, also resulted in an increase of the net financial debt figure.

The strong increase in profitability was the main driver behind the improved equity ratio, while dividends were mainly paid out to minority shareholders.

### 8.4. RELATED PARTY TRANSACTIONS

Otto Group companies have concluded a number of contracts regarding the lease of property and land with subsidiaries of ECE Projektmanagement G.m.b.H. & Co. KG, Hamburg, as well as with Projektentwicklungsgesellschaft evoreal GmbH, Hamburg. Both entities are controlled by members of the Otto family, but are not part of the Otto Group. These contracts were concluded on arms' length terms. In addition, in financial year 2017/18, property and land that are leased by subsidiaries of the Otto Group have been sold to evoreal GmbH, Hamburg, an entity controlled by Benjamin Otto, for a purchase price of EUR 24 million.

<sup>2</sup> Reconciliation for the FS at equity view to be found in the Otto Group's Annual Report 2017/18 pages 202 – 212. For an explanation please see chapter 8.3 of this Prospectus.

In addition, in financial year 2017/18, GFH Gesellschaft für Handelsbeteiligungen m.b.H., Hamburg, ("**GFH**"), an entity outside the Otto Group controlled by Benjamin Otto, acquired a stake in ABOUT YOU. The Otto Group partially financed the transaction by extending a vendor loan in the amount of EUR 56 million to GFH. The vendor loan has a tenor of three years and was concluded on arms' length terms.

## **9. RECENT DEVELOPMENTS**

The Otto Group had set itself ambitious growth targets at the start of financial year 2017/18. These targets have been met or exceeded across all three segments in financial year 2017/18. At the same time, profitability also increased across all levels of the income statement.

Group revenues reached EUR 13,653 million in financial year 2017/18, an increase of 9.1% compared to the previous year. Adjusted for currency effects and changes in the scope of consolidation, revenue growth amounted to 9.6%. An additional one-off effect on revenue growth resulted from the harmonisation of financial calendars. In financial year 2017/18, the Otto Group standardised its financial calendar across Group subsidiaries worldwide. As a result, several Group companies whose reporting periods previously ended on 31 December or 31 January, respectively, recorded an extended financial year of 13 or 14 months. Adjusted for the impact from financial calendar harmonisation, revenue growth amounted to 6.7%.

EBIT amounted to EUR 405 million compared with EUR 365 million in the previous financial year. The operating performance of major subsidiaries and sub-groups, such as OTTO, bonprix, Witt, Crate & Barrel and EOS, was the main driver behind the increase in operating profitability. While myToys and ABOUT YOU continued to weigh on profitability, they did show very strong revenue growth rates. SportScheck continued to pursue the realignment of its business model and recorded revenues approximately on par with the previous financial year, although its impact on Group profitability remained negative.

EBT reached EUR 629 million in financial year 2017/18, a significant increase compared to the previous year's figure of EUR 262 million. In financial year 2017/18, the Otto Group made the decision to cooperate with strategic partners at ABOUT YOU in order to support ABOUT YOU's strong growth ambitions with external expertise and capital. The participation of these strategic investors had a very significant positive one-off impact on EBT.

Further M&A transactions had an impact at the EBT level, too: Following the disposal of the 3SI Commerce retail activities in France in 2016/17, the Otto Group restructured its logistics portfolio in France. As part of this restructuring, the Otto Group sold its subsidiaries MEZZO, Villeneuve d'Ascq, France ("**Mezzo**") as well as DISPEO, Croix, France ("**Dispeo**") in financial year 2017/18. Also, in financial year 2017/18, the Otto Group sold financial services company RatePAY GmbH, Berlin, ("**RatePay**") to private equity firms Advent International and Bain Capital Private Equity. The sale of RatePay had a positive EBT impact, while the divestiture of Mezzo and Dispeo a negative impact. In total, the net one-off impact from the aforementioned transactions was a positive EUR 455 million.

Conversely, following the divestiture of the 3SI Commerce operations in financial year 2016/17, these activities no longer had a negative impact on EBT in financial year 2017/18. In the previous year, the loss from these discontinued operations had amounted to EUR 123 million.

Following a profit for the year of EUR 41 million in financial year 2016/17, profit for the year reached EUR 519 million in financial year 2017/18. Overall, the Issuer views the performance for financial year 2017/18 as highly satisfactory.

On 29 May 2018, the EOS Group announced its plan to sell its subsidiaries Health AG and Zahnärztekasse AG, which are specialised in the factoring of healthcare receivables. Together, Health AG and Zahnärztekasse AG generate sales in the mid double-digit million euro range. The completion of the transaction is planned for February 2019.

On 2 July 2018, the Otto Group announced that it had signed an agreement to sell its minority stake in the big data and analytics company Blue Yonder GmbH. The transaction is subject to antitrust approval and is expected to close in August 2018.

## **10. OUTLOOK AND FUTURE DEVELOPMENT OF THE OTTO GROUP**

The Otto Group will continue its strategic orientation as an international company covering a broad spectrum of the value chain in retailing and retail-related financial services and services and aims to grow across all three of its strategic business segments.

In the Multichannel Retail segment, e-commerce, and in particular mobile commerce, are expected to remain the major growth drivers going forward.

The Otto Group's successful brand concepts, such as Witt, Crate & Barrel and Bonprix, as well as the EOS Group, are expected to remain major positive contributors to Group profitability in financial year 2018/19.

The Group company OTTO, which aims to further develop its platform strategy in financial year 2018/19, is temporarily expected to forego the strong positive profitability it recorded in previous years in order to accelerate revenue growth. In addition, both myToys and SportScheck are expected to weigh on profitability in 2018/19. The same applies to the high-growth business ABOUT YOU as well as to Otto Group Digital Solutions GmbH, which concentrates on new business models in the logistics, e-commerce and fintech space, which necessarily incur losses in the start-up phase.

The optimisation of the Otto Group's company portfolio has been a top priority in recent years. In 2018/19 and the coming years, the focus will be increasingly on the cooperation with external partners and investors. This process has already started at ABOUT YOU in order to support the high growth ambitions of the company. In the future, the Otto Group may make the decision to include additional investors at other subsidiaries as well.

Overall, the Otto Group believes that it has a solid foundation to achieve its objectives of sustainable growth and profitability in the coming years.

## **11. TREND INFORMATION**

There has been no material adverse change in the prospects of the Issuer since 28 February 2018.

## **12. SIGNIFICANT CHANGE IN THE FINANCIAL OR TRADING POSITIONS OF OTTO (GMBH & CO KG)**

There has been no significant change in the financial or trading position of the Issuer or the Otto Group since 28 February 2018.

## **13. GOVERNMENTAL, LEGAL AND ARBITRATION PROCEEDINGS**

The Issuer currently is not aware of any governmental, legal, arbitration proceedings or proceedings before administrative authorities to which either the Issuer or any of its subsidiaries is a party that may have or have had in the recent past a significant effect on the financial condition or profitability of the Issuer or the Otto Group or did have such effect within the last 12 months. The Issuer is also not aware that any such proceedings are threatened.

## TAXATION

*The following is a general overview of certain tax considerations relating to the purchasing, holding and disposing of Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular Noteholder. The discussions that follow for each jurisdiction are based upon the applicable laws in force and their interpretation on the date of this Prospectus. These tax laws and interpretations are subject to change that may occur after such date, even with retroactive effect.*

The information contained in this section is limited to taxation issues and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.

**Prospective holders of Notes ("Noteholders") should consult their own tax advisers as to the particular tax consequences of subscribing, purchasing, holding and disposing the Notes, including the application and effect of any federal, state or local taxes, under the tax laws of the Federal Republic of Germany ("Germany"), the Grand Duchy of Luxembourg and the Republic of Austria and each country of which they are residents or citizens.**

### **U.S. Foreign Account Tax Compliance Withholding**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Germany) have entered into, or have agreed in substance to intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply to foreign passthru payments prior to 1 January 2019. Noteholders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, the Issuer will not be required to pay additional amounts as a result of the withholding.

### **Taxation in the Federal Republic of Germany**

The following general overview does not consider all aspects of income taxation in Germany that may be relevant to a Noteholder of the Notes in the light of the Noteholder's particular circumstances and income tax situation. This general overview is based on German tax laws and regulations, all as currently in effect and all subject to change at any time, possibly with retroactive effect.

#### **German residents holding the Notes as private assets**

##### ***Taxation of income from the Notes***

If the Notes are held as private assets (*Privatvermögen*) by an individual investor whose residence or habitual abode is in Germany, payments of interest under the Notes are generally taxed as investment income (*Einkünfte aus Kapitalvermögen*) at a 25 per cent. flat tax (*Abgeltungsteuer*) (plus a 5.5 per cent. solidarity surcharge (*Solidaritätszuschlag*) thereon and, if applicable to the individual investor, church tax (*Kirchensteuer*)).

The same applies to capital gains from the sale or redemption of the Notes. The capital gain is generally determined as the difference between the proceeds from the sale or redemption of the Notes and the acquisition costs. Expenses directly and factually related (*unmittelbarer sachlicher Zusammenhang*) to the sale or redemption are taken into

account in computing the taxable capital gain. Otherwise the deduction of related expenses for tax purposes is not permitted.

Please note that according to recent announcements by German political leaders in the course of the negotiations for the creation of a new German federal government the flat tax regime might be (partially) reformed so that capital investment income of investors holding the Notes as private assets may (partially) no longer be subject to the flat tax regime but taxed at individual progressive income tax rates of up to 45 per cent. (plus a 5.5 per cent. solidarity surcharge thereon and, if applicable to the individual investor, church tax) and that the solidarity surcharge might be abolished in stages. Applicable tax rates may also change. The effective outcome of these announcements can currently not be foreseen.

The flat tax is generally collected by way of withholding (see subsequent paragraph – *Withholding tax*) and the tax withheld shall generally satisfy the individual investor's tax liability with respect to the Notes. If, however, no or not sufficient tax was withheld (*e.g.*, in case there is no Domestic Paying Agent as defined in the subsequent paragraph – *Withholding Tax*), the investor will have to include the income received with respect to the Notes in its income tax return. The flat tax will then be collected by way of tax assessment. The investor may also opt for inclusion of investment income in its income tax return if the aggregated amount of tax withheld on investment income during the year exceeded the investor's aggregated flat tax liability on investment income (*e.g.*, because of available losses carried forward or foreign tax credits). If the investor's individual income tax rate on all taxable income including the investment income determined by generally applicable individual progressive tax rates is lower than 25 per cent., the investor may opt to be taxed at individual progressive tax rates with respect to its investment income.

Capital losses from the sale or redemption of the Notes held as private assets should generally be tax-recognised irrespective of the holding period of the Notes. According to the view of German tax authorities losses suffered upon a bad debt loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*) (to the extent the waiver does not qualify as a hidden contribution) shall, in general, not be deductible for tax purposes. With respect to a bad debt loss the German Federal Tax Court has recently rejected the view of German tax authorities. With respect to a (voluntary) waiver of receivable a lower German fiscal court confirmed the view of German tax authorities in a final decision. Furthermore, capital losses might not be recognised by the German tax authorities if the Notes are sold or redeemed at a market price, which is lower than the transaction costs or if the level of transaction costs is restricted because of a mutual agreement that the transaction costs are calculated by subtracting a certain amount from the sales price. This view has however been challenged in 2014 by a final judgement of a German lower fiscal court. Any tax-recognised capital losses may not be used to offset other income like employment or business income but may only be offset against investment income. Capital losses not utilised in one annual assessment period may be carried forward into subsequent assessment periods but may not be carried back into preceding assessment periods.

Individual investors are entitled to a saver's lump sum tax allowance (*Sparer-Pauschbetrag*) for investment income of EUR 801 per year (EUR 1,602 for jointly assessed husband and wife). The saver's lump sum tax allowance is considered for purposes of the withholding tax (see subsequent paragraph – *Withholding tax*) if the investor has filed a withholding tax exemption request (*Freistellungsauftrag*) with the respective Domestic Paying Agent (as defined below). The deduction of related expenses for tax purposes is not possible.

### ***Withholding tax***

If the Notes are kept or administered in a domestic securities deposit account by a German credit or financial services institution (*Kredit- oder Finanzdienstleistungsinstitut*) (or by a German branch of a foreign credit or financial services institution), or by a German securities trading business (*Wertpapierhandelsunternehmen*) or a German securities trading bank (*Wertpapierhandelsbank*) (each a "**Domestic Paying Agent**") which pays or credits the interest, a 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, resulting in a total withholding tax charge of 26.375 per cent., is levied on the interest payments. The applicable withholding tax rate is in excess of the aforementioned rate if church tax applies and is collected for the individual investor by way of withholding which is provided for as a standard procedure unless the Noteholder of the Notes has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*).

Capital gains from the sale (including the redemption) of the Notes are also subject to the 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, if the Notes are kept or administered by a Domestic Paying



Agent effecting the sale or redemption from the time of their acquisition. If the Notes were sold or redeemed after being transferred to a securities deposit account with a Domestic Paying Agent, 25 per cent. withholding tax (plus solidarity surcharge thereon) would be levied on 30 per cent. of the proceeds from the sale or the redemption, as the case may be, unless the investor or the previous depository bank was able and allowed to prove evidence for the investor's actual acquisition costs to the Domestic Paying Agent. The applicable withholding tax rate is in excess of the aforementioned rate if church tax applies and is collected for the individual investor by way of withholding which is provided for as a standard procedure unless the Noteholder of the Notes has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*).

## **German resident investors holding the Notes as business assets**

### ***Taxation of income from the Notes***

If the Notes are held as business assets (*Betriebsvermögen*) by an individual or corporate investor which is tax resident in Germany (i.e., a corporation with its statutory seat or place of management in Germany), interest income and capital gains from the Notes are subject to personal income tax at individual progressive rates or corporate income tax (plus a 5.5 per cent. solidarity surcharge thereon and church tax, if applicable) and, in general, trade tax. The effective trade tax rate depends on the applicable trade tax factor (*Gewerbesteuer-Hebesatz*) of the relevant municipality where the business is located. In case of individual investors the trade tax may, however, be partially or fully creditable against the investor's personal income tax liability depending on the applicable trade tax factor and the investor's particular circumstances. Losses from the disposal or redemption of the Notes will generally be tax-recognised and may generally be offset against other income subject to certain limitations.

### ***Withholding tax***

If the Notes are kept or administered by a Domestic Paying Agent which pays or credits the interest, a 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, resulting in a total withholding tax charge of 26.375 per cent, is generally levied on the interest payments. The applicable withholding tax rate is in excess of the aforementioned rate if church tax applies and is collected for the individual investor by way of withholding which is provided for as a standard procedure unless the Noteholder of the Notes has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*).

No withholding is generally required on capital gains from the disposal or redemption of the Notes which is derived by German resident corporate investors and, upon application, by individual investors holding the Notes as assets of a German business, subject to certain requirements.

Any capital losses incurred from the disposal or redemption of the Notes will not be taken into account for withholding tax purposes. If withholding tax is levied, the withholding tax does not satisfy the investor's personal or corporate income tax liability with respect to the Notes. The income from the Notes will have to be included in the investor's personal or corporate income tax return. Any German withholding tax (including surcharges) is generally fully creditable against the investor's personal or corporate income tax liability or refundable, as the case may be.

## **Non-German resident Noteholders**

Income derived from the Notes by Noteholders who are not tax resident in Germany is in general not subject to German income taxation, and no withholding tax shall be withheld, unless (i) the Notes are held as business assets of a German permanent establishment of the investor or by a permanent German representative of the investor or (ii) the income derived from the Notes does otherwise constitute German source income (such as income derived from Notes that are secured by German real estate or vessels subject to certain exceptions or income from the letting and leasing of certain property located in Germany).

If the income derived from the Notes is subject to German taxation according to (i) to (ii) above, the income is subject to German income taxation and withholding tax similar to that described above for German resident Noteholders. Under certain circumstances, foreign investors may benefit from tax reductions or tax exemptions under applicable double tax treaties (*Doppelbesteuerungsabkommen*) entered into with Germany.

## **Inheritance and gift tax**

The transfer of Notes to another person by way of gift or inheritance is subject to German gift or inheritance tax, respectively, if *inter alia*

- (i) the testator, the donor, the heir, the donee or any other acquirer had his residence, habitual abode or, in case of a corporation, association of persons (*Personenvereinigung*) or asset pool (*Vermögensmasse*), has its seat or place of management in Germany at the time of the transfer of property,
- (ii) except as provided under (i), the testator's or donor's Notes belong to a business asset attributable to a permanent establishment or a permanent representative in Germany.

Special regulations apply to certain German expatriates.

Prospective investors are urged to consult with their tax advisor to determine the particular inheritance or gift tax consequences in light of their particular circumstances.

## **Other taxes**

The purchase, sale or other disposal of Notes does not give rise to capital transfer tax, value added tax, stamp duties or similar taxes or charges in Germany. However, under certain circumstances entrepreneurs may choose liability to value added tax with regard to the sale of Notes which would otherwise be tax exempt. Net wealth tax (*Vermögensteuer*) is, at present, not levied in Germany.

## **Taxation in the Grand Duchy of Luxembourg**

The comments below do not relate to any form of Luxembourg taxation other than taxation withheld at source with respect to the Notes.

### **Withholding tax and self-applied tax**

Under Luxembourg tax law currently in effect and subject to the exception below, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest) or repayments of principal.

In accordance with the law of 23 December 2005, as amended, on the introduction of a withholding tax on certain interest payments on savings income, interest on Notes paid by Luxembourg paying agents to or to the benefit of Luxembourg resident individual beneficial owners are currently subject to a 20 per cent withholding tax. Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.

Furthermore, Luxembourg resident individuals, acting in the framework of their private wealth, can opt to self-declare and pay a 20 per cent. tax on interest payments made by paying agents located in an EU Member State other than Luxembourg or a Member State of the European Economic Area other than an EU Member State.

## **Taxation in Republic of Austria**

The following is a brief overview of certain Austrian tax aspects in connection with the Notes. It does not claim to fully describe all Austrian tax consequences of the acquisition, ownership, disposition or redemption of the Notes nor does it take into account the Noteholders' individual circumstances or any special tax treatment applicable to the Noteholder. It is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors should consult their own professional advisors as to the particular tax consequences of the acquisition, ownership, disposition or redemption of the Notes.

The Issuer does not assume responsibility for Austrian withholding tax and is not obliged to make additional payments in case of Austrian withholding tax deductions.

For purposes of Austrian income taxes, the Notes qualify as **debt-type (subordinated) securities** subject to a final flat tax rate of 27.5% for Austrian tax resident individual investors if the Notes are legally and factually publicly offered.

### **Austrian tax resident individual investor**

Interest income and a capital gain (i.e. the difference between the sale price and the acquisition cost, which in case of private individual investors exclude incidental acquisition cost) realised from the Notes by an investor resident in Austria for tax purposes (i.e., a person that has a domicile or place of habitual abode in Austria) is subject to Austrian income tax generally at a final flat tax rate of 27.5% if the Notes are legally and factually publicly offered.

If interest is paid by an Austrian paying agent (e.g. an Austrian bank or the Austrian branch of a non-Austrian bank or investment firm) Austrian withholding tax at a rate of 27.5% is triggered. In relation to capital gains Austrian withholding tax at a rate of 27.5% is triggered if the Notes are deposited with an Austrian depository (e.g. an Austrian bank or the Austrian branch of a non-Austrian bank or investment firm) or under certain conditions if capital gains are realised and paid via an Austrian paying agent. In the absence of an Austrian paying agent or depository the investor must include interest, capital gains or income from derivatives in the income tax return and such income is taxed at a rate of 27.5%. Despite deduction of Austrian withholding tax, capital gains and income from derivatives also need to be included in the income tax return if realised as business income. An investor may apply for taxation at the progressive income tax rate. A deduction of expenses that are directly economically connected to income and capital gain from the Notes is generally not allowed.

Losses from Notes held as private assets may only be set off with other investment income subject to the special flat tax rate (excluding, *inter alia*, interest income from bank deposits and other claims against banks). The Austrian securities depositories apply an automatic set-off of losses against investment income from securities accounts at the same securities depository (subject to certain exemptions). However, a carry-forward of such losses is not permitted. Write-downs and losses derived from the sale or redemption of Notes held as business assets must primarily be set off against positive income from realized capital gains of financial instruments of the same business and only 55% of the remaining loss may be set off or carried forward against any other income.

Withdrawals and other transfers of Notes may be treated as disposals triggering a capital gain and withholding tax unless certain specific (mainly information) requirements are met. In the case of a factual relocation (*Wegzug*) of an individual into EU/EEA member states having installed a comprehensive administrative and enforcement assistance mechanism with Austria (*Amts- und Vollstreckungshilfe*) and in the case of a gratuitous transfer to other individuals, who are resident in EU/EEA member states having installed a comprehensive administrative and enforcement assistance mechanism in Austria, the individual's tax liability may be deferred upon application within the individual's private assets until the factual disposal will take place. In any other cases resulting in a restriction of taxation rights by the Republic of Austria towards other EU/EEA member states having installed a comprehensive administrative and enforcement assistance mechanism with Austria, within the individual's private assets a deferred payment of taxes payable may be applied for relating to a deferral period of seven years.

Capital outflows amounting to minimum EUR 50,000 from accounts or securities accounts of individuals are additionally subject to comprehensive reporting requirements by Austrian credit institutions or Austrian branches of CRR credit institutions, of CRR financial institutions and of EU investment service providers, particularly relating to transfers of securities without consideration within Austria or relating to transfers of securities to non-Austrian securities accounts. For details please see below "Reporting requirements on capital outflows by Austrian credit institutions".

### **Austrian tax resident corporate investor**

Income and capital gain derived from the Notes by an Austrian resident corporation (i.e., a corporation that has its seat or place of effective management in Austria) is subject to Austrian corporate income tax at a rate of 25%. Corporate Noteholders deriving business income from the Notes may avoid the application of Austrian withholding tax by filing a declaration of exemption (*Befreiungserklärung*). Where the 25% withholding tax is triggered, it is creditable against the Austrian corporate income tax liability of the corporate investor. However, this 25% withholding tax rate option is currently not offered by all Austrian securities account keeping agents or paying agents, so that corporate Noteholders will become forced to apply for refund of the difference between the corporate tax rate and Austrian withholding tax in their corporate tax return in certain cases. For corporate noteholders the set-off related restrictions described above do not apply. Losses from the sale of the notes may in principle be set off with any other income (and may further be carried forward in accordance with the general principles on carry

forwards of losses). Special rules apply to certain entities subject to corporation tax, such as private foundations and public bodies.

### **Non-Austrian tax resident investor**

Interest and capital gains received by a non-Austrian resident investor for tax purposes under the Notes are not subject to Austrian (corporate) income tax unless attributable to an Austrian located permanent establishment. An Austrian paying agent or depository may abstain from levying Austrian withholding tax if the non-resident Noteholders evidence their non resident-status *vis-à-vis* the paying agent in accordance with the provisions of the Austrian income tax guidelines which trigger the requirement of a written confirmation ("negative declaration of residence") in specified cases. The provision of evidence that the Noteholder is not subject to Austrian withholding tax is the responsibility of the Noteholder. If any Austrian withholding tax is deducted by the securities depository or paying agent from any non-taxable payment, the tax withheld shall be refunded to the non-resident Noteholder upon his application which has to be filed with the competent Austrian tax authority within five calendar years following the date of the imposition of the withholding tax. Applications for refund may only be filed after the end of the calendar year when the withholding was made.

### **Reporting requirements on capital outflows by Austrian credit institutions and domestic branches of CRR credit institutions, CRR financial institutions and EU investment service providers**

Austrian financial institutions and Austrian locations of other entities, as referred to in the header, must report to the Austrian Federal Ministry of Finance any capital outflow amounting to minimum EUR 50,000.00 from current accounts, deposit accounts and securities accounts of individuals and non-trading (asset management) partnerships. The law entered into force retroactively on 1 March 2015 and its effectiveness is limited in time by 31 December 2022. Further, connected transactions relating to amounts between EUR 10,000 and EUR 49,999 must be reported, if in sum exceeding an amount of 130,000 EUR in one and the same quarter of a calendar year. The term "capital outflows" covers account transfers, cash withdrawals and the transfer of securities by free delivery (donation) within Austria. Transfers to own (customers') accounts are exempted from the reporting requirement.

### **Reporting requirements under the Common Reporting Standard Act**

Pursuant to Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information on financial accounts (i.e. deposit and savings accounts, current accounts, including securities accounts and certain other accounts including redeemable insurance contracts and annuities contracts for pension schemes) in the field of taxation, which was transposed into Austrian law by the Common Reporting Standard Act (GMSG), Austrian financial institutions are required to notify the tax office competent for collecting corporate income tax from the financial institution in addition to individual-related and account-related data of interest, dividends and other income from assets linked to an account as well as account balances and income from realized increases in value from financial assets from 30 June 2017 for new accounts opened on or after 1 October 2016, from 31 December 2017 for high value accounts that already existed on 30 September 2016 and from 31 December 2018 for low value accounts that already existed on 30 September 2016. This reporting requirement resulted in an inter-authority exchange of information between Austrian and foreign tax authorities of member states participating in the OECD Global Standard for Automatic Exchange of Financial Account Information in Tax Matters (AEOI) relating to new accounts opened on or after 1 October 2016, starting with 30 September 2017. It will result in a regular inter-authority exchange of information between Austria and foreign tax authorities of member states participating in the OECD Global Standard for AEOI starting with 30 September 2018. The list of states participating in the AEOI will annually be updated by regulation issued by the Austrian Ministry of Finance (the current status is reflected in the Austrian Legal Gazette II 2017/409 dated 27 December 2017). It is recommended that investors obtain information or seek advice on further developments.

### **Peculiarities of the U.S. FATCA's implementation in Austrian law**

Austria and the U.S. have entered into an intergovernmental agreement on 29th April 2014 reflecting the FATCA model agreement type 2; however, it is envisaged to replace such model agreement type by an intergovernmental agreement of model type 1. Deviating from what is included in model type 1, Austrian financial institutions involved in payments on the Notes must under intergovernmental agreements of model type 2 individually enter into agreements with the IRS and report directly to the IRS to avoid the requirement to deduct amounts on the payments, unless such foreign financial institutions qualify as registered financial institutions with a local client base, local banks, financial institutions with only low value accounts, financial institutions regulated under specific Austrian

laws, specified investment entities or investment vehicles as well as Austrian investment advisers and investment managers. If an Austrian financial institution that has not been qualified as deemed compliant under the intergovernmental agreement has not entered into an agreement with the IRS or does not report directly to the IRS, the requirement to deduct the amount referred above will also be triggered upon such non-participating Austrian financial institution becoming a payee of such payments.

If any Noteholder (including Austrian intermediaries) does not provide the Issuer, any agent of the Issuer or any other intermediary (including those located in Austria) with correct, complete and true information required to effect full FATCA compliance for the Issuer and any intermediary, the Issuer will become authorized to withhold amounts that would otherwise have to be paid out to the Noteholder. Neither the Issuer nor the paying agent nor any other person will become required to pay additional amounts to the Noteholder due to the withholding or deduction of such tax, if such amount has to be deducted or withheld arising out of such U.S. withholding or deduction tax. Hence, the noteholder and recipient of a payment who has not duly been disclosed and evidenced bears the risk of a tax deduction. Further, such noteholders may be classified as non-consenting noteholders, which initially may lead to anonymized reporting and subsequently to a disclosure following a group query by the IRS.

## OFFER, SALE AND SUBSCRIPTION OF THE NOTES

### Offer of the Notes

The offer will be coordinated and the Notes will be offered to investors by Commerzbank Aktiengesellschaft, M.M. Warburg & CO (AG & Co.) KGaA and UniCredit Bank AG (the "**Joint Lead Managers**") and Deutsche Bank AG (the "**Co-Manager**", and together with the Joint Lead Managers, the "**Managers**") during an offer period which will commence on 12 July 2018 and will end with the expiry of 17 July 2018 (being the date of issuance of the Notes) (the "**Offer Period**"), subject to a shortening or extension of the Offer Period.

Should the Issuer and the Managers determine any shortening or extension of the Offer Period (*e.g.*, due to changing market conditions), such changes will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

The Notes will be offered to institutional and retail investors in compliance with public offer restrictions. The Notes may be offered to the public in Luxembourg, Germany and Austria during the Offer Period.

### Subscription by the Managers

The Managers will enter into a subscription agreement on or about 11 July 2018 (the "**Subscription Agreement**") in which they will agree to subscribe for the Notes. The Managers will be entitled, under certain circumstances, to terminate the Subscription Agreement. In such event, no Notes will be delivered to investors. Furthermore, the Issuer will agree in the Subscription Agreement to indemnify the Managers against certain liabilities in connection with the offer and sale of the Notes.

There are no conditions to which the offer is subject. In particular, there is no minimum or maximum amount of Notes required to be purchased. Investors may place offers to purchase Notes in any amount, subject to the principal amount of EUR 1,000 per Note.

The Managers or their affiliates have provided from time to time, and expect to provide in the future, investment services to the Issuer and its affiliates, for which the Managers or their affiliates have received or will receive customary fees and commissions.

There are no interests of natural and legal persons other than the Issuer involved in the issue, including conflicting ones that are material to the issue.

### Offers to purchase Notes by the investors

During the Offer Period, the Managers will offer the Notes upon request through banking institutions in the Luxembourg, Germany and Austria. These institutions will supply investors with the relevant information on such offers. Subscription rights for the Notes will not be issued. Therefore, there are no procedures in place for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.

### Confirmation of offers placed by, and allotments to, investors

Any investor who has submitted an order in relation to the Notes and whose order is accepted by the Managers will receive a confirmation by electronic mail, fax or through commonly used information systems setting out its respective allotment of Notes. Before an investor receives a confirmation from the Managers that its offer to purchase Notes has been accepted, the investor may reduce or withdraw its purchase order.

### Delivery of the Notes to investors

Delivery and payment of the Notes will be made on the Issue Date (17 July 2018). The Notes so purchased will be delivered via book-entry through the Clearing Systems and their depository banks against payment of the Issue Price therefor.

## **Costs and expenses relating to the offer**

The Issuer will not charge any costs, expenses or taxes directly to any investor in connection with the Notes. Investors must, however, inform themselves about any costs, expenses or taxes in connection with the Notes which are generally applicable in their respective country of residence, including any charges their own depository banks charge them for purchasing or holding securities.

## **Selling Restrictions**

### ***General***

Each Manager will acknowledge that other than explicitly mentioned in this Prospectus no action is taken or will be taken by the Issuer in any jurisdiction that would permit a public offering of the Notes, or possession or distribution of any offering material relating to them, in any jurisdiction where action for that purpose is required.

Each Manager will represent and agree that it will comply with all applicable laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes any offering material relating to them.

### ***European Economic Area***

In relation to each Member State of the European Economic Area (each, a "**Member State**"), each Manager will represent, warrant and agree that with effect from and including the date on which the Prospectus Directive is implemented in that Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in that Member State other than the offers contemplated in this Prospectus in Luxembourg from the time this Prospectus has been approved by the competent authority in Luxembourg and published and, in Germany and Austria from the day following the day on which this Prospectus has been notified to the relevant competent authorities in Germany and Austria in accordance with the Prospectus Directive as implemented in Luxembourg, Germany and Austria until the expiry of the Issue Date, and provided that the Issuer has consented in writing to the use of this Prospectus for any such offers, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Member State:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Managers; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of the Notes shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in each Member State.

### ***United States of America and its Territories***

The Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act ("**Regulation S**").

Each Manager will agree that, except as permitted by the Subscription Agreement, it will not offer or sell the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the

offering and the Closing Date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

### ***United Kingdom of Great Britain and Northern Ireland***

Each Manager will represent and agree that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "FSMA") received by it in connection with the issue or sale of the Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

### ***MiFID II Product Governance – Eligible Counterparties, Professional Investors and Retail Investors Target Market***

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each having at least extended knowledge and each as defined in MiFID II; (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate and (iii) the following channels for distribution of the Notes to retail clients are appropriate: investment advice, portfolio management and non-advised sales, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.



## GENERAL INFORMATION

1. **Authorisations:** The creation and issue of the Notes has been authorised by a resolution of the Executive Board (*Vorstand*) of the Issuer's General Partner on 26 April 2018 and of the General Partners' Meeting (*Gesellschafterversammlung*) of the Issuer on 26 April 2018.
2. **Expenses of the Issue:** The expenses of the issue of the Notes are expected to amount to approximately EUR 300,000 plus the commission of up to 0.905 per cent. of the aggregate principal amount of the Notes payable to the Managers in connection with the offering, placement and subscription of the Notes.
3. **Clearing System:** Payments and transfers of the Notes will be settled through Clearstream Banking S.A., 42 Avenue JF Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg ("**Clearstream Luxembourg**") and Euroclear Bank SA/NV, Boulevard du Roi Albert II, 1210 Brussels, Belgium ("**Euroclear**").
4. The Notes have the following securities codes:  
ISIN: XS1853998182  
Common Code: 185399818  
German Securities Code (*WKN*): A2LQ0B
5. **Listing and Admission to Trading:** Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to the official list of the Luxembourg Stock Exchange (the "**Official List**") and to be admitted to trading on the Euro MTF market ("**Euro MTF**") operated by the Luxembourg Stock Exchange. The Euro MTF is a multilateral trading facility for the purposes of Directive 2014/65/EU (as amended, "**MiFID II**"), and therefore a non-EU-regulated market.
6. **Interest of Natural and Legal Persons involved in the Issue/Offer:** Certain of the Managers and their affiliates may be customers of, borrowers from or creditors of the Issuer and/or its affiliates. In addition, certain Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with and may perform services for the Issuer and/or its affiliates in the ordinary course of business. There are no interests of natural and legal persons other than the Issuer involved in the issue, including conflicting ones that are material to the issue.
7. **Notices to Noteholders:** For so long as the Notes are listed on the Luxembourg Stock Exchange, all notices to the Noteholders regarding the Notes shall be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). Furthermore, all notices to the Noteholders regarding the Notes will be published in the Federal Gazette (*Bundesanzeiger*). The Issuer will be entitled to deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Noteholders to the extent that the rules of the stock exchange on which the Notes are listed so permit.
8. **Documents on Display:** For so long as any Note is outstanding, copies of the following documents may be inspected in physical form during normal business hours at the business address of the Issuer, Werner-Otto-Straße 1-7, 22179 Hamburg, Germany:
  - (a) the Articles of Incorporation (*Satzung*) of the Issuer;
  - (b) this Prospectus and any supplement to this Prospectus (if any); and
  - (c) the documents specified in the section "Documents incorporated by reference" below.

This Prospectus will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

9. **Yield to Maturity:** For the investors, the yield of the Notes to the First Call Date is 4.125 per cent. per annum, calculated on the basis of the Issue Price. Such yield is calculated in accordance with the ICMA (International Capital Markets Association) Method. The ICMA method determines the effective interest rate on notes by taking into account accrued interest on a daily basis. The yield of the Notes for the Reset Periods after the First Call Date cannot be determined as of the date of this Prospectus.
10. **Rating:** Neither the Issuer nor the Notes are rated.
11. **Consent to the use of the Prospectus:** The Issuer consents to the use of this Prospectus by all financial intermediaries (general consent) and accepts responsibility for the content of the Prospectus also with respect to subsequent resale or final placement of the Notes by any financial intermediary which was given consent to use the Prospectus.

Financial intermediaries may use the Prospectus for subsequent resale or final placement of the Notes in Luxembourg, Germany and Austria.

The subsequent resale or final placement of Notes by financial intermediaries can be made during the Offer Period, which is expected to commence on 12 July 2018 and will be open until 17 July 2018 being the date of issuance of the Notes.

**In the event of an offer being made by a financial intermediary, this financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.**

**Any financial intermediary using the Prospectus has to state on its website that it uses the Prospectus in accordance with the consent and the conditions attached thereto.**

## Documents incorporated by reference

The following documents which have previously been published or are published simultaneously with this Prospectus and which have been filed with the CSSF are incorporated by reference into this Prospectus: (i) the audited consolidated financial statements of Otto (GmbH & Co KG) for the fiscal year ending 28 February 2018 (extracted from Otto (GmbH & Co KG)'s Annual Report 2017/2018 and (ii) the audited consolidated financial statements of Otto (GmbH & Co KG) for the fiscal year ending 28 February 2017 (extracted from Otto (GmbH & Co KG)'s Annual Report 2016/2017). Any information not listed in the list below but included in documents incorporated by reference is given for information purposes only.

### **Audited Consolidated Financial Statements of Otto (GmbH & Co KG) for the Fiscal Year ending 28 February 2018 (extracted from Otto (GmbH & Co KG)'s Annual Report 2017/2018), consisting of:**

Paragraph and table under heading "Net Financial Debt" .....	Pages 95 - 96
Reporting the Financial Services providers using the "at equity" method.....	Page 98
Consolidated Statement of Comprehensive Income .....	Page 120
Consolidated Income Statement .....	Page 121
Consolidated Balance Sheet .....	Pages 122 - 123
Consolidated Cash Flow Statement.....	Pages 124 - 125
Statement of Changes in Consolidated Equity .....	Pages 126 - 127
Notes .....	Pages 135 - 217
Auditor's Report .....	Pages 218 - 219

### **Audited Consolidated Financial Statements of Otto (GmbH & Co KG) for the Fiscal Year ending 28 February 2017 (extracted from Otto (GmbH & Co KG)'s Annual Report 2016/2017), consisting of:**

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Consolidated Balance Sheet .....	Pages 122 - 123
Consolidated Cash Flow Statement.....	Pages 124 - 125
Statement of Changes in Consolidated Equity .....	Pages 126 - 127
Notes .....	Pages 135 - 215
Auditor's Report .....	Pages 216 - 217

Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) from the business address of the Issuer and the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

**Issuer**

**Otto (GmbH & Co KG)**

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**Sole Structuring Advisor**

**UniCredit Bank AG**

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**Joint Lead Managers**

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**KPMG AG Wirtschaftsprüfungsgesellschaft**

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**Legal Advisers to the Managers**

**Linklaters LLP**

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