Hawesko Holding AG
Hamburg

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Quarterly financial report to 30 September 2016

Hamburg, 3 November 2016

Highlights in € (millions)	Nine months (1.1.–30.9.)			3rd quarter (1.7.–30.9.)		
	2016	2015	+/–	2016	2015	+/–
Consolidated sales	**322.1**	**322.7**	**–0.2%**	**104.3**	**105.4**	**–1.0%**
Result from operations (EBIT, adjusted)*	**14.9**	**13.6**	**+9.6%**	**3.9**	**4.6**	**–15.3%**
–EBIT (reported separately)	*17.1*	*6.8*	*+150.8%*	*3.9*	*4.6*	*–15.2%*
Consolidated net income excluding non-controlling interests	**10.8**	**3.9**		**2.4**	**2.8**	

*) Adjusted for special effects, in particular for changes in the reserves

Dear shareholders,

The first nine months of 2016 went very well for the Hawesko Group overall: as expected, we maintained sales at the previous year's level of € 322 million. By focusing on profitable sales, we were able to increase group EBIT, adjusted for special effects, by nearly 10% from € 13.6 million to € 14.9 million! This corresponds to an increase in the EBIT margin from 4.2% to 4.6% on an adjusted basis and shows that we are on the right path.

Based on the development in the first nine months, we confirm our expectations for the current fiscal year 2016. Sales are expected to remain at the high level of the previous year. We will almost fully compensate for the lack of sales of the operations terminated and restructured in 2015. With regard to earnings, we expect a strong rise in the EBIT to € 28–29 million on an adjusted basis, and including non-recurring effects to € 30.2-31.2 million.

Since the publication of the six-month report, we have two pieces of good news: first, as of 1 October we acquired a majority interest in the marketplace platform *WirWinzer.de*, with which we succeeded in expanding our business model and the product range, and which gives us access to a new, younger group of customers. Second, we have increased our interest in *Globalwine AG* in Switzerland and now hold 95% of the shares - this reinforces our optimism regarding the further development of this market and in the turnaround at *Globalwine* after a difficult phase following the appreciation of the Swiss franc.

The acquisition of *WirWinzer.de* in particular impressively shows that our growth strategy is focused not only on consistently increasing the earning power of our existing sales channels, but that we are also rigorously expanding our sales and marketing portfolio: *WirWinzer.de* has an attractive product range - first-class German wines with sold directly to the customers on the basis of exclusive distribution rights - which fits perfectly in our existing brand landscape and simultaneously significantly expands our target group. We are currently preparing additional growth initiatives, and of course we are continuously observing the market with careful attention and will resolutely make use of emerging opportunities.

A glance at the segments reveals predominantly positive development in the third quarter. Thus, the specialist wine retail unit *(Jacques' Wein-Depot)* once again posted impressive results: *Jacques'* continues to benefit from successful new locations, the flourishing online shop and the optimised smartphone shopping app. Accordingly, in addition to sales growth of 4.5%, EBIT rose by 9%! In distance selling, the EBIT for the quarter declined by roughly one third from the previous year to € 1.4 million, thus causing the decline in consolidated EBIT for the quarter. This is due primarily to the fact that the segment is currently in the midst of transforming itself into a powerful, modern e-commerce provider. This made increased investments in digital resources necessary, among other things in the establishment of a developer team. This digital transformation is inevitable and necessary in order to generate sustainable growth in the future as well. In addition, a shift in the advertising schedule over the course of the year at *Hawesko.de* resulted in sales achieved in the third quarter of the past year were shifted forward to the second quarter this year. The brands *Wein & Vinos* and *The Wine Company* (mail order to Sweden), which are already in a substantially stronger online position, both posted double-digit percentage increases in sales and EBIT in the third quarter. Business performance in the B2B segment was within our expectations.

A study by EHI and Statista, according to which we are one of the top 100 online shops in Germany (57th place) - as one of only two food retailers currently - shows that we are on the right course with the new orientation of the Group.

Dear shareholders, we are now fully focused on the final quarter and we will make every effort to ensure that the important Christmas season is successful this year as well!

We wish you all a peaceful Advent season, a very merry Christmas and a good start to the new year 2017! Preferably with a good wine or champagne from the Hawesko Group!

Your Management Board

Thorsten Hermelink, CEO	*Alexander Borwitzky*	*Nikolas von Haugwitz*	*Bernd G. Siebdrat*

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INTERIM MANAGEMENT REPORT

GENERAL SITUATION

The expectations for economic growth in the European Union, which deteriorated since the outcome of the referendum in the United Kingdom favored Brexit, have brightened only minimally. After revising its forecast downwards in summer, the International Monetary Fund (IMF) recently revised it slightly upwards again, in particular because the consequences of Brexit in the short term are considered less serious. The currently slightly improved overall expectations for the EU region resulted from higher growth forecasts for Germany and Spain. Most recently, the German federal government has also revised its expectations for growth in the German economy slightly upwards. The consumer mood in Germany is still assessed as very positive, although the Gesellschaft für Konsumforschung (GfK) expects a slight deterioration in November. While the consumers' economic expectations improved in October after declining for three consecutive months, income expectations and the propensity to buy fell. The risks in the wake of the current political uncertainties as well as the rising oil prices were cited as causes. However, the current situation is still one of pronounced consumption. Against the background of an exceedingly stable job market as well as solid income, the GfK believes that the chances are good that the domestic demand will remain an important component of economic development in Germany in the future as well.

BUSINESS PERFORMANCE

Financial performance

Third quarter

During the period from July to September 2016, sales of the Hawesko Group amounted to € 104.3 million, down by 1.0% from the same quarter of the previous year (€ 105.4 million). The sales of the individual brand units (business segments) developed as follows: stationary wine retail (*Jacques' Wein-Depot*) increased its sales by 4.5% to € 32.7 million (previous year: € 31.3 million). In the B2B (wholesale) unit, due to the reorganization of the supplier portfolio, sales amounted to € 37.7 million, compared to € 39.7 million in the same quarter of the previous year. The distance selling unit achieved sales of € 33.9 million, down by 1.6% from the same quarter of the previous year (€ 34.5 million). The consolidated operating result (EBIT) in the third quarter of 2016 amounted to € 3.9 million (previous year: € 4.6 million). The EBIT margin thereby declined from 4.4% in the previous year to 3.8% in the quarter under review. In the quarter under review, there were no special effects requiring adjustment, and in the same quarter of the previous year there was only a minor effect.

Sales in the stationary specialist retail brand unit (*Jacques' Wein-Depot*) rose by 4.5% over the level of the same quarter in the previous year: *Jacques'* continues to benefit from the good start of newly opened outlets, the growth in the online shop, an app optimised for smartphones and the free shipping offered since August for online orders of at least € 50 for holders of the *Jacques'* customer card. In the third quarter, five new outlets were opened, so that at 30 September 2016 there were 298 *Jacques*' *Wein-Depots* in operation (previous year: 290). New customer acquisition was once again successful in the quarter under review. On a like-for-like basis, sales in the stationary specialist retail brand unit increased by 3.0% compared to the third quarter of 2015. This was largely due to the higher number of purchases, while a small part was due to higher average receipts. The EBIT for the segment amounted to € 3.2 million, compared to € 2.9 million in the same quarter of the previous year.

The stronger focus on profitable sales in the B2B segment (wholesale/distribution) also influenced the quarter under review, which led to a decline in sales of 5.0%: at the turn of the year 2015/16, strategic adjustments in the supplier portfolio were undertaken that resulted in sales adjustments. However, in the third quarter, the B2B unit was well on its way to compensating gradually for this gap with products of other producers. Moreover, the business activities in Switzerland were streamlined and given new emphases. Both factors led to the aforementioned decline in sales as well as a decline of € 0.1 million in EBIT from € 1.0 million in the same quarter of the previous year to € 0.9 million in the third quarter of 2016. The B2B segment enjoyed continuing stable demand in its core business, which was carried primarily by the favorable economic situation in Germany.

The decline of 1.6% in quarterly sales in distance selling was due primarily to a change in the sequence of advertising at *Hawesko.de.* Business performance at *Wein & Vinos* and *The Wine Company* (mail order to Sweden) improved strongly over the same quarter in the previous year. New customer acquisition remained very positive in the quarter under review and the number of active customers in the distance-selling segment rose once again at the reference date. In the third quarter, just over 50% of segment sales were completed online (same quarter of the previous year: 44%). The EBIT in the distance-selling segment decreased by € 0.7 million to € 1.4 million; the main reasons for this were sales below the level of the previous year and costs resulting from insourcing the e-commerce platform programming to the company.

Compared to the previous year, consolidated gross profit once again rose significantly in the third quarter, increasing by € 0.6 million to € 44.6 million and thus achieving a margin of 42.7% (same quarter in the previous year: 41.7%). The other operating income of € 4.3 million (same quarter of the previous year: € 5.0 million) consisted for the most part of rental and leasing income at *Jacques'* as well advertising allowances. Personnel expenses at just under € 12.7 million in the third quarter remained at the previous year's level (€ 12.6 million).

Other operating expenses and other taxes compared to those in the same period of the previous year as follows:

In € millions Rounding differences are possible	1.7.– 30.9.2016	1.7.– 30.9.2015
Advertising	8.8	8.7
Commissions to partners	8.4	8.0
Delivery costs	4.9	4.7
Rental and leasing	3.0	2.8
Other	5.7	6.4
	30.7	30.6

Advertising expenses as a ratio to sales increased to 8.4%; in the previous year this figure was 8.3%. Expenses for commissions rose by 7.6% to 8.1% in the previous year, while expenses for shipping rose to 4.7% (previous year: 4.4%). Overall, other operating expenses and other taxes amounted to € 30.7 million. In the previous year, this figure was € 30.6 million. These expenses thus accounted for 29.5% of sales in the quarter under review, compared to 29.0% in the third quarter of 2015.

The consolidated result of operations (EBIT) amounted to € 3.9 million in the third quarter of 2016 (previous year: € 4.6 million). At 3.8%, the EBIT margin was down from the previous year's level (4.4%). In the quarter under review, there were no special effects requiring adjustment, and in the same quarter of the previous year there was only a minor effect.

The financial result amounted to € –0.2 million, compared to € –0.3 million in the previous year. The result before taxes on income amounted to € 3.7 million (previous year: € 4.4 million). The anticipated rate of tax expenditures in the quarter under review is 31.3% (previous year: 33.6%). Consolidated net income after deductions for non-controlling interests amounted to € 2.4 million (€ 2.8 million). The profit per share amounted to € 0.27, after € 0.31 in the previous year. This is based on the number of 8,983,403 shares for the period under review, as in the previous year.

First nine months

In the first nine months (1 January to 30 September) of fiscal year 2016, sales of the Hawesko Group amounted to € 322.1 million, thus remaining at the level of the previous year (€ 322.7 million). In contrast, the consolidated gross profit margin rose significantly by 1.2 percentage points from 41.6% to 42.8% of sales.

Personnel expenses amounted to € 38.9 million and accounted for 12.1% of sales (previous year: € 44.8 million and 13.9%): in the reporting period, these figures include net income from non-recurring effects in conjunction with personnel-related matters in the amount of € 2.2 million. In the same period of the previous year, non-recurring charges from a personnel provision in the amount of € 6 million were incurred. During the nine-month period, other operating expenses and other taxes developed as follows:

In € millions Rounding differences are possible	1.1.– 30.9.2016	1.1.– 30.9.2015
Advertising	26.6	26.6
Commissions to partners	25.2	24.0
Delivery costs	15.0	14.4
Rental and leasing	8.9	8.5
Other	17.8	19.9
	93.6	93.5

In the first nine months of 2016, the operating result (EBIT) amounted to 5.3% (previous year: 2.1%) of sales or € 17.1 million (previous year: € 6.8 million). Adjusted for non-recurring costs in both periods, an EBIT margin of 4.6% was achieved, up from 4.2% in the previous year.

Looking at the individual segments, it must be noted that the EBIT at *Jacques'* rose proportionately higher to sales, namely by 8.4% to € 10.1 million. In the B2B segment, the increase of 10.4% to € 2.7 million resulted from the turnaround in Swiss operations as well as the elimination of the charges from the former French subsidiary. In addition, due to the aforementioned restructuring of the supplier portfolio, the gross profits earned with the affected products could not be realized. The EBIT in the distance selling segment rose by 6.3% to € 6.5 million thanks to improved profitability at *Wein & Vinos* and *The Wine Company*. In the reporting period, the item "Miscellaneous/Consolidation" includes net income from non-recurring effects in conjunction with personnel matters in the amount of € 2.2 million; in the corresponding period of the previous year, these are non-recurring charges from a personnel reserve of a good € 6 million as well as follow-on costs from the takeover process in the amount of € 0.3 million.

The financial result in the reporting period amounted to € –0.5 million, after € –0.8 million in the previous year. The result before taxes on income amounted to € 16.6 million (same period in the previous year: € 6.0 million). Consolidated net income for the first nine months after deductions for non-controlling interests amounted to € 10.8 million, compared to € 3.9 million in the same period of the previous year. The profit per share amounted to € 1.21, compared to € 0.44 for the same period in the previous year. The number of shares in the reporting period was 8,983,403 as in the previous year.

Net worth

Structure of the consolidated balance sheet
in € millions, rounding differences are possible

Assets	30.9.2016		31.12.2015		30.9.2015	
Long-term assets	65.0	*31%*	60.3	*27%*	57.2	*28%*
Short-term assets	146.6	*69%*	159.5	*73%*	150.3	*72%*
Balance sheet total	211.7	*100%*	219.8	*100%*	207.5	*100%*
Liabilities and shareholders' equity						
Shareholders' equity	90.2	*43%*	91.3	*42%*	83.0	*40%*
Long-term provisions and liabilities	20.2	*10%*	22.5	*10%*	21.7	*10%*
Short-term liabilities	101.3	*48%*	106.0	*48%*	102.8	*50%*
Balance sheet total	211.7	*100%*	219.8	*100%*	207.5	*100%*

Changes since the reference date on 31 December 2015

The balance sheet total at 30 September 2016 was € 211.7 million, corresponding to a reduction of € 8.2 million compared to the total at 31 December 2015. Long-term assets increased by € 4.7 million, while the short-term assets fell by € 12.9 million. The first figure resulted primarily from the acquisition of a 66% interest in Munich-based E-Commerce Werke GmbH, the operator of the online marketplace *WirWinzer,* with effect from 1 October 2016. With regard to short-term assets, a reduction in trade receivables was noted (trade receivables typically reach their highest level at 31 December).

Total equity capital declined by € 1.1 million compared to the total at 31 December 2015 after payment of the dividend of € 11.7 million. Long-term provisions and liabilities amounted to € 20.2 million and decreased due to the release of a provision to meet contractual obligations to the former chief executive officer. The short-term liabilities were reduced by € 4.7 million. The primary reason for this was a reduction in trade receivables (trade receivables typically reach their highest level at 31 December) and the other receivables. In contrast, short-term borrowings rose.

Changes from the previous year's reference date 30 September 2015

Compared to the previous year's reference date (30 September 2015), the balance sheet total rose by € 4.1 million. Long-term assets rose by € 7.9 million, due primarily to the acquisition of the shareholding in the operator of the online marketplace *WirWinzer* with effect from 1 October 2016. At € 146.6 million, short-term assets were slightly below the level of the previous year (€ 150.3 million).

On the liabilities side of the consolidated balance sheet, equity rose by 8.7%. Moreover, at € 101.3 million, short-term reserves and liabilities remained at the level of the reference date of the previous year (€ 102.8 million).

The working capital requirement at 30 September 2016 decreased slightly in comparison to the reference date in the previous year and declined from 22.8% to 22.2% in terms of sales.

Financial performance

Liquidity analysis

Cash flow from current operations amounted to € –5.1 million in the first nine months (previous year: € –6.4 million). This was due mainly to the higher adjusted result before taxes on income. Due to the seasonal nature of the business, cash flow from ongoing business activity is usually negative in the first nine months of the fiscal year.

Consolidated cash flow in € millions, rounding differences are possible	1.1.– 30.9.2016	1.1.– 30.9.2015
Cash flow from current operations	–5.1	–6.4
Cash flow from investment activity	–10.1	–3.3
Cash flow from financing activities	8.3	7.5

The funds employed for investment activities increased to € 10.1 million in the first nine months of 2016 (previous year: € 3.3 million), and include the advance payment of € 4.4 million for the purchase of the shares in E-Commerce Werke GmbH (*WirWinzer*.de) in Munich. Excluding this amount, free cash flow was € –11.0 million after €–10.1 million in the comparable period of the previous year, and was calculated from the net outflow of payments from current operations (€ –5.1 million), less funds employed for investment activities (€ –5.7 million) - excluding the investment in *WirWinzer.de* – as well as interest received and paid out (€ –0.3 million).

Investment analysis

Investments were divided into those in intangible assets of € 2.9 million (previous year: € 1.3 million), which were related primarily to software in the distance-selling segment, and those in tangible assets of € 2.9 million (previous year: € 2.8 million), and financial investments of € 4.4 million (previous year: nil). The investments in tangible assets were related primarily to the expansion and modernization of the depots in the stationary specialist retail segment as well as the investments for expansion and replacement equipment in the distance-selling and wholesale segments.

REPORT ON OPPORTUNITIES AND RISK

There were no significant changes in the risks and opportunities of Hawesko Holding AG compared to the situation described in the 2015 annual report.

REPORT ON EXPECTED DEVELOPMENTS

Outlook

There were no significant changes in the forecast for fiscal year 2016 of the Hawesko management board compared to the situation described in the 2015 annual report. The general economic and business conditions in Germany are still classified as good. The Hawesko management board notes that the financial figures for the first nine months (1 January to 30 September) of 2016 are within expectations.

The management board of Hawesko Holding AG will continue to pursue sustainable, long-term and profitable growth. The board expects sales for the Group to remain stable in fiscal year 2016. The stationary specialist wine retail segment (*Jacques'*) is expected to grow by approximately 3% and distance selling to grow by 1–2% compared to the previous year. After systematic, further strategic development of the supplier portfolio and the accompanying sales adjustment, the wholesale segment will presumably fall short of the previous year's figure by a mid-range single-digit percentage. The initial consolidation of *WirWinzer* as of 1 October 2016 will have no material effect on this forecast.

The adjusted consolidated EBIT is still expected to be in the range of € 28–29 million, which corresponds to an EBIT margin of approximately 6% (2015: 4.2%). Due to the changes in the reserves, the management board expects an EBIT on the order of magnitude of € 30.2–31.2 million on an unadjusted basis. The specialist wine retail segment is aiming for an EBIT margin of approximately 11% (2015: 11.2%), while EBIT margins of 7–8% (2015: 7.4%) for distance selling and 3–4% (2015: 3.3%) for wholesale are expected. The initial consolidation of *WirWinzer* as of 1 October 2016 will likewise have no material effect on the EBIT forecast.

The management board expects the financial result to show a net expenditure of approximately € 1 million (2015: € 1.1 million), and considers it possible that this figure could be slightly lower. The share of non-controlling interests is expected to be between € 0.5–1.0 million (2015: € 0.2 million). Consolidated earnings after deductions for taxes and non-controlling interests are currently expected to be in the range of € 18–19 million (2015: € 12.2 million) on an adjusted basis and presumably between € 19.7-20.7 million on an unadjusted basis. The management board expects free cash flow to be on the order of € 20–22 million, after € 20 million in 2015. The ROCE is still expected to be on the order of 21%, up from 15% in 2015.

Hawesko Holding AG

Profit and loss statement for the first nine months of 2016 (as per IFRS)

(in € millions, unaudited, rounding differences possible)	1.1.–30.9. 2016	1.1.–30.9. 2015
Sales revenues	**322.1**	**322.7**
Increase (decrease) in finished goods inventories	0.3	0.6
Other production for own assets capitalized	0.3	0.1
Other operating income	16.8	15.5
Cost of purchased goods	–184.4	–188.5
Personnel expenses	–38.9	–44.8
Depreciation and amortisation	–5.6	–5.3
Other operating expenses and other taxes	–93.6	–93.5
Result from operations (EBIT)	**17.1**	**6.8**
Financial result		
Interest earnings/expenditures	–0.2	-0.5
Other financial result	–0.4	–0.3
Income from long-term equity investments	0.2	0.1
Result before taxes on income	16.6	6.0
Taxes on income and deferred tax expenses	–5.2	–2.0
Consolidated net income	**11.4**	**4.0**
of which		
— shareholders' equity in Hawesko Holding AG	10.8	3.9
— allocable to non-controlling interests	0.6	0.1
Earnings per share (in €, undiluted = diluted)	1.21	0.44
Average number of shares in circulation (Numbers in thousands, undiluted = diluted)	8,983	8,983

Hawesko Holding AG

Profit and loss statement for the third quarter of 2016 (as per IFRS)

(in € millions, unaudited, rounding differences possible)	1.7.–30.9. 2016	1.7.–30.9. 2015
Sales revenues	**104.3**	**105.4**
Increase in finished goods inventories	0.2	0.6
Other production for own assets capitalized	0.1	0.0
Other operating income	4.3	5.0
Cost of purchased goods	–59.7	–61.5
Personnel expenses	–12.7	–12.6
Depreciation and amortisation	–1.9	–1.8
Other operating expenses and other taxes	–30.7	–30.6
Result from operations (EBIT)	**3.9**	**4.6**
Financial result		
Interest earnings/expenditures	–0.1	–0.2
Other financial result	–0.1	–0.1
Income from long-term equity investments	0.1	0.0
Result before taxes on income	3.7	4.4
Taxes on income and deferred tax expenses	–1.2	–1.5
Consolidated net income	**2.6**	**2.9**
of which		
— shareholders' equity in Hawesko Holding AG	2.4	2.8
— allocable to non-controlling interests	0.1	0.1
Earnings per share (in €, undiluted = diluted)	0.27	0.31
Average number of shares in circulation (Numbers in thousands, undiluted = diluted)	8,983	8,983

Hawesko Holding AG
Consolidated statement of comprehensive income *for the period from 1 January to 30 September*

(in € millions, unaudited, rounding differences are possible)	1.1.–30.9. 2016	1.1.–30.9. 2015
Consolidated net income	**11.4**	**4.0**
Amounts that may not be rebooked in the profit and loss statement in the future	—	—
Actuarial gains and losses resulting from remeasurements of defined-benefit pension plans including deferred tax liabilities	—	—
Amounts that may be rebooked in the profit and loss statement in the future	*0.0*	*0.2*
Effective portion of profits/losses from cash flow hedges including deferred tax liabilities	0.1	0.0
Currency translation differences	–0.0	0.2
Other comprehensive income	**0.0**	**0.2**
Total comprehensive income	**11.5**	**4.3**
of which		
– shareholders' equity in Hawesko Holding AG	10.9	4.0
– allocable to non-controlling interests	0.6	0.3

Hawesko Holding AG
Consolidated statement of comprehensive income *for the period from 1 July to 30 September*

(in € millions, unaudited, rounding differences are possible)	1.7.–30.9. 2016	1.7.–30.9. 2015
Consolidated net income	**2.6**	**2.9**
Amounts that may not be rebooked in the profit and loss statement in the future	—	—
Actuarial gains and losses resulting from remeasurements of defined-benefit pension plans including deferred tax liabilities	—	—
Amounts that may be rebooked in the profit and loss statement in the future	*–0.0*	*–0.0*
Effective portion of profits/losses from cash flow hedges including deferred tax liabilities	0.0	0.0
Currency translation differences	–0.0	–0.1
Other comprehensive income	**–0.0**	**–0.0**
Total comprehensive income	**2.6**	**2.9**
of which		
– shareholders' equity in Hawesko Holding AG	2.4	2.9
– allocable to non-controlling interests	0.1	–0.0

Hawesko Holding AG
Consolidated balance sheet (as per IFRS)

(in € millions, unaudited, rounding differences are possible)	30.9.2016	31.12.2015	30.9.2015
Assets			
Long-term assets			
Intangible assets	32.1	32.1	32.0
Tangible assets	20.7	20.9	20.6
Investments accounted for using the equity method	0.6	0.6	0.5
Other financial assets	4.6	0.2	0.2
Advance payments on stocks	4.4	3.5	1.1
Receivables and other assets	0.8	1.2	1.1
Deferred tax liabilities	1.8	1.8	1.6
	65.0	60.3	57.2
Short-term assets			
Inventories	103.5	91.9	101.2
Trade receivables	29.4	45.8	31.8
Receivables and other assets	3.9	3.6	6.5
Receivables from taxes on income	2.3	3.8	2.1
Cash in banking accounts and cash on hand	7.5	14.5	8.7
	146.6	159.5	150.3
	211.7	**219.8**	**207.5**
Liabilities			
Shareholders' equity			
Subscribed capital of Hawesko Holding AG	13.7	13.7	13.7
Capital reserve	10.1	10.1	10.1
Retained earnings	60.7	61.6	53.3
Other reserves	–0.1	–0.2	–0.1
Shareholders' equity in Hawesko Holding AG	**84.4**	**85.2**	**76.9**
Non-controlling interests	5.8	6.2	6.0
	90.2	**91.3**	**83.0**
Long-term provisions and liabilities			
Provisions for pensions	1.1	1.1	1.1
Other long-term provisions	1.7	1.8	1.5
Borrowings	1.0	1.2	1.5
Advances received	4.4	2.7	2.3
Other liabilities	11.4	14.9	14.6
Deferred tax liabilities	0.7	0.7	0.8
	20.2	22.5	21.7
Short-term provisions and liabilities			
Non-controlling interests in the capital of unincorporated subsidiaries	0.1	0.1	0.1
Borrowings	33.4	12.0	35.7
Advances received	5.2	4.9	5.1
Trade accounts payable	42.4	62.9	44.5
Income taxes payable	1.0	0.7	0.3
Other liabilities	19.2	25.3	17.1
	101.3	106.0	102.8
	211.7	**219.8**	**207.5**

Hawesko Holding AG

Consolidated Cash Flow Statement (as per IFRS)

(in € millions, unaudited, rounding differences are possible)	1.1.–30.9. 2016	1.1.–30.9. 2015
Result before taxes on income	16.6	6.0
Depreciation and amortisation of intangible and tangible assets	5.6	5.3
Interest result	0.6	0.8
Result from the disposal of intangible and tangible assets	–0.1	–0.0
Result from the companies reported using the equity method	–0.2	–0.1
Dividend payments received from investments	0.1	0.1
Change in inventories	–12.5	–4.5
Change in borrowings and other assets	17.2	14.0
Change in provisions	–0.1	0.1
Change in liabilities (excluding borrowings)	–27.6	–22.3
Taxes on income paid out	–4.9	–5.9
Net outflow of payments from current operations	**–5.1**	**–6.4**
Outpayments for tangible and intangible assets	–5.8	–4.1
Outpayments from the acquisition of other financial assets	–4.4	–
Inpayments from the disposal of intangible and tangible assets	0.1	0.9
Inpayments from the disposal of financial assets	0.0	0.0
Net funds employed for investing activities	**–10.1**	**–3.3**
Outpayments for dividends	–11.7	–11.7
Outpayments to non-controlling interests	–1.0	–0.8
Payment of finance lease liabilities	–0.1	–0.3
Change in short-term borrowings	21.2	22.9
Repayment of medium- and long-term borrowings	—	–2.3
Interest received	0.1	0.0
Interest paid out	–0.3	–0.4
Inflow of net funds from financing activities	**8.3**	**7.5**
Effects of changes in foreign exchange rates on funds (period of up to three months)	**–0.0**	**0.0**
Net decrease of funds	**–7.0**	**–2.2**
Funds at start of period	14.5	10.9
Funds at end of period	**7.5**	**8.7**

Hawesko Holding AG, Consolidated statement of changes in equity

				Other reserves					
	Subscribed capital	Capital reserve	Retained earnings	Balancing items from currency translation	Revaluation components of pension obligations	Reserve for cash flow hedge	Ownership of interest of Hawesko Holding AG shareholders	Non-controlling interests	Total
Status at 1 January 2015	13.7	10.1	61.0	0.0	–0.1	–0.1	84.7	6.5	91.1
Dividends	—	—	–11.7	—	—	—	–11.7	–0.8	–12.4
Consolidated net income			3.9				3.9	0.1	4.0
Other result	—	—	—	–0.0	—	0.1	0.0	0.2	0.3
Deferred tax on other result	—	—	—	—	—	–0.0	–0.0	—	–0.0
Status at 30 September 2015	13.7	10.1	53.3	0.0	–0.1	–0.0	76.9	6.0	83.0
Status at 1 January 2016	13.7	10.1	61.6	0.0	–0.1	–0.0	85.2	6.2	91.3
Dividends	—	—	–11.7	—	—	—	–11.7	–1.0	–12.6
Consolidated net income			10.8				10.8	0.6	11.4
Other result	—	—	—	0.0	—	0.1	0.1	–0.0	0.1
Deferred tax on other result	—	—	—	—	—	–0.0	–0.0	—	–0.0
Status at 30 September 2015	13.7	10.1	60.7	0.0	–0.1	0.0	84.4	5.8	90.2

Quarterly results for the brand units (business segments)
(in € millions, rounding differences are possible)

1.7.–30.9.2016	Specialist retail	Wholesale	Distance selling	Miscellaneous/ Consolidation	Group
External sales	**32.7**	**37.7**	**33.9**	**0.0**	**104.3**
Operating result (EBIT)	**3.2**	**0.9**	**1.4**	**–1.5**	**3.9**

1.7.–30.9.2015	Specialist retail	Wholesale	Distance selling	Miscellaneous/ Consolidation	Group
External sales	**31.3**	**39.7**	**34.5**	**0.0**	**105.4**
Operating result (EBIT)	**2.9**	**1.0**	**2.1**	**–1.4**	**4.6**

Nine-month results for the brand units (business segments)
(in € millions, rounding differences are possible)

1.1.–30.9.2016	Specialist retail	Wholesale	Distance selling	Miscellaneous/ Consolidation	Group
External sales	**99.5**	**114.3**	**108.3**	**0.0**	**322.1**
Operating result (EBIT)	**10.1**	**2.7**	**6.5**	**–2.2**	**17.1**

1.1.–30.9.2015	Specialist retail	Wholesale	Distance selling	Miscellaneous/ Consolidation	Group
External sales	**95.1**	**122.2**	**105.4**	**0.0**	**322.7**
Operating result (EBIT)	**9.3**	**2.5**	**6.1**	**–11.1**	**6.8**

Appendix to the quarterly financial report to 30 September 2016

General principles: This report was written in accordance with International Accounting Standard (IAS) 34 according to the requirements of the current guidelines of the International Accounting Standards Board (IASB), London and the German Accounting Standard (DRS) 16. The standards and interpretations valid from 1 January 2016 have been applied to the interim financial statement.

The present quarterly financial report does not contain all of the information and data required for a consolidated financial statement and is therefore to be read in conjunction with the consolidated financial statement for 2015.

The interim financial statement and interim management report have neither been audited in accordance with Section 317 of the German Commercial Code (HGB) nor reviewed by an auditor.

Consolidation: As of the quarterly reference date, the consolidation group of Hawesko Holding AG remains unchanged from that listed in the 2015 balance sheet.

Balance sheet and valuation principles: (1) The balance sheet and valuation methods used correspond as a rule to those applied in the last consolidated balance sheet at the end of the fiscal year. A detailed discussion of these methods was published in the annual report for 2015. (2) With respect to the content regarding new standards and interpretations as well as changes in existing standards, please refer to the comments on pages 76 to 77 in the 2015 annual report. The application of the revised standards and interpretations has no significant influence on the net worth, financial situation, earnings or cash flow of the Hawesko Group. (3) Cyclical events which occur during the year, insofar as they are important, are delimited based on corporate planning.

Other information: (1) *Events after the conclusion of the reporting period:* Events of particular significance for the evaluation of the assets, finances and earnings of Hawesko Holding AG and the Group - as defined in IAS 10 - did not occur after the conclusion of the period under review. As of 1 October 2016, a 66% shareholding in E-commerce Werke GmbH takes effect. (2) *Resolution for the appropriation of earnings for 2015:* The annual general meeting of shareholders on 13 June 2016 decided to appropriate the unappropriated earnings reported in the annual accounts of Hawesko Holding AG of € 11,750,875.47 as follows: (a) payout of an ordinary dividend of €1.30 per entitled share. With a total number of 8,983,403 shares entitled to dividends, this amounts to a total of € 11,678,423.90. b) The remaining amount of € 72,451.57 will be carried forward to new account. (3) *No unforeseen development costs* were incurred during the period under review. (4) *The order situation* remains satisfactory. (5) No changes have occurred in the *composition* of the supervisory board to the date of the writing of this report. Ulrich Zimmermann resigned from the management board with effect from 31 July 2016. (6) *Business with closely associated persons:* As disclosed in the Notes to the financial statements for 2015 under point 45, the management board and the supervisory board are considered to be closely associated persons in the sense of IAS 24.5. Material changes since the closing date of the annual accounts have not taken place. Important business transactions were not conducted with closely associated persons in the reporting period. The number of shares and/or the number of votes held by members of the supervisory board is 6,682,376, all of them held by the supervisory board chairman Detlev Meyer. The members of the management board hold no shares and have no votes. (7) *Treasury shares:* Hawesko Holding AG holds no treasury shares as of the date of writing of this report.

Other information:	1.1.–30.9. 2016	2015
Employees (average during the period)	926	922

Calendar:

Preliminary report on fiscal year 2016 — Early February 2017

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