HAWESKO
HOLDING AG

Hawesko Holding AG
Hamburg

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Quarterly financial report to 30 September 2017

Hamburg, 7 November 2017

Highlights in € (millions)	Nine months (1.1.–30.9.)			3rd quarter (1.7.–30.9.)		
	2017	2016	+/–	2017	2016	+/–
Consolidated sales	**341.9**	**322.1**	**+6.1%**	**110.7**	**104.3**	**+6.1%**
– organic, excluding acquisitions			*+2.8%*			*+2.7%*
Result from operations (EBIT, adjusted)*	**15.6**	**14.9**	**+4.8%**	**4.1**	**3.9**	**5.7%**
– (as reported)	*15.6*	*17.1*	*–8.8%*	*4.1*	*3.9*	*5.7%*
Consolidated net income excluding non-controlling interests (adjusted)*	**10.5**	**9.7**	**+7.9%**	**2.6**	**2.4**	**+6.6%**
– (as reported)	*9.9*	*10.8*	*–8.5%*	*2.6*	*2.4*	*+6.6%*

*) *EBIT:* *) Adjusted for special effects in the previous year – with a positive overall result – particularly for the dissolution of personnel provisions
Net income: Additionally adjusted for a change in value of the put options (see Annual Report 2016, Note 26 to the Consolidated Accounts)

Dear shareholders,
Dear friends of the Hawesko Group,

Our take on the progress after the first nine months of fiscal year 2017 is positive. The Hawesko Group is continuing on its successful path and is growing at consistently good rates, as shown by the 6% increase in sales, which is noticeably higher than in the comparable periods of recent years. Our latest acquisitions as well as the gratifyingly high rate of organic growth contributed almost equally to this satisfying development. Particularly noteworthy is that our profitability has remained stable despite the expansion.

Sales of our distance-selling brands and thus those of the digital brand unit rose by 6.5% during the first nine months, and by 6.8% in the traditionally quieter third quarter. The latter result was due to our *WirWinzer*, *Hawesko.de* and *Carl Tesdorpf Weinhandel* brands. Development at *Jacques' Wein-Depot* (the omnichannel brand unit) was similar: sales rose by 2.8% in the first nine months, and by 4.1% in the third quarter. The B2B brand unit (wholesale/distribution) continued its good progress at half-year with an increase of 7.2% in the third quarter, so that it posted compelling sales growth of 8.7% for the nine-month period. In addition to its organic growth, our new acquisitions *WeinArt a*nd *Grand Cru Select*, which have been consolidated since the beginning of the year, contributed substantially to growth in the B2B brand unit.

The B2B segment also the front-runner with its result from operations – EBIT here increased significantly compared to the first nine months of the previous year. Our B2B specialist for Italian wines in Germany, *Weinland Ariane Abayan*, played the key role in this with a successful anniversary campaign. Due to the accelerated expansion at *Jacques'* and the digital transformation of the distance-selling brands, the EBIT for the first nine months was below the comparable figures for the previous year in both segments; these projects are essential to the future of the Hawesko Group. By realising them we are adapting the offer of our group companies to the changing habits in buying, gathering information and consuming to make it more attractive to a younger target group.

The results of a renowned independent market research institute into the current market show that we are on the right path: according to the authors, *Jacques' Wein-Depot* is a "prime example of consistently good ratings by customers". *Jacques'* received outstanding evaluations across the board for its core competences, and in particular advice to customers is rated as excellent. Ranked number six among the ten most frequently named retail chains, *Jacques'* was the only specialist wine retailer. Moreover, nearly 30% of those surveyed shop at *Jacques' Wein-Depots.* In the same study, our online sales channels likewise perform extremely well. When participants were asked about their preferred online shop for buying wine, *Hawesko.de* was named first, followed by *Jacques'*. A major distance seller was ranked a distant third. *WirWinzer,* our online distance-selling specialist for German wines, took seventh place.

The study is a nice confirmation of our work so far, but we don't want to become complacent. On the contrary: We will pursue the continuous and consistent development of our brand portfolio organically and via acquisitions in line with our strategy. This is why we meticulously monitor the market at home and especially in German-speaking foreign countries for potential opportunities and appropriate targets for acquisition. In the next few weeks, we will be testing Enoteca Enzo – a refreshing new concept for Italian wines and wine culture: an initial preview is already available at www.enzo.de.

For fiscal year 2017, we expect stable consolidated sales growth of around 5% this year. We expect that the acquisitions of *WirWinzer, WeinArt* and *Grand Cru Select* will make a noticeable contribution in this regard. We reckon with consolidated EBIT to be in the magnitude of just over € 30 million, which corresponds to an unchanged EBIT margin, despite the aforementioned investments we are making to increase the Group's growth potential. With regard to the other important financial indicators such as net result and return on capital employed, we likewise anticipate figures at the respective levels of the previous year. Only in the case of free cash flow do we assume a range of roughly € 3-5 million below the previously expected range of € 16-18 million due to a higher increase of inventory for the time being.

Dear shareholders, in the Hawesko Group we experience wine as a very special product that arouses emotions and that can enhance our lives on a daily basis. We want to combine our high level of expertise and our knowledge of wine with entrepreneurial foresight to make our customers and shareholders happy in the future as well. Preferably with a good wine from your Hawesko Group!

Kind regards

Thorsten Hermelink	*Alexander Borwitzky*	*Raimund Hackenberger*	*Nikolas von Haugwitz*	*Bernd G. Siebdrat*

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INTERIM MANAGEMENT REPORT

GENERAL SITUATION

The economic situation in Europe and particularly in Germany has developed better than expected over the course of the year. Fears that the international political climate (new American administration, Brexit) could lead to greater uncertainty among the economic players and slow growth in general have not materialised. The consumers' propensity to buy remains at a high level in view of the sustained strength of the job market, while the noticeable recovery of labor markets in the rest of Europe is improving the consumers' mood there, too. In addition, industrial production and exports in Germany are palpably rising and companies are expanding their investments. Accordingly, the expectations for the longer term have improved significantly and forecasts across the board have been revised upwards. Thus, the German government anticipates a rise in the gross domestic product of 2.0 % (adjusted for inflation) and expects growth of 1.9 % for 2018. The International Monetary Fund recently revised its overall global growth forecasts upwards as well.

BUSINESS PERFORMANCE

Financial performance

Third quarter

In the period from July to September 2017 consolidated sales were increased from € 104.3 million by 6.1% to € 110.7 million. Excluding the acquisitions *WirWinzer, WeinArt* and *Grand Cru Select,* the Hawesko Group achieved sales growth of 2.7%. In the quarter under review, sales rose at all three brand units (business segments). In the omnichannel brand unit (*Jacques' Wein-Depot*), they rose by 4.1% to € 34.0 million (previous year: € 32.7 million), while in the B2B brand unit (wholesale) sales increased by 7.2% to € 40.5 million (previous year: € 37.7 million), and in the digital brand unit (distance selling), sales were 6.8% higher than in the previous year, reaching € 36.2 million (previous year: € 33.9 million). The consolidated operating result (EBIT) in the third quarter of 2017 was € 4.1 million, compared to € 3.9 million in the previous year; there were no special effects included in the quarter under review or the same quarter of the previous year. The EBIT margin, at 3.7%, remained at the level of the previous year (3.8%).

Sales at *Jacques' Wein-Depot* (the omnichannel brand unit) rose by 4.1% compared to the same quarter of the previous year. Online sales via the website jacques.de rose by 40.1% over the same quarter in the previous year. At the reference date at the end of the quarter, *Jacques'* was operating 301 depots, all of them in Germany (previous year: 298). On a like-for-like basis, sales rose by 3.1% compared to the third quarter of 2016. Average sales receipts and customer frequency were slightly higher than in the same quarter of the previous year, and the number of active customers increased once again. At € 3.1 million, the segment EBIT remained at the level of the previous year (€ 3.2 million).

With a sales increase of 7.2%, the B2B brand unit was able to continue the success of the first six months. In the third quarter as well, more than half of this rise was due to the initial consolidation (from 1 January 2017) of *WeinArt* and *Grand Cru Select*; organic growth was 1.4%. The subsidiary *Weinland Ariane Abayan* with its range of premium Italian wines was once again a growth driver. Foreign operations (Switzerland and Austria) developed positively. For the B2B brands, the result of operations (EBIT) amounted to € 1.5 million, a considerable increase over the figure of the same quarter a year ago (€ 0.9 million). Here as well, *Weinland Ariane Abayan* made the strongest contribution to the result.

The digital brand unit achieved growth of 6.8% in the quarter under review. Even excluding the initial consolidation of *WirWinzer* (from 1 October 2016), sales rose by 2.9% over the previous year. *Hawesko.de* and *Carl Tesdorpf Weinhandel* both posted increases in sales. *Vinos*, the subsidiary specializing in Spanish wines, had pulled some sales forward into the second quarter thanks to particularly effective marketing campaigns and thus maintained its sales at the previous year's level in the quarter under review. *The Wine Company*, which serves the Swedish market, also achieved sales at the previous year's level. At 30 September 2017, the number of active customers in the distance-selling segment increased. In the third quarter of 2017, online sales in the brand unit increased by 19% compared to the same quarter in the previous year, thus accounting for 56% of segment sales (previous year: 50%). The segment EBIT, at € 1.1 million, was just under the previous year's level (€ 1.4 million), which was due primarily to the changed advertising rhythm at *Vinos* in the quarter under review and the initial consolidation of the online marketplace *WirWinzer*, which, with its characteristically rapid growth in the start-up phase, is not yet profitable.

Consolidated gross profit rose by € 2.0 million to € 46.5 million in the third quarter, corresponding to a margin of 42.0% (previous year: 42.7%). The slight reduction of the trading margin resulted primarily from a heavier weighting of the B2B segment. Other operating income of € 5.3 million consisted for the most part of rental and leasing income at *Jacques'* as well advertising allowances (in the same quarter of the previous year the figure was € 4.3 million). Personnel expenses increased to € 13.9 million in the third quarter (previous year: €12.7 million) and accounted for 12.5% of sales (previous year: 12.1%).

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.– 30.9.2017	1.7.– 30.9.2016
Advertising	8.8	8.8
Commissions to partners	8.5	8.4
Delivery costs	5.0	4.9
Rental and leasing	3.1	3.0
Other	6.7	5.7
	32.2	30.7

Advertising expenditures amounted to 8.0% of sales, down from 8.4% in the previous year. Expenses for commissions decreased from 8.1% to 7.7%, while expenses for shipping declined from 4.7% to 4.5%. Overall, other operating expenses and other taxes amounted to € 32.2 million. In the previous year, this figure was € 30.7 million. These expenses thus accounted for 29.1% of sales in the quarter under review, compared to 29.5% in the third quarter of 2016.

The consolidated result of operations (EBIT) amounted to € 4.1 million in the third quarter of 2016 (previous year: € 3.9 million). The EBIT margin was 3.7%, compared to 3.8% in the previous year.

The financial result amounted to € –0.2 million, as in the previous year. The result before taxes on income amounted to € 4.0 million (previous year: € 3.7 million). The anticipated rate of tax expenditures in the quarter under review is 33.9% (previous year: 31.3%). Consolidated net income after deductions for non-controlling interests amounted to € 2.6 million (previous year: € 2.4 million). The profit per share amounted to € 0.29, after € 0.27 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 of fiscal year 2017 (1 January to 30 September), sales rose compared to the previous year (€ 322.1 million) by 6.1% to € 341.9 million. Consolidated gross profit increased from € 137.8 million in the same quarter of the previous year to € 143.8 million, while the consolidated gross profit margin amounted to 42.1% of sales, compared to 42.8% in the previous year.

Personnel expenses amounted to € 41.3 million or 12.1% of sales. In the previous year this figure was € 38.9 million and contains a positive net amount of € 2.4 million from non-recurring effects (previous year adjusted for non-recurring effects: € 41,2 million and 12.8%). During the nine-month period, other operating expenses and other taxes developed as follows:

In € millions Rounding differences are possible	1.1.– 30.9.2017	1.1.– 30.9.2016
Advertising	27.4	26.6
Commissions to partners	25.6	25.2
Delivery costs	15.7	15.0
Rental and leasing	9.4	8.9
Other	19.5	17.8
	97.6	93.6

In the first nine months of 2017, the operating result (EBIT) amounted to € 15.6 million and accounted for 4.6% of sales. In the previous year, EBIT amounted to € 17.1 million. Adjusted for non-recurring effects, which were due primarily to the reversal of personnel provisions, this figure was € 14.9 million, accounting for 4.6% of sales.

In the review of the individual brand units, it must be noted that the EBIT of the omnichannel unit (*Jacques'*) at € 9.6 million was below that of the previous year (€ 10.1 million). This was due to expansion costs as well as the introduction of an ERP system. In the B2B segment, EBIT rose to € 4.7 million, up from € 2.7 million in the previous year due to a successful anniversary campaign of *Weinland Ariane Abayan* as well as improved profitability at *CWD*. The EBIT of the digital brand units declined from € 6.5 million to € 5.4 million, mainly due to the initial consolidation of the start-up *WirWinzer*. The item “Miscellaneous/Consolidation” includes net income from non-recurring effects in conjunction with personnel-related matters in the amount of € 2.2 million for the same period in the previous year.

The financial result in the reporting period amounted to € –0.4 million, after € –0.5 million in the previous year. The result before taxes on income amounted to € 15.2 million (comparable period in the previous year: € 16.6 million including non-recurring effects). Consolidated net income for the first nine months after deductions for non-controlling interests amounted to € 9.9 million; this figure was € 10.8 million, including non-recurring effects, in the same period of the previous year. The profit per share amounted to € 1.10, compared to € 1.21 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	30.9.2017		31.12.2016		30.9.2016	
Long-term assets	72.4	*30%*	73.4	*32%*	65.0	*31%*
Short-term assets	172,9	*70%*	157.9	*68%*	146.6	*69%*
Balance sheet total	245.4	*100%*	231.3	*100%*	211.7	*100%*
Liabilities and shareholders' equity						
Shareholders’ equity	94,8	*39%*	94.4	*41%*	90.2	*43%*
Long-term provisions and liabilities	13.5	*6%*	26.0	*11%*	20.2	*10%*
Short-term liabilities	137.0	*56%*	110.9	*48%*	101.3	*48%*
Balance sheet total	245.4	*100%*	231.3	*100%*	211.7	*100%*

Changes since the reference date on 31 December 2016

The balance sheet total at 30 September 2017 was € 245.4 million, corresponding to a rise of € 14.1 million compared to the total at 31 December 2016. Long-term assets declined by € 0.9 million, while the short-term assets increased by € 15.0 million. The main change is the increase in inventories from € 91.0 million to € 122.0 million; this is due to the enlargement of the consolidation group and the inventory build-up for the traditionally strong year-end business. With regard to short-term assets, a reduction in trade receivables was also posted (trade receivables typically reach their highest level at 31 December).

Total shareholders' equity at € 94.8 million remained at the level of 31 December 2016 – even taking into account that the annual dividend, amounting to a total of € 11.7 million, was paid out in the meantime. Long-term provisions and liabilities amounted to € 13.5 million and decreased due to a reclassification of the liability that could arise from the exercise of the option to sell by the former partners of *Wein & Vinos GmbH* to short-term liabilities. These also rose due to the expansion of the consolidation group. In contrast, trade payables were reduced due to seasonality (trade payables typically reach their highest level at 31 December.)

Changes from the previous year's reference date 30 September 2016

Compared to the previous year's reference date (30 September 2016), the balance sheet total rose by € 33.7 million, due primarily to the enlargement of the consolidation group. This applies to the rise in both long-term and short-term assets. The reasons for the changes on the liabilities side compared to the reference date in the previous year are the same as those for the changes compared to 31 December 2016.

The working capital requirement at 30 September 2017 rose by 28% compared to the reference date in the previous year due to acquisitions and to an earlier inventory build-up, and rose from 22% to 27% of sales in the nine-month period.

Financial performance

Liquidity analysis

Cash flow from current operations amounted to € –20.2 million in the first nine months (previous year: (€ –5.1 million). The difference is due primarily to a higher build-up of inventories. 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.– 30.9.2017	1.1.– 30.9.2016
Cash flow from current operations	–20.2	–5.1
Cash flow from investment activity	–9.2	–10.1
Cash flow from financing activities	22.7	8.3

At € 9.2 million, the funds used for investment activities were slightly below the previous year's figure (€ 10.1 million). These figures include outflows due to acquisition-based growth. Excluding the acquisitions, free cash flow was € –26.4 million in the period under review and €–11.0 million (comparable) in the same period of the previous year, and was calculated from the net outflow of payments from current operations (€ –20.2 million), less funds employed for investment activities (€ –5.8 million) – excluding the item *Acquisition of subsidiaries net of funds acquired* – as well as interest received and paid out (€ –0.4 million).

Investment analysis

In addition to investments in the acquisition of subsidiaries, investments were divided into those in intangible assets (€ 3.0 million; previous year: € 2.9 million), which were related primarily to software in the omnichannel brand unit (*Jacques'*), and those in tangible assets of € 3.1 million. (previous year: € 2.9 million). The latter were related to the expansion and modernisation of the depots in the omnichannel brand unit (*Jacques'*) as well as the investments for expansion and replacement equipment in the digital and B2B brand units.

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 2016 annual report.

REPORT ON EXPECTED DEVELOPMENTS

Outlook

There were no significant changes in the forecast for fiscal year 2017 of the Hawesko management board compared to the situation described in the 2016 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 of 2017 (1 January to 30 September) are within its expectations.

The management board of Hawesko Holding AG will continue to pursue sustainable, long-term and profitable growth. For fiscal year 2017, we expect consolidated sales growth of approximately 5%, whereby the acquisitions of *WirWinzer, WeinArt* and *Grand Cru Select* are included in this target. We expect the consolidated EBIT to be in the magnitude of just over € 30 million. Consolidated earnings after deductions for taxes and non-controlling interests are currently expected to be in the range of € 19–20 million. (2016: € 18.5 million). With regard to free cash flow, the management board expects it to be in a range of roughly € 3–5 million below the previously expected range of € 16–18 million due to a higher inventory buildup in the meantime.

Hawesko Holding AG

Profit and loss statement for the first nine months of 2017 (as per IFRS)

(in € millions, unaudited, rounding differences possible)	1.1.–30.9. 2017	1.1.–30.9. 2016
Sales revenues	**341.9**	**322.1**
Increase in finished goods inventories	0.4	0.3
Other production for own assets capitalized	0.6	0.3
Other operating income	16.0	16.8
Cost of purchased goods	–198.1	–184.4
Personnel expenses	–41.3	–38.9
Depreciation and amortization	–6.3	–5.6
Other operating expenses and other taxes	–97.6	–93.6
Result from operations (EBIT)	**15.6**	**17.1**
Financial result		
Interest earnings/expenditures	–0.4	–0.2
Other financial result	–0.5	–0.4
Income from long-term equity investments	0.5	0.2
Result before taxes on income	15.2	16.6
Taxes on income and deferred tax expenses	–4.9	–5.2
Consolidated net income	**10.3**	**11.4**
of which is		
— allocable to shareholders' equity in Hawesko Holding AG	9.9	10.8
— allocable to non-controlling interests	0.4	0.6
Earnings per share (in €, undiluted = diluted)	1.10	1.21
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 2017 (as per IFRS)

(in € millions, unaudited, rounding differences possible)	1.7.–30.9. 2017	1.7.–30.9. 2016
Sales revenues	**110.7**	**104.3**
Increase in finished goods inventories	0.3	0.2
Other production for own assets capitalized	0.3	0.1
Other operating income	5.3	4.3
Cost of purchased goods	–64.2	–59.7
Personnel expenses	–13.9	–12.7
Depreciation and amortization	–2.1	–1.9
Other operating expenses and other taxes	–32.2	–30.7
Result from operations (EBIT)	**4.1**	**3.9**
Financial result		
Interest earnings/expenditures	–0.2	–0.1
Other financial result	–0.2	–0.1
Income from long-term equity investments	0.2	0.1
Result before taxes on income	4.0	3.7
Taxes on income and deferred tax expenses	–1.3	–1.2
Consolidated net income	**2.6**	**2.6**
of which is		
— allocable to shareholders' equity in Hawesko Holding AG	2.6	2.4
— allocable to non-controlling interests	0.0	0.1
Earnings per share (in €, undiluted = diluted)	0.29	0.27
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.–30.9.2017	1.1.–30.9.2016
Consolidated net income	**10.3**	**11.4**
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	0.1
Currency translation differences	–0.0	–0.0
Other comprehensive income	**–0.0**	**0.0**
Total comprehensive income	**10.3**	**11.5**
of which is		
– shareholders' equity in Hawesko Holding AG	10.0	10.9
– allocable to non-controlling interests	0.3	0.6

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.–30.9.2017	1.7.–30.9.2016
Consolidated net income	**2.6**	**2.6**
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	–0.1	–0.0
Other comprehensive income	**–0.0**	**–0.0**
Total comprehensive income	**2.6**	**2.6**
of which is		
– shareholders' equity in Hawesko Holding AG	2.6	2.4
– allocable to non-controlling interests	–0.0	0.1

Hawesko Holding AG
Consolidated balance sheet (as per IFRS)

(in € millions, unaudited, rounding differences are possible)	30.9.2017	31.12.2016	30.9.2016
Assets			
Long-term assets			
Intangible assets	41.7	39.0	32.1
Tangible assets	20.4	20.9	20.7
Investments accounted for using the equity method	3.3	3.3	0.6
Other financial assets	0.1	0.2	4.6
Advance payments on stocks	3.5	6.3	4.4
Receivables and other assets	1.2	1.2	0.8
Deferred tax liabilities	2.1	2.5	1.8
	72.4	73.4	65.0
Short-term assets			
Inventories	122.0	91.0	103.5
Trade receivables	34.3	46.5	29.4
Receivables and other assets	4.7	4.0	3.9
Receivables from taxes on income	5.1	2.8	2.3
Cash in banking accounts and cash on hand	6.8	13.6	7.5
	172.9	157.9	146.6
	245.4	**231.3**	**211.7**
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	62.0	64.1	60.7
Other reserves	–0.1	–0.2	–0.1
Shareholders' equity in Hawesko Holding AG	**85.7**	**87.7**	**84.4**
Non-controlling interests	9.2	6.7	5.8
	94.8	**94.4**	**90.2**
Long-term provisions and liabilities			
Provisions for pensions	1.1	1.1	1.1
Other long-term provisions	0.8	0.8	1.7
Borrowings	0.6	0.9	1.0
Advances received	3.6	3.9	4.4
Other liabilities	4.6	17.1	11.4
Deferred tax liabilities	2.8	2.3	0.7
	13.5	26.0	20.2
Short-term provisions and liabilities			
Non-controlling interests in the capital of unincorporated subsidiaries	0.2	0.2	0.1
Borrowings	48.8	11.1	33.4
Advances received	9.6	5.2	5.2
Trade accounts payable	40.5	58.3	42.4
Income taxes payable	2.1	1.5	1.0
Other liabilities	35.9	34.6	19.2
	137.0	110.9	101.3
	245.4	**231.3**	**211.7**

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Hawesko Holding AG

Consolidated Cash Flow Statement (as per IFRS)

(in € millions, unaudited, rounding differences are possible)	1.1.–30.9. 2017	1.1.–30.9. 2016
Result before taxes on income	15.2	16.6
Depreciation and amortization of intangible and tangible assets	6.3	5.6
Other non-cash expenses and income	–0.6	—
Interest result	0.9	0.6
Result from the disposal of intangible and tangible assets	–0.1	–0.1
Income from companies reported at equity	–0.5	–0.2
Dividend payments received from investments	0.3	0.1
Change in inventories	–21.0	–12.5
Change in borrowings and other assets	12.7	17.2
Change in provisions	0.5	–0.1
Change in liabilities (excluding borrowings)	–28.8	–27.6
Taxes on income paid out	–5.2	–4.9
Net outflow of payments from current operations	**–20.2**	**–5.1**
Acquisition of subsidiaries net of funds acquired	–3.4	—
Outpayments from the acquisition of other financial assets	—	–4.4
Outpayments for tangible and intangible assets	–6.0	–5.8
Inpayments from the disposal of financial assets intangible and tangible assets	0.2	0.1
Inpayments from the disposal of financial assets	—	0.0
Net funds employed for investing activities	**–9.2**	**–10.1**
Outpayments for dividends	–11.7	–11.7
Outpayments to non-controlling interests	–1.2	–1.0
Payment of finance lease liabilities	–0.0	–0.1
Change in short-term borrowings	36.0	21.2
Interest received	0.1	0.1
Interest paid out	–0.4	–0.3
Net inflow of funds from financing activities	**22.7**	**8.3**
Effects of changes in foreign exchange rates on funds (period of up to three months)	**0.0**	**–0.0**
Net decrease of funds	**–6.7**	**–7.0**
Funds at start of period	13.6	14.5
Funds at end of period	**6.8**	**7.5**

Hawesko Holding AG, Consolidated statement of changes in equity

	Subscribed capital	Capital reserve	Retained earnings	Other reserves: Balancing items from currency translation	Other reserves: Revaluation components of pension obligations	Other reserves: Reserve for cash flow hedge	Ownership of interest of Hawesko Holding AG shareholders	Non-controlling interests	Total
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 2016	13.7	10.1	60.7	0.0	–0.1	0.0	84.4	5.8	90.2
Status at 1 January 2017	13.7	10.1	64.1	0.0	–0.2	–0.0	87.7	6.7	94.4
Successive acquisitions	—	—	–0.4	—	—	—	–0.4	0.4	—
Change in the consolidation group	—	—	0.1	—	—	—	0.1	3.0	3.1
Dividends	—	—	–11.7	—	—	—	–11.7	–1.2	–12.9
Consolidated net income	—	—	9.9	—	—	—	9.9	0.4	10.3
Other result	—	—	—	0.1	—	0.0	0.1	–0.1	–0.0
Deferred tax on other result	—	—	—	—	—	–0.0	–0.0	—	–0.0
Status at 30 September 2017	13.7	10.1	62,0	0.1	–0.2	–0.0	85.7	9.2	94.8

Quarterly segment results (in € millions, unaudited, rounding differences possible)					
1.7.–30.9.2017	Omni-channel[1]	B2B[1]	Digital[1]	Miscellaneous/ Consolidation	Group
External sales	**34.0**	**40.5**	**36.2**	**0.0**	**110.7**
Operating result (EBIT)	**3.1**	**1.5**	**1.1**	**–1.5**	**4.1**
1.7.–30.9.2016	Specialist retail[2]	Wholesale[2]	Distance selling[2]	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) New designation (as of 2017)
(2) Previous designation (until 2016)

Nine-month results of the segments (in € millions, rounding differences are possible)					
1.1.–30.9.2017	Omni-channel[1]	B2B[1]	Digital[1]	Miscellaneous/ Consolidation	Group
External sales	**102.3**	**124.3**	**115.3**	**0.0**	**341.9**
Operating result (EBIT)	**9.6**	**4.7**	**5.4**	**–4.1**	**15.6**
1.1.–30.9.2016	Specialist retail[2]	Wholesale[2]	Distance selling[2]	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) New designation (as of 2017)
(2) Previous designation (until 2016)

Appendix to the quarterly financial report to 30 September 2017

General principles: This interim 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 2017 have been applied to the interim financial statement.

The present six-month 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 2016.

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: Compared to the consolidated balance sheet for 2016, the consolidation group of Hawesko Holding AG was enlarged to include *Weinart Handelsgesellschaft mbH*, Geisenheim, and *Grand Cru Select Weinhandelsgesellschaft mbH*, Rüdesheim.

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 2016. (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 72 to 74 in the 2016 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. (2) *Resolution for the appropriation of earnings for 2016:* The annual general meeting of shareholders on 19 June 2017 decided to appropriate the unappropriated earnings reported in the annual accounts of Hawesko Holding AG of € 12,572,260.86 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 € 893,836.96 was carried forward to new account. (3) *No unforeseen development costs* were incurred during the period under review. (4) *The order situation* remains satisfactory. (5) The following changes have occurred in the *composition* of the management board and the supervisory board to the date of the writing of this report: With effect from 1 March 2017, Raimund Hackenberger was appointed to the management board. At the end of the annual general shareholders' meeting am 19 June 2017 Dr. Wolfgang Reitzle resigned from the supervisory board. On the same day, Wilhelm Weil was elected to the supervisory board by the annual general meeting. (6) *Business with closely associated persons:* As disclosed in the Notes to the financial statements for 2016 under point 46, 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 6,522,376, 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. 2017	1.1.–30.9. 2016
Employees (average during the period):	953	926
- of which in newly acquired companies:	27	

Hamburg, 6 November 2017

<s>Hermelink <s>Borwitzky <s>Hackenberger <s>von Haugwitz <s>Siebdrat

Calendar:

Preliminary figures for fiscal year 2017	Early February 2018

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