Hawesko Holding AG
Hamburg

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Half-year financial report to 30 June 2014

Hamburg, 6 August 2014

Highlights in € (millions)	Six months (1.1.–30.6.)			2nd quarter (1.4.–30.6.)		
	2014	2013	+/–	2014	2013	+/–
Consolidated sales	**219.0**	**216.3**	**1.2%**	**111.0**	**113.3**	**–2.0%**
Result from operations (EBIT)	**7.1**	**10.1**	**–30.1%**	**3.3**	**6.7**	**–51.8%**
Consolidated net income excluding non-controlling interests	**5.0**	**6.4**	**–21.7%**	**2.5**	**4.2**	**–40.9%**

Dear shareholders,

We had expected that consolidated sales in the second quarter would be slightly lower overall than in the previous year. This is due exclusively to the 2011 Bordeaux vintage delivered in the current year. It cannot compare to the extraordinary vintages of the two previous years, so it was not expected that the likewise extraordinary subscription volume of those years would be matched. We had already included in our planning the resulting sales decline of just under € –7 million as well as the largest part of the year-on-year decline in EBIT. The smaller portion of the decline in EBIT is due to consulting expenses incurred in the context of the ongoing strategic development of the Group with the goal of reaching € 1 billion in sales with an EBIT margin of 7%. These are by nature one-off expenditures.

In the current fiscal year it is especially helpful that German consumers are in a buoyant mood and all indicators point to the continuance of this positive trend. That's good for our core business and is reflected in our business performance. Thus, sales in both the second quarter and the entire first half of 2014 met our expectations. The performance of *Jacques' Wein-Depot* was particularly noteworthy – on a like-for-like basis, sales rose by 5.6% in the second quarter, not least due to the extremely successful anniversary promotions. Sales growth over the first six months amounted to 3.9%. The wholesale segment also posted satisfying sales figures, whereas development in the mail order segment was still slightly restrained. Over the course of the year, we are looking forward to further anniversary activities at *Hanseatisches Wein- und Sekt-Kontor* and *Jacques' Wein-Depot*, and thus expect development in line with our plans during the second half of the year, particularly in our core business. We are thus within our target range, which predicts sales growth of 1-2% for the full fiscal year.

This also applies to the development of our operating results, which are progressing throughout the Group overall in line with our plans; particularly for small fluctuations, our broad business mix with three segments has the advantage that one part often compensates for the other. The only outliers at the half-year point are expenditures at the Group level, which rose significantly in the second quarter. This was due exclusively to higher expenses for consulting services, which were incurred as part of the ongoing development of the Group, reached a peak in the quarter under review and will fall again over the course of the year.

Thus, the management board has revised the previous EBIT forecast of € 27–28 million accordingly: including the higher consulting expenditures totalling € 1.5 million, an EBIT of € 26 million is anticipated for fiscal year 2014. For the second half of 2014, the management board continues to expect improvements in the results of all three business segments compared to the first six months of the previous year, particularly in the wholesale segment, where extraordinary charges were incurred, primarily in the fourth quarter of 2013. In accordance with the new forecast, we will still achieve a significant increase in the result compared to the previous year, when we posted an EBIT of € 22.6 million.

A whole series of additional measures is subsumed under the heading of organic growth. For instance, we are rapidly converting our sales channels step by step to digital and mobile platforms, with which we possess in-depth experience gained over decades in the meantime. This applies particularly to our competence in using a targeted approach to our customers. According to a new study, numerous companies that engage in online activities still face significant challenges in this regard, namely in mastering the flood of information. We also benefit from our comprehensive experience in designing and implementing effective supply chains and distribution logistics and can continue to enhance our already very advanced position. In summary, today the Hawesko Group is already in an outstanding position with regard to the shift in retailing to multiple integrated off- and online sales channels. However, we have no intention of resting on our laurels, but want to open up our lead even further.

As mentioned earlier, we are already very well positioned in the markets relevant to us – particularly in Germany and Switzerland. Nonetheless, we will continue to expand these activities, because consistently strengthening our core markets is the most important factor in enabling the Hawesko Group to achieve the desired dimensions. Naturally, our efforts to expand our foreign operations will likewise continue.

Best regards,

Alexander Margaritoff
CEO

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INTERIM MANAGEMENT REPORT

GENERAL SITUATION

The economic situation in the first half of 2014 remained good, even though the experts noted a slowing of growth in the gross domestic product in the second quarter after an unusually strong first quarter. The continuing decline in the ifo business climate index in July resulted primarily from the political tensions in the Ukraine and the Middle East, which are contributing to a degree of uncertainty and muted industry expectations for exports. For these reasons, the strong domestic demand remains a primary pillar of the economic upturn, which is also given momentum by rising wages and salaries. According to the GfK consumption climate index for August 2014, the last time the consumer mood in Germany was this buoyant was in December 2006.

With this in mind, the Hawesko management board expects the consumer mood to remain positive and the dynamics of the economy to be favourable over the course of the current year, which should also benefit the wine market.

BUSINESS PERFORMANCE

The comparable figures have been restated in accordance with the early application of IFRS 11; cf. Note 2 in the notes to the consolidated financial statements.

Financial performance

Second quarter

During the period from April to June 2014, sales of the Hawesko Group declined by 2.0% from € 113.3 million in the same quarter of the previous year to € 111.0 million. This is due to the lower volume of deliveries of the Bordeaux subscription wines in the wholesale and mail order segments compared to the preceding years: after the extraordinarily popular 2009 and 2010 vintages (delivered in 2012 and 2013, respectively), the sales achieved with these wines fell in the reporting period by € 6.8 million compared to the same quarter in the previous year. Adjusted for this effect, the Group would have achieved sales growth of 4.3%.

In the quarter under review, sales developed in the various business segments as follows: The stationary specialist wine retail segment (*Jacques' Wein-Depot*) achieved sales of € 33.1 million, an increase of 6.5% over the corresponding period of the previous year (€ 31.0 million). Due to the lower volume of deliveries of subscription wines, sales in the wholesale segment decreased by 8.3% from € 47.8 million to € 43.8 million, while sales in the mail order segment likewise fell by 1.0% from € 34.4 million to € 34.1 million.

The 6.5% sales growth in the stationary specialist retail segment (*Jacques' Wein-Depot*) is partially due to the late Easter holidays, which positively influenced sales development in April (previous year: in March). In addition, the first promotions for the 40th anniversary of *Jacques'* were popular with our customers. These activities will be continued until the end of the year. As of 30 June 2014 there were 285 *Jacques' Wein-Depots* in operation, of which 282 were in Germany (same date in the previous year: 279) and three in Austria (previous year: likewise three). New customer acquisition was especially successful in the quarter under review. The online shop at jacques.de complements the product range offered in the depots and grew by 26% from the low base of the same quarter in the previous year. On a like-for-like basis, sales in the stationary specialist retail segment rose by 5.6% compared to the second quarter of 2013, underpinned by the higher number of purchases.

The wholesale segment enjoyed stable demand in its core business. The demand is maintained primarily by the favorable economic situation in Germany. Due to the significant reduction in the deliveries of Bordeaux subscription wines compared to the same quarter in the previous year, sales declined by 8.3%; adjusted for this effect, an increase of 4.1% was achieved. The Swiss subsidiaries *Globalwine* and *Vogel Vins* continued to develop their joint infrastructure, and sales in their normal business operations (i.e. excluding Bordeaux subscriptions) continued to rise in the quarter under review.

Sales in the mail order segment were 1.0% lower than in the corresponding quarter of the previous year, also due to the lower delivery volume of the Bordeaux subscription wines. Adjusting for these sales in the quarter under review and the previous year's quarter, sales growth of 2.5% was achieved. Sales growth at *Wein & Vinos* and *The Wine Company* (mail order to Sweden) had a positive influence. After adjusting for the subscription sales, the subsidiary *Carl Tesdorpf – Weinhandel zu Lübeck,* which specializes in premium wines and rarities, further increased its sales in its core business. After the very strong showing in the first quarter, *Hanseatisches Wein- und Sekt-Kontor* was not quite able to maintain the previous year's quarterly sales level even after adjusting for the effect of the subscription wines. The number of active customers increased slightly in the mail order segment. In the second quarter of 2014, the share of sales made via the Internet was 47%, up from 43% of segment sales in the corresponding period of the previous year.

The consolidated gross profit declined slightly – by € 1.2 million to € 45.8 million in the second quarter – corresponding to a margin of 41.2%. In the same quarter of the previous year, this figure was 41.4%, and in the first quarter of 2014 the margin was 41.3%. The other operating income of € 4.8 million (same quarter of the previous year: € 4.3 million) consisted for the most part of rental and leasing income at *Jacques'* as well advertising allowances. Personnel expenses increased in absolute terms by € 0.7 million to € 13.0 million in the second quarter; as a share of sales they rose by 0.8 percentage points to 11.7%. The rise was due primarily to the infrastructural development in the mail order segment.

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

In € millions Rounding differences are possible	1.4.– 30.6.2014	1.4.– 30.6.2013
Advertising	9.7	9.2
Commissions to partners	8.2	7.9
Delivery costs	4.9	4.6
Rental and leasing	2.8	2.8
Other	7.2	6.1
	32.8	30.6

Expenses for advertising amounted to 8.8% of sales, compared to 8.2% in the previous year. Expenses for commissions rose from 6.9% to 7.4% in the previous year, and for delivery costs from 4.1% to 4.4%. Overall, other operating expenses and other taxes, including non-recurring expenditures for consulting services in conjunction with the ongoing development of the Group of € 1.1 million, amounted to € 32.8 million (previous year: € 30.6 million), thus accounting for 29.6% of sales in the quarter under review, up from 27.0% in the same quarter of the previous year.

The consolidated operating result (EBIT) in the second quarter of 2014 was € 3.3 million (previous year: € 6.7 million). The EBIT margin declined to 2.9% (previous year: 6.0%). The individual contributions of the business segments to the result from operations were as follows: Specialist wine retail *(Jacques' Wein-Depot)* contributed € 3.8 million (same period in the previous year: € 3.4 million). The operating result in the wholesale segment amounted to € 1.0 million after € 1.3 million in the previous year, and was influenced primarily by the decline in subscription sales. This decline was particularly noticeable in the mail order segment and, together with increased costs for the improved infrastructure, led to a lower operating result of € 0.8 million (same quarter in the previous year: € 3.6 million). Corporate costs of € 2.5 million (same quarter in the previous year: € 1.5 million) were deducted from these contributions to the operating result and posted under "Miscellaneous/ Consolidation"; the difference from the previous year is due to consulting expenses in conjunction with the ongoing development of the Group.

The financial result amounted to € 0.2 million, compared to € –0.3 million in the previous year. This figure includes income from the revaluation of a financial liability in accordance with IAS 39 as well as from shareholdings. The result before taxes on income amounted to € 3.4 million (previous year: € 6.4 million). The anticipated rate of tax expenditures in the quarter under review is 30.2%. Consolidated net income after deductions for non-controlling interests amounted to € 2.5 million (€ 4.2 million). The profit per share amounted to € 0.27, after € 0.46 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 six months

In the first six months of fiscal year 2014, consolidated sales amounted to € 219.0 million, corresponding to an increase of 1.2% over the same period of the previous year (€ 216.3 million). The consolidated gross profit margin declined by 0.2 percentage points from 41.5% to 41.3% of sales. Other income and expenditures added up to 38.1% (previous year: 36.8%) of sales. Thus, in the first half of 2014 the operating result (EBIT) amounted to 3.2% (previous year: 4.7%) of sales and € 7.1 million (previous year: € 10.1 million).

The financial result in the reporting period amounted to € –0.1 million, after € –0.6 million in the previous year; in the result for the period under review, € 0.2 million apply to the revaluation of a financial instrument as per IAS 39 (first six months in the previous year: € –0.3 million). The result before taxes on income amounted to € 7.0 million (first six months of the previous year: € 9.5 million). Consolidated net income for the first six months after deductions for non-controlling interests amounted to € 5.0 million, compared to € 6.4 million in the same period of the previous year. The profit per share amounted to € 0.55 compared to € 0.71 for the first six months of the previous year. The number of shares in the reporting period was 8,983,403 as in the previous year.

Net worth

The balance sheet total at 30 June 2014 was € 208.6 million, corresponding to a reduction of € 25.6 million compared to the total at 31 December 2013. The trade receivables declined as expected by € 17.7 million to € 30.8 million. (Trade receivables typically reach their highest level at 31 December.) The working capital requirement at 30 June 2014 decreased in comparison to the reference date in the previous year (30 June 2013).

Shareholders' equity declined by € 10.9 million compared to the end of 2013 after the payment of the dividend in the amount of €14.8 million. Short-term liabilities declined in net terms on a seasonal basis by € 10.4 million to € 105.5 million compared to the reference date 31 December 2013.

Financial performance

Liquidity analysis

Cash flow from current operations amounted to € –12.1 million in the first six months of 2014 (previous year: € –6.2 million). In addition to the lower result, shifts in cash flow-relevant short-term balance sheet items due to closing periods contributed to this change. 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.– 30.6.2014	1.1.– 30.6.2013
Cash flow from current operations	–12.1	–6.2
Cash flow from investment activity	–1.9	–4.7
Cash flow from financing activities	0.9	5.6

At € 1.9 million, the funds employed for investment activities were lower in the first six months of 2014 than the previous year's figure (€ 4.7 million). This was due to the acquisition of the majority interest in *Vogel Vins S.A.* in the previous year. Nonetheless, the free cash flow of € –14.4 million as of 30 June 2014 was below that of the previous year (€ –11.3 million) due to the development of the cash flow from ongoing business operations. Free cash flow was calculated from the net outflow of payments from current operations (€ –12.1 million), less funds employed for investment activities (€ –1.9 million) and interest paid out (€ –0.3 million).

Investment analysis

Investments in tangible and intangible assets in the first six months of 2014 amounted to € 2.0 million (same period of the previous year: € 2.2 million). The investments in intangible assets of € 0.5 million were related to software in mail order and wholesale. The investments in tangible assets of € 1.5 million related to the modernisation of the depots in the stationary specialist retail segment and replacement and expansion investments in the wholesale segment as well as such investments in the mail order segment.

REPORT ON POST-BALANCE SHEET DATE EVENTS

Events of particular significance for the evaluation of the assets, finances and earnings of Hawesko Holding AG and the Group did not occur after the conclusion of the period under review.

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 2013 annual report.

REPORT ON EXPECTED DEVELOPMENTS

Outlook

There were no significant changes in the forecast for fiscal year 2014 of the Hawesko management board compared to the situation described in the 2013 annual report with regard to sales and consolidated net income: a rise in sales in the order of magnitude of 1–2% compared to the previous year (€ 465 million) and consolidated net income in the area of € 17 million are expected. The forecast has changed slightly for the operating result (EBIT). In the context of the continuous development of the Group, higher expenses were incurred for consulting services in the second quarter. By nature, these are non-recurring costs and will decline over the further course of the year. Thus, the management board has revised the previous EBIT forecast of € 27-28 million accordingly: including the higher consulting expenditures totalling € 1.5 million, an EBIT of € 26 million is anticipated for fiscal year 2014 (previous year: € 22.6 million). For the second half of 2014, the management board continues to expect improvements in the results of all three business segments compared to the first six months of the previous year. The biggest improvement is anticipated in the wholesale segment, as extraordinary charges in conjunction with the French subsidiary *Château Classic* were incurred, primarily in the fourth quarter of 2013. A net expenditure of approximately € 0.5 million (previous forecast: net expenditure of approximately € 1.2 million) is expected for the financial result due to changes in the valuation of other financial liabilities. For 2014 it is expected that the balance sheet items relevant to cash flow will return to the average level of recent years and that the free cash flow will be on the order of €17 million (previous forecast: € 17-22 million).

HAWESKO HOLDING AG

Hawesko Holding AG

Profit and loss statement for the first half year (as per IFRS)

(in € millions, unaudited, rounding differences possible)	1.1.–30.6. 2014	1.1.–30.6. 2013
Sales revenues	**219.0**	**216.3**
Increase (decrease) in finished goods inventories	0.2	–0.0
Other operating income	8.9	8.3
Cost of purchased goods	–128.6	–126.5
Personnel expenses	–25.5	–24.3
Depreciation and amortisation	–3.4	–3.3
Other operating expenses and other taxes	–63.5	–60.3
Result from operations (EBIT)	**7.1**	**10.1**
Financial result		
Interest earnings/expenditures	–0.4	–0.4
Other financial result	0.2	–0.3
Income from long-term equity investments	0.0	0.1
Result before taxes on income	7.0	9.5
Taxes on income and deferred tax expenses	–2.1	–2.9
Consolidated net income	**4.8**	**6.7**
of which		
— shareholders' equity in Hawesko Holding AG	5.0	6.4
— allocable to non-controlling interests	–0.1	0.3
Earnings per share(in €, undiluted = diluted)	0.55	0.71
Average number of shares in circulation (Numbers in thousands, undiluted = diluted)	8,983	8,983

HAWESKO
HOLDING AG

Hawesko Holding AG

Profit and loss statement for the second quarter (as per IFRS)

(in € millions, unaudited, rounding differences possible)	1.4.–30.6. 2014	1.4.–30.6. 2013
Sales revenues	**111.0**	**113.3**
Increase in finished goods inventories	0.2	0.0
Other operating income	4.8	4.3
Cost of purchased goods	–65.2	–66.3
Personnel expenses	–13.0	–12.3
Depreciation and amortisation	–1.7	—1.6
Other operating expenses and other taxes	–32.8	–30.6
Result from operations (EBIT)	**3.3**	**6.7**
Financial result		
Interest earnings/expenditures	–0.2	–0.2
Other financial result	0.4	–0.1
Income from long-term equity investments	0.0	0.1
Result before taxes on income	3.4	6.4
Taxes on income and deferred tax expenses	–1.0	–1.9
Consolidated net income	**2.4**	**4.5**
of which		
— shareholders' equity in Hawesko Holding AG	2.5	4.2
— allocable to non-controlling interests	–0.1	0.3
Earnings per share(in €, undiluted = diluted)	0.27	0.46
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 June*

(in € millions, unaudited, rounding differences are possible)	1.1.–30.6. 2014	1.1.–30.6. 2013
Consolidated net income	**4.8**	**6.7**
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	*0.1*	*0.1*
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	**0.1**	**0.1**
Total comprehensive income	**4.9**	**6.7**
of which attributable		
– to the shareholders of Hawesko Holding AG	5.0	6.4
–to non-controlling interests	–0.1	0.3

Hawesko Holding AG

Consolidated statement of comprehensive income *for the period from 1 April to 30 June*

(in € millions, unaudited, rounding differences are possible)	1.4.–30.6. 2014	1.4.–30.6. 2013
Consolidated net income	**2.4**	**4.5**
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	**2.4**	**4.5**
of which attributable		
– to shareholders of Hawesko Holding AG	2.5	4.2
– to non-controlling interests	–0.1	0.3

HAWESKO HOLDING AG

Hawesko Holding AG Consolidated balance sheet (as per IFRS) (in € millions, unaudited, rounding differences are possible)	30.6.2014	31.12.2013	30.6.2013
Assets			
Long-term assets			
Intangible assets	33.1	34.2	35.0
Tangible assets	21.3	21.8	21.0
Investments accounted for using the equity method	0.5	0.5	0.7
Other financial assets	0.2	0.2	0.2
Advance payments on stocks	2.5	4.9	3.6
Receivables and other assets	1.2	1.2	1.2
Deferred tax liabilities	1.9	1.9	2.4
	60.7	64.7	64.1
Short-term assets			
Inventories	103.5	95.8	106.2
Trade receivables	30.8	48.5	28.9
Receivables and other assets	7.0	5.2	6.0
Receivables from taxes on income	1.0	1.3	1.2
Cash in banking accounts and cash on hand	5.6	18.8	6.2
	147.9	169.5	148.5
	208.6	**234.3**	**212.5**
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	53.0	53.5	53.5
Other reserves	–0.0	–0.1	–0.1
Unappropriated group profit	–1.9	7.5	–2.4
Shareholders' equity in Hawesko Holding AG	**74.9**	**84.7**	**74.8**
Non-controlling interests	6.3	7.4	7.5
	81.2	**92.1**	**82.3**
Long-term provisions and liabilities			
Provisions for pensions	0.9	0.9	0.9
Other long-term provisions	1.2	1.7	0.7
Borrowings	5.7	7.6	10.8
Advances received	0.9	2.6	1.7
Other liabilities	0.0	0.0	0.0
Other financial liabilities	12.4	12.7	16.5
Deferred tax liabilities	1.0	0.9	1.1
	22.0	26.3	31.6
Short-term provisions and liabilities			
Non-controlling interests in the capital of unincorporated subsidiaries	0.0	0.0	0.0
Borrowings	33.5	14.6	32.8
Advances received	6.3	6.6	7.1
Trade accounts payable	50.6	67.7	45.8
Income taxes payable	1.0	1.5	0.5
Other liabilities	14.0	25.4	12.4
	105.5	115.8	98.6
	208.6	**234.3**	**212.5**

The previous year's figures were adjusted to conform with the 2013 consolidated balance sheet.

Hawesko Holding AG

Consolidated Cash Flow Statement (as per IFRS)

(in € millions, unaudited, rounding differences are possible)	1.1.–30.6. 2014	1.1.–30.6. 2013
Result before taxes on income	7.0	9.5
Depreciation and amortisation of intangible and tangible assets tangible and intangible assets	3.4	3.3
Interest result	0.1	0.7
Result from the disposal of fixed assets	—	–0.0
Result from the companies reported using the equity method	–0.0	–0.1
Dividend payments received from investments	0.0	0.3
Change in inventories	–5.3	–1.1
Change in borrowings and other assets	15.9	26.0
Change in provisions	–0.5	0.2
Change in liabilities (excluding borrowings)	–30.4	–42.2
Taxes on income paid out	–2.3	–3.0
Net outflow of payments from current operations	**–12.1**	**–6.2**
Acquisition of subsidiaries net of funds acquired	—	–2.5
Outpayments for tangible and intangible assets Other assets	–2.0	–2.2
Inpayments from the disposal of financial assets intangible and tangible assets	0.1	0.1
Inpayments from the disposal of financial assets	0.0	0.0
Net funds employed for investing activities	**–1.9**	**–4.7**
Outpayments for dividends	–14.8	–14.8
Outpayments to non-controlling interests	–1.0	–0.5
Payment of finance lease liabilities	–0.2	–0.2
Change in short-term borrowings	18.9	23.3
Repayment of medium- and long-term borrowings	–1.8	–1.8
Interest received	0.0	0.0
Interest paid out	–0.4	–0.5
Inflow of net funds from financing activities	**0.9**	**5.6**
Net decrease of funds	**–13.2**	**–5.3**
Funds at start of period	18.8	11.5
Funds at end of period	**5.6**	**6.2**

Hawesko Holding AG, Consolidated statement of changes in equity

	Subscribed capital	Capital reserve	Retained earnings	Other reserves			Unappropriated group profit	Ownership of interest of Hawesko Holding AG shareholders	Non-controlling interests	Total
				Balancing items from currency translation	Revaluation components of pension obligations	Reserve for cash flow hedge				
Status at 1 January 2013	13.7	10.1	47.8	0.1	0.0	–0.3	11.8	83.2	6.5	89.7
Appropriation to retained earnings	—	—	5.7	—	—	—	–5.7	—	—	—
Change in the consolidation group	—	—	—	—	—	—	—	—	1.2	1.2
Dividends	—	—	—	—	—	—	–14.8	–14.8	–0.5	–15.3
Consolidated net income	—	—	—	—	—	—	6.4	6.4	0.3	6.7
Other result	—	—	—	–0.0	—	–0.0	—	–0.1	–0.0	–0.1
Deferred tax on other result	—	—	—	—	—	0.1	—	0.1	—	0.1
Status at 30 June 2013	13.7	10.1	53.5	0.0	0.0	–0.2	–2.4	74.8	7.5	82.4
Status at 1 January 2014	13.7	10.1	53.5	0.0	0.0	–0.1	7.5	84.7	7.4	92.1
Withdrawal from retained earnings	—	—	–0.5	—	—	—	0.5	—	—	—
Dividends	—	—	—	—	—	—	–14.8	–14.8	–1.0	–15.8
Consolidated net income							5.0	5.0	–0.1	4.8
Other result	—	—	—	0.0	—	0.0	—	0.0	0.0	0.1
Deferred tax on other result	—	—	—	—	—	–0.0	—	–0.0	—	–0.0
Status at 30 June 2014	13.7	10.1	53.0	0.0	0.0	–0.1	–1.9	74.9	6.3	81.2

Segment results for the 2nd quarter
(in € millions, rounding differences are possible)

1.4.–30.6.2014	Specialist retail	Wholesale	Mail order	Miscellaneous/ Consolidation	Group
External sales	**33.1**	**43.8**	**34.1**	**0.0**	**111.0**
Operating result (EBIT)	**3.8**	**1.0**	**0.8**	**–2.5**	**3.3**

1.4.–30.6.2013	Specialist retail	Wholesale	Mail order	Miscellaneous/ Consolidation	Group
External sales	**31.0**	**47.8**	**34.4**	**0.0**	**113.3**
Operating result (EBIT)	**3.4**	**1.3**	**3.6**	**–1.5**	**6.7**

Six-month segment results
(in € millions, rounding differences are possible)

1.1.–30.6.2014	Specialist retail	Wholesale	Mail order	Miscellaneous/ Consolidation	Group
External sales	**62.6**	**84.2**	**72.2**	**0.0**	**219.0**
Operating result (EBIT)	**6.2**	**1.6**	**3.0**	**–3.7**	**7.1**

1.1.–30.6.2013	Specialist retail	Wholesale	Mail order	Miscellaneous/ Consolidation	Group
External sales	**59.8**	**86.0**	**70.5**	**0.0**	**216.3**
Operating result (EBIT)	**5.8**	**2.0**	**5.3**	**–2.9**	**10.1**

Notes to the six-month report to 30 June 2014

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 2014 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 2013.

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: The consolidation group of Hawesko Holding AG remains unchanged from that listed in the 2013 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 2013. (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 64 to 65 in the 2013 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 2013:* The annual general meeting of shareholders on 16 June 2014 decided to appropriate the unappropriated earnings reported in the annual accounts of Hawesko Holding AG of € 15.093.751,42 as follows: (a) Payout of an ordinary dividend of €1.65 per entitled share. With a total number of 8,983,403 shares entitled to dividends, this amounts to a total of € 14,822,614.95. b) The remaining amount of € 271,136.47 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 management board* to the date of the writing of this report. The term of office on the supervisory board of Dr. Franz Jürgen Säcker ended with the annual general meeting of shareholders on 16 June 2014. Dr. Joh. Christian Jacobs was elected to the supervisory board at the annual general shareholders' meeting on the same day. On 30 June 2014 he was elected as the chairman of the supervisory board. (6) *Business with closely associated persons:* As disclosed in the Notes to the financial statements for 2013 under point 44, 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 and the management board have not changed since 31 December 2013. (7) *Treasury shares:* Hawesko Holding AG holds no treasury shares as of the date of writing of this report.

Other information	1.1.–30.6. 2014	1.1.–30.6. 2013
Employees (average during the period)	915	905

Declaration of the legal representatives in accordance with Section 37y of the German Securities Trading Law (WpHG)

To the best of our knowledge, we affirm that, in accordance with the applied principles of proper consolidated interim reporting, the consolidated interim financial statement conveys an overview of the actual earnings and financial situation of the Group, the consolidated interim management report accurately depicts the course of business including the net operating profit and situation of the Group and that the significant opportunities and risks of the anticipated development of the Group in the remaining fiscal year are described.

Hamburg, 5 August 2014

<s> Margaritoff <s>Hoolmans <s>Siebdrat <s>Zimmermann

Calendar:

Nine-month report to 30 September 2014	6 November 2014
Preliminary report on fiscal year 2014	Early February 2015

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