Hawesko Holding AG
Hamburg

ISIN DE0006042708
Reuters HAWG.DE, Bloomberg HAW GR

Quarterly financial report to 30 September 2014

Hamburg, 6 November 2014

Highlights in € (millions)	Nine months (1.1.–30.9.)			3rd quarter (1.7.–30.9.)		
	2014	2013	+/–	2014	2013	+/–
Consolidated sales	**322.4**	**315.8**	**2.1%**	**103.4**	**99.5**	**3.9%**
Result from operations (EBIT)	**9.6**	**12.1**	**–20.6%**	**2.5**	**1.9**	**29.7%**
Consolidated net income excluding non-controlling interests	**6.6**	**6.4**	**3.3%**	**1.6**	**0.0**	**>100%**

Dear shareholders,

As expected, we were able to catch up on sales revenues in the third quarter against the previous quarter. Based on the continuing business operations, i.e. excluding *Château Classic*, all segments contributed to growth. The strong development in the German wholesale segment as well as the outstanding response to our anniversary offers at *Jacques'* and *Hanseatisches Wein- und Sekt-Kontor* were particularly noteworthy. Thus, for the nine-month period sales increased overall by 2.1%. Excluding the effects of the highly vintage-dependent subscription business as well as *Château Classic* – and thus on the basis of business we can influence directly – the increase in sales is 5.7%.

We were likewise able to catch up in profits, but this development fell short of our expectations. As we had already reported via an ad-hoc press release, the overall expenses incurred for consulting services in the context of the continuous development of the Group were higher than originally estimated. In addition, several earnings improvements in growth segments planned for the third quarter were delayed. Thus, newly developed capacities at *Wein & Vinos* and the Swiss subsidiaries did not yet reach optimal utilisation levels in the reporting quarter. Accordingly, EBIT for the first nine months of 2014 remained below the level of the previous year. The initial impression made by the 21% decline looks completely different, however, when adjusted for the effects of the subscription business: then, with a decline of three percent, we are practically at the level of the previous year.

Apart from this temporary slowdown in pace, we are continuing to develop our basic business very consistently. Thus, in September another depot was opened in a location that is rather atypical for *Jacques'*, namely in the Hamburg district of Ottensen, an urban location with the characteristic high frequency of passers-by in a pedestrian zone, but limited parking availability. After the depot at Carlsplatz in Düsseldorf, this is the second outlet with a similar location. However, this does not indicate a change in strategy at *Jacques'*; rather, these depots enable us to address new customer groups. In particular, combined with the *Jacques'* website, we expect a positive response: customers can check the website and the products on offer while they're underway, drop by the depot, try something out – "Tastes great!" – and take their purchases with them. What other provider offers this combination? An additional new opening of this type is scheduled for the near future in another large German city. By the way, we are proud that *Jacques'* was once again chosen as the No. 1 Service Champion of the wine merchants, and this shows that we are serious about the quality of our merchandise as well as our service.

In the Group we are continuing to expand the number of our own brands and exclusive bottlings. These are made in accordance with the criteria of our wine experts, enabling us to offer our customers new discoveries and interesting alternatives on a regular basis. Moreover, with this diverse range of products, we also distinguish ourselves from our online competitors who are fixated exclusively on price and thus lower quality.

Now that tesdorpf.de, the redesigned online shop of our subsidiary *Carl Tesdorpf – Weinhandel zu Lübeck,* is up and running, with our ultra-premium segment we have entered a new era. We designed, developed and implemented this shop here at Hawesko with our own resources. This considerably accelerated the processes and coordination, and our high quality requirements were fully implemented from the very beginning.

Dear shareholders, looking forward we have every reason to be optimistic! The start of the all-important fourth quarter in October was satisfactory and all signals are go for the pre-Christmas business. The winter catalogue of *Hanseatisches Wein- und Sekt-Kontor* will be mailed out in the next few days. It will carry the 50th anniversary activities into the first months of fiscal year 2015 as well. *Jacques'* will conclude its successful activities surrounding its 40th anniversary in November and will then focus completely on the holiday business with exciting product launches and proven classics.

For fiscal year 2014 overall, we expect a sales increase of one to two percent and EBIT should visibly exceed the previous year's level, ranging between € 24-25 million. We also expect growth in earnings and the result for the coming fiscal year. We will provide more specific details of the forecast for 2015 in spring, as usual.

I wish you all a very merry Christmas and a great start to the new year, preferably with a good wine from the Hawesko Group!

Best regards,

Alexander Margaritoff
CEO

• • • • • • • • • • •

INTERIM MANAGEMENT REPORT

GENERAL SITUATION

Although the political crises in Ukraine and the Middle East are far from over, economists at banks and institutes do not expect a recession in the German economy, according to surveys. In contrast, the companies in industry are more skeptical than in the previous month with regard to the assessment of their current business situations, and the outlook for the future is also more pessimistic than before. Consequently, the ifo business climate index has fallen for the sixth consecutive time. In contrast, the mood of private consumers is positive: due to the current higher income expectations and stable employment, consumers' willingness to buy is increasing and the GfK consumption climate index has maintained the pleasing level of the last several months. This was also confirmed by the Deutsche Bundesbank, which assumed in its monthly report for October that the overall economic performance compared to the second quarter of 2014 could be maintained thanks to the positive economic signals from the consumers, and even considered a slight increase possible.

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

Third quarter

During the period from July to September 2014, sales of the Hawesko Group rose by 3.9% compared to the same quarter of the previous year (€ 99.5 million) to € 103.4 million. The effect from the delivery of the Bordeaux subscription wines in the quarter under review is negligible. Sales developed in the various business segments as follows: The stationary wine retail segment (*Jacques' Wein-Depot*) increased its sales by 5.4% to € 30.8 million. (previous year: € 29.2 million). Wholesale sales declined from € 39.3 million in the same quarter of the previous year to € 37.2 million in the quarter under review. Sales in the mail order segment rose from € 31.0 million to € 35.5 million, an increase of 14.2% over the previous year.

Adjusted for the sales from the delivery of the Bordeaux subscription wines and the discontinued company *Château Classic*, both in the reporting period and in the previous year's quarter, sales in the core business rose by 6.3%. From this standpoint, all three business segments grew: In addition to *Jacques' Wein-Depot* with its sales increase of 5.4%, the mail order segment grew by 13.9% and the wholesale segment by 0.6% respectively.

The specialist wine retail segment (*Jacques' Wein-Depot*) posted a sales increase of 5.4%, whereby sales in July were disproportionately strong in conjunction with the "Great Wine Tasting" during the celebration of the company's 40th anniversary. The anniversary activities are very popular with the customers and will be continued as Christmas activities beginning in mid-November. As of 30 September 2014 there were 286 *Jacques' Wein-Depots* in operation, of which 283 were in Germany (same date in the previous year: 281) and three in Austria (previous year: likewise three). The online shop at jacques.de complements the product range offered in the depots and grew by 24% 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 4.6% compared to the third quarter of 2013, driven by a higher volume of purchases.

The wholesale segment continued to enjoy stable demand in its core business. Sales at the Swiss subsidiaries *Globalwine* and *Vogel Vins* were slightly below the figures for the previous year due to the poor summer weather. The decline in sales from the same quarter of the previous year is due almost exclusively to the Bordeaux-based subsidiary *Château Classic*, which is currently in the final phase of winding up.

Sales in the mail order segment rose by 14.2% in the reporting period. In particular, growth at *Hanseatisches Wein- und Sekt-Kontor* stemming from the activities celebrating the company's 50th anniversary had a positive influence. These activities will be continued in the 2014/2015 winter catalogue. *Wein & Vinos* posted a sales increase of 8.3%, and *Carl Tesdorpf – Weinhandel zu Lübeck* of 21.9%. Sales at the Swedish subsidiary *The Wine Company* fell short of the figure for the same quarter in the previous year by 2.3%. As of 30 September 2014, the number of active customers in the mail order segment remained at the level of the previous year. In the third quarter of 2014, the share of sales made via the Internet increased by 14% compared to the same quarter in the previous year, thus accounting for 43% of segment sales (unchanged from the previous year).

Consolidated gross profit rose over the figure for the previous year. It increased by € 2.5 million to € 43.4 million, corresponding to a margin of 42.0% as in the same quarter of the previous year. The other operating income of € 4.1 million (same quarter of the previous year: € 3.6 million) consist for the most part of rental and leasing income at *Jacques'* as well advertising allowances. Personnel expenses increased in absolute terms by € 0.3 million in the third quarter; as a share of sales they decreased by 0.1 percentage points to 12.5%.

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

In € (millions) Rounding differences are possible	1.7.– 30.9.2014	1.7.– 30.9.2013
Advertising	9.2	8.9
Commissions to partners	7.5	7.3
Delivery costs	4.9	4.6
Rental and leasing	2.9	2.8
Other	6.4	5.4
	30.9	29.0

Expenses for advertising amounted to 8.9% of sales, compared to 9.0% in the previous year. Expenses for commissions amounted to 7.3% as in the previous year, and for shipping this figure was 4.8%, up from 4.6% in the previous year. Overall, other operating expenses and other taxes, including non-recurring expenditures for consulting services in conjunction with the ongoing development of the Group of € 0.7 million, amounted to € 30.9 million (previous year: € 29.0 million), thus accounting for 29.9% of sales in the quarter under review, up from 29.2% in the same quarter of the previous year.

The consolidated result of operations (EBIT) amounted to € 2.5 million in the third quarter of 2014 (previous year: € 1.9 million). The EBIT margin was 2.4% (previous year: 1.9%). The individual contributions of the business segments to the result from operations were as follows: Specialist wine retail *(Jacques' Wein-Depot)* contributed € 2.7 million, slightly more than the figure for the same quarter of the previous year (€ 2.6 million). The operating result (EBIT) in the wholesale segment amounted to € 0.4 million after € –0.6 million in the previous year; in the same quarter of the previous year, losses from the disposal of Bordeaux wines accrued at the French subsidiary which is currently being wound up. In the mail order segment, the operating result rose from € 1.1 million to € 1.5 million. Corporate costs of € 2.1 million (same quarter in the previous year: € 1.2 million) were deducted from these contributions to the operating result and posted under "Miscellaneous/Consolidation"; the difference from the previous year is due primarily to consulting expenses in conjunction with the ongoing development of the Group. There will be no more additional expenditures in this regard.

The financial result amounted to € –0.3 million, compared to € –0.4 million in the same quarter of 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 € 2.2 million (previous year: € 1.6 million). The anticipated rate of tax expenditures in the quarter under review is 32.6%. Consolidated net income after deductions for non-controlling interests amounted to €1.6 million (previous year: € 0.0 million). The profit per share amounted to € 0.18, after € 0.00 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 2014, the Group achieved sales of € 322.4 million, an increase of 2.1% over the same period of the previous year (€ 315.8 million). In the course of this, the specialist wine retail segment increased its sales by 4.9% from € 88.9 million to € 93.3 million; on a like-for-like basis an increase of 4.1% was achieved – in particular through promotions for the company's 40th anniversary. In the wholesale segment sales decreased in the nine-month period by 3.1% to € 121.4 million, mainly due to the winding up of *Château Classic* and – above all in the second quarter – the lower deliveries of Bordeaux subscription wines. The mail order segment increased its sales by 6.0% up to € 107.6 million – even with lower deliveries of Bordeaux wines in this segment as well – supported by anniversary promotions of *Hanseatisches Wein- und Sekt-Kontor* as well as by organic growth at *Wein & Vinos*.

Adjusted for the sales from the delivery of the Bordeaux subscription wines and the discontinued company *Château Classic*, both in the nine-month reporting period and in the previous year's period, sales in the core business rose by 5.7%. From this standpoint, all three business segments grew: In addition to *Jacques' Wein-Depot* with its sales increase of 4.9%, the mail order segment grew by 8.4% and the wholesale segment by 3.9% respectively.

The consolidated gross profit margin increased by 0.1 percentage point to 41.5% of sales. Personnel expenses accounted for 11.9% of sales (previous year: 11.7%) of sales. During the nine-month period, other operating expenses and other taxes compared to those of the previous year as follows:

In € millions Rounding differences are possible	1.1.– 30.9.2014	1.1.– 30.9.2013
Advertising	28.5	27.4
Commissions to partners	23.3	22.3
Delivery costs	14.7	13.9
Rental and leasing	8.5	8.3
Other	19.4	17.5
	94.5	89.3

Other income and expenditures added up to 38.5% (previous year: 37.6%) of sales. Thus, in the first nine months of 2014 the operating result (EBIT) amounted to 3.0% (previous year: 3.8%) of sales or € 9.6 million in the period under review (previous year: € 12.1 million). Regarding the individual segments, EBIT at *Jacques'* increased in line with sales by 5.8% up to € 8.8 million. In the wholesale segment the increase of 42.7% up to € 2.0 million resulted from the non-recurrence of charges in connection with *Château Classic*. In mail order EBIT decreased by 29.3% to € 4.5 million in spite of the sales increase because the step-up of infrastructure and lack of proceeds in connection with subscription wine deliveries put a weight on earnings.

The financial result in the reporting period amounted to € –0.4 million, after € –1.0 million in the previous year; in the result for the period under review, € 0.5 million apply to the revaluation of a financial instrument as per IAS 39 (first nine months in the previous year: € –0.4 million). The result before taxes on income amounted to € 9.1 million (previous year: € 11.1 million). Consolidated net income after deductions for non-controlling interests amounted to € 6.6 million, compared to € 6.4 million in the same period of the previous year. The earnings per share amounted to € 0.73, compared to € 0.71 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	30.09.2014		31.12.2013		30.09.2013	
Long-term assets	59.9	*29%*	64.7	*28%*	63.9	*30%*
Short-term assets	149.8	*71%*	169.5	*72%*	148.3	*70%*
Balance sheet total	209.8	*100%*	234.3	*100%*	212.2	*100%*
Liabilities and shareholders' equity						
Equity	82.7	*39%*	92.1	*39%*	82.2	*39%*
Long-term provisions and liabilities	21.7	*10%*	26.3	*11%*	32.0	*15%*
Short-term liabilities	105.4	*50%*	115.8	*49%*	98.0	*46%*
Balance sheet total	209.8	*100%*	234.3	*100%*	212.2	*100%*

The balance sheet total at 30 September 2014 was € 209.8 million, corresponding to a reduction of € 24.5 million compared to the total at 31 December 2013. The short-term assets include trade receivables, which declined as expected by € 16.5 million to € 32.0 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 September 2013).

Equity declined by € 9.4 million compared to the end of 2013 after the payment of the dividend in the amount of €14.8 million to € 82.7 million. Short-term liabilities declined in net terms on a seasonal basis by € 10.5 million compared to the reference date 31 December 2013 to € 105.4 million.

Financial performance

Liquidity analysis

Cash flow from current operations amounted to € –10.5 million in the first nine months of 2014. (previous year: € –6.1 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.– 30.9.2014	1.1.– 30.9.2013
Cash flow from current operations	–10.5	–6.1
Cash flow from investment activity	–3.5	–5.9
Cash flow from financing activities	–0.6	5.0

At € 3.5 million, the funds employed for investment activities declined in the first nine months of 2014 from the previous year's figure (€ 5.9 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 € –14.9 million as of 30 September 2014 was below that of the previous year (€ –12.7 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 (€ –10.5 million), less funds employed for investment activities (€ –3.5 million) and interest paid out (€ –0.9 million).

Investment analysis

Investments in tangible and intangible assets in the first nine months of fiscal year 2014 amounted to € 3.7 million (same period in the previous year: € 3.5 million). The investments in intangible assets of € 1.2 million were related to software in mail order and wholesale. The investments in tangible assets of € 2.5 million related primarily 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 are 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: A rise in sales in the order of magnitude of 1–2% compared to the previous year (€ 465 million) is expected. The management board has changed its forecast for the operating result (EBIT) and consolidated net income. In the context of the continuous development of the Group, higher expenses than expected totalling € 1.8 million were incurred for consulting services; these are by nature non-recurring costs. According to current estimates of the management board, the profits in the subsidiaries will not suffice to compensate for effects reducing the result; an increase in profitability, which is expected particularly in the mail order segment after stepping up its infrastructure, will occur more slowly than expected. Thus, the management board has revised the previous EBIT forecast of € 26 million accordingly: it now expects that the result will be in a range between between 5.1% and 5.3 % (previous year: 4.8%). According to the current assessment of the management board, consolidated EBIT in the magnitude of € 24-25 million (compared to € 22.6 million in the previous year) is expected, assuming normal development of the important holiday business in the fourth quarter. A net expenditure of approximately € 0.5 million and, as a result of the new EBIT forecast, consolidated net income of roughly €16 million (previously: roughly € 17 million) are expected. For 2014 it is also 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 in the magnitude of €17 million.

Hawesko Holding AG

Profit and loss statement for the first nine months of 2014 (as per IFRS)

(in € millions, unaudited, rounding differences possible)	1.1.–30.9. 2014	1.1.–30.9. 2013
Sales revenues	**322.4**	**315.8**
Increase (decrease) in finished goods inventories	0.7	0.5
Other operating income	13.1	11.9
Cost of purchased goods	–188.6	–185.2
Personnel expenses	–38.4	–36.8
Depreciation and amortisation	–5.1	–4.9
Other operating expenses and other taxes	–94.5	–89.3
Result from operations (EBIT)	**9.6**	**12.1**
Financial result		
Interest earnings/expenditures	–1.0	–0.7
Other financial result	0.5	–0.4
Income from long-term equity investments	0.1	0.2
Result before taxes on income	9.1	11.1
Taxes on income and deferred tax expenses	–2.8	–4.6
Consolidated net income	**6.3**	**6.5**
of which		
— shareholders' equity in Hawesko Holding AG	6.6	6.4
— allocable to non-controlling interests	–0.3	0.1
Earnings per share(in €, undiluted = diluted)	0.73	0.71
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 2014 (as per IFRS)

(in € millions, unaudited, rounding differences possible)	1.7.–30.9. 2014	1.7.–30.9. 2013
Sales revenues	**103.4**	**99.5**
Increase in finished goods inventories	0.5	0.5
Other operating income	4.1	3.6
Cost of purchased goods	–60.0	–58.6
Personnel expenses	–12.9	–12.6
Depreciation and amortisation	–1.7	—1.6
Other operating expenses and other taxes	–30.9	–29.0
Result from operations (EBIT)	**2.5**	**1.9**
Financial result		
Interest earnings/expenditures	–0.6	–0.3
Other financial result	0.2	–0.1
Income from long-term equity investments	0.0	0.1
Result before taxes on income	2.2	1.6
Taxes on income and deferred tax expenses	–0.7	–1.7
Consolidated net income	**1.5**	**–0.1**
of which		
— shareholders' equity in Hawesko Holding AG	1.6	0.0
— allocable to non-controlling interests	–0.2	–0.2
Earnings per share(in €, undiluted = diluted)	0.18	0.00
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. 2014	1.1.–30.9. 2013
Consolidated net income	**6.3**	**6.5**
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	*0.1*	*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	**6.4**	**6.6**
of which		
– shareholders' equity in Hawesko Holding AG	6.6	6.5
– allocable to non-controlling interests	–0.3	0.2

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. 2014	1.7.–30.9. 2013
Consolidated net income	**1.5**	**–0.1**
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	0.0
Other comprehensive income	**0.0**	**0.0**
Total comprehensive income	**1.5**	**–0.1**
of which		
– shareholders' equity in Hawesko Holding AG	1.6	0.0
– allocable to non-controlling interests	–0.1	–0.1

Hawesko Holding AG
Consolidated balance sheet (as per IFRS)

(in € millions, unaudited, rounding differences are possible)	30.9.2014	31.12.2013	30.9.2013
Assets			
Long-term assets			
Intangible assets	33.1	34.2	34.5
Tangible assets	21.3	21.8	21.2
Investments accounted for using the equity method	0.6	0.5	0.8
Other financial assets	0.2	0.2	0.2
Advance payments on stocks	1.7	4.9	3.6
Receivables and other assets	1.1	1.2	1.7
Deferred tax liabilities	1.9	1.9	1.9
	59.9	64.7	63.9
Short-term assets			
Inventories	106.2	95.8	106.1
Trade receivables	32.0	48.5	30.4
Receivables and other assets	6.5	5.2	6.1
Receivables from taxes on income	1.0	1.3	1.2
Cash in banking accounts and cash on hand	4.2	18.8	4.6
	149.8	169.5	148.3
	209.8	**234.3**	**212.2**
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	–0.3	7.5	–2.4
Shareholders' equity in Hawesko Holding AG	**76.5**	**84.7**	**74.8**
Non-controlling interests	6.2	7.4	7.4
	82.7	**92.1**	**82.2**
Long-term provisions and liabilities			
Provisions for pensions	0.9	0.9	0.9
Other long-term provisions	1.2	1.7	0.8
Borrowings	5.0	7.6	10.1
Advances received	1.5	2.6	2.5
Other liabilities	0.0	0.0	0.0
Other financial liabilities	12.2	12.7	16.6
Deferred tax liabilities	1.0	0.9	1.1
	21.7	26.3	32.0
Short-term provisions and liabilities			
Non-controlling interests in the capital of unincorporated subsidiaries	0.0	0.0	0.0
Borrowings	33.3	14.6	33.2
Advances received	5.6	6.6	7.0
Trade accounts payable	49.4	67.7	44.1
Income taxes payable	1.0	1.5	0.5
Other liabilities	16.1	25.4	13.3
	105.4	115.8	98.0
	209.8	**234.3**	**212.2**

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.–30.9. 2014	1.1.–30.9. 2013
Result before taxes on income	9.1	11.1
Depreciation and amortisation of intangible and tangible assets tangible and intangible assets	5.1	4.9
Interest result	0.5	1.1
Result from the disposal of fixed assets	—	–0.0
Result from the companies reported using the equity method	–0.1	–0.2
Dividend payments received from investments	0.0	0.3
Change in inventories	–7.2	–0.9
Change in borrowings and other assets	15.2	23.2
Change in provisions	–0.5	0.1
Change in liabilities (excluding borrowings)	–29.7	–41.5
Taxes on income paid out	–3.1	–4.3
Net outflow of payments from current operations	**–10.5**	**–6.1**
Acquisition of subsidiaries net of funds acquired	—	–2.5
Outpayments for tangible and intangible assets	–3.7	–3.5
Inpayments from the disposal of financial assets intangible and tangible assets	0.2	0.1
Inpayments from the disposal of financial assets	0.0	0.0
Net funds employed for investing activities	**–3.5**	**–5.9**
Outpayments for dividends	–14.8	–14.8
Outpayments to non-controlling interests	–1.0	–0.5
Payment of finance lease liabilities	–0.3	–0.3
Change in short-term borrowings	18.7	23.7
Repayment of medium- and long-term borrowings	–2.3	–2.3
Interest received	0.1	0.1
Interest paid out	–1.0	–0.8
Outflow/inflow of net funds from financing activities	**–0.6**	**5.0**
Net decrease of funds	**–14.6**	**–6.9**
Funds at start of period	18.8	11.5
Funds at end of period	**4.2**	**4.6**

HAWESKO HOLDING AG

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	0.1	6.5
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 September 2013	13.7	10.1	53.5	0.0	0.0	–0.1	–2.4	74.8	7.4	82.2
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	—	—	—	—	—	—	6.6	6.6	–0.3	6.3
Other result	—	—	—	0.0	—	0.1	—	0.0	0.0	0.1
Deferred tax on other result	—	—	—	—	—	–0.0	—	–0.0	—	–0.0
Status at 30 September 2014	13.7	10.1	53.0	0.0	0.0	–0.1	–0.3	76.5	6.2	82.7

HAWESKO
HOLDING AG

Segment results for the 3rd quarter
(in € millions, rounding differences are possible)

1.7.–30.9.2014	Specialist retail	Wholesale	Mail order	Miscellaneous/ Consolidation	Group
External sales	**30.8**	**37.2**	**35.5**	**0.0**	**103.4**
Operating result (EBIT)	**2.7**	**0.4**	**1.5**	**–2.1**	**2.5**

1.7.–30.9.2013	Specialist retail	Wholesale	Mail order	Miscellaneous/ Consolidation	Group
External sales	**29.2**	**39.3**	**31.0**	**0.0**	**99.5**
Operating result (EBIT)	**2.6**	**–0.6**	**1.1**	**–1.2**	**1.9**

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

1.1.–30.9.2014	Specialist retail	Wholesale	Mail order	Miscellaneous/ Consolidation	Group
External sales	**99.3**	**121.4**	**107.6**	**0.0**	**322.4**
Operating result (EBIT)	**8.8**	**2.0**	**4.5**	**–5.8**	**9.6**

1.1.–30.9.2013	Specialist retail	Wholesale	Mail order	Miscellaneous/ Consolidation	Group
External sales	**88.9**	**125.3**	**101.5**	**0.0**	**315.8**
Operating result (EBIT)	**8.3**	**1.4**	**6.4**	**–4.1**	**12.1**

Appendix to the quarterly financial report to 30 September 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 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 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. Effective 1 August 2014, the Municipal Court of Hamburg appointed Dr. Wolfgang Reitzle as a further member 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.–30.9. 2014	1.1.–30.9. 2013
Employees (average during the period)	917	919

Calendar:

Preliminary report on fiscal year 2014	Early February 2015

Published by: Hawesko Holding AG
– Investor Relations –
20247 Hamburg

Phone +49 40 / 30 39 21 00
Fax +49 40 / 30 39 21 05
Internet: http://www.hawesko-holding.com