Hawesko Holding AG
Hamburg

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Quarterly financial report to 31 March 2016

Hamburg, 3 May 2016

Highlights
in € (millions)

	1st quarter 1.1.–31.3. 2016	1.1.–31.3. 2015	+/–
Consolidated sales	**104.8**	**105.8**	**–1.0%**
Result from operations (EBIT)	**4.8**	**–2.6**	**—**
– Adjusted for non-recurring expenditures	*4.8*	*4.2*	*15.3%*
Consolidated net income excluding non-controlling interests	**3.0**	**–2.0**	**—**

Dear shareholders,

Hawesko Holding AG started fiscal year 2016 with a strong first quarter. We've succeeded not only posting in a positive operating result, but also increased the EBIT for the first three months by 15% on an adjusted basis to € 4.8 million, and can thus report a very high level for the first quarter of the year. The operative EBIT margin also significantly improved from 3.9% to 4.6%.

Jacques' Wein-Depot and the distance-selling brands contributed substantially to this. The classic growth drivers at *Jacques'* – higher average receipts, increasing customer frequency and growing customer numbers – produced a significant upswing throughout the quarter, helped by the Easter sales as well. Sales rose overall by 3.6%, while the like-for-like growth rate was 3.1%. *Jacques'* also achieved a disproportionate rise in EBIT compared to the same quarter in the previous year.

However, the concentration on profitable sales is thus a focal point precisely in areas where the topline performance still declined during the first quarter of 2016, as our B2B brands recently optimized their supplier portfolio precisely to enhance sales profitability. During the transitional phase, interim sales adjustments are inevitable, as demonstrated particularly by the sales development of our B2B brands abroad. In the past year, we wound up our wholesale activities in France and re-oriented our operations in Switzerland. The impacts are reflected in the quarter under review in comparison with the figures from the previous year. Overall, our B2B business posted slight decline in sales and results.

With regard to our distance-selling brands, we were pleased with the positive sales growth at *Wein & Vinos* and *Carl Tesdorpf – Weinhandel zu Lübeck*, our brands with an especially clear focus. In contrast, Hawesko.de is noticing the increasing competition from the numerous new online shops both with respect to premium wines as well as the expansion of the product ranges at the large retail chains. On the positive side, total new customer acquisition once again achieved the high level of the previous year, and online business as a share of total sales further increased as well. The fact that our distance-selling brands achieved extraordinary earnings growth of 47% overall confirms that our earnings-focused business strategy is the right one.

Dear shareholders, we still have a lot of work ahead of us. Internally, we will transform ourselves from a largely decentralized corporate group into a powerful organization in which corporate functions are sensibly combined – not least in the provision of our own e-commerce platforms developed in-house. Of course, by centralizing the coordination of such tasks, we are also aiming for improvements in performance and cost advantages. But above all, we will enable our individual B2C and B2B brands to concentrate fully on their market presence, always with the goal of significantly outperforming the market overall with higher profitability. And all of this under the motto: "Many strong brands – one strong Group".

We believe our goal of reaching the high level of sales of the previous year is realistic in the current fiscal year 2016. We therefore assume that we will be able to make up for the lack of sales in the operations that were terminated or restructured in 2015. With regard to earnings, on the other hand – keyword: profitable sales – we expect a strong rise in the EBIT to € 28–29 million.

Overall, we take an optimistic view of the overall fiscal year 2016. In any event, we have big plans and want to take Hawesko Holding AG further. Let's do this together!

Best regards

Your Management Board

Thorsten Hermelink, Chairman	*Alexander Borwitzky*	*Nikolas von Haugwitz*	*Bernd G. Siebdrat*	*Ulrich Zimmermann*

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INTERIM MANAGEMENT REPORT

GENERAL SITUATION

Against the background of the dimmer growth outlook for Europe since the beginning of the year, the perspectives for the German economy are still considered good. The federal government expects a continuation of the robust economic development, with growth of 1.7% in 2016, after 1.7% in the previous year. The economic upswing is supported primarily by domestic demand; in particular, its increasing dynamism and the good situation in the job market should lead to significant increases in wages and salaries. The German federal government thus expects an accelerated increase of 2.6% in net wages and salaries per employee and – due to the upward pension adjustments as well – an increase of as much as 2.9% in the disposable income of private households. In contrast, consumer prices are expected to rise by only a moderate 0.5%. This would result in a significant increase in real buying power and thus the prospect of a strong increase in private consumer spending. According to the federal government, in 2016 private households will consume 2.0% more in price-adjusted terms than in the previous year. The market research data from GfK show a similar trend: although the economic expectations of the Germans are now more restrained, their income expectations in March remained at the very high level of the same month in the previous year. Their propensity to consume likewise remained very high in March. They believe it is a good time to spend money on high-quality products and services.

With this in mind, the Hawesko management board anticipates a positive consumer mood as well as favorable economic dynamics for the current fiscal year, from which the wine market should benefit as well.

BUSINESS PERFORMANCE

Financial performance

First quarter

In the period from January to March 2016, sales of the Hawesko Group amounted to € 104.8 million, and thus 1.0% below the previous year's figure (€ 105.8 million). In Germany, consolidated sales rose by 0.4%, while they declined by 11.7% due to a stratgic re-orientation in Switzerland and the base effect of *Château Classic,* which is currently in liquidation. In the quarter under review, sales developed in the individual business segments as follows: The stationary specialist wine retail segment (*Jacques' Wein-Depot*) achieved sales of € 31.9 million, an increase of 3.6% over the corresponding period of the previous year (€ 30.8 million). Wholesale sales declined from € 38.1 million in the same quarter of the previous year to € 36.4 million in the quarter under review. In the mail order segment, sales declined from € 36.9 million to € 36.5 million. The consolidated operating result (EBIT) amounted to € 4.8 million in the first quarter of 2016 (previous year: € –2.6 million), a very high figure in a comparison covering many years. The EBIT margin thereby moved out of a negative range and, adjusted for extraordinary costs, improved from 3.9% in the previous year to 4.6% in the quarter under review.

Due to the high inventories for customers in the strong Christmas season in 2015, sales at *Jacques' Wein-Depot* remained unchanged in January, regaining momentum in February. Growth in March was assisted by the pre-Easter shopping, which was completed by the end of March due to the timing of the Easter holidays. At the reference date at the end of the quarter, there were 293 Jacques' Wein-Depots, all of them in Germany (previous year: 287). On a like-for-like basis, sales increased by 3.1% over the first quarter of 2015, assisted by higher average sales receipts and increased customer frequency. The number of active customers rose once again. The EBIT in this segment rose by 4.6% from € 2.7 million to € 2.8 million, and thus disproportionately to sales.

In the wholesale segment, the decline in sales in 2016 compared to the previous year was due primarily to foreign sales (–13.4%), while domestic sales shrank by only –1.6%. Overall, the segment posted a weaker start in January. After that, current operations improved, although sales have been lost since the beginning of the year due to adjustments in the supplier portfolio. However, the newly restructured supplier portfolio opened up new strategic options. The other domestic divisions already closed part of the sales gap resulting from the adjustment. The supplier adjustment is responsible for roughly half of the decline from the previous year in the wholesale segment, while the other half was due to the base effect of the closing of *Château Classic* in liquidation. First-quarter sales in Switzerland fell compared to the same period in the previous year due to the decline in the rare wine business and the closure of the unprofitable wine bars operated there. In the wholesale segment overall, the EBIT declined from € 0.6 million to € 0.3 million. This development was dominated by domestic business, due mostly to the lower sales in conjunction with a less satisfactory sales/cost ratio. Foreign operations, on the other hand, reached the break-even point thanks to last year's re-orientation of the business in Switzerland.

In distance selling, sales development compared to the previous year was influenced by the even tougher competition, which was felt particularly by the *Hawesko.de* brand in the comparison with the same quarter of the previous year. The number of new competitors in online wine trading and the expansion of the product ranges of established dealers primarily in the food retail sector have led to increasingly harsh competition in the market. New customer acquisition throughout the segment remained at the high level of the previous year. The average number of bottles ordered declined from the same quarter in the previous year. Our subsidiary *Wein & Vinos,* which focuses on Spanish wines, posted sales growth of 4.8%, while *The Wine Company,* which serves the Swedish market, posted a decline of –1.0% and sales at *Carl Tesdorpf – Weinhandel zu Lübeck* increased by 3.2%. As of 31 March 2016, the number of active customers in the mail order segment remained at nearly the level of the previous year (–1.6%). In the first quarter of 2016, the share of sales made via the Internet increased by 5.8% compared to the same quarter in the previous year, thus accounting for 49% of segment sales (previous year: 45%). The EBIT in the distance selling segment increased by nearly half to € 3.0 million (same quarter in the previous year: € 2.1 million). This is due primarily to the increase in the results at *Wein & Vinos* and *Hawesko.de,* thanks to their increased cost-effectiveness as well as the additionally more profitable sales at *Hawesko.de.*

Consolidated gross profit rose by € 0.2 million to € 44.9 million in the first quarter, corresponding to a margin of 42.9% (previous year: 42.2%). The reasons behind this included the higher share of sales of the specialist wine retail segment and the concentration of the distance-selling segment on more profitable sales, which is characterized by a higher percentage of private brands, among other things. The other operating income of € 4.2 million (same quarter of the previous year: € 5.7 million) consisted for the most part of rental and leasing income at *Jacques'* as well advertising allowances. Personnel expenses decreased by € 6.9 million in the first quarter of 2016, due primarily to the formation of a personnel provision for the chief executive officer who left on 30 April 2015 in the amount of € 6 million in the previous year; adjusted for this amount, personnel expenses declined by € 0.5 million and accounted for 11.9% of sales (previous year: 12.3% [adjusted]).

Other operating expenses compared to those of the previous year as follows (rounding differences are possible):

In € millions	31.3.2016	31.3.2015
Advertising	8.7	9.1
Commissions to partners	7.9	7.7
Delivery costs	4.8	4.9
Rental and leasing	2.9	2.9
Other	5.9	7.3
	30.2	31.8

Advertising expenses declined from € 9.1 million to € 8.7 million over the same quarter in the previous year, primarily due to the changed advertising rhythm in distance selling and accounted for 8.3% of sales (previous year: 8.6%). Expenditures for commissions accounted for 7.6% of sales (previous year: 7.2%), while delivery costs accounted for 4.6% (previous year: 4.6%). Overall, other operating expenses and other taxes amounted to € 30.2 million (previous year: € 31.8 million), thus accounting for 28.8% of sales in the quarter under review, compared to 30.1% in the same quarter of the previous year.

The consolidated operating result (EBIT) in the first quarter of 2016 was € 4.8 million (previous year: € –2.6 million; adjusted for non-recurring expenses € 4.2 million), a very high figure in a long-term comparison. At 4.6%, the EBIT margin was up from the previous year's adjusted figure of 3.9%. The individual contributions of the business segments to the result from operations were as follows: Specialist wine retail (Jacques' Wein-Depot) contributed € 2.8 million (same quarter in the previous year: € 2.7 million). The operating result in the wholesale segment amounted to € 0.3 million (€ 0.6 million). With € 3.0 million, distance selling posted the largest increase in the operating result compared to the previous year's level (€ 2.1 million). Corporate costs of € 1.3 million (same quarter in the previous year: € 7.9 million) were deducted from these contributions to the operating result and posted under "Miscellaneous/Consolidation"; the difference from the previous year is primarily due to the formation of the reserve for the former chief executive officer and consulting expenses in conjunction with the takeover process in the first quarter of 2015.

The financial result amounted to € –0.1 million (previous year: € –0.3 million). The result before taxes on income amounted to € 4.7 million (€ –2.9 million). The tax result is € –1.5 million (previous year: positive amount of € 0.9 million). Consolidated net income paid out to the shareholders of Hawesko Holding AG amounted to € 3.0 million (previous year: consolidated loss: € –2.0 million). Earnings per share amounted to € 0.33, up from € –0.22 the year before. This was based on the figure of 8,983,403 shares in the reporting period (unchanged from the previous year).

Net worth

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

Assets	31.03.2016		31.12.2015		31.03.2015	
Long-term assets	61.4	*31%*	60.3	*27%*	60.4	*29%*
Short-term assets	138.3	*69%*	159.5	*73%*	144.5	*71%*
Balance sheet total	199.8	*100%*	219.8	*100%*	204.9	*100%*
Liabilities and shareholders' equity						
Equity	82.8	*41%*	91.3	*42%*	77.7	*38%*
Long-term provisions and liabilities	22.1	*11%*	22.5	*10%*	21.3	*10%*
Short-term liabilities	94.9	*48%*	106.0	*48%*	105.9	*52%*
Balance sheet total	199.8	*100%*	219.8	*100%*	204.9	*100%*

Changes since the reference date on 31 December 2015

The balance sheet total at 31 March 2016 was € 199.8 million, down from the total at 31 December 2015 (€ 219.8 million). While total long-term assets rose slightly, short-term assets were reduced by € 21.2 million compared to the reference date at the end of the year. The primary reason for this was a reduction in trade receivables (trade receivables typically reach their highest level at 31 December).

Total equity capital declined from € 91.3 million at 31 December 2015 to € 82.8 million after the first quarter in 2016, due primarily to the reclassification of the funds for the proposed dividends as miscellaneous liabilities. Long-term provisions and liabilities amounted to € 22.1 million and declined by € 0.4 million. The deviation is due primarily to provisioning for the former chief executive officer. The short-term liabilities were reduced by € 11.1 million. The primary reason for this was a reduction in trade receivables (trade receivables typically reach their highest level at 31 December).

Changes from the previous year’s reference date 31 March 2015

Compared to the previous year’s reference date (31 March 2015), the balance sheet total declined by € 5.1 million. With regard to the long-term assets, the advance payments made on inventories rose, as the demand for the 2014 Bordeaux subscription wines was higher than for the preceding year. On the other hand, the short-term assets declined still further, particularly due to reduced inventories in the wholesale segment.

With regard to the long-term reserves and liabilities, the customer payments received rose, as the demand for the 2014 Bordeaux subscription wines was higher than for the vintage of the preceding year. With regard to the short-term provisions and liabilities, primarily the short-term borrowings were reduced due to the scheduled repayments of the bank loan for the acquisition of the majority interest in *Wein & Vinos*.

The working capital requirement at 31 March 2016 decreased in comparison to the reference date in the previous year, due primarily to lower inventories and trade receivables.

Financial performance

Liquidity analysis

The cash flow from current operations for the Hawesko Group in the three-month period amounted to € –6.3 million, down from € –12.5 million in the same period of the previous year. Due to the seasonal nature of the business, cash

flow from ongoing business activity is usually negative in the first quarter of the fiscal year.
The funds employed for investment activities amounted to € 1.8 million in the first three months of 2016 (same period in the previous year: € 1.0 million).

Consolidated cash flow in € millions, rounding differences are possible	1.1.– 31.03.2016	1.1.– 31.03.2015
Cash flow from current operations	–6.3	–12.5
Cash flow from investment activity	–1.8	–1.0
Cash flow from financing activities	3.4	10.4

Free cash flow (the sum of the cash flows from ongoing business activity and investments minus interest payments) amounted to € –8.1 million in the first quarter of 2016, compared to € –13.7 million in the same period of the previous year. The more favorable posting was due primarily to the reduction in working capital.

Investment analysis

Investments were divided into those in intangible assets (€ 1.0 million; previous year: € 0.3 million), which were related primarily to software in the distance selling segment, and those in tangible assets of € 0.8 million (previous year: € 0.7 million). The latter were related primarily to the expansion and modernization of the depots in the stationary specialist retail segment as well as the investments for expansion and replacement equipment in the distance selling and wholesale segments.

REPORT ON 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 2015 annual report.

REPORT ON EXPECTED DEVELOPMENTS

Outlook

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

The management board of Hawesko Holding AG will continue to pursue sustainable, long-term and profitable growth. We expect sales for the Group to remain stable in fiscal year 2016. The stationary specialist wine retail segment (*Jacques'*) is expected to grow by approximately 3% compared to the previous year, and distance selling to grow by 1–2%. After systematic, further strategic development of the supplier portfolio and the accompanying sales adjustment, the wholesale segment will presumably fall short of the previous year's figure by a mid-range single-digit percentage.
The consolidated EBIT is expected to be in the range of € 28–29 million, which corresponds to an EBIT margin of approximately 6% (2015: 4.2%). The specialist wine retail segment is aiming for an EBIT margin of approximately 11% (2015: 11.2%), while EBIT margins of 7–8% (2015: 7.4%) for distance selling and between 3–4% (2015: 3.3%) for wholesale are expected.
The management board expects the financial result to show a net expenditure of approximately € 1 million (2015: € 1.1 million), while the share of non-controlling interests is expected to be between € 0.5–1.0 million (2015: € 0.2 million). Consolidated earnings after deductions for taxes and non-controlling interests are currently expected to be in the range of € 18–19 million (2015: € 12.2 million). The management board expects free cash flow to be on the order of € 20–22 million (2015: € 20 million), while the ROCE is expected to be on the order of 21%, up from 15% in 2015. The management board will continue as accustomed to communicate its expectations and the outlook for the future in a timely manner in quarterly reports and the six-month report.

Hawesko Holding AG

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

(in € millions, unaudited, rounding differences possible)	1.1.–31.3. 2016	1.1.–31.3. 2015
Sales revenues	**104.8**	**105.8**
Decrease (increase) in finished goods inventories	0.0	–0.1
Other production for own assets capitalized	0.1	0.0
Other operating income	4.2	5.7
Cost of purchased goods	–59.9	–61.1
Personnel expenses	–12.5	–19.4
Depreciation and amortization	–1.8	–1.8
Other operating expenses and other taxes	–30.2	–31.8
Result from operations (EBIT)	**4.8**	**–2.6**
Financial result		
Interest earnings/expenditures	–0.1	–0.2
Other financial result	–0.1	–0.1
Income from long-term equity investments	0.0	0.0
Result before taxes on income	4.7	–2.9
Taxes on income and deferred tax expenses	–1.5	0.9
Consolidated net income	**3.2**	**–2.0**
of which		
– shareholders' equity in Hawesko Holding AG	3.0	–2.0
– allocable to non-controlling interests	0.2	–0.0
Earnings per share (in €, undiluted = diluted)	0.33	–0.22
Average number of shares in circulation (Numbers in thousands, undiluted = diluted)	8,983	8,983

Hawesko Holding AG

Consolidated comprehensive income statement *for the period from 1 January to 31 March*

(in € millions, unaudited, rounding differences are possible)	1.1.–31.3. 2016	1.1.–31.3. 2015
Consolidated net income	**3.2**	**–2.0**
Amounts that may not be rebooked in the profit and loss statement in the future		
Actuarial gains and losses resulting from remeasurements of defined-benefit pension plans including deferred tax liabilities	—	—
Amounts that may be rebooked in the profit and loss statement in the future		
Effective portion of losses from cash flow hedges including deferred tax liabilities	–0.0	–0.0
Currency translation differences	–0.0	0.3
Other comprehensive income	**–0.0**	**0.2**
Total comprehensive income	**3.2**	**–1.8**
of which		
– shareholders' equity in Hawesko Holding AG	3.0	–2.0
– allocable to non-controlling interests	0.2	0.3

Hawesko Holding AG
Consolidated balance sheet (as per IFRS)

(in € millions, unaudited, rounding differences are possible)	31.3.2016	31.12.2015	31.3.2015
Assets			
Long-term assets			
Intangible assets	32.3	32.1	32.6
Tangible assets	20.7	20.9	21.1
Investments accounted for using the equity method	0.5	0.6	0.4
Other financial assets	0.2	0.2	0.2
Advance payments on stocks	4.8	3.5	3.2
Receivables and other assets	1.1	1.2	1.0
Deferred tax liabilities	1.8	1.8	1.7
	61.4	60.3	60.4
Short-term assets			
Inventories	91.7	91.9	96.9
Trade receivables	29.1	45.8	31.1
Receivables and other assets	4.0	3.6	6.8
Receivables from taxes on income	3.7	3.8	2.0
Cash in banking accounts and cash on hand	9.9	14.5	7.7
	138.3	159.5	144.5
	199.8	**219.8**	**204.9**
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	52.9	61.6	47.4
Other reserves	–0.2	–0.2	–0.2
Shareholders' equity in Hawesko Holding AG	**76.5**	**85.2**	**71.0**
Non-controlling interests	6.3	6.2	6.7
	82.8	**91.3**	**77.7**
Long-term provisions and liabilities			
Provisions for pensions	1.1	1.1	1.1
Other long-term provisions	1.7	1.8	1.4
Borrowings	1.2	1.2	2.1
Advances received	2.8	2.7	0.8
Other liabilities	14.6	14.9	15.1
Deferred tax liabilities	0.7	0.7	0.8
	22.1	22.5	21.3
Short-term provisions and liabilities			
Non-controlling interests in the capital of unincorporated subsidiaries	0.1	0.1	0.1
Borrowings	15.5	12.0	25.4
Advances received	4.2	4.9	5.8
Trade accounts payable	47.3	62.9	48.1
Income taxes payable	0.6	0.7	0.8
Other liabilities	27.2	25.3	25.7
	94.9	106.0	105.9
	199.8	**219.8**	**204.9**

Hawesko Holding AG

Consolidated Cash Flow Statement (as per IFRS)

(in € millions, unaudited, rounding differences are possible)	1.1.–31.3. 2016	1.1.–31.3. 2015
Result before taxes on income	4.7	–2.9
Depreciation and amortization of intangible and tangible assets	1.8	1.8
Interest result	0.2	0.3
Result from the disposal of fixed assets	–0.0	–0.0
Result from the companies reported using the equity method	–0.0	–0.0
Dividend payments received from investments	0.1	0.1
Change in inventories	–1.0	–2.3
Change in borrowings and other assets	16.9	13.4
Change in provisions	–0.2	0.0
Change in liabilities (excluding borrowings)	–26.8	–21.6
Taxes on income paid out	–1.9	–1.3
Net outflow of payments from current operations	**–6.3**	**–12.5**
Outpayments for tangible and intangible assets	–1.8	–1.0
Inpayments from the disposal of financial assets intangible and tangible assets	0.0	0.0
Inpayments from the disposal of financial assets	0.0	0.0
Net funds employed for investing activities	**–1.8**	**–1.0**
Outpayments for dividends	—	—
Outpayments to non-controlling interests	—	—
Payment of finance lease liabilities	–0.1	–0.1
Change in short-term borrowings	3.6	11.2
Repayment of medium- and long-term borrowings	—	–0.6
Interest received	0.0	0.0
Interest paid out	–0.1	–0.2
Inflow of net funds from financing activities	**3.4**	**10.4**
Net decrease/increase of funds	**–4.6**	**–3.2**
Funds at start of period	14.5	10.9
Funds at end of period	**9.9**	**7.7**

Hawesko Holding AG, Consolidated statement of changes in equity

	Subscribed capital	Capital reserve	Retained earnings	Other reserves			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 2015	13.7	10.1	61.0	0.0	–0.1	–0.1	84.7	6.5	91.1
Dividends	—	—	–11.7	—	—	—	–11.7	—	–11.7
Consolidated net income			–2.0				–2.0	–0.0	–2.0
Other result	—	—	—	–0.0	—	–0.0	–0.1	0.3	0.2
Deferred tax on other result	—	—	—	—	—	0.0	0.0	—	0.0
Status at 31 March 2015	13.7	10.1	47.4	–0.0	–0.1	–0.1	71.0	6.7	77.7
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	—	–11.7
Consolidated net income			3.0				3.0	0.2	3.2
Other result	—	—	—	0.0	—	–0.0	–0.0	–0.0	–0.0
Deferred tax on other result	—	—	—	—	—	–0.0	–0.0	—	–0.0
Status at 31 March 2016	13.7	10.1	52.9	0.0	–0.1	–0.1	76.5	6.3	82.8

Segment results for the first quarter
(in € millions, unaudited, rounding differences possible)

1.1.–31.3.2016	Specialist retail	Wholesale	Distance selling	Miscellaneous/ Consolidation	Group
External sales	**31.9**	**36.4**	**36.5**	**0.0**	**104.8**
Operating result (EBIT)	**2.8**	**0.3**	**3.0**	**–1.3**	**4.8**

1.1.–31.3.2015	Specialist retail	Wholesale	Distance selling	Miscellaneous/ Consolidation	Group
External sales	**30.8**	**38.1**	**36.9**	**0.0**	**105.8**
Operating result (EBIT)	**2.7**	**0.6**	**2.1**	**–7.9**	**–2.6**

Notes to the three-month financial report to 31 March 2016

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

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

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

Consolidation: The consolidation group of Hawesko Holding AG remains unchanged from that listed in the 2015 financial statements.

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

Other information: (1) *Events after the conclusion of the reporting period:* Events of particular significance for the evaluation of the assets, finances and earnings of Hawesko Holding AG and the Group - as defined in IAS 10 - did not occur after the conclusion of the period under review. (2) *Resolution for the appropriation of earnings for 2015:* The proposal will be made to the annual general meeting of shareholders on 13 June 2016 that the unappropriated earnings reported in the annual accounts of Hawesko Holding AG of € 11,750,875.47 should be appropriated as follows: (a) Payout of a dividend of €1.30 per entitled share. With a total number of 8,983,403 shares entitled to dividends, this amounts to a total of € 11,678,423.90. b) The remaining amount of € 72,451.57 will be carried forward to new account. (3) *No unforeseen development costs* were incurred during the period under review. (4) *The order situation* remains satisfactory. (5) No changes have occurred in the *composition* of the management board and the supervisory board to the date of the writing of this report. (6) *Business with closely associated persons:* As disclosed in the Notes to the financial statements for 2015 under point 45, the management board and the supervisory board are considered to be closely associated persons in the sense of IAS 24.5. Material changes since the closing date of the annual accounts have not taken place. Important business transactions were not conducted with closely associated persons in the reporting period. The number of shares and/or the number of votes held by members of the supervisory board is 6,522,376, 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.–31.3. 2016	1.1.–31.3. 2015
Employees (average during the period	912	924

Calendar:

Annual shareholders' meeting 2016	13 June 2016
Six-month report to 30 June 2016	4 August 2016
Nine-month report to 30 September 2016	3 November 2016
Preliminary report on fiscal year 2016	Early February 2017

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