Hawesko Holding AG
Hamburg

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Three-month report to 31 March 2008

Hamburg, 29 April 2008

Highlights in € (millions)	1st quarter		
	1.1.–31.3. 2008	1.1.–31.3. 2007	+/–
Group sales	**80.7**	**73.3**	**+10.2%**
Result from operations (EBIT)	**4.6**	**2.0**	**+132.9%**
Consolidated earnings	**2.7**	**0.9**	**+193.7%**

Dear shareholders,

In 2007 we celebrated a unique anniversary in our industry: For the tenth consecutive time, Hawesko Holding AG succeeded in growing faster than the market. We also continued this success in early 2008. With a sales increase of more than ten percent in the first quarter, we again posted significantly better results than the German wine market overall. Once again, all three sales channels contributed to this growth. While the wholesale segment grew by nine percent, both our intensified efforts to enliven the mail order business and the popularity of the 2005 Bordeaux vintage were very fruitful: in the mail order segment revenues rose by nearly twenty percent!

The specialist retail segment (*Jacques' Wein-Depot*) was able to increase its sales by three percent. This growth was achieved with two fewer working days, as the Easter holiday was fully within March this year. While first-quarter retail sales overall were below the level of the previous year, *Jacques' Wein-Depot* continued to grow as well.

The results of the first quarter thus indicate that we will continue our success of the preceding years in 2008 as well and will grow faster than the market. When I think about the reasons for this success, two key words immediately come to mind: quality and service. We have always given top priority to the quality of our products and our customer service in all three sales channels. This will not change in the future.

A further reason for our success is certainly the consistency with which we have increased the financial clout of Hawesko Holding AG. The ample shareholders' equity of the Group, stringent cost control and the continuous fine tuning of all processes are not ends in themselves. They are responsible for our stability, particularly in difficult times. Moreover, these measures have provided you, our shareholders, with a constant stream of attractive dividends over the years. We want to carry this success forward in 2008 as well. The first quarter has provided a firm basis for this with an operating result that has more than doubled as well as profit for the period that has tripled.

However, I remain a conservative Hanseatic merchant. In 2008 we expect moderate growth in sales in the single-digit range and an operating result that will increase by a rate well within a double-digit percentage range. The annual net profit, on the other hand, will nearly double due to a lower tax rate. I am especially pleased that this outlook is also reflected in the share price. In the first quarter, the Hawesko share was not able to escape the general market weakness entirely, but it lost considerably less than the DAX and SDAX. Currently, it is listed at the same price as at the beginning of the year, while the indices are still far from that point.

Best regards

Alexander Margaritoff
CEO

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INTERIM REPORT

GENERAL CONDITIONS

In the first three months of the current fiscal year 2008, the uncertainty due to the subprime crisis continued. According to the monthly report of the Deutsche Bundesbank for April 2008, the revival of private consumption anticipated by the experts has not occurred. The price increases in energy and food are cited as reasons for this. The negative reports from the financial markets have also contributed to consumer uncertainty.

Despite this, experts believe that the fundamentally positive mood in the German economy is intact. The unemployment rate remains at a low level, and German industry is still the engine for growth in the economic cycle. The strong euro has hardly had any impact on the export industry up to now, and even absorbed price increases for imported goods. Collective agreements to increase wages could support a revival of private consumption. The Bundesbank has reaffirmed its expectation that the German economy will grow at the level of its long-standing potential, and anticipates an increase of 1.9% for 2008. Contrary to expectations of a decline in March, the GfK consumption climate index recently rose slightly.

In the first three months of 2008, the German wine market overall posted a decline in terms of value of 1.4% compared to the same period in the previous year, according to GfK data. GfK research also shows that the wine market declined in terms of volume by 2.9%, which implies a higher average price per bottle. The Hawesko management board has observed a steady demand for higher-priced wines.

BUSINESS DEVELOPMENT

Earnings

First quarter

In the period from January to March 2008, the Hawesko Group increased its sales over the previous year by 10.2% to € 80.7 million, up from € 73.3 million in the same quarter of the previous year. 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

€ 23.7 million, an increase of 3.3% over the same quarter of the previous year (€ 22.9 million). The wholesale segment increased its sales from € 28.9million to € 31.6 million, corresponding to a rise of 9.2%. In turn, the sales of the mail order segment increased from € 21.3 million in the same period of the previous year by 18.9% to € 25.4 million.

Business development in the stationary specialist wine retail segment (*Jacques' Wein-Depot*) was particularly positive in January and February; in March, on the other hand, sales were below the level of the same month in the previous year due to fewer selling days during the Easter holidays. There were 269 depots, of which 265 were in Germany (reference date in the previous year: 256) and four in Austria (previous year: four). One new depot was opened on the island of Sylt in the first quarter; this year up to ten new openings are scheduled in all of Germany. On a like-for-like basis, sales increased by 2.4% over the first quarter of 2007. Compared to this period, customer frequency in particular rose in the quarter under review. The number of active customers increased once again.

In the wholesale segment, the largest sales increases resulted from the delivery of Bordeaux wines (2005 vintage) as well as from sales of Italian wine, for which there was a lively demand. Sales at the Bordeaux-based subsidiary *Château Classic – Le Monde des Grands Bordeaux* were slightly below the level of the same quarter in the previous year. The remaining increase was spread among the other distribution companies, whereby the subsidiary *Deutschwein Classics*, launched in 2006 and specialising in the sale of German wines, posted high growth starting from a low base.

The sharp rise in sales in the mail order segment in the first quarter was due primarily to the delivery of the popular 2005 Bordeaux vintage. Sales of these premium wines were responsible in the quarter under review for €2.9 million in additional revenues compared to the same period in the previous year. The *VinoSelect!* wine club program at *Hanseatisches Wein- und Sekt-Kontor* likewise continued its positive development. The number of active mail order customers as well as the number of orders increased. On the other hand, the average number of bottles ordered declined. The sales generated via the Internet increased during the entire first quarter of 2008 by 20% compared to the same period in the previous year.

Group gross profit in the first quarter rose in absolute terms by € 2.6 million and, with a margin of 38.1%, remained nearly unchanged in comparison to the previous year (38.4%). The other operating income of € 3.1 million (same quarter of the previous year: € 3.0 million) consisted for the most part of rental and leasing income at *Jacques'* as well advertising allowances. Personnel expenses increased in the first quarter by € 0.4 million; as a percent of sales, it declined by 0.4 percentage points to 9.2%. The other operating expenses included primarily advertising, delivery costs and commissions. The advertising expenditures amounted to 7.9% of sales, reduced by one percentage point against the previous year (8.8%). Expenses for commissions was 7.4% compared to 7.8% in the previous year, and for delivery costs it was 3.0%, down from 3.8% in the previous year. Overall, other operating expenses in the quarter under review amounted to € 20.8 million (same quarter in the previous year: € 21.1 million), thus declining from 28.8% of sales in the same quarter of the previous year to 25.8% in the quarter under review. The Group's operating (EBIT) margin was 5.7% in the first quarter, up from 2.7% in the previous year.

The consolidated result of operations (EBIT) amounted to a strong € 4.6 million in the first quarter of 2008 (previous year: € 2.0 million). The individual contributions of the various business segments to the result of operations were as follows: € 2.6 million (same quarter in the previous year: € 1.7 million) came from stationary specialist retailer (Jacques' Wein-Depot). The wholesale segment increased its operating result from € 1.4 million to € 2.0 million. This was due primarily to the high proportion of the 2005 Bordeaux wine sales processed via the wholesale segment as well as a reduction at the margin in average costs at *Wein Wolf*. The mail order segment returned its operating result to a positive figure amounting to € 1.0 million (previous year: € –0.2 million); this was due primarily to the reduction of the marketing costs incurred in the previous year for new customer acquisition to a normal level.

The financial result amounted to € –0.5 million, compared to € –0.3 million in the same quarter of the previous year; the interest expense included in this figure amounted to € 0.3 million, as it was in the same period of the previous year. The impact of the application of the International Financial Reporting Standards (IFRS, primarily International Accounting Standard IAS 39 and IAS 32) amounted to – € 0.2 million (same quarter in the previous year: zero). The result before taxes on income increased to € 4.2 million (€ 1.6 million). Tax expenditures amounted to a rate of 33% after the tax reform took effect (previous year: 40%). The consolidated earnings after taxes and deductions for minority interests thus amounted to € 2.7 million (previous year: € 0.9 million). The profit per share amounted to € 0.31, up from € 0.11 in the previous year. This is based on the number of 8,785,557 shares for the period under review (same period in the previous year: 8,805,996).

Balance sheet

At 31 March 2008, the balance sheet total amounted to € 146.6 million, a reduction of € 30.0 million compared to the total at 31 December 2007. The difference is due primarily to the decline in trade receivables – these decreased by € 22.8 million to € 25.0 million. (Trade receivables typically reach their highest level at 31 December). Compared to the reference date March 31 in the previous year, when the balance sheet total amounted to €150.5 million, the balance sheet total at the end of the first quarter in 2008 declined, due primarily to the write-down of deferred tax assets in 2007.

Shareholders' equity declined by € 7.7 million compared to the end of 2007, due primarily to the reallocation of the funds for the proposed dividends to other liabilities. Compared to the reference date March 31 in the previous year, the (long- and short-term) financial indebtedness on the reference date in the period under review was reduced by € 3.1 million.

Cash flow

Liquidity analysis

Cash flow from current operations in the three-month period amounted to € 0.4 million, close to the figure for the same period of the previous year (€ 0.5 million). With regard to the cash flow from financing activities for the period, it must be noted that funds in the amount of € 1.8 million were used for the buyback of treasury shares. Despite this, borrowings were reduced by € 1.3 million. Free cash flow in the first three months of 2007 of € –0.5 million (previous year: € –0.8 million) was calculated from the net outflow of payments from current operations (€ –0.4 million), less funds employed for investment activities (€ 0.6 million) and interest paid out (€ 0.3 million). Because of the typical seasonal influences on the course of business throughout the year, free cash flow at 31 March is usually negative.

Investment analysis

In the first three months of fiscal year 2008, investments amounted to € 0.6 million (same period of the previous year: € 0.9 million). These were related primarily to expansion and modernisation in the stationary specialist retail segment.

SUPPLEMENTARY REPORT

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.

OPPORTUNITY AND RISK REPORT

There were no significant changes in the risks and opportunities of Hawesko Holding AG compared to the situation described in the 2007 annual report.

FORECAST

Outlook

There are no significant changes in the forecast for fiscal year 2008 of the Hawesko management board compared to the situation described in the 2007 annual report. The general economic and business conditions for the wine trade are still classified as good. The management board has based its planning for the year on a good first quarter and expects an increase in sales in the moderate single-digit percent range for the year 2008 overall. The result from operations (EBIT) is expected to rise significantly, namely in the double-digit percent range, due to the non-recurrence of several charges (2007: € 18.3 million). Based on the anticipated lower tax-expense rate of slightly more than 30%, the net result should nearly double (2007: € 6.7 million). For 2009 the management board expects further increases in sales as well as EBIT. The free cash flow for 2008 is expected by all indications to reach the level of 2007 (€ 13.6 million).

Hawesko Holding AG

Profit and loss statement for the first three months of 2008 (as per IFRS)

(in € millions, rounding differences are possible)	1.1.–31.3. 2008	1.1.–31.3. 2007
Sales revenue	**80.7**	**73.3**
Decrease (increase) in finished goods inventories	0.1	0.2
Other operating income	3.1	3.0
Cost of purchased goods	–50.0	–45.2
Personnel expenses	–7.4	–7.0
Depreciation and amortisation	–1.1	–1.2
Other operating expenses and other taxes	–20.9	–21.2
Result from operations (EBIT)	**4.6**	**2.0**
Financial result		
Interest earnings/expenditures	–0,3	–0.3
Other financial items	–0.2	0.0
Result before taxes on income	4.2	1.6
Taxes on income and deferred tax expenses	–1.4	–0.7
Result after taxes	**2.8**	**1.0**
Profit due to minority interests	–0.0	–0.1
Consolidated earnings	**2.7**	**0.9**
Earnings per share (in €, undiluted)	0.31	0.11
Average number of shares in circulation (Numbers in thousands, undiluted)	8,786	8,806

Hawesko Holding AG
Consolidated balance sheet (as per IFRS)

(in € millions, unaudited, rounding differences are possible)	31.3.2008	31.12.2007	31.3.2007
Assets			
Long-term assets			
Intangible assets	9.6	9.9	10.3
Tangible assets	21.7	22.0	23.5
Financial assets	0.3	0.3	0.3
Advance payments on stocks	6.8	5.7	7.0
Receivables and other assets	1.1	1.1	1.1
Deferred tax liabilities	9.4	9.9	14.6
	49.0	48.9	56.8
Current assets			
Inventory stocks	66.2	68.4	62.0
Trade receivables	25.0	47.8	24.5
Other assets	1.4	2.0	2.2
Receivables from taxes on income	1.2	1.1	0.9
Cash in banking accounts and cash on hand	3.9	8.4	4.0
	97.6	127.7	93.7
	146.6	**176.6**	**150.5**
Liabilities			
Shareholders' equity			
Subscribed capital of Hawesko Holding AG	*13.2*	*13.2*	*13.2*
Adjustment according to IFRS	*–4.4*	*–4.4*	*–4.4*
Subscribed capital	8.9	8.9	8.9
Capital reserve	6.1	6.1	5.9
Revenue reserves	35.5	34.9	35.6
Balancing item from currency translation	0.0	0.0	–0.0
Unappropriated group profit	12.6	21.0	15.2
Minority interests	0.6	0.6	0.4
	63.7	71.4	66.0
Minority interests in the capital of unincorporated subsidiaries	3.2	3.7	2.9
Long-term provisions and liabilities			
Provisions for pensions	0.6	0.6	0.7
Other long-term provisions	0.3	0.3	0.3
Borrowings	8.3	9.1	10.4
Advances received	4.5	4.8	7.6
Other liabilities	0.7	0.7	0.8
Deferred tax liabilities	0.1	0.1	0.3
	14.6	15.6	20.3
Short-term provisions and liabilities			
Misc. short-term provisions	0.1	0.1	0.1
Borrowings	9.3	10.1	10.3
Advances received	3.1	10.0	3.1
Trade payables	33.4	45.0	30.4
Liabilities from taxes on income	0.8	0.5	0.1
Other liabilities	18.5	20.2	17.4
	65.0	85.9	61.4
	146.6	**176.6**	**150.5**

Hawesko Holding AG

Consolidated Cash Flow Statement (as per IFRS)

(in € millions, unaudited, rounding differences are possible)	1.1.–31.3. 2008	1.1.–31.3. 2007
Result before taxes on income	4.2	1.6
Depreciation of fixed assets	1.1	1.2
Financial result	0.5	0.3
Result from the disposal of fixed assets	–0.0	–0.0
Change in inventories	1.1	–1.4
Change in other short-term assets	23.3	20.2
Change in provisions	0.0	–0.0
Change in liabilities (excluding borrowings)	–28.9	–21.6
Taxes on income paid out	–0.8	0.1
Net inflow of payments from current operations	**0.4**	**0.5**
Outpayments for tangible and intangible assets	–0.6	–0.9
Outpayments for the purchase of securities and other financial assets	?	–0.0
Inpayments from the disposal of intangible and tangible assets	0.0	0.1
Inpayments from the disposal of financial assets	0.0	0.0
Net funds employed for investing activities	**–0.6**	**–0.9**
Outpayments for dividends	?	?
Outpayments to minority interests	–0.6	?
Outpayments for the purchase of treasury shares	–1.8	
Payment of finance lease liabilities	–0.3	–0.2
Change in borrowings	–1.3	–0.5
Interest paid out and received	– 0.3	– 0.4
Outflow of net funds for financing activities	**–4.3**	**–1.1**
Net decrease of funds	**–4.5**	**–1.5**
Funds at start of period	8.4	5.5
Funds at end of period	**3.9**	**4.0**

Hawesko Holding AG

Consolidated statement of changes in equity

in € millions, unaudited, rounding differences are possible	Subscribed capital	Capital reserve	Revenue reserves	Adjustments resulting from currency translation	Unappropriated group profit	Minority interests	Total
Status at 1 January 2007	8.9	5.9	35.3	0.0	22.1	0.4	72.5
Appropriation to revenue reserves	—	—	0.3	—	–0.3	—	—
Treasury shares	—	—	—	—	—	—	—
Dividends	—	—	—	—	–7.5	—	–7.5
Currency translation differences	—	—	—	–0.0	—	–0.0	–0.0
Period profit	—	—	—	—	0.9	0.0	1.0
Status at 31 March 2007	8.9	5.9	35.6	–0.0	15.2	0.4	66.0
Status at 1 January 2008	8.9	6.1	34.9	0.0	20.9	0.6	71.4
Appropriation to revenue reserves	—	—	2.4	—	–2.4	—	—
Treasury shares	—	—	–1.8	—	—	—	–1.8
Dividends	—	—	—	—	–8.7	–0.0	–8.7
Currency translation differences	—	—	—	0.0	—	0.0	0.0
Period profit	—	—	—	—	2.7	0.0	2.8
Status at 31 March 2008	8.9	6.1	35.5	0.0	12.6	0.6	63.7

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

1.1.–31.3.2008	Specialist retail	Wholesale	Mail order	Miscellaneous/ Consolidation	Group
External sales	**23.7**	**31.6**	**25.4**	**0.1**	**80.7**
Operating result (EBIT)	**2.6**	**2.0**	**1.0**	**–0.9**	**4.6**

1.1.–31.3.2007	Specialist retail	Wholesale	Mail order	Miscellaneous/ Consolidation	Group
External sales	**22.9**	**28.9**	**21.3**	**0.1**	**73.3**
Operating result (EBIT)	**1.7**	**1.4**	**–0.2**	**–0.9**	**2.0**

Appendix to the three-month report to 31 March 2008

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. It is based on the so-called "near final draft" of Deutscher Rechnungslegungs Standards DRS 16. The standards and interpretations valid from 1 January 2007 have been applied. 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 consolidated group of Hawesko Holding AG remains unchanged from that listed in the 2007 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 2007. (2) Cyclical events which occur during the year, insofar as they are important, are accrued 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. On 2 October 2007 the company announced the beginning of a share buyback which will run until 30 May 2008 and will be valued at up to €3 million. Up to the date of writing this report, 143,000 treasury shares have been bought back under this measure. (2) *Resolution for the appropriation of earnings for 2007:* The annual shareholders' meeting on 16 June 2008 will propose that the unappropriated earnings reported in the annual accounts of Hawesko Holding AG of € 9,058,040.81 be appropriated as follows: (a) Payout of a dividend of € 1.00 per entitled share. With a total number of 8,682,330 shares entitled to dividends this amounts to a total of € 8,682,330.00. (b) Remaining amount of € 375,710.81 is to be carried forward. Until the date of the annual general meeting, the number of shares entitled to dividends may decrease because of additional share buybacks. (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 or 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 2007 under point 43, 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. Material 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 has not changed since 31 December 2007. (7) *Treasury shares:* Hawesko Holding AG holds 150,662 treasury shares as of the date of writing of this report.

Other information	1.1.–31.3. 2008	1.1.–31.3. 2007
Employees (average during the period)	607	568

Calendar:

Annual shareholders' meeting 2008	16 June 2008
Six-month report to 30 June 2008	31 July 2008
Nine-month report to 30 September 2008	31 October 2008
Preliminary report on fiscal year 2009	End of January 2009

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