Hawesko Holding AG
Hamburg

ISIN DE0006042708
Reuters HAWG.DE, Bloomberg HAW GR

Half-year financial report to 30 June 2011

Hamburg, 4 August 2011

Highlights in € (millions)	Six months (1 Jan–30 Jun)			2nd quarter (1 Apr–30 Jun)		
	2011	2010	+/–	2011	2010	+/–
Group sales	**188.0**	**164.3**	**14.4%**	**95.1**	**83.3**	**14.1%**
Result from operations (EBIT)	**10.1**	**–9.2**	**9.5%**	**5.5**	**5.3**	**4.4%**
Consolidated earnings excluding non-controlling interests	**6.6**	**8.0**	**–17.8%** Adjusted*: +38.9%	**3.6**	**5.7**	**–36.8%** Adjusted*: +46.7%

* for the extraordinary income of € 3.3 million included in the previous year's net profit.

Dear shareholders,

We reported a pleasing start to fiscal year 2011 in the first quarter, which continued in the second quarter. Sales duly rose by 14.1%. The late Easter business, from which April sales in particular benefited, certainly contributed to this. In the second quarter as well, all three business segments contributed to the growth of the Group – once again at a high rate in the wholesale segment and with increasing growth rates in the stationary specialist retail and mail order segments. Overall, sales rose by 14.4% to € 188.0 million during the first six months.

After an almost spectacular first quarter, our wholesale segment grew significantly in the second quarter as well. The primary, but by no means only cause for these impressive dynamics is the sales performance of the *Wein Wolf* Group, which is celebrating its 30th anniversary with special offers, the goal of which is to further expand the customer base. Moreover, the strong sales of Bordeaux wines are continuing: in the first six months the sales of our French subsidiary *Château Classic* nearly doubled, while sales at our Swiss subsidiary *Globalwine* rose by more than 50%. Thus, overall sales in the wholesale segment in the first six months of 2011 increased compared to the same period in the previous year by nearly a quarter.

Developments in the stationary specialist retail segment are also gratifyingly positive. *Jacques' Wein-Depot* significantly increased the rate of growth over the course of the six-month period due to success in reactivating existing customers and a higher frequency in new openings. For example, our new depot in the center of Düsseldorf, a typical “high-footfall location”, is doing very well.

The mail order segment also posted double-digit sales growth of +10.8% in the first half of 2011. Here as well, we achieved significant acceleration in the growth rate over the course of the six-month period. What's especially important in this regard: our new subsidiary *The Wine Company,* through which we serve the Swedish market from Germany, was responsible for just under half of this increase. In Germany, continuous new customer acquisition as well as successful customer retention measures such as the collaboration with Lufthansa Miles & More contribute to organic growth.

Dear shareholders, when we look at the overall development of Group sales in the first half-year, two trends become clear. First, in Germany Hawesko benefited from the robust economy and is continuing to outperform the market as a whole, thus accelerating the development of recent years. Second, Hawesko is becoming increasingly international! While the share of foreign sales in the comparable period of the previous year was 11%, it rose to 16% in the first six months of 2011. In other words, up to this point in 2011, sales have risen by 8% at home and by 70% abroad.

EBIT rose by 9.5% in the first six months. Despite start-up losses from the development of our Swedish operations, the mail order segment, buoyed by excellent performance at *Hanseatisches Wein- und Sekt-Kontor*, achieved an above-average rise in revenues at +12.6%. In the wholesale segment, an increase of 7.0% in EBIT was also achieved, despite the incentive promotions during the second quarter in conjunction with the company's anniversary. EBIT at *Jacques'* rose slightly overproportionally. Thus, after the first six months the consolidated EBIT margin at 5.4% is only slightly below the figure for the previous year – a deeply satisfying result in view of our numerous investments in the future of our foreign and wholesale operations.

With this in mind, the “decline in profits” compared to the previous year may be somewhat astonishing at first glance. However, when we recall that the earnings per share in the same period of the previous year profited from the special effect of the sale of the interest in the British company Majestic Wine plc in the amount of € 0.37, the result for the first six months of 2011, adjusted for this effect, is an increase in earnings per share of 35% to € 0.73 compared to the previous year.

Looking forward, it becomes clear that we can not simply extrapolate the business development of the first half-year. Rather, we believe that growth will slow to a certain degree in the second half of 2011, even though we are of course aware that the economic development, which is increasingly sustained by domestic consumption, is certainly in our favor. In particular, the sales dynamics at the Bordeaux-based subsidiary *Château Classic* will be facing a considerably stronger comparable basis in the next six months, as substantial growth had already been achieved in the second half of 2010. We therefore reaffirm our forecast of sales growth in the low- to mid-single-digit percentage range and an EBIT at the previous year's good level of € 24–26 million. Several higher estimates are also in the market, and we do not exclude the possibility of reaching them as well. However, we currently believe that the most likely result is the achievement of figures at the upper end of our forecast range. After all, we are currently re-investing our additional income to a large extent: in the aforementioned investments in our future such as the development of our Swedish business, in a higher frequency rate for the new openings at *Jacques'* and not least in measures to optimise distribution with the objective of further expanding our market presence in the wholesale sector.

In summary, I would therefore like to say that we are currently working to develop our prospects for growth still further: consistently, systematically and based on our own strengths. Thus, we can face future developments in the wine market with confidence, as the trends are clearly in line with our thinking. We are optimally positioned in both the domestic and foreign markets and will consistently take advantage of future opportunities, both for ourselves and especially for you as our shareholders!

Best regards

Alexander Margaritoff
CEO

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INTERIM MANAGEMENT REPORT

GENERAL SITUATION

The economic situation in the first six months of 2011 has remained positive, contrary to the early fears of some experts: Germany is continuing its upswing. As the Deutsche Bundesbank wrote in its monthly report for July 2011, the drivers of the economic recovery are increasingly shifting to the domestic economy, particularly to the procurement of new equipment. Employment is rising and real capital formation is increasing - in the Bundesbank's opinion, these are signs that the medium-term economic prospects can still be considered favorable. In contrast, the economic expectations of financial market analysts and institutional investors for Germany have been lowered, according to a survey published in July 2011 by the Zentrum für Europäische Wirtschaftsforschung (ZEW); the reason is the debt issues of the European Union. In its latest economic test published in July, the Munich-based ifo Institut für Wirtschaftsforschung noted that the business climate has clouded over compared to the previous three months, but the German economy is still in a favorable economic position.

The consumption climate index of the Gesellschaft für Konsumforschung (GfK) rose steadily from mid-2010 to March 2011; since then it has flagged only slightly month for month. Even though the debt crisis in Greece and the accompanying risks for the common European currency are unsettling German consumers, the outlook for private consumption remains favorable, according to GfK.

The current economic situation is therefore robust. However, the Hawesko management board expects a lessening of the economic dynamism in 2011 and 2012, but accompanied by positive development in private consumption, which will in turn provide momentum for the wine market.

According to GfK, the German wine market grew by 1.5% in terms of value and declined by 2.5% in terms of sales in the first six months of 2011. In the second quarter of 2001 there was an increase of 2.4% in terms of value and a decline of 3.3% in terms of sales.

BUSINESS PROGRESS

Financial performance

Second quarter

During the period from April to June 2011, sales of the Hawesko Group rose by 14.1% (same quarter of the previous year: € 83.3 million) to € 95.1 million. In the quarter under review, the revenues of the business segments developed as follows: The stationary specialist wine retail segment (*Jacques' Wein-Depot*) achieved sales of € 28.6 million, an increase of 7.0% over the same quarter of the previous year (€ 26.7 million). Wholesale sales increased by 18.5% from € 36.5 million in the same quarter of the previous year to € 43.2 million in the quarter under review. Sales in the mail order segment rose from € 20.1 million to € 23.2 million, an increase of 15.9% over the previous year; adjusted for the sales of the Swedish pilot project launched in November 2010 (*The Wine Company*), this corresponded to a rise of 9.9%.

The stationary wine retail segment (*Jacques' Wein-Depot*) increased its sales by 7.0%: in addition to the calendar shift of the Easter shopping days from the first quarter in the previous year to the second quarter in the reporting period, successful measures aimed at customer retention and new customer acquisition resulted in a higher customer frequency in the depots. As of 30 June 2011 there were 278 *Jacques' Wein-Depot* shops in operation; of these, 274 were in Germany (same date in the previous year: 267) and four in Austria (previous year: likewise four). Of the three locations newly opened in the quarter under review, two were outfitted in the new shop design, one of them as a test store in the center of Düsseldorf. Five new *Jacques'* stores were leased by the reference date, but not yet opened. The online shop at www.jacques.de is designed as an additional service and continues to grow from a low base level. On a like-to-like basis, sales in the stationary specialist retail segment rose by 5.8% compared to the second quarter of 2010, boosted by the higher customer frequency.

In the wholesale segment, sales rose by 18.5% compared to the same quarter of the previous year. Domestic sales in Germany rose by a good 16%. The increase of € 6.7 million overall in the wholesale segment compared to the previous year was due primarily to increases in sales at the *Wein Wolf* Group (€ 4.7 million) and *Château Classic – Le Monde des Grands Bordeaux* (€ 1.5 million). *Wein Wolf* is celebrating its 30th anniversary with special anniversary offers; *Château Classic* continues to benefit from the lively Bordeaux market. Our Swiss subsidiary *Globalwine AG* again posted strong growth in the double-digit percentage range.

Sales in the mail order segment rose in the reporting period by 15.9%; adjusted for the sales of the Swedish pilot project launched in November 2010 (*The Wine Company*), this corresponded to an increase of 9.9%. The number of active customers of the subsidiary *Hanseatisches Wein-und Sekt-Kontor* also rose, thanks to the re-intensified and successful new customer acquisition as well as better customer retention. The optimisation of the brand profile of *Carl Tesdorpf – Weinhandel zu Lübeck* was continued with an even stronger focus on ultra-premium wines and rarities, increasing sales by 12%. The *VinoSelect!* wine club program at *Hanseatisches Wein- und Sekt-Kontor* likewise continued its positive development with a rise of 1% in sales despite a low rate of new customer acquisition. Sales achieved via the Internet increased once again throughout the second quarter of 2011, namely by 35% compared to the same quarter in the previous year, thus accounting for 25% of segment sales. The average number of bottles ordered remained unchanged in the mail order segment. The number of active mail order customers and the number of orders increased compared to the reference date in the previous year, while number of bottles ordered remained unchanged and the average price per bottle sold decreased.

The consolidated gross profit rose by € 3.9 million to € 37.8 million in the first quarter, corresponding to a margin of 39.8% (previous year: 40.7%). Other operating income of € 4.2 million (same quarter in the previous year: € 3.8 million) consisted primarily of rental and leasing income at *Jacques'* as well as advertising allowances. Personnel expenses increased in the second quarter in absolute terms by € 1.0 million; however, as a share of sales they declined by 0.2 percentage points to 10.1%. The cost increases – in addition to general wage increases – were due to the successive adaptation of the distribution structures in the wholesale segment to the dimensions achieved in recent years.

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

In € millions	1/4–30/6/2011	1/4–30/6/2010
Advertising	7.5	6.3
Commissions to partners	7.4	6.9
Delivery costs	3.5	2.8
Rental and leasing	2.3	2.2
Other	5.0	4.2
	25.7	22.4

Expenses for advertising amounted to 7.9% of sales, compared to 7.6% in the previous year. Expenses for commissions declined (7.7% compared to 8.3% in the previous year), while those for shipping increased (3.7% compared to 3.3% in the previous year). Overall, other operating expenses and other taxes amounted to € 25.7 million (previous year: € 22.4 million), accounting for 27.0% of sales in the quarter under review, up from 26.8% in the same quarter of the previous year.

The consolidated operating result (EBIT) in the second quarter of 2011 was € 5.5 million (last year: € 5.3 million). The EBIT margin was 5.8% (previous year: 6.3%). The individual contributions of the various business segments to the result of operations were as follows: € 3.3 million (same quarter in the previous year: € 3.0 million) came from stationary specialist retail (*Jacques' Wein-Depot*). The operating result (EBIT) in the wholesale segment amounted to € 1.8 million after € 2.4 million in the previous year, and was influenced primarily by the anniversary offers. In the mail order segment, on the other hand, the operating result rose by 47% from € 1.0 million to € 1.5 million, as better capacity utilisation in domestic operations more than compensated for the costs of the market launch in Sweden (*The Wine Company*).

The financial result amounted to € –0.1 compared to € +2.6 million in the same quarter of the previous year; the interest result included therein was just under € –0.1 million, compared to just over € –0.1 million in the comparable quarter of the previous year. In the previous year the remaining financial result was heavily influenced by the gain from the sale of the interest in Majestic Wine plc of € 3.3 million less the charges arising from the conversion of external to equity capital as part of a capital increase. The result before taxes on income amounted to € 5.4 million (previous year: € 7.9 million). The anticipated rate of tax expenditures in the quarter under review is 31.6%. Consolidated net income excluding non-controlling interests amounted to € 3.6 million (€ 5.7 million). Adjusted for the extraordinary income gained from the sale of the Majestic interest in the previous year, consolidated net income rose by 47% The profit per share amounted to € 0.40, compared to € 0.65 (€ 0.28 on a comparable basis) in the previous year. This was based on the figure of 8,983,403 shares in the period under review (previous year: 8,859,596).

<u>First six months</u>

In the first six months of fiscal year 2011, the Group posted sales of € 188.0 million, an increase of 14.4% over the same period of the previous year (€ 164.3 million). Due to the larger share of sales of the wholesale segment, the consolidated gross profit margin declined by 1.3 percentage points to 38.9% of sales. Other income and expenditures added up to 33.5% (previous year: 34.6%) of sales. Thus, in the first half of 2011 the operating result (EBIT) amounted to 5.4% (previous year: 5.6%) of sales or € 10.1 million (previous year: € 9.2 million).

The interest result improved compared to the previous half-year (€ –0.3 million), amounting to € –0.2 million. In the previous year the financial result amounted to a total of € +2.1 million due to the sale of the interest in Majestic Wine plc. The result before taxes on income amounted to € 9.9 million (comparable period in the previous year: € 11.2 million). Consolidated net income after deductions for non-controlling interests amounted to € 6.6 million (previous year: € 8.0 million). On a comparable basis, i.e. adjusted for the non-recurring gain from the Majestic Wine sale, the consolidated net income for the first six months rose by 39% compared to the previous year. The profit per share amounted to € 0.73 compared to € 0.91 (adjusted for the non-recurring effect: € 0.54) for the first six months of the previous year. This is based on the number of 8,983,403 shares (previous year: 8,847,215).

Net worth

The balance sheet total at 30 June 2011 was € 174.9 million, corresponding to a reduction of € 26.9 million compared to the total at 31 December 2010. The difference is due primarily to the decline in trade receivables – these decreased by € 17.5 million to € 29.2 million. (Trade receivables typically reach their highest level at 31 December.) The reduction of the balance sheet total is also due to a reduction in liquid funds after the distribution of dividends totalling € 15.7 million. The increase in inventories of € 74.2 million at the year-end reference date to € 98.7 million at 30 June 2011 resulted primarily from the rebooking of the advance payment from the long-term assets to the short-term assets, and affected mainly Bordeaux wines, particularly those of the 2009 vintage, which will be delivered in the next twelve months. These wines are in great demand. Compared to the reference date of the previous year, 30 June 2010, when the balance sheet total amounted to € 157.6 million, the balance sheet total rose by € 17.3 million at the end of the first six months of 2011, likewise primarily due to the payments made on account for the wines of the 2009 Bordeaux vintage. The working capital requirement at 30 June 2011 increased in comparison to the reference date in the previous year by € 10.6 million; the increase in sales into account compared to the previous year accounted for the change in inventory.

Total equity capital declined by € 9.0 million compared to the end of 2010, due primarily to the distribution of the dividends.

Financial position

Liquidity analysis

Due to the larger increase in inventory (€ 11.1 million compared to € 4.5 million in the same period of the previous year), as well as the higher repayments of liabilities (€ 28.5 million compared to € 23.9 million), the cash flow from ongoing business activity for the six-month period was € –10.6 million, lower than that of the previous year (€ –4.4 million). Free cash flow in the first six months of € –13.0 million (previous year: € 0.1 million) was calculated from the net outflow of payments from current operations of € 10.6 million (previous year: € –4.4 million), less net funds employed for investment activities of € 2.3 million (previous year: net inflow of € 4.7 million, including the proceeds of € 7.3 million from the sale of the Majestic Wine shareholding) and less interest paid (€ 0.2 million, previous year: likewise € 0.2 million).

Investment analysis

Investments in tangible and intangible assets in the first six months of fiscal year 2011 amounted to € 2.3 million (same period of the previous year: € 2.6 million). The investments in tangible assets related to the purchase of a parcel of land at the logistics center in Tornesch (€ 0.9 million), the expansion and modernisation of the depots in the stationary specialist retail segment (€ 0.6 million) and € 0.5 million for replacement and expansion investments in the wholesale segment as well as € 0.3 million for 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 2010 annual report. With regard to the opportunities, the assessment of a higher likelihood that the increased demand on the part of the large Bordeaux wine buyers will lead to additional sales growth of 1 to 2 percentage points at the end of July 2011 as well, which was communicated in the quarterly financial report to 31 March 2011, is maintained.

REPORT ON EXPECTED DEVELOPMENTS

Outlook

The economic mood in Germany remains friendly and the worldwide demand for premium Bordeaux wines dynamic. Thus, an even more favorable environment can be expected than that described in the 2010 annual financial report. The figures for the first six months of 2011 reinforce the Hawesko management board's positive assessment of the opportunities. However, a certain slowing in the growth rate is expected for the second half of 2011. In particular, the sales dynamics at the Bordeaux-based subsidiary *Château Classic* will be facing a considerably stronger comparable basis in the next six months. Thus, the previous forecast of sales growth in the low to middle single-digit percentage range and EBIT at the previous year's good level of € 24–26 million is reaffirmed. The EBIT forecast includes in particular the start-up costs for the continuation of the pilot project in Sweden, the costs of the adaptation of the infrastructure to the enlarged requirements in the wholesale segment and the additional costs connected with a larger number of new openings of *Jacques' Wein-Depots*. With regard to the likelihood of achieving the upper end of the forecast range, the management board is currently even more optimistic than at the issuance of the quarterly financial report on 31 March. Several higher estimates are in the market, and it is possible that these could be achieved as well. However, business performance in the fourth quarter, like every year, is very important for the Hawesko Group. The financial result is expected to show a net expenditure of less than € 0.5 million (2010: net income of € 1.8 million after an extraordinary financial gain) and thus a consolidated net profit below that of 2010 (€ 20.0 million excluding shares of non-controlling interests). The management board expects another increase in EBIT and consolidated net income for 2012. Free cash flow is still expected to be in the range of roughly € 15 million for 2011 and € 20 million for 2012.

Hawesko Holding AG

Profit and loss statement for the first six months of 2011 (as per IFRS)

(in € millions, unaudited, rounding differences are possible)	1/1–30/6/ 2011	1/1–30/6/ 2010
Sales revenue	**188.0**	**164.3**
Other production for own assets capitalized	0.0	—
Increase (decrease) in finished goods inventories	0.2	–0.3
Other operating income	8.4	7.5
Cost of purchased goods	–114.9	–98.3
Personnel expenses	–18.7	–16.7
Amortisation of intangible assets and tangible assets	–2.8	–2.6
Other operating expenses and other taxes	–50.1	–44.7
Result from operations (EBIT)	**10.1**	**–9.2**
Financial result		
Interest earnings/expenditures	–0.2	–0.3
Other financial result	0.0	2.3
Result from ordinary activities	9.9	11.2
Taxes on income and deferred tax expenses	–3.1	–3.2
Consolidated net income	**6.8**	**8.1**
Profit due to non-controlling interests	–0.2	–0.1
Consolidated net income excluding non-controlling interests	**6.6**	**8.0**
Earnings per share (in €, undiluted)	0.73	0.91
Average number of shares in circulation (Numbers in thousands, undiluted)	8,983	8,847

Hawesko Holding AG

Profit and loss statement for the second quarter of 2011 (as per IFRS)

(in € millions, unaudited, rounding differences possible)	1/4–30/6/ 2011	1/4–30/6/ 2010
Sales revenue	**95.1**	**83.3**
Other production for own assets capitalized	0.0	—
Increase (decrease) in finished goods inventories	0.1	–0.2
Other operating income	4.2	3.8
Cost of purchased goods	–57.3	–49.4
Personnel expenses	–9.6	–8.6
Amortisation of intangible assets and tangible assets	–1.3	–1.3
Other operating expenses and other taxes	–25.7	–22.4
Result from operations (EBIT)	**5.5**	**5.3**
Financial result		
Interest earnings/expenditures	–0.1	–0.1
Other financial result	0.0	2.7
Result from ordinary activities	5.4	7.9
Taxes on income and deferred tax expenses	–1.7	–2.0
Consolidated net income	**3.7**	**5.8**
Profit due to non-controlling interests	–0.1	–0.1
Consolidated net income excluding non-controlling interests	**3.6**	**5.7**
Earnings per share (in €, undiluted)	0.40	0.65
Average number of shares in circulation (Numbers in thousands, undiluted)	8,983	8,860

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/ 2011	1/1–30/6/ 2010
Consolidated net income	**6.8**	**8.1**
Amount rebooked in the profit and loss statement	—	–1.0
Currency translation differences	0.0	0.0
Income and expense recognised directly in equity	**0.0**	**–0.9**
Overall result	**6.8**	**7.2**
of which: – allocable to shareholders of Hawesko Holding AG	6.6	7.1
– allocable to non-controlling interests	0.2	0.1

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/ 2011	1/4–30/6/ 2010
Consolidated net income	**3.7**	**5.8**
Change in fair value from disposable financial instruments	—	–1.0
Amount rebooked in the profit and loss statement	—	–1.0
Currency translation differences	0.0	0.0
Income and expense recognised directly in equity	**0.0**	**–1.9**
Overall result	**3.8**	**3.9**
of which: – allocable to shareholders of Hawesko Holding AG	3.7	3.8
– 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)

	30/6/2011	31/12/2010	30/6/2010
Assets			
Long-term assets			
Intangible assets	11.0	11.4	11.8
Tangible assets	20.0	20.1	20.3
Other financial assets	0.3	0.3	0.3
Advance payments on stocks	2.5	15.9	1.4
Receivables and other assets	1.1	1.1	1.0
Deferred tax liabilities	3.4	3.9	4.9
	38.3	52.6	39.7
Short-term assets			
Inventories	98.7	74.3	74.2
Trade receivables	29.2	46.7	28.1
Other assets	2.3	2.7	1.7
Receivables from taxes on income	1.0	0.8	0.9
Cash in banking accounts and cash on hand	5.3	24.7	13.0
	136.6	149.2	117.9
	174.9	**201.8**	**157.6**
Liabilities			
Shareholders' equity			
Subscribed capital of Hawesko Holding AG	13.7	13.7	13.7
Capital reserve	10.1	10.1	10.0
Retained earnings	52.3	47.3	47.2
Accumulated other equity	0.1	0.1	0.0
Unappropriated group profit	7.5	21.6	9.7
Shareholders' equity in Hawesko Holding AG	**83.7**	**92.8**	**80.7**
Non-controlling interests	0.9	0.8	0.6
	84.6	**93.5**	**81.3**
Long-term provisions and liabilities			
Provisions for pensions	0.6	0.6	0.6
Other long-term provisions	0.3	0.3	0.2
Borrowings	2.8	2.9	5.2
Advances received	2.7	16.4	3.0
Other liabilities	0.0	0.1	0.0
Deferred tax liabilities	0.3	0.3	0.3
	6.7	20.6	9.3
Short-term provisions and liabilities			
Non-controlling interests in the capital of unincorporated subsidiaries	0.0	0.0	–
Borrowings	14.5	5.0	15.1
Advances received	18.3	5.1	4.5
Trade accounts payable	37.3	53.0	35.9
Income taxes payable	2.2	2.8	1.4
Other liabilities	11.3	21.8	10.0
	83.6	87.6	67.0
	174.9	**201.8**	**157.6**

Hawesko Holding AG

Consolidated Cash Flow Statement (as per IFRS)

(in € millions, unaudited, rounding differences are possible)	1/1–30/6/ 2011	1/1–30/6/ 2010
Result from ordinary activities	9.9	11.2
Depreciation of tangible and intangible assets	2.8	2.6
Financial result	0.2	–2.1
Result from the disposal of intangible and tangible assets	–0.0	–0.0
Change in inventories	–11.1	–4.5
Change in other short-term assets	17.6	14.8
Change in provisions	0.0	0.0
Change in liabilities (excluding borrowings)	–28.5	–23.9
Taxes on income paid out	–1.4	–2.5
Net outflow of payments from current operations	**–10.6**	**–4.4**
Acquisition of subsidiaries	—	–0.1
Outpayments for tangible and intangible assets	–2.3	–2.6
Inpayments from the disposal of intangible and tangible assets	0.0	0.0
Dividends received	—	0.1
Inpayment from the disposal of financial assets	0.0	7.3
Outflow/inflow of net funds from investing activities	**–2.3**	**4.7**
Outpayments for dividends	–15.7	–11.9
Outpayments to non-controlling interests	–0.0	–0.3
Inpayments from the sale of treasury shares	—	0.2
Payment of finance lease liabilities	–1.5	–0.6
Change in borrowings	10.9	12.6
Interest paid out and received	–0.2	–0.2
Net inflow/outflow of funds from financing activities	**–6.5**	**–0.3**
Net decrease of funds	**–19.4**	**–0.0**
Funds at start of period	24.7	13.0
Funds at end of period	**5.3**	**13.0**

Hawesko Holding AG, Consolidated statement of changes in equity

	Subscribed capital	Capital reserve	Retained earnings	Balancing items from currency translation	Reserve for changes in value	Unappropriated group profit	Ownership of interest of Hawesko Holding AG shareholders	Non-controlling interests	Total
Status at 1 January 2010	13.5	6.5	41.0	–0.0	1.0	19.7	81.7	0.5	82.2
Appropriation to retained earnings	—	—	6.1	—	—	–6.1	—	—	—
Increase in real capital	0.2	3.5	—	—	—	—	3.7	—	3.7
Treasury shares	—	0.0	0.1	—	—	—	0.2	—	0.2
Successive acquisitions	—	—	–0.1	—	—	—	–0.1	0.1	—
Dividends	—	—	—	—	—	–11.9	–11.9	–0.1	–12.0
Overall result	—	—	—	0.0	–1.0	8.0	7.1	0.1	7.2
Status at 30 June 2010	13.7	10.0	47.2	0.0	—	9.7	80.7	0.6	81.3
Status at 1 January 2011	13.7	10.1	47.3	0.1	—	21.6	92.8	0.8	93.5
Appropriation to retained earnings	—	—	5.0	—	—	–5.0	—	—	—
Dividends	—	—	—	—	—	–15.7	–15.7	–0.0	–15.8
Overall result	—	—	—	0.0	—	6.6	6.6	0.2	6.8
Status at 30 June 2011	13.7	10.1	52.3	0.1	—	7.5	83.7	0.9	84.6

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

1/4–30/6/2011	Specialist retail	Wholesale	Mail order	Miscellaneous/ Consolidation	Group
External sales	**28.6**	**43.2**	**23.2**	**0.0**	**95.1**
Operating result (EBIT)	**3.3**	**1.8**	**1.5**	**–1.2**	**5.5**

1/4–30/6/2010	Specialist retail	Wholesale	Mail order	Miscellaneous/ Consolidation	Group
External sales	**26.7**	**36.5**	**20.1**	**0.0**	**83.3**
Operating result (EBIT)	**3.0**	**2.4**	**1.0**	**–1.1**	**5.3**

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

1/1–30/6/2011	Specialist retail	Wholesale	Mail order	Miscellaneous/ Consolidation	Group
External sales	**54.7**	**84.1**	**49.3**	**0.0**	**188.0**
Operating result (EBIT)	**5.7**	**3.4**	**3.0**	**–2.0**	**10.1**

1/1–30/6/2010	Specialist retail	Wholesale	Mail order	Miscellaneous/ Consolidation	Group
External sales	**52.0**	**67.8**	**44.5**	**0.0**	**164.3**
Operating result (EBIT)	**5.3**	**3.2**	**2.7**	**–2.0**	**9.2**

Appendix to the six-month report to 30 June 2011

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 2011 have been applied.

The present three-month 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 2010.

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 2010 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 2010. (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 70 to 72 in the 2010 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 2010:* The annual general meeting of shareholders on 20 June 2011 decided to appropriate the unappropriated earnings reported in the annual accounts of Hawesko Holding AG of € 16,768,115.07 as follows: a) Payout of a regular dividend of € 1.50 as well as a bonus dividend of € 0.25, i.e. a total dividend of € 1.75 per entitled share. With a total number of 8,983,403 shares entitled to dividends, this amounts to a total of € 15.720.955,25. b) The remaining amount of € 1,047,159.82 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. In the supervisory board, the term of office of Jacques Héon expired on 20 June 2011. The annual general shareholders' meeting on 20 June 2011 elected Kim-Eva Wempe, Hamburg, to the supervisory board. (6) *Business with closely associated persons:* As disclosed in the Notes to the financial statements for 2010 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 2010. (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/ 2011	1/1–30/6/ 2010
Employees (average during the period)	728	669

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, 3 August 2011

/s/ Margaritoff /s/ Hoolmans /s/ Siebdrat /s/ Zimmermann

Calendar:

Interim report to 30 September 2011	4 November 2011
Preliminary report on fiscal year 2011	Early February 2012

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