Hawesko Holding AG
Hamburg

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Half-year financial report to 30 June 2012

Hamburg, 3 August 2012

Highlights in € (millions)	Six months (1.1.–30.6.)			2. Quarter (1.4.–30.6.)		
	2012	2011	+/–	2012	2011	+/–
Consolidated sales	**212.4**	**188.0**	**12.9%**	**109.0**	**95.1**	**14.6%**
Result from operations (EBIT)	**12.0**	**10.1**	**19.1%**	**7.4**	**5.5**	**34.7%**
Consolidated earnings excluding non-controlling interests	**7.7**	**6.6**	**16.2%**	**4.8**	**3.6**	**33.0%**

Dear shareholders,

In recent weeks, several companies in the consumer goods sector have made irritating comments, asserting that consumers were feeling anxious and uncertain due to the euro crisis! Fortunately, this is obviously not true of all consumers – at least we are very satisfied with the second quarter of 2012 and look forward to the second half of the year with optimism. This satisfaction is also reflected in the figures: overall, sales of the Hawesko Group rose in the first six months by 12.9% and by 14.6% in the quarter under review. Thus, for the first time we have thus passed the 200 million mark during the first half of the year – with a very strong € 212.4 million.

The ongoing strong sales growth is being fed by four sources: the successful integration of our young, fast-growing subsidiary *Wein & Vinos*; the delivery of the remaining Bordeaux *en primeur* wines of the 2009 vintage (which also reached a significant volume in the second quarter of this year), the continued organic growth of *Jacques' Wein-Depot* and the very successful expansion of our sales to Sweden via our subsidiary *The Wine Company.*

The fact that we were able to increase the operating result by a rate significantly above sales growth is particularly pleasing: in the first six months, consolidated EBIT rose by 19.1%, and by 34.7% in the second quarter. The revenues from the 2009 Bordeaux *en primeur* wines also provided an additional boost. However, earnings in the wholesale segment increased nicely quite apart from these effects. Added to this are the high earnings from *Wein & Vinos.*

Specifically, sales at *Jacques' Wein-Depot* rose in absolute terms by 4.9% and on a like-for-like basis by 3.3% in the second quarter. That's an excellent performance. The EBIT at *Jacques'* remained just under the level of the previous year, but only because we are continuing to invest in the future: the online shop was further expanded and new customer acquisition accelerated via the multichannel approach. Moreover, our Wein Depots are being successively converted to our newly-developed brand image. In addition, we are currently intensifying the training of our Depot partners so that they can further improve services.

Sales in the wholesale segment rose by 3.7% during the second quarter. This increase is even more noteworthy when you consider that sales of our Bordeaux specialist *Château Classic* declined by two-thirds in the second quarter. The global market for Bordeaux wines of the vintages before 2009 is still very quiet, and in this case a special effect with regard to the comparative base also applies: a year ago, we were celebrating the boom due to the then strong demand from China. The decline in this demand was more than compensated by the delayed delivery of the highly-rated 2009 vintage, but also by the good "normal business" in Germany. The development of our Swiss subsidiary *Globalwine AG* is also very pleasing.

The mail order segment benefited primarily from the initial consolidation of the Spanish specialist *Wein & Vinos* in the second quarter. The new subsidiary has fulfilled all of our expectations up to now and we are very pleased with this new member of the Hawesko family. The mail order segment also benefited during the second quarter from the remaining deliveries of the 2009 *en primeur* wines. Wine sales to Sweden via *The Wine Company* are also going well – in this regard the excellent acceptance of the customers who have placed previous orders is particularly gratifying.

All in all, we can be very proud of our success in the first six months of 2012. At the same time, business progress is taking on more shape, so that we can now estimate developments in individual areas more precisely. In particular, the development of the secondary market for premium Bordeaux wines of the pre-2009 vintages remains very quiet around the globe, and there are no signs that this market will recover any time soon. That has an impact on the outlook for our Bordeaux-based subsidiary *Château Classic*, which achieved sales of just under € 27 million in fiscal year 2011. Based on today's assessment, its sales will most likely be in the range of € 10–15 million this year. In contrast, our assumptions for the other divisions of the Group remain very positive, so that we expect an increase between 10-12% in consolidated sales compared to the previous year (€ 411 million) and an EBIT margin between 6.6% and 7.0% (previous year: 6.5%).

The conditions for this are not bad at all, taken against the background of the previous year's figures. The first six months of the previous year was very strong, while development was rather restrained in the second half of the year. With this six-month financial report, we have successfully taken the high hurdle of the previous year's baseline and look forward to the second half of the year with unruffled optimism. And of course we are aiming for further increases in sales and profit in 2013.

As previously mentioned, doubts arise from various corners that we'll be able to reckon with economic momentum in the coming 6–18 months. In any case, we are counting on our strengths and will take the future as it comes. There are plenty of attractive prospects for growth for Hawesko, which we will implement systematically on our own. The trends in the international wine markets are clearly consistent with our strategy, and we are optimally positioned to take advantage of them. To do that, we are intensifying our efforts in all sales channels even further – to ensure the ongoing success of the Hawesko Group and especially for you, our shareholders!

Best regards,

Alexander Margaritoff
CEO

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INTERIM MANAGEMENT REPORT

GENERAL SITUATION

The economic situation during the first quarter of 2012 was predominantly positive: the German economy remained relatively strong despite the debt crisis in the euro zone. The adjustment to the recession in the countries particularly affected by the situation and the loss of confidence in the wake of the governmental debt crisis have left their marks, but the good structural condition of the German national economy retained the upper hand, according to the Deutsche Bundesbank in its monthly report for June 2012. The number of people registered as unemployed is at a historic low.

After a sharp decline in May 2012, the ifo business climate index fell again in June and July. According to the experts, this indicates worries regarding an increasing deterioration of the good situation in Germany due to the Eurozone crisis. The experts differentiated their analysis by sector between the processing trades and wholesale on the one hand, in which the business climate was clouding over, and the retail sector on the other hand, which assessed its situation and expectations more optimistically. The GfK consumption climate index rose between September 2011 and July 2012, with a small break in March. At the end of July, the worries that confidence in the euro will continue to fall are increasing. However, the institutes expect that consumer demand in Germany will remain at the currently high level despite the upheavals in the Eurozone.

Even if confidence in the euro is shaky, the Hawesko management board expects a fundamentally positive consumer mood in its home market in Germany as well as positive growth in consumption in 2012 and 2013. The wine market should also benefit from this.

According to data of the market research consultancy AC Nielsen, the German wine market grew by 4.5% in terms of sales value and 0.2% by volume in the first six months of 2012. The positive business situation was confirmed by the Geisenheim research institute in its current report on the wine market.

BUSINESS PROGRESS

Financial performance

Second quarter

During the period from April to June 2012, sales of the Hawesko Group rose by 14.6% (same quarter of the previous year: € 95.1 million) to € 109.0 million. Excluding the initial consolidation of the Spanish wine specialist *Wein & Vinos,* the increase was 6.4%. 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 € 30.0 million, an increase of 4.9% over the same quarter of the previous year (€ 28.6 million). Wholesale sales increased by 3.7% from € 43.2 million in the same quarter of the previous year to € 44.8 million in the quarter under review. Sales in the mail order segment rose from € 23.2 million to € 34.1 million, an increase of 46.8% over the previous year.

The stationary wine retail segment (*Jacques' Wein-Depot*) increased its sales by 4.9%: The activities aimed at customer retention and new customer acquisition led to higher customer frequency in the depots. As of 30 June 2012 there were 283 *Jacques' Wein-Depot* shops in operation; of these, 279 were in Germany (reference date in the previous year: 274) and four in Austria (previous year: likewise four). One new *Jacques'* location was leased as of the cut-off 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-for-like basis, sales in the stationary specialist retail segment rose by 3.3% compared to the second quarter of 2011, underpinned by the higher customer frequency.

In the wholesale segment, sales rose by 3.7% compared to the same quarter of the previous year. The total increase of € 1.6 million in the wholesale segment compared to the previous year included several components: the decline at *Château Classic – Le Monde des Grands Bordeaux* by € 4.4 million was more than compensated by additional income from Bordeaux wine subscriptions (€ 5.1 million) and organic growth in the core business. 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 46.8%; adjusted for the sales of *Wein & Vinos,* this corresponded to an increase of 13.6%. The number of active customers of the subsidiary *Hanseatisches Wein-und Sekt-Kontor* also rose, thanks to the continuing new customer acquisition as well as better customer retention. The brand profile of *Carl Tesdorpf – Weinhandel zu Lübeck* was enhanced with an even stronger focus on ultra-premium wines and rarities, increasing sales by 4.4%. The *VinoSelect!* wine club program at *Hanseatisches Wein- und Sekt-Kontor* maintained sales at the level of the previous year. Swedish sales via *The Wine Company* continued their positive development. With the inclusion of *Wein & Vinos*, the proportion of sales via the Internet, at 38% of segment sales, rose strongly in the second quarter as well. A year ago, online sales accounted for only 25% of segment sales.

Compared to the previous year, consolidated gross profit rose significantly in the second quarter as well as in the first. It increased by € 7.2 million to € 45.0 million, corresponding to a margin of 41.3%. In the same quarter of the previous year, this figure was 39.8%, and in the first quarter of 2012 the margin was 39.6%. The other operating income of € 4.0 million (same quarter of the previous year: € 4.2 million) consisted for the most part of rental and leasing income at *Jacques'* as well advertising allowances. Personnel expenses increased in the first quarter in absolute terms by € 1.4 million; however, as a share of sales they declined by 0.1 percentage points to 10.0%. The rise in absolute terms was due primarily to the initial consolidation of *Wein & Vinos* in the Group.

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

In € millions Rounding differences are possible	1.4.– 30.6.2012	1.4.– 30.6.2011
Advertising	9.0	7.5
Commissions to partners	7.6	7.4
Delivery costs	4.5	3.5
Rental and leasing	2.5	2.3
Other	5.5	5.0
	29.2	25.7

Advertising expenses amounted to 8.3% of sales, compared to 7.9% in the previous year. Expenditures for commissions declined (7.0% compared to 7.7% in the previous year), while delivery costs increased (4.1% compared to 3.7% in the previous year). Overall, other operating expenses and other taxes amounted to a net charge of € 29.2 million (previous year: € 25.7 million), making a quote of 26.8% of sales in the quarter under review, down from 27.0% in the same quarter of the previous year.

The consolidated operating result (EBIT) in the second quarter of 2012 was € 7.4 million (last year: € 5.5 million). The EBIT margin rose to 6.8% (previous year: 5.8%). The individual contributions of the business segments to the result from operations were as follows: Specialist wine retail *(Jacques' Wein-Depot)* contributed € 3.2 million, slightly lower than in the same quarter of the previous year (€ 3.3 million) due to higher costs for construction. The operating result (EBIT) in the wholesale segment amounted to € 2.3 million after € 1.8 million in the previous year, which had been influenced primarily by the anniversary offers. The mail order segment more than doubled its operating result, namely from € 1.5 million to € 3.2 million due to the higher trading margin, the initial consolidation of *Wein & Vinos* and a lower charge from *The Wine Company*.

The financial result amounted to € –0.2 million, compared to € –0.1 million in the previous year. The result before taxes on income amounted to € 7.2 million (previous year: € 5.4 million). The anticipated rate of tax expenditures in the quarter under review is 30.9%. Consolidated net income excluding non-controlling interests amounted to € 4.8 million (€ 3.6 million). The profit per share amounted to € 0.54, after € 0.40 in the previous year. This is based on the number of 8,983,403 shares for the period under review, as in the previous year.

First six months

In the first six months of fiscal year 2012, the Group posted sales of € 212.4 million, an increase of 12.9% over the same period of the previous year (€ 188.0 million). Due to the higher proportion of sales of the mail order segment, the consolidated gross profit margin increased by 1.6 percentage points to 40.5% of sales. Other income and expenditures added up to 34.9% (previous year: 33.5%) of sales. Thus, in the first half of 2012, the operating result (EBIT) amounted to 5.6% (previous year: 5.4%) of sales or € 12.0 million (previous year: € 10.1 million).

The financial result in the reporting period amounted to € –0.6 million, after € –0.2 million in the previous year. The increase is due to the financing of the acquisition of the majority interest in *Wein & Vinos.* The result before taxes on income amounted to € 11.4 million (comparable period in the previous year: € 9.9 million). Consolidated net income for the first six months after deductions for non-controlling interests amounted to € 7.7 million (€ 6.6 million). The profit per share amounted to € 0.85 compared to € 0.73 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

The balance sheet total at 30 June 2012 was € 216.7 million, corresponding to a reduction of € 0.4 million compared to the total at 31 December 2011. Significant changes from the reference date resulted primarily from the initial consolidation of *Wein & Vinos* – this applies mainly to the increase in intangible assets from € 10.7 million to € 37.8 million. The trade receivables declined as expected from € 16.6 million to € 31.3 million. (Trade receivables typically reach their highest level at 31 December.)

Total equity capital declined by € 19.0 million compared to the end of 2011, while other long-term liabilities increased by € 21.0 million. The financial liability which would be incurred if the minority partners of *Wein & Vinos* were to exercise an option to sell their share to Hawesko Holding AG is recognised here in the balance sheet. According to the partnership agreement, the outstanding 30% interest in *Wein & Vinos* could be offered for sale to Hawesko Holding AG in accordance with an agreed valuation scheme as of November 2016. The assessed value represents the probable cash value of this liability in the case of its exercise, as specified by the currently applicable regulations of the International Financial Reporting Standards (IFRS). The long-term borrowings rose from € 2.6 million at the reference date to € 15.9 million due to the acquisition of the majority interest in *Wein & Vinos*.

Financial position

Liquidity analysis

The reduction of inventories (€ 6.1 million compared to an increase of € 11.1 million in the same period of the previous year) – especially the reduction of advance payments made – had a positive effect on the cash flow from current operations. In contrast, the outflow of funds attributable to the change in liabilities (excluding borrowings) was caused primarily by the reduction in received advances, due to the physical delivery of the 2009 Bordeaux vintage: At € 43.6 million, this figure was much higher than in the previous year (€ 28.5 million). Overall, the cash flow from ongoing business activity improved from € –10.6 million to € –6.9 million. 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.

At € 23.2 million, the funds employed for investment activities considerably exceeded the previous year's figure (€ 2.3 million). This was due to the acquisition of the 70% majority interest in *Wein & Vinos GmbH*. Consequently, the free cash flow of € –30.7 million as of 30 June 2012 also differs considerably from that of the previous year (€ –13.0 million). Free cash flow was calculated from the net outflow of payments from current operations (€ –6.9 million), less funds employed for investment activities (€ 23.2 million) and interest paid out (€ –0.6 million).

Investment analysis

Investments in tangible and intangible assets in the first six months of fiscal year 2012 amounted to € 3.6 million (same period of the previous year: € 2.3 million). The investments in such assets related to the purchase of a parcel of land which will make possible an expansion of the logistics center in Tornesch (€ 1.5 million), the modernisation of the depots in the stationary specialist retail segment (€ 0.5 million) and € 0.8 million for replacement and expansion investments in the wholesale segment as well as € 0.5 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 2011 annual report. In particular, though, it has become clear that the weak demand from the large Bordeaux wine buyers is continuing. At the half-year point, the management board expects this development to influence the full year in 2012. However, due to the cyclical nature of the demand for these products, we assume that the lack of growth can be made up in the following years.

REPORT ON EXPECTED DEVELOPMENTS

Outlook

The demand for premium Bordeaux wines of the pre-2009 vintages remains very quiet around the globe, and there are no signs that this market will recover any time soon. That has an impact particularly on the outlook for our Bordeaux-based subsidiary *Château Classic*, which achieved sales of just under € 27 million in fiscal year 2011. Based on its current estimate, the management board expects that this subsidiary will achieve sales in the range of € 10–15 million in 2012. For the rest of the Group, the main sales territory is Germany, where the general economic and business conditions are still classified as good. This assessment also applies to the sales territories of Sweden and Switzerland.

Due only to the changed expectations for *Château Classic,* the management board is fine-tuning its forecast with respect to that given in the 2011 annual report. Instead of an increase in sales and EBIT in the clear double-digit percentage range for the full year 2012, we now expect an increase between 10–12% in consolidated sales compared to the previous year (€ 411 million) and an EBIT margin between 6.6% and 7.0% (previous year: 6.5%).

The remaining sections of the forecast in the 2011 annual report are hereby maintained: A net expenditure of approximately € 1.0 million (2011: € 0.5 million) is expected for the financial result in 2012. Profit due to non-controlling interests is expected to rise to approximately € 1.0 million (2011: € 0.3 million), so that an increase of the consolidated net income in the single-digit percentage range is anticipated. For 2013 the management board once again expects increases in sales and EBIT as well as in consolidated net income. After deducting the outpayment for the acquisition of *Wein & Vinos,* free cash flow in the magnitude of € 7–8 million for 2012 and more than € 20 million in 2013 is expected.

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Hawesko Holding AG

Profit and loss statement for the first six months of 2012 (as per IFRS)

(in € millions, unaudited, rounding differences possible)	1.1.–30.6. 2012	1.1.–30.6. 2011
Sales revenues	**212.4**	**188.0**
Increase (decrease) in finished goods inventories	0.3	0.2
Other production for own assets capitalized	—	0.0
Other operating income	8.1	8.4
Cost of purchased goods	–126.3	–114.9
Personnel expenses	–21.4	–18.7
Amortisation of intangible assets and tangible assets	–3.6	–2.8
Other operating expenses and other taxes	–57.5	–50.1
Result from operations (EBIT)	**12.0**	**10.1**
Financial result		
Interest earnings/expenditures	–0.6	–0.2
Other financial result	0.0	0.0
Result before taxes on income	11.4	9.9
Taxes on income and deferred tax expenses	–3.5	–3.1
Consolidated net income	**7.9**	**6.8**
Profit due to non-controlling interests	–0.3	–0.2
Consolidated earnings excluding non-controlling interests	**7.7**	**6.6**
Earnings per share(in €, undiluted)	0.85	0.73
Average number of shares in circulation (Numbers in thousands, undiluted)	8,983	8,983

Hawesko Holding AG

Profit and loss statement for the second quarter of 2012 (as per IFRS)

(in € millions, unaudited, rounding differences possible)	1.4.–30.6. 2012	1.4.–30.6. 2011
Sales revenues	**109.0**	**95.1**
Increase (decrease) in finished goods inventories	0.3	0.1
Other production for own assets capitalized	—	0.0
Other operating income	4.0	4.2
Cost of purchased goods	–63.9	–57.3
Personnel expenses	–10.9	–9.6
Amortisation of intangible assets and tangible assets	–1.8	–1.3
Other operating expenses and other taxes	–29.2	–25.7
Result from operations (EBIT)	**7.4**	**5.5**
Financial result		
Interest earnings/expenditures	–0.2	–0.1
Other financial result	0.0	0.0
Result before taxes on income	7.2	5.4
Taxes on income and deferred tax expenses	–2.2	–1.7
Consolidated net income	**4.9**	**3.7**
Profit due to non-controlling interests	–0.1	–0.1
Consolidated earnings excluding non-controlling interests	**4.8**	**3.6**
Earnings per share(in €, undiluted)	0.54	0.40
Average number of shares in circulation (Numbers in thousands, undiluted)	8,983	8,983

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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. 2012	1.1.–30.6. 2011
Consolidated net income	**7.9**	**6.8**
Effective portion of losses from cash flow hedges	–0.2	—
Currency translation differences	0.0	0.0
Income and expense recognised directly in equity	**–0.2**	**0.0**
Overall result	**7.7**	**6.8**
of which: – allocable to shareholders of Hawesko Holding AG	7.5	6.6
– allocable to non-controlling interests	0.2	0.2

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. 2012	1.4.–30.6. 2011
Consolidated net income	**4.9**	**3.7**
Effective portion of losses from cash flow hedges	–0.1	—
Currency translation differences	–0.0	0.0
Income and expense recognised directly in equity	**–0.1**	**0.0**
Overall result	**4.9**	**3.8**
of which: – allocable to shareholders of Hawesko Holding AG	4.7	3.7
– allocable to non-controlling interests	0.1	0.1

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Hawesko Holding AG			
Consolidated balance sheet (as per IFRS)			
(in € millions, unaudited, rounding differences are possible)	30.6.2012	31.12.2011	30.6.2011)*
Assets			
Long-term assets			
Intangible assets	37.8	10.7	11.0
Tangible assets	21.3	19.9	20.0
Other financial assets	0.2	0.2	0.3
Advance payments on stocks	5.7	12.9	2.5
Receivables and other assets	1.0	0.9	1.1
Deferred tax liabilities	7.1	2.1	3.4
	73.0	46.7	38.3
Short-term assets			
Inventories	100.5	97.0	98.7
Trade receivables	31.3	47.9	29.2
Other assets	2.0	3.9	2.3
Receivables from taxes on income	3.3	1.1	1.0
Cash in banking accounts and cash on hand	6.5	20.4	5.3
	143.6	170.4	136.6
	216.7	**217.1**	**174.9**
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	48.1	62.7	62.7
Accumulated other equity	–0.1	0.0	0.1
Unappropriated group profit	–3.2	8.4	–2.9
Shareholders' equity in Hawesko Holding AG	**68.5**	**94.9**	**83.7**
Non-controlling interests	8.2	0.8	0.9
	76.7	**95.7**	**84.6**
Long-term provisions and liabilities			
Provisions for pensions	0.7	0.7	0.6
Other long-term provisions	0.4	0.4	0.3
Borrowings	15.9	2.6	2.8
Advances received	3.0	10.9	2.7
Other liabilities	21.0	0.0	0.0
Deferred tax liabilities	5.4	0.3	0.3
	46.4	14.9	6.7
Short-term provisions and liabilities			
Non-controlling interests in the capital of unincorporated subsidiaries	0.0	0.0	0.0
Borrowings	22.5	4.3	14.5
Advances received	12.8	16.5	18.3
Trade accounts payable	43.9	57.7	37.3
Income taxes payable	0.8	4.0	2.2
Other liabilities	13.5	24.0	11.3
	93.6	106.5	83.6
	216.7	**217.1**	**174.9**

)* The previous year's figures regarding the allocation within equity between the retained earnings and the unappropriated group profit were adjusted to conform with the 2011 consolidated balance sheet.

Hawesko Holding AG

Consolidated Cash Flow Statement (as per IFRS)

(in € millions, unaudited, rounding differences are possible)	1.1.–30.6. 2012	1.1.–30.6. 2011
Result before taxes on income	11.4	9.9
Depreciation of tangible and intangible assets	3.6	2.8
Other non-cash expenses and income	0.0	—
Financial result	0.6	0.2
Result from the disposal of intangible and tangible assets	0.0	–0.0
Change in inventories	6.1	–11.1
Change in other short-term assets	17.7	17.6
Change in provisions	–0.2	0.0
Change in liabilities (excluding borrowings)	–43.6	–28.5
Taxes on income paid out	–2.5	–1.4
Net outflow of payments from current operations	**–6.9**	**–10.6**
Acquisition of subsidiaries	–19.7	—
Outpayments for tangible and intangible assets	–3.6	–2.3
Inpayments from the disposal of intangible and tangible assets	0.1	0.0
Inpayment from the disposal of financial assets	0.0	0.0
Outflow of net funds from investing activities	**–23.2**	**–2.3**
Outpayments for dividends	–14.4	–15.7
Outpayments to non-controlling interests	–0.4	–0.0
Payment of finance lease liabilities	–0.2	–1.5
Change in borrowings	31.7	10.9
Interest paid out and received	–0.6	–0.2
Net inflow/outflow of funds from financing activities	**16.3**	**–6.5**
Net decrease of funds	**–13.8**	**–19.4**
Funds at start of period	20.4	24.7
Funds at end of period	**6.5**	**5.3**

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Hawesko Holding AG, Consolidated statement of changes in equity

	Subscribed capital	Capital reserve	Retained earnings	Balancing items from currency translation	Value change reserve	Unappropriated group profit	Ownership of interest of Hawesko Holding AG shareholders	Non-controlling interests	Total
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	—	—	15.4	—	—	–15.4	—	—	—
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	62.7	0.1	—	–2.9	83.7	0.9	84.6
Status at 1 January 2012	13.7	10.1	62.7	0.0	—	8.4	94.9	0.8	95.7
Appropriation to retained earnings	—	—	4.9	—	—	–4.9	—	—	—
Partial disposals	—	—	0.0	—	—	—	0.0	0.1	0.1
Successive acquisitions	—	—	–0.2	—	—	—	–0.2	–0.1	–0.3
Option to sell of non-controlling interests	—	—	–19.4	—	—	—	–19.4	—	–19.4
Change in the consolidation group	—	—	—	—	—	—	—	7.4	7.4
Dividends	—	—	—	—	—	–14.4	–14.4	–0.2	–14.5
Deferred tax liabilities	—	—	—	—	0.1	—	0.1	—	0.1
Overall result	—	—	—	0.1	–0.3	7.7	7.4	0.2	7.6
Status at 30 June 2012	13.7	10.1	48.1	0.1	–0.2	–3.2	68.5	8.2	76.7

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

1.4.–30.6.2012	Specialist retail	Wholesale	Mail order	Miscellaneous/ Consolidation	Group
External sales	**30.0**	**44.8**	**34.1**	**0.0**	**109.0**
Operating result (EBIT)	**3.2**	**2.3**	**3.2**	**–1.4**	**7.4**

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**

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

1.1.–30.6.2012	Specialist retail	Wholesale	Mail order	Miscellaneous/ Consolidation	Group
External sales	**57.9**	**83.3**	**71.1**	**0.0**	**212.4**
Operating result (EBIT)	**5.8**	**3.8**	**5.0**	**–2.6**	**12.0**

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**

Appendix to the six-month report to 30 June 2012

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 2012 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 2011.

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: Compared to the 2011 consolidated balance sheet, the consolidation group of Hawesko Holding AG was expanded to include *Wein & Vinos GmbH*, domiciled in Berlin.

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 2011. (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 2011 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.

<u>Other information:</u> (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 2011:* The annual general meeting of shareholders on 18 June 2012 passed a resolution to appropriate the unappropriated earnings reported in the annual accounts of Hawesko Holding AG of € 15,657,545.41 as follows: (a) Payout of a dividend of €1.60 per entitled share. With a total number of 8,983,403 shares entitled to dividends, this amounts to a total of € 14,373,444.80. b) The remaining amount of € 1,284,100.61 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 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 2011 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. 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 have not changed since 31 December 2011. (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. 2012	1.1.–30.6. 2011
Employees (average during the period)	840	728

HAWESKO
HOLDING AG

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, 2 August 2012

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

Calendar:

Interim report to 30 September 2012	6 November 2012
Preliminary report on fiscal year 2012	Early February 2013

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