Hawesko Holding AG
Hamburg

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Quarterly financial report to 30 September 2013

Hamburg, 6 November 2013

Highlights in € (millions)	Nine months (1.1.–30.9.)			3rd quarter (1.7.–30.9.)		
	2013	2012	+/–	2013	2012	+/–
Consolidated sales	**317.0**	**304.7**	**4.0%**	**100.0**	**92.3**	**8.3%**
Result from operations (EBIT)	**12.3**	**13.9**	**–11.5%**	**2.0**	**1.9**	**4.0%**
Consolidated net income excluding non-controlling interests	**6.4**	**8.8**	**–27.9%**	**0.0**	**1.2**	**–98.0%**

Dear shareholders,

Let me say this right at the beginning: the Hawesko Group is growing and is making good progress with regard to earnings as well – in 97.8% of the company. However, the remaining 2.2% is causing us some grief: this figure relates to the share of consolidated sales contributed by our French subsidiary that specializes in ultra-premium Bordeaux wines. As you may have read in the media or in our message dated 24 October, our expectations that the extremely weak demand in the global market for top Bordeaux wines would improve over the course of 2013 have not been fulfilled. On the contrary: the prices for these wines have recently dropped even further. Accordingly, the loss posted in the third quarter of 2013 by our subsidiary *Château Classic* was higher than expected. Consequently, the third-quarter results for 2013 were dragged down for the entire Group, so that we had to revise our expectations for the full fiscal year.

With the exception of the subscription wines, the performance of the ultra-premium Bordeaux segment has largely depended in recent years on the demand in the Far East, particularly in China. Until 2012, demand in that region soared by leaps and bounds. Since then, it has collapsed equally dramatically, and there are no signs of recovery in the foreseeable future. Thus we want to take the necessary action without delay in the current fiscal year. Our subsidiary *Château Classic*, which specializes exclusively in ultra-premium Bordeaux wines, is currently being subjected to a thorough review, with all options on the table. This is also due to the extreme volatility of this segment, which no longer fits in our business model of constant, steady growth. Thus we are continuing to pursue our flexible and consistent policy of expanding our operations where they generate growth and, where it is apparent that this is not the case, we are cutting them back. Accordingly, charges in the middle single-digit million range will have to be absorbed in the fourth quarter of 2013.

But rest assured that wines of the ultra-premium class and in particular the great Bordeaux wines are very important to us as part of our overall product range. Thus our customers will still be able to buy these wines from us in the future.

And now back to the 97.8% of the Hawesko Group we enjoy reporting on: it posted growth of 8.5% in the quarter under review! Excluding *Chateau Classic*, consolidated sales rose from € 89.8 million in the same quarter of the previous year to € 97.4 million in the quarter under review. During the first nine months, sales increased by 4.7% from € 296.1 million to € 310.2 million. *Jacques' Wein-Depot*, our core business in the German wholesale segment, the successful expansion of *Globalwine* in Switzerland as well as the mail order segment all contributed to organic growth.

Earnings development was also very positive in the third quarter: excluding *Chateau Classic*, the operating result (EBIT) amounted to € 2.7 million, up from € 2.2 million in the previous year. The EBIT margin thus increased from 2.5% to 2.8%. As profits in the previous quarters did not quite keep pace with sales growth, EBIT in the first nine months – likewise excluding *Château Classic* – declined slightly from € 14.4 million to € 13.7 million. This was due primarily to additional costs for development of new business areas in the mail order segment as well as the expansion of operations in the Swiss market.

Specifically, sales at *Jacques' Wein-Depot* rose in absolute terms by 2.9% and on a like-for-like basis by 2.5% in the third quarter, continuing the excellent performance of the first half of the year. EBIT remained just below the level of the previous year, as we are continuing to invest in the expansion of *Jacques'* online shop in order to accelerate the acquisition of new customers using the cross-channel approach. Finally, we are successively converting our depots to the newly developed brand image. During the first nine months, sales at *Jacques'* rose by 3.0%, while EBIT was just below the figure for the previous year, as in the quarter under review and for the same reasons.

Sales in the wholesale segment – excluding *Château Classic* – grew by 11.8% in the third quarter, compared to the same quarter of the previous year. Organic growth in sales amounted to 7.4%, excluding the new acquisition in western Switzerland (*Vogel Vins*). During the first nine months, sales rose overall by 8.3% while the organic growth rate was 3.9%. The acquisition of *Vogel Vins* is an important geographic expansion, and *Globalwine AG,* based in German-speaking Switzerland, is growing at a double-digit percentage rate. Excluding *Château Classic*, EBIT in the third quarter was roughly at the level of the same quarter in the previous year, but did not increase due to the investments in our Swiss operations. Leaving *Château Classic* out of the calculations, the operating result (EBIT) amounted to € 3.0 million, after € 4.3 million in the previous year.

The mail order segment posted an increase in sales of 10.2% in the third quarter. *Carl Tesdorpf – Weinhandel zu Lübeck*, which clearly benefited from its repositioning, as well as *Wein & Vinos* posted good sales increases. *The Wine Company* also continued its positive growth in Sweden. *Hanseatisches Wein- und Sekt-Kontor* picked up the pace again in the third quarter, increasing sales by 8.8%, after two large advertising campaigns literally ended up under water in the first few weeks of summer. The summer slump is still noticeable in the nine-month results, so that sales rose by 2.2%. At € 1.1 million in the quarter under review, EBIT in the mail order segment was significantly higher than that of the previous year. This result also includes start-up losses at *Wein & Vinos*, while good profits were achieved at the end of the quarter. The contributions of *Carl Tesdorpf – Weinhandel zu Lübeck* and *The Wine Company* to the result are also showing a positive upward tendency. During the first nine months, EBIT in the mail order segment increased by 21.5% to € 6.4 million, up from € 5.3 million.

With this in mind, we could be satisfied with the business performance over the course of the year up to now, if the distortions had not occurred at *Château Classic*. Thus the management board has revised its full-year forecast for 2013 accordingly. Including *Château Classic,* we expect sales growth of roughly 4–5% compared to the level of the previous year (€ 449 million) and EBIT of € 22–24 million (previous year: € 26.1 million). We have already taken into account the special charges from *Château Classic* equalling a figure in the mid-single-digit million range.

Dear shareholders, in conclusion, please let me explicitly emphasise once more that the vast majority of the Group – the aforementioned 97.8% – is continuing its positive development and is on course. For the tiny remainder we will find a solution before this year comes to an end, albeit at the inevitable price of a further charge. However, we could not avoid the charge by waiting any longer; rather, it would merely increase and accompany us into 2014. We will not let this happen, as the coming fiscal year should be completely under the aegis of renewed and enhanced profitability!

Best regards,

Alexander Margaritoff
CEO

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INTERIM MANAGEMENT REPORT

GENERAL SITUATION

During the first nine months of 2013, the economic situation in our primary sales territory, Germany, was predominantly positive: in its monthly report for October 2013, the German Bundesbank wrote that the pace of growth slowed in the third quarter, but that the economic performance had still improved. However, the catch-up effects after the long, cold winter have dissipated compared to those in the second quarter. The Bundesbank expects a reinforcement of the economic trends in the fourth quarter, as signalled by early indicators such as the ifo expectation indicators and the very favourable general conditions for private consumption. The Gesellschaft für Konsumforschung (GfK) also expects favourable general conditions for consumption as of mid-October 2013, primarily due to the low unemployment rate, even though a sustained tax debate after the German federal elections could adversely affect income expectations: “Private consumption will thus continue to provide strong support to the economic engine”.

With this in mind, the Hawesko management board also reckons with a positive consumer mood and favourable economic dynamics in 2013 and 2014, from which the wine market should benefit as well.

According to data of the market research consultancy AC Nielsen, the German wine market grew by 2.5% in terms of value in the period from January to September 2013 while the volume sold fell by 0.9%. These data are heavily influenced by the food retailers and thus by the low-price segment. The merchandise mix of Hawesko differs substantially from that of the food retailers.

BUSINESS PERFORMANCE

Financial performance

Third quarter

During the period from July to September 2013, sales of the Hawesko Group rose by 8.3% compared to the same quarter of the previous year (€ 92.3 million) to € 100.0 million. In the quarter under review, the revenues of the business segments developed as follows: The stationary wine retail segment (*Jacques’ Wein-Depot*) increased its sales by 2.9% to € 29.2 million (previous year: € 28.3 million). Wholesale sales increased by 11.1% from € 35.8 million in the same quarter of the previous year to € 39.8 million in the quarter under review. Sales in the mail order segment rose from € 28.2 million to € 31.0 million, an increase of 10.2% over the previous year.

The specialist wine retail segment (*Jacques' Wein-Depot*) posted a sales increase of 2.9%, whereby sales were above-average in July, normal in August and somewhat weaker in September. The activities aimed at customer retention and new customer acquisition once again led to higher customer frequency in the depots. At 30 September 2013 there were 284 *Jacques*’ *Wein-Depots* in operation, of which 281 were in Germany (same date in the previous year: 279) and three in Austria (previous year: four). The online shop at www.jacques.de is designed as an additional service as part of our cross-channel concept and continues to grow from a low base level. On a like-for-like basis, sales in the stationary specialist retail segment rose by 2.5% compared to the third quarter of 2012.

In the wholesale segment, sales rose by 11.1% or € 4.0 million compared to the same quarter of the previous year. The initial consolidation of *Vogel Vins* contributed € 1.5 million and sales growth at *Globalwine* € 1.0 million. All major domestic companies posted solid growth rates.

Sales in the mail order segment rose by 10.2% in the reporting period. Sales growth in all distribution companies had a positive impact. The number of active customers of the subsidiary *Hanseatisches Wein-und Sekt-Kontor* also rose, thanks to the continuing new customer acquisition. The intensified focus of *Carl Tesdorpf – Weinhandel zu Lübeck* on ultra-premium wines and rarities was continued, increasing sales by 10.0%. The *VinoSelect!* wine club program at *Hanseatisches Wein- und Sekt-Kontor* also posted a sales increase.In the third quarter of 2013, the share of sales made via the Internet increased by 19% compared to the same quarter in the previous year, thus accounting for 43% of segment sales. A year ago, online sales accounted for 39% of segment sales.

Consolidated gross profit rose over the figure for the previous year, increasing by € 3.2 million to € 41.1 million, corresponding to a margin of 41.1% as in the same quarter of the previous year. The other operating income of € 3.6 million (same quarter in the previous year: likewise € 3.6 million) consisted for the most part of rental and leasing income at *Jacques'* as well advertising allowances. Personnel expenses increased in absolute terms by € 1.5 million in the third quarter; as a share of sales they increased by 0.6 percentage points to 12.6%. The rise was due primarily to the initial consolidation of *Vogel Vins* and building up structures in the mail order segment.

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

In € (millions) Rounding differences are possible	1.7.– 30.9.2013	1.7.– 30.9.2012
Advertising	9.0	8.4
Commissions to partners	7.3	7.0
Delivery costs	4.6	4.1
Rental and leasing	2.8	2.6
Other	5.4	4.9
	29.1	27.0

Expenses for advertising amounted to 9.0% of sales, compared to 9.1% in the previous year. Expenses for commissions amounted to 7.3%, compared to 7.6% in the previous year, and for delivery this figure was 4.6%, up from 4.4% in the previous year. Overall, other operating expenses and other taxes amounted to € 29.1 million (previous year: € 27.0 million), accounting for 29.1% of sales in the quarter under review, up from 29.2% in the same quarter of the previous year.

The consolidated result of operations (EBIT) amounted to € 2.0 million in the third quarter of 2013 (previous year: € 1.9 million). The EBIT margin was 2.0% (previous year: 2.1%). The individual contributions of the business segments to the result from operations were as follows: Specialist wine retail *(Jacques' Wein-Depot)* contributed € 2.6 million, lower than in the same quarter of the previous year (€ 2.9 million) due to the elimination of other revenues. The operating result (EBIT) in the wholesale segment amounted to € –0.5 million after € 0.1 million in the previous year; this reflects the weak demand for top Bordeaux wines in East Asia as well as losses from the sale of stocks at *Château Classic*. In the mail order segment, the operating result rose from € 0.3 million to € 1.1 million.

In the quarter under review, the financial result dropped to € –0.4 million (previous year: € –0.3 million) due to the revaluation of a financial instrument. The result before taxes on income amounted to € 1.6 million (€ 1.7 million). In contrast to the preceding quarters, the tax rate in the quarter under review will amount to 106.9%, as foreign losses do not lead to a reduction in taxable income and a correction is necessary to bring the cumulative tax charge up to the anticipated full-year level of 41.0%; a tax rate of 30.0% had been anticipated in the previous interim reports. Consolidated net income after deductions for non-controlling interests amounted to €0.0 million (€ 1.2 million). The profit per share amounted to € 0.00, after € 0.13 in the previous year. The number of shares in circulation in the period under review was 8,983,403, as in the previous year.

First nine months

In the first nine months of fiscal year 2013, the Group posted sales of € 317.0 million, an increase of 4.0% over the same period of the previous year (€ 304.7 million). The consolidated gross profit margin increased by 0.7 percentage points to 41.4% of sales. Personnel expenses accounted for 11.7% of sales (previous year: 10.7%). During the nine-month period, other operating expenses and other taxes compared to those of the previous year as follows:

In € (millions) Rounding differences are possible	1.1.– 30.9.2013	1.1.– 30.9.2012
Advertising	27.4	26.6
Commissions to partners	22.3	21.8
Delivery costs	13.9	12.9
Rental and leasing	8.3	7.6
Other	17.5	15.5
	89.5	84.4

Other income and expenditures added up to 37.5% (previous year: 36.1%) of sales. Thus, in the first nine months of 2013 the operating result (EBIT) amounted to 3.9% (previous year: 4.6%) of sales or € 12.3 million in the period under review (previous year: € 13.9 million).

The financial result amounted to € –1.1 million (previous year: € –0.8 million); the increase is due to the revaluation of a financial instrument. The result before taxes on income amounted to € 11.2 million (previous year: € 13.1 million). Consolidated net income after deductions for non-controlling interests amounted to € 6.4 million, compared to € 8.8 million in the same period of the previous year. The profit per share amounted to € 0.71, compared to € 0.98 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 September 2013 was € 212.8 million, corresponding to a reduction of € 24.0 million compared to the total at 31 December 2012. The trade receivables declined as expected by € 21.9 million to € 30.6 million. (Trade receivables typically reach their highest level at 31 December.)

The equity capital declined by € 7.6 million compared to the end of 2012 after the payment of the dividend. Short-term liabilities declined on a seasonal basis by € 13.8 million as of the reference date to € 98.3 million.

Financial performance

Liquidity analysis

Overall, the cash flow from ongoing business activity improved from € –10.2 million to € –6.3 million. Due to the seasonal nature of the business, cash flow from ongoing business activity is usually negative in the first nine months of the fiscal year.

At € 5.9 million, the funds employed for investment activities were considerably lower in the first nine months of 2013 than the previous year's figure (€ 24.1 million). This was due to the acquisition of the 70% majority interest in *Wein & Vinos GmbH* in the previous year. Consequently, the free cash flow of € –12.9 million at 30 September 2013 improved considerably from that of the previous year (€ –35.1 million). Free cash flow was calculated from the net outflow of payments from current operations (€ –6.3 million), less funds employed for investment activities (€ –5.9 million) and interest paid out (€ –0.7 million).

Investment analysis

Investments in tangible and intangible assets in the first nine months of fiscal year 2013 amounted to € 3.5 million (same period in the previous year: € 4.6 million). The investments in tangible assets related to the modernisation of the depots in the stationary specialist retail segment (€ 1.0 million) and € 1.1 million for replacement and expansion investments in the wholesale segment as well as € 1.3 million for such investments in the mail order segment. In the previous year the investments included the purchase of a parcel of land which will facilitate an expansion of the logistics center in Tornesch (€ 1.5 million) as required.

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 2012 annual report, except for one item: The Hawesko management board currently assumes that the business performance of the subsidiary *Château Classic* for the full fiscal year 2013 will remain below that of the previous year with regard to both sales and the operating result (EBIT) due to the sustained sluggish demand for ultra-premium Bordeaux wines, and has taken this into account in the revised forecast (see below). Furthermore, the management board reaffirms its assessment that the elimination of exclusive distribution rights for an Italian producer will be compensated by higher sales of other exclusive products.

REPORT ON EXPECTED DEVELOPMENTS

Outlook

The forecast of the Hawesko management board for fiscal year 2013 has changed from that published in the 2012 annual report as follows: with regard to the current business performance of the French subsidiary *Château Classic*, which is worse than expected, the management board assumes that this development will continue over a longer period, and is therefore reviewing various options with regard to the future positioning of the Group in the wholesale trading of Bordeaux wines of the ultra-premium class. A decision will be made shortly. As a consequence, further reductions in earnings in the current fiscal year cannot be excluded. However, these charges would be non-recurring by nature and will not exceed a figure in the mid-single-digit million range (in euros). Accordingly, the management board currently assumes that consolidated sales in 2013 will be 4–5% higher than in the previous year (€ 449 million) and the result of operations (EBIT) will be between € 22–24 million (previous year: € 26.1 million).

A net expenditure of approximately € 1.5 million (2012: € net income of € 4.2 million) is expected for the financial result. Profit due to non-controlling interests is projected to rise to approximately € 0.8 million (2012: € 0.3 million). Consolidated net income is expected to be below the level of the previous year. For 2014, the management board expects a further increase in sales, EBIT and consolidated net income compared to the level of the 2103 figures. Free cash flow is expected to be in the range of roughly € 10 million for 2013, with a further increase in 2014.

Hawesko Holding AG

Profit and loss statement for the first nine months of 2013 (as per IFRS)

(in € millions, unaudited, rounding differences possible)	1.1.–30.9. 2013	1.1.–30.9. 2012
Sales revenues	**317.0**	**304.7**
Increase in finished goods inventories	0.5	0.5
Other operating income	12.0	11.7
Cost of purchased goods	–185.8	–180.7
Personnel expenses	–37.0	–32.5
Depreciation and amortisation	–4.9	–5.4
Other operating expenses and other taxes	–89.5	–84.4
Result from operations (EBIT)	**12.3**	**13.9**
Financial result		
Interest earnings/expenditures	–0.7	–0.8
Other financial result	–0.4	—
Result before taxes on income	11.2	13.1
Taxes on income and deferred tax expenses	–4.6	–4.1
Consolidated net income	**6.6**	**9.1**
Profit due to non-controlling interests	–0.2	–0.2
Consolidated net income excluding non-controlling interests	**6.4**	**8.8**
Earnings per share(in €, undiluted)	0.71	0.98
Average number of shares in circulation (Numbers in thousands, undiluted)	8,983	8,983

Hawesko Holding AG

Profit and loss statement for the third quarter of 2013 (as per IFRS)

(in € millions, unaudited, rounding differences possible)	1.7.–30.9. 2013	1.7.–30.9. 2012
Sales revenues	**100.0**	**92.3**
Increase in finished goods inventories	0.5	0.2
Other operating income	3.6	3.6
Cost of purchased goods	–58.9	–54.4
Personnel expenses	–12.6	–11.1
Depreciation and amortisation	–1.6	–1.8
Other operating expenses and other taxes	–29.1	–27.0
Result from operations (EBIT)	**2.0**	**1.9**
Financial result		
Interest earnings/expenditures	–0.3	–0.3
Other financial result	–0.1	—
Result before taxes on income	1.6	1.7
Taxes on income and deferred tax expenses	–1.7	–0.5
Consolidated net income	**–0.1**	**1.2**
Profit due to non-controlling interests	0.1	0.0
Consolidated net income excluding non-controlling interests	**0.0**	**1.2**
Earnings per share(in €, undiluted)	0.00	0.13
Average number of shares in circulation (Numbers in thousands, undiluted)	8,983	8,983

Hawesko Holding AG

Consolidated statement of comprehensive income *for the period from 1 January to 30 September*

(in € millions, unaudited, rounding differences are possible)	1.1.–30.9. 2013	1.1.–30.9. 2012
Consolidated net income	**6.6**	**9.1**
Items that prospectively will not be reclassified to profit or loss		
Actuarial gains and losses resulting from remeasurements of defined-benefit pension plans including deferred tax liabilities	—	—
Items that prospectively may be reclassified to profit or loss		
Effective portion of losses from cash flow hedges including deferred tax liabilities	0.1	–0.3
Currency translation differences	–0.0	0.0
Income and expense recognised directly in equity	**0.1**	**–0.2**
Comprehensive income	**6.7**	**8.8**
of which: – allocable to shareholders of Hawesko Holding AG	6.5	8.6
– allocable to non-controlling interests	0.2	0.2

Hawesko Holding AG

Consolidated statement of comprehensive income *for the period from 1 July to 30 September*

(in € millions, unaudited, rounding differences are possible)	1.7.–30.9. 2013	1.7.–30.9. 2012
Consolidated net income	**–0.1**	**1.2**
Items that prospectively will not be reclassified to profit or loss		
Actuarial gains and losses resulting from remeasurements of defined-benefit pension plans including deferred tax liabilities	—	—
Items that prospectively may be reclassified to profit or loss		
Effective portion of losses from cash flow hedges including deferred tax liabilities	0.0	–0.1
Currency translation differences	0.0	0.0
Income and expense recognised directly in equity	**0.0**	**–0.0**
Comprehensive income	**–0.1**	**1.1**
of which: – allocable to shareholders of Hawesko Holding AG	0.0	1.1
– allocable to non-controlling interests	–0.1	0.0

Hawesko Holding AG **Consolidated balance sheet (as per IFRS)** (in € millions, unaudited, rounding differences are possible)	30.9.2013	31.12.2012	30.9.2012*)
Assets			
Long-term assets			
Intangible assets	34.5	35.8	35.8
Tangible assets	21.2	20.5	20.9
Other financial assets	0.2	0.2	0.2
Advance payments on stocks	3.6	5.3	4.7
Receivables and other assets	1.7	1.0	1.0
Deferred tax	1.9	2.2	1.5
	63.2	65.0	64.2
Short-term assets			
Inventories	106.7	100.0	101.8
Trade receivables	30.6	52.5	29.6
Other assets	6.1	4.9	5.2
Receivables from taxes on income	1.2	1.9	1.7
Cash in banking accounts and cash on hand	5.1	12.3	4.4
	149.6	171.7	142.8
	212.8	**236.8**	**207.1**
Liabilities			
Shareholders' equity			
Subscribed capital of Hawesko Holding AG	13.7	13.7	13.7
Capital reserve	10.1	10.1	10.1
Retained earnings	53.7	48.1	48.1
Accumulated other equity	–0.1	–0.2	–0.1
Unappropriated group profit	–2.6	11.6	–2.1
Shareholders' equity in Hawesko Holding AG	**74.8**	**83.2**	**69.6**
Non-controlling interests	7.6	6.8	6.7
	82.5	**90.0**	**76.3**
Long-term provisions and liabilities			
Provisions for pensions	0.9	0.9	0.7
Other long-term provisions	0.8	0.7	0.4
Borrowings	10.1	12.7	15.3
Advances received	2.5	3.4	4.6
Other liabilities	0.0	0.0	1.7
Other financial liabilities	16.6	16.3	19.4
Deferred tax liabilities	1.1	0.6	0.1
	32.0	34.6	42.2
Short-term provisions and liabilities			
Non-controlling interests in the capital of unincorporated subsidiaries	0.0	0.0	—
Borrowings	33.2	9.5	25.6
Advances received	7.0	12.6	11.6
Trade accounts payable	44.4	65.2	36.5
Income taxes payable	0.5	1.1	0.8
Other liabilities	13.3	23.7	14.1
	98.3	112.1	88.6
	212.8	**236.8**	**207.1**

*) The previous year's figures were adjusted to conform with the 2012 consolidated balance sheet.

Hawesko Holding AG

Consolidated Cash Flow Statement (as per IFRS)

(in € millions, unaudited, rounding differences are possible)	1.1.–30.9. 2013	1.1.–30.9. 2012
Result before taxes on income	11.2	13.1
Depreciation of tangible and intangible assets	4.9	5.4
Other non-cash expenses and income	—	0,0
Financial result	1.1	0.8
Result from the disposal of fixed assets	–0.0	–0.0
Change in inventories	–1.1	5.8
Change in other short-term assets	23.7	19.8
Change in provisions	0.1	–0.3
Change in liabilities (excluding borrowings)	–42.4	–46.7
Taxes on income paid out	–3.8	–8.2
Net outflow of payments from current operations	**–6.3**	**–10.2**
Outpayment from the acquisition of shares in subsidiaries	–2.5	–19.7
Outpayments for tangible and intangible assets	–3.5	–4.9
Inpayments from the disposal of intangible and tangible assets	0.1	0.5
Inpayment from the disposal of financial assets	0.0	0.0
Outflow of net funds from investing activities	**–5.9**	**–24.1**
Outpayments for dividends	–14.8	–14.4
Outpayments to non-controlling interests	–0.7	–0.4
Payment of finance lease liabilities	–0.3	–0.2
Change in short-term borrowings	23.7	36.6
Repayment of medium- and long-term borrowings	–2.3	–2.3
Interest paid out and received	–0.7	–0.8
Net inflow of funds from financing activities	**4.9**	**18.4**
Net decrease of funds	**–7.3**	**–15.9**
Funds at start of period	12.3	20.4
Funds at end of period	**5.1**	**4.4**

Hawesko Holding AG, Consolidated statement of changes in equity

	Subscribed capital	Capital reserve	Retained earnings	Balancing items from currency translation	Revaluation components of pension obligations	Value change reserve	Unappropriated group profit	Ownership of interest of Hawesko Holding AG shareholders	Non-controlling interests	Total
Status at 1 January 2012	13.7	10.1	62.7	0.0	0.1	—	8.3	94.9	0.8	95.7
Appropriation to retained earnings	—	—	4.9	—	—	—	–4.9	—	0.0	0.0
Partial disposals	—	—	0.0	—	—	—	—	0.0	0.1	0.1
Successive acquisitions	—	—	–0.2	—	—	—	—	–0.2	–0.1	–0.3
Change in the consolidation group	—	—	—	—	—	—	—	—	5.9	5.9
Put option of non-controlling interests	—	—	–19.4	—	—	—	—	–19.4	—	–19.4
Dividends	—	—	—	—	—	—	–14.4	–14.4	–0.2	–14.5
Deferred tax liabilities on transactions in shareholders' equity	—	—	—	—	—	0.1	—	0.1	—	0.1
Comprehensive income	—	—	—	0.1	—	–0.4	8.8	8.5	0.2	8.7
Status at 30 September 2012	13.7	10.1	48.1	0.1	0.1	–0.3	–2.1	69.6	6.7	76.3
Status at 1 January 2013	13.7	10.1	48.1	0.1	0.0	–0.3	11.6	83.2	6.8	90.0
Appropriation to retained earnings	—	—	5.7	—	—	—	–5.7	—	—	—
Change in the consolidation group	—	—	—	—	—	—	—	—	1.2	1.2
Dividends	—	—	—	—	—	—	–14.8	–14.8	–0.7	–15.5
Deferred tax liabilities on transactions in shareholders' equity	—	—	—	—	—	–0.0	—	–0.0	—	–0.0
Comprehensive income	—	—	—	–0.0	—	0.1	6.4	6.5	0.2	6.7
Status at 30 September 2013	13.7	10.1	53.7	0.0	0.0	–0.1	–2.6	74.8	7.6	82.5

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

1.7.–30.9.2013	Specialist retail	Wholesale	Mail order	Miscellaneous/ Consolidation	Group
External sales	**29.2**	**39.8**	**31.0**	**0.0**	**100.0**
Operating result (EBIT)	**2.6**	**–0.5**	**1.1**	**–1.2**	**2.0**

1.7.–30.9.2012	Specialist retail	Wholesale	Mail order	Miscellaneous/ Consolidation	Group
External sales	**28.3**	**35.8**	**28.2**	**0.0**	**92.3**
Operating result (EBIT)	**2.9**	**0.1**	**0.3**	**–1.3**	**1.9**

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

1.1.–30.9.2013	Specialist retail	Wholesale	Mail order	Miscellaneous/ Consolidation	Group
External sales	**88.9**	**126.6**	**101.5**	**0.0**	**317.0**
Operating result (EBIT)	**8.3**	**1.7**	**6.4**	**–4.1**	**12.3**

1.1.–30.9.2012	Specialist retail	Wholesale	Mail order	Miscellaneous/ Consolidation	Group
External sales	**86.3**	**119.1**	**99.3**	**0.0**	**304.7**
Operating result (EBIT)	**8.7**	**3.9**	**5.3**	**–3.9**	**13.9**

Appendix to the quarterly financial report to 30 September 2013

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 2013 have been applied.

The present quarterly financial report does not contain all of the information and data required for a consolidated financial statement and is therefore to be read in conjunction with the consolidated financial statement for 2012.

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 2012 consolidated balance sheet, the consolidation group of Hawesko Holding AG was expanded to include *Vogel Vins SA*, domiciled in Grandvaux, Switzerland.

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 2012. (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 2012 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 2012:* The annual general meeting of shareholders on 17 June 2013 decided to appropriate the unappropriated earnings reported in the annual accounts of Hawesko Holding AG of € 15,239,907.74 as follows: (a) Payout of an ordinary dividend of €1.65 per entitled share. With a total number of 8,983,403 shares entitled to dividends, this amounts to a total of € 14,822,614.95. b) The remaining amount of € 417,292.79 will be carried forward to new account. (3) *No unforeseen development costs* were incurred during the period under review. (4) *The order situation* remains satisfactory. (5) No changes have occurred in the *composition of the management board* to the date of the writing of this report. The term of office on the supervisory board of Ms. Elisabeth Kamper ended with the annual general meeting of shareholders on 17 June 2013. (6) *Business with closely associated persons:* As disclosed in the Notes to the financial statements for 2012 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 2012. (7) *Treasury shares:* Hawesko Holding AG holds no treasury shares as of the date of writing of this report.

Other information:	1.1.–30.9. 2013	1.1.–30.9. 2012
Employees (average during the period)	932	845

Calendar:

Press release: preliminary report on fiscal year 2013 — Early February 2014

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