Hawesko Holding AG
Hamburg

ISIN DE0006042708
Reuters HAWG.DE, Bloomberg HAW GR

Six-month financial report to 30 June 2015

Hamburg, 6 August 2015

Highlights in € (millions)	Six months (1.1.–30.6.)			2nd quarter (1.4.–30.6.)		
	2015	2014	+/–	2015	2014	+/–
Consolidated sales	**217.3**	**219.0**	**–0.8%**	**111.5**	**111.0**	**0.4%**
Result from operations (EBIT)	**2.2**	**7.1**	**–69.1%**	**4.8**	**3.3**	**47.2%**
– Adjusted for non-recurring expenditures	*9.0*	*8.1*	*10.0%*	*4.8*	*4.3*	*11.0%*
Consolidated net income excluding non-controlling interests	**1.1**	**5.0**	**–77.3%**	**3.1**	**2.5**	**25.4%**

Dear shareholders,

When a company cites adjusted figures, these are frequently met with skepticism. However, with regard to the current fiscal year 2015 at the Hawesko Group, these adjusted figures in fact clear the way to see the actual business performance of the Group. If we focus on the real operations and ignore the non-recurring effects arising from the change of control in spring 2015 as well as the atypically high consulting costs incurred during the previous year, the consolidated result from operations that doesn't look so good at first glance increased by double-digit percentages: by 10% during the first six months and by 11% in the quarter under review. Thus, the EBIT margin rose on a comparable basis in the six-month period from 3.7% to 4.1% and in the second quarter from 3.9% to 4.3%.

The operating result in the quarter under review is particularly noteworthy because our marketing activities were hindered by the latest postal strike. On the other hand, optimization measures that we introduced in the past several months and are implementing step by step have had a positive influence. With regard to consolidated sales, despite the strike and a high base from the previous year – the anniversary activities at *Jacques'* had just begun and the now-terminated French operations had still generated sales – we achieved an increase in the second quarter, which partially compensated for the dent of the first three months.

The core business of our wholesale segment in Germany continued its stable development and posted sales growth of 2% during the first six months of the current fiscal year. In contrast, business abroad was heavily influenced by the decisions – as planned – to terminate the wholesale activities in Bordeaux and to sell the unprofitable wine bars in Switzerland, as well as the appreciation of the Swiss franc. The last-named event triggered a weakness in demand in Switzerland, which according to our experts is accelerating the consolidation of the wine market there – a process that should in the end benefit our subsidiaries *Globalwine* and *Vogel Vins.*

The development in our end-customer segment has been very positive up to now. *Jacques' Wein-Depot* continued on its path of stable growth, again increasing its sales volume by 2%. The EBIT for the segment improved proportionately higher, by 4%. Sales in the distance selling segment declined slightly overall by 2%, but here the outstanding anniversary business of *Hanseatisches Wein- und Sekt-Kontor hawesko.de* during the first six months of 2014 left its mark, and we had expected this. This was offset by strong improvements in earnings at *Wein & Vinos* as well as at *Carl Tesdorpf – Weinhandel zu Lübeck*. Here, the first successes of the recent structural changes are appearing. These are reflected particularly in the operating results of these subsidiaries, which rose sharply. Overall, EBIT in the distance selling segment thus increased by more than one third.

In summary we can say that after the first six months of the current fiscal year we are on the right course and can reaffirm our forecast for the full year.

Looking forward, our focus remains on the consistent expansion of our online activities. In the meantime, we are developing and programming most of our e-commerce activities in-house and implementing them with our own resources. This enables us to remain independent and simultaneously benefit from our unique competence and experience with regard to the special challenges in the demanding wine business. *Jacques'* expects to open more than five new outlets – as some of these will have smaller selling space than usual up to now, we are testing the *Jacques'* concept particularly with regard to the interaction of online and offline business. *Wein & Vinos* has now put its marketing activities on a broader footing and should continue its positive development, assisted by the structural changes that have been implemented in the meantime as well.

The further strategic development of the Hawesko Group starts in daily operations and with numerous individual measures of this kind. They form the basis for stable, high-yielding organic growth under our own steam. Of course, we still have an eye on opportunities for growth beyond that. All in all, we have good reason for optimism with regard to the current year and the future of your and our Hawesko Group!

Your Management Board

Alexander Borwitzky	*Nikolas von Haugwitz*	*Bernd G. Siebdrat*	*Ulrich Zimmermann*

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HAWESKO
HOLDING AG

INTERIM MANAGEMENT REPORT

GENERAL SITUATION

During the first six months of 2015, the economy in Europe benefited from the favorable financing conditions and low oil prices. The job markets, which improved overall, and a less restrictive fiscal policy also stimulated domestic demand. According to the Deutsche Bundesbank, the moderate growth continued in Germany as well. In particular the development of real wages put wind in the sails of private consumption, and the depreciation of the euro helped exports. The unemployment rate, which fell to 6.3 percent in the second quarter of 2015, additionally boosted the upswing. Moreover, the strong rise in orders over the course of the year indicates a further pick-up in the coming months. Overall, the upturn in Germany thus stabilized during the second quarter. The situation in Greece and the country's possible exit from the euro that have been widely reported in the media have a negligible impact on the business development of the Hawesko Group.

With this in mind, the Hawesko management board expects the consumer mood to remain positive and the dynamics of the economy to be favourable over the course of the current year, which should also benefit the wine market.

BUSINESS PERFORMANCE

Financial performance

Second quarter

During the period from April to June 2015, sales of the Hawesko Group amounted to € 111.5 million, up by 0.4% over the same quarter of the previous year (€ 111.0 million). In the quarter under review, sales developed in the various business segments as follows: Sales in specialist wine retail (*Jacques' Wein-Depot*) and the distance selling segment were both at the level of the same quarter of the previous year, namely € 33.1 million (as in the previous year) and € 34.0 million (previous year: € 34.1 million). Due to strong business performance in Germany, sales in the wholesale segment rose from € 43.8 million to € 44.3 million. The consolidated operating result (EBIT) in the second quarter of 2015 amounted to € 4.8 million (previous year: € 3.3 million). The EBIT margin thereby improved from 2.9% (adjusted for extraordinary costs: 3.9%) in the previous year to 4.3% in the quarter under review.

Sales in the stationary specialist retail segment (*Jacques' Wein-Depot*) rose by 0.2%, thus achieving the high level of the same quarter in the previous year, when the pre-Easter purchases were made in the second quarter, and the first activities for *Jacques'* 40th anniversary had been met with a very positive response from our customers. Moreover, the postal strike prevented an important marketing campaign at the end of the quarter. As of 30 June 2015 there were 288 Jacques' Wein-Depot shops in operation, all of them in Germany (previous year: 285, of which 282 were in Germany). New customer acquisition in the quarter under review was once again very positive. On a like-for-like basis, sales in the stationary specialist retail segment declined by 0.9% compared to the second quarter of 2014, due to lower number of transactions. The EBIT for the segment amounted to € 3.7 million, compared to € 3.8 million in the same quarter of the previous year.

Due to the termination of wholesale operations in Bordeaux at the end of 2014, sales declined in the quarter under review by € 0.9 million compared to the same quarter of the previous year. Despite this, sales in the wholesale segment increased by 1.1%. The wholesale segment enjoyed stable demand in its core business, which was carried primarily by the favorable economic situation in Germany. The appreciation of the Swiss franc put pressure on the domestic demand in Switzerland. In addition, a decline in sales resulted from the sale of the unprofitable wine bars operated by *Vogel Vins* in the French-speaking part of the country, as planned. EBIT in the wholesale segment fell from € 1.0 million in the same quarter of the previous year to € 0.9 million, primarily due to weak Swiss demand.

Quarterly sales in the distance selling segment were nearly (–0.2%) at the level of the previous year. Sales growth at *Wein & Vinos* and *Carl Tesdorpf – Weinhandel zu Lübeck* had a positive effect. In contrast, sales at *Hanseatisches Wein- und Sekt-Kontor hawesko.de* declined – as expected, yet exacerbated by the postal strike. The number of active customers in the distance selling segment at the reference date rose once again. In the second quarter of 2014, the share of sales made via the Internet was 48%, up from 47% of segment sales in the corresponding period of the previous year. EBIT in the distance selling segment more than doubled to € 2.0 million (previous year's quarter: € 0.8 million); this was due primarily to increased profitability at *Hanseatisches Wein- und Sekt-Kontor hawesko.de* and *Wein & Vinos*.

Compared to the previous year, consolidated gross profit in the second quarter was maintained at nearly the level of the previous year: It declined by € 0.2 million to € 45.6 million, corresponding to a margin of 40.9% (same quarter in the previous year: 41.2%). The other operating income of € 4.7 million (same quarter of the previous year: € 4.8 million) consisted for the most part of rental and leasing income at *Jacques'* as well advertising allowances. Personnel expenses decreased in absolute terms by € 0.3 million to € 12.7 million in the second quarter; as a share of sales they fell by 0.3 percentage points to 11.4%. The decline was due mainly to the sale of the wine bars in Switzerland and the termination of the wholesale operations in Bordeaux.

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

In € millions Rounding differences are possible	1.4.– 30.6.2015	1.4.– 30.6.2014
Advertising	8.8	9.7
Commissions to partners	8.3	8.2
Delivery costs	4.9	4.9
Rental and leasing	2.8	2.8
Other	6.3	7.2
	31.1	32.8

Advertising expenses in terms of sales fell to 7.9%; in the previous year this figure was 8.8% due to the anniversary activities. Expenses for commissions rose from 7.4% to 7.5% of sales, while expenditures for shipping remained constant at 4.4%. Overall, other operating expenses and other taxes amounted to € 31.1 million. In the previous year, this figure was € 32.8 million (including non-recurring expenses for consulting services of just under € 1.1 million). These expenses thus accounted for 27.9% of sales in the quarter under review, compared to 29.6% in the second quarter of 2014.

The consolidated operating result (EBIT) in the second quarter amounted to € 4.8 million (previous year: € 3.3 million and adjusted for non-recurring expenditures: € 4.3 million). At 4.3%, the EBIT margin was up from the previous year's level of 3.9% on a comparable basis.

The financial result amounted to € –0.2 million, compared to € 0.2 million in the previous year, when earnings from the revaluation of a financial liability as per IAS 39 and from investments were included. The result before taxes on income amounted to € 4.6 million (previous year: € 3.4 million). The anticipated rate of tax expenditures in the quarter under review is 31.3%. Consolidated net income after deductions for non-controlling interests amounted to € 3.1 million (€ 2.5 million). The profit per share amounted to € 0.34, after € 0.27 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 half-year

In the first six months of fiscal year 2015, consolidated sales amounted to € 217.3 million, corresponding to a decrease of 0.8% compared to the same period of the previous year (€ 219.0 million). The consolidated gross profit margin rose by 0.3 percentage points from 41.3% to 41.6% of sales. Other income and expenditures added up to 40.5% (previous year: 38.1%) of sales. This figure includes non-recurring charges in the reporting period from a personnel accrual in conjunction with the departure of the former chief executive officer in the amount of approximately € 6 million as well as follow-on costs of € 0.3 million from the takeover process. In the previous year, non-recurring costs of €1.1 million for consulting services had been incurred. Thus, in the first half of 2015 the operating result (EBIT) amounted to € 2.2 million (previous year: € 7.1 million) and 1.0% (previous year: 3.2%) of sales. Adjusted for the extraordinary items, EBIT accounted for 4.1% of sales (previous year, adjusted: 3.7%).

The financial result amounted to € –0.5 million, after € –0.1 million in the previous year; in the result for the same period of the previous year, € 0.2 million applied to the revaluation of a financial instrument as per IAS 39. The result before taxes on income amounted to € 1.7 million (first six months of the previous year: € 7.0 million). Consolidated net income for the first six months after deductions for non-controlling interests amounted to € 1.1 million, compared to € 5.0 million in the same period of the previous year. The profit per share amounted to € 0.13 compared to € 0.55 for the first six months of the previous year. The number of shares in the reporting period was 8,983,403 as in the previous year.

Net worth

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

Assets	30.6.2015		31.12.2014		30.6.2014	
Long-term assets	57.1	28%	60.3	28%	60.7	29%
Short-term assets	147.4	72%	156.9	72%	147.9	71%
Balance sheet total	204.5	100%	217.2	100%	208.6	100%
Liabilities and shareholders' equity						
Equity	80.1	39%	91.1	42%	81.2	39%
Long-term provisions and liabilities	20.4	10%	17.1	8%	22.0	11%
Short-term liabilities	104.0	51%	109.0	50%	105.5	51%
Balance sheet total	204.5	100%	217.2	100%	208.6	100%

Changes since the reference date on 31 December 2014

The balance sheet total at 30 June 2015 was € 204.5 million, corresponding to a reduction of € 12.8 million compared to the total at 31 December 2014. Long-term liabilities declined by €3.3 million, while the short-term liabilities fell by € 9.5 million. Their proportion of the balance sheet total did not change. With regard to short-term assets, a reduction in trade receivables was noted (trade receivables typically reach their highest level at 31 December).

Total equity capital declined by € 11,0 million compared to the total at 31 December 2014 after payment of the dividend. Long-term provisions and liabilities amounted to € 20.4 million and rose by € 3.3 million. The deviation is due primarily to the formation of a provision to meet contractual obligations to the former chief executive officer. The short-term liabilities were reduced by € 5.0 million. The primary reason for this was a reduction in trade receivables (trade receivables typically reach their highest level at 31 December) and the other receivables. In contrast, short-term borrowings rose.

<u>Changes from the previous year's reference date 30 June 2014</u>

Compared to the previous year's reference date (30 June 2014), the balance sheet total declined by € 4.2 million. With regard to the long-term assets, the advance payments made on inventories were reduced, as the demand for the 2013 Bordeaux subscription wines was lower than for the vintage of the preceding year. At € 147.4 million, short-term assets remained at the level of the previous year (€ 147.9 million).

With regard to the long-term provisions and liabilities, primarily the long-term borrowings were reduced due to the scheduled repayments of the bank loan for the acquisition of the majority interest in *Wein & Vinos*. Short-term liabilities declined by € 1.4 million. In particular, the borrowings increased as a result of lower liabilities from trade receivables as well as higher amounts of cash in banking accounts.

The working capital requirement at 30 June 2015 decreased slightly in comparison to the reference date in the previous year and remained unchanged in terms of sales.

Financial performance

Liquidity analysis

Cash flow from current operations amounted to € –8.8 million in the first six months of 2015 (previous year: € –12.1 million). This improvement was due mainly to the smaller build-up of inventories and the higher adjusted result before taxes on income. Due to the seasonal nature of the business, cash flow from ongoing business activity is usually negative in the first half of the fiscal year.

Consolidated cash flow in € millions, rounding differences are possible	1.1.– 30.6.2015	1.1.– 30.6.2014
Cash flow from current operations	–8.8	–12.1
Cash flow from investment activity	–1.7	–1.9
Cash flow from financing activities	8.7	0.9

At € 1.7 million, the funds employed for investment activities in the first six months of 2015 remained at the level of the previous year's figure (€ 1.9 million).

At € –10.7 million, free cash flow improved over the comparable period in the previous year (€–14.4 million), and was calculated from the net outflow of payments from current operations (€ –8.8 million), less funds employed for investment activities (€ –1.7 million) and interest paid out (€ –0.3 million).

Investment analysis

Investments in tangible and intangible assets in the first six months of fiscal year 2015 amounted to € 2.4 million (same period of the previous year: € 2.0 million). The investments in intangible assets of € 0.7 million (previous year: € 0.5 million) were related to software in distance selling and wholesale. The investments in tangible assets of € 1.7 million (previous year: € 1.5 million) related primarily to the modernisation of the depots in the stationary specialist retail segment and replacement and expansion investments in the wholesale segment as well as such investments in the distance selling 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 2014 annual report.

REPORT ON EXPECTED DEVELOPMENTS

Outlook

There are no changes in the forecast for fiscal year 2015 of the Hawesko management board compared to the situation described in the 2014 annual report. With regard to sales, an increase in sales of approximately 1% compared to the previous year's sales of € 473 million is expected. The general economic and business conditions in Germany are still classified as good. The Hawesko management board notes that the financial figures for the first quarter of 2015 are within expectations. Consolidated EBIT for 2015 should be on the order of € 26–27 million on an adjusted basis after non-recurring charges resulting from the takeover process (unadjusted: € 19–20 million). In the previous year, an EBIT – adjusted for non-recurring expenditures – of € 24.6 million was achieved. The financial result will presumably be lower than in the previous year and consolidated net income after deductions for interests of non-controlling partners is expected to be in a bandwidth between € 12–13 million (2014: € 14.8 million). The management board expects free cash flow to be on the order of € 17–20 million, compared to € 13 million in 2014.

Hawesko Holding AG

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

(in € millions, unaudited, rounding differences possible)	1.1.–30.6. 2015	1.1.–30.6. 2014
Sales revenues	**217.3**	**219.0**
Increase (decrease) in finished goods inventories	–0.0	0.2
Other production for own assets capitalized	0.1	—
Other operating income	10.5	8.9
Cost of purchased goods	–127.0	–128.6
Personnel expenses	–32.1	–25.5
Depreciation and amortisation	–3.5	–3.4
Other operating expenses and other taxes	–62.9	–63.5
Result from operations (EBIT)	**2.2**	**7.1**
Financial result		
Interest earnings/expenditures	–0.3	–0.4
Other financial result	–0.2	0.2
Income from long-term equity investments	0.1	0.0
Result before taxes on income	1.7	7.0
Taxes on income and deferred tax expenses	–0.5	–2.1
Consolidated net income	**1.1**	**4.8**
of which		
— shareholders' equity in Hawesko Holding AG	1.1	5.0
— allocable to non-controlling interests	0.0	–0.1
Earnings per share(in €, undiluted = diluted)	0.13	0.55
Average number of shares in circulation (Numbers in thousands, undiluted = diluted)	8,983	8,983

Hawesko Holding AG

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

(in € millions, unaudited, rounding differences possible)	1.4.–30.6. 2015	1.4.–30.6. 2014
Sales revenues	**111.5**	**111.0**
Increase in finished goods inventories	0.0	0.2
Other production for own assets capitalized	0.0	—
Other operating income	4.7	4.8
Cost of purchased goods	–65.9	–65.2
Personnel expenses	–12.7	–13.0
Depreciation and amortisation	–1.8	–1.7
Other operating expenses and other taxes	–31.1	–32.8
Result from operations (EBIT)	**4.8**	**3.3**
Financial result		
Interest earnings/expenditures	–0.1	–0.2
Other financial result	–0.1	0.4
Income from long-term equity investments	0.0	0.0
Result before taxes on income	4.6	3.4
Taxes on income and deferred tax expenses	–1.4	–1.0
Consolidated net income	**3.1**	**2.4**
of which		
— shareholders' equity in Hawesko Holding AG	3.1	2.5
— allocable to non-controlling interests	0.0	–0.1
Earnings per share(in €, undiluted = diluted)	0.34	0.27
Average number of shares in circulation (Numbers in thousands, undiluted = diluted)	8,983	8,983

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. 2015	1.1.–30.6. 2014
Consolidated net income	**1.1**	**4.8**
Amounts that may not be rebooked in the profit and loss statement in the future	—	—
Actuarial gains and losses resulting from remeasurements of defined-benefit pension plans including deferred tax liabilities	—	—
Amounts that may be rebooked in the profit and loss statement in the future	*0.3*	*0.1*
Effective portion of profits/losses from cash flow hedges including deferred tax liabilities	0.0	0.0
Currency translation differences	0.3	0.0
Other comprehensive income	**0.3**	**0.1**
Total comprehensive income	**1.4**	**4.9**
of which		
– shareholders' equity in Hawesko Holding AG	1.1	5.0
– allocable to non-controlling interests	0.3	–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. 2015	1.4.–30.6. 2014
Consolidated net income	**3.1**	**2.4**
Amounts that may not be rebooked in the profit and loss statement in the future	—	—
Actuarial gains and losses resulting from remeasurements of defined-benefit pension plans including deferred tax liabilities	—	—
Amounts that may be rebooked in the profit and loss statement in the future	*0.0*	*0.0*
Effective portion of profits/losses from cash flow hedges including deferred tax liabilities	0.0	0.0
Currency translation differences	0.0	0.0
Other comprehensive income	**0.0**	**0.0**
Total comprehensive income	**3.2**	**2.4**
of which		
– shareholders' equity in Hawesko Holding AG	3.1	2.5
– 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)	30.6.2015	31.12.2014	30.6.2014
Assets			
Long-term assets			
Intangible assets	32.2	33.0	33.1
Tangible assets	20.5	21.3	21.3
Investments accounted for using the equity method	0.5	0.5	0.5
Other financial assets	0.2	0.2	0.2
Advance payments on stocks	0.8	2.4	2.5
Receivables and other assets	1.3	1.2	1.2
Deferred tax liabilities	1.6	1.7	1.9
	57.1	60.3	60.7
Short-term assets			
Inventories	99.4	95.4	103.5
Trade receivables	30.8	44.5	30.8
Receivables and other assets	6.0	3.7	7.0
Receivables from taxes on income	2.2	2.4	1.0
Cash in banking accounts and cash on hand	9.1	10.9	5.6
	147.4	156.9	147.9
	204.5	**217.2**	**208.6**
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	50.5	61.0	51.1
Other reserves	–0.2	–0.1	–0.0
Shareholders' equity in Hawesko Holding AG	**74.1**	**84.7**	**74.9**
Non-controlling interests	6.0	6.5	6.3
	80.1	**91.1**	**81.2**
Long-term provisions and liabilities			
Provisions for pensions	1.1	1.1	0.9
Other long-term provisions	1.5	1.4	1.2
Borrowings	1.9	2.5	5.7
Advances received	0.2	1.2	0.9
Other liabilities	14.9	10.2	12.4
Deferred tax liabilities	0.8	0.7	1.0
	20.4	17.1	22.0
Short-term provisions and liabilities			
Non-controlling interests in the capital of unincorporated subsidiaries	0.1	0.1	0.0
Borrowings	36.5	14.5	33.5
Advances received	4.8	5.4	6.3
Trade accounts payable	47.3	65.8	50.6
Income taxes payable	0.5	0.5	1.0
Other liabilities	14.9	22.8	14.0
	104.0	109.0	105.5
	204.5	**217.2**	**208.6**

Hawesko Holding AG

Consolidated Cash Flow Statement (as per IFRS)

(in € millions, unaudited, rounding differences are possible)	1.1.–30.6. 2015	1.1.–30.6. 2014
Result before taxes on income	1.7	7.0
Depreciation and amortisation of intangible and tangible assets tangible and intangible assets	3.5	3.4
Interest result	0.5	0.1
Result from the disposal of fixed assets	–0.0	—
Result from the companies reported using the equity method	–0.1	–0.0
Dividend payments received from investments	0.1	0.0
Change in inventories	–2.3	–5.3
Change in borrowings and other assets	14.8	15.9
Change in provisions	0.1	–0.5
Change in liabilities (excluding borrowings)	–23.5	–30.4
Taxes on income paid out	–3.6	–2.3
Net outflow of payments from current operations	**–8.8**	**–12.1**
Outpayments for tangible and intangible assets Other assets	–2.4	–2.0
Inpayments from the disposal of financial assets intangible and tangible assets	0.7	0.1
Inpayments from the disposal of financial assets	0.0	0.0
Net funds employed for investing activities	**–1.7**	**–1.9**
Outpayments for dividends	–11.7	–14.8
Outpayments to non-controlling interests	–0.8	–1.0
Payment of finance lease liabilities	–0.2	–0.2
Change in short-term borrowings	23.3	18.9
Repayment of medium- and long-term borrowings	–1.8	–1.8
Interest received	0.0	0.0
Interest paid out	–0.3	–0.4
Inflow of net funds from financing activities	**8.7**	**0.9**
Net decrease of funds	**–1.8**	**–13.2**
Funds at start of period	10.9	18.8
Funds at end of period	**9.1**	**5.6**

Hawesko Holding AG, Consolidated statement of changes in equity

	Subscribed capital	Capital reserve	Retained earnings	Other reserves: Balancing items from currency translation	Other reserves: Revaluation components of pension obligations	Other reserves: Reserve for cash flow hedge	Ownership of interest of Hawesko Holding AG shareholders	Non-controlling interests	Total
Status at 1 January 2014	13.7	10.1	61.0	0.0	0.0	–0.1	84.7	7.4	92.1
Dividends	—	—	–14.8	—	—	—	–14.8	–1.0	–15.8
Consolidated net income	—	—	5.0	—	—	—	5.0	–0.1	4.8
Other result	—	—	—	0.0	—	0.0	0.0	0.0	0.1
Deferred tax on other result	—	—	—	—	—	–0.0	–0.0	—	–0.0
Status at 30 June 2014	13.7	10.1	51.1	0.0	0.0	–0.1	74.9	6.3	81.2
Status at 1 January 2015	13.7	10.1	61.0	0.0	–0.1	–0.1	84.7	6.5	91.1
Dividends	—	—	–11.7	—	—	—	–11.7	–0.8	–12.4
Consolidated net income	—	—	1.1	—	—	—	1.1	0.0	1.1
Other result	—	—	—	–0.1	—	0.0	–0.0	0.3	0.3
Deferred tax on other result	—	—	—	—	—	–0.0	–0.0	—	–0.0
Status at 30 June 2015	13.7	10.1	50.5	–0.0	–0.1	–0.1	74.1	6.0	80.1

HAWESKO
HOLDING AG

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

1.4.–30.6.2015	Specialist retail	Wholesale	Distance selling	Miscellaneous/ Consolidation	Group
External sales	**33.1**	**44.3**	**34.0**	**0.0**	**111.5**
Operating result (EBIT)	**3.7**	**0.9**	**2.0**	**–1.8**	**4.8**

1.4.–30.6.2014	Specialist retail	Wholesale	Distance selling	Miscellaneous/ Consolidation	Group
External sales	**33.1**	**43.8**	**34.1**	**0.0**	**111.0**
Operating result (EBIT)	**3.8**	**1.0**	**0.8**	**–2.5**	**3.3**

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

1.1.–30.6.2015	Specialist retail	Wholesale	Distance selling	Miscellaneous/ Consolidation	Group
External sales	**63.9**	**82.4**	**70.9**	**0.0**	**217.3**
Operating result (EBIT)	**6.4**	**1.5**	**4.1**	**–9.7**	**2.2**

1.1.–30.6.2014	Specialist retail	Wholesale	Distance selling	Miscellaneous/ Consolidation	Group
External sales	**62.6**	**84.2**	**72.2**	**0.0**	**219.0**
Operating result (EBIT)	**6.2**	**1.6**	**3.0**	**–3.7**	**7.1**

Appendix to the six-month report to 30 June 2015

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 2015 have been applied to the interim financial statement.

The present six-month 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 2014.

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

Consolidation: The consolidation group of Hawesko Holding AG remains unchanged from that listed in the 2014 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 2014. (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 72 to 73 in the 2014 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 2014:* The annual general meeting of shareholders on 15 June 2015 decided to appropriate the unappropriated earnings reported in the annual accounts of Hawesko Holding AG of € 12,044,472.02 as follows: (a) payout of an ordinary dividend of €1.30 per entitled share. With a total number of 8,983,403 shares entitled to dividends, this amounts to a total of € 11,678,423.90. b) The remaining amount of € 366,048.12 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) The following changes have occurred in the *composition* of the management board and the supervisory board to the date of the writing of this report. Alexander Borwitzky and Nikolas von Haugwitz were appointed to the management board effective 1 January 2015. The supervisory board chairman Dr. Joh. Christian Jacobs resigned his office effective 26 March 2015; Detlev Meyer was elected as the new chairman of the supervisory board. The Hamburg Municipal Court appointed Dr. Franz Jürgen Säcker as a new member of the supervisory board on 27 March 2015. (6) *Business with closely associated persons:* As disclosed in the Notes to the financial statements for 2014 under point 45, the management board and the supervisory board are considered to be closely associated persons in the sense of IAS 24.5. Material changes since the closing date of the annual accounts have not taken place. Important business transactions were not conducted with closely associated persons in the reporting period. The number of shares and/or the number of voting rights held by members of the supervisory board is 6,682,376, all of them held by the supervisory board chairman Detlev Meyer. The members of the management board hold no shares and have no voting rights. (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. 2015	1.1.–30.6. 2014
Employees (average during the period)	914	915

Calendar:

Nine-month report to 30 September 2015	5 November 2015
Preliminary report on fiscal year 2015	Early February 2016

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