



9-Monthly Report 2013

Profile

Delticom is Europe's leading online tyre retailer. Founded in 1999, the Hanover-based company has more than 100 online shops in 42 countries, among others [ReifenDirekt](#), [www.mytyres.co.uk](#) in UK and [www.123pneus.fr](#) in France, as well as the [Tirendo](#) shops which enjoy a high level of recognition, not least due to its brand ambassador, Sebastian Vettel. Delticom offers a wide range of products for its private and business customers: more than 25,000 models from over 100 tyre brands for cars, motorcycles, commercial vehicles and buses, but also complete wheels, motor oil, replacement parts and accessories.

Customers enjoy all the advantages of modern E-Commerce: convenience in order placing, quick, efficient delivery, clear cost information and, last but not least, low prices. The products are delivered in two business days to any address the customer chooses. Alternatively, Delticom delivers the tyres to one of more than 37,000 service partners (8,700 in Germany alone) for professional fitting directly on to the customer's vehicle at a reasonable price.

Key Figures

		01.01.2013 – 30.09.2013	01.01.2012 – 30.09.2012	–/+ (%, %p)
Revenues	€ million	309.1	280.4	+10.2
Total income	€ million	312.5	283.3	+10.3
Gross margin ¹	%	24.3	26.2	–1.9
Gross profit	€ million	78.5	76.3	+2.8
EBIT	€ million	9.7	17.5	–44.5
EBIT margin ²	%	3.1	6.2	–3.1
Net income	€ million	6.2	11.7	–47.5
Earnings per share ³	€	0.52	0.99	–47.5
Total assets	€ million	233.1	181.4	+28.5
Inventories	€ million	120.7	126.5	–4.6
Investments ⁴	€ million	1.1	1.0	+8.6
Capital Employed ⁵	€ million	54.1	55.1	–1.9
Return on Capital Employed ⁶	%	18.0	31.8	–13.8
Equity	€ million	46.3	52.3	–11.4
Equity ratio	%	19.9	28.8	–8.9
Return on equity	%	13.3	22.4	–9.1
Liquidity position ⁷	€ million	9.2	15.0	–38.5
Operating cash flow	€ million	11.3	29.7	
Free cash flow ⁸	€ million	10.5	28.9	

(1) Gross profit ex other operating income in % of revenues

(2) Consolidated earnings before interest and taxes (EBIT) to revenues

(3) Undiluted

(4) Investments in tangible and intangible assets

(5) Capital Employed = total assets – current liabilities

(6) ROCE = EBIT / Capital Employed

(7) Liquidity position = cash and cash equivalents + liquidity reserve

(8) Free cash flow = Operating cash flow – Capex

Table of contents

2	Interim Management Report of Delticom AG
14	Consolidated Interim Financial Statements of Delticom AG
19	Notes to the Consolidated Interim Financial Statements of Delticom AG
26	Responsibility Statement

Interim Management Report of Delticom AG

Table of contents

3 Economic Environment

3 Tirendo

4 Business performance and earnings situation

4 Revenues

5 Key expense positions

6 Earnings position

8 Financial and assets position

8 Balance sheet structure

9 Cash flow

10 Organisation

11 Significant events after the reporting date

11 Risk Report

12 Outlook

Economic Environment

Macroeconomic developments While the prospects for the global economy continued to deteriorate over the course of the year, the third quarter showed first signs of stabilisation, albeit at a low level. Growth in emerging markets again failed to meet expectations.

With regard to the eurozone, many experts believe that the economy has bottomed out over past months. However, consumers in many countries are still being affected by high unemployment and the austerity measures put in place by some governments. On the other hand, Germany continues to profit from a stable economy and robust employment.

Development of the tyre market After an already weak prior-year, European 2013 summer tyre business failed again to show sales growth. German tyre dealers were unable to escape the impact from this general market trend. According to wdk (organisation of the German tyre manufacturers), summer tyres sales in the reporting period were down 10,2 % year on year.

Tirendo

Initial situation The share of tyres sold online is still relatively low compared to other product categories. However, buying online offers many advantages: Short delivery times, attractive prices and a large selection of products, even at peak times.

As a first mover, Delticom opened ReifenDirekt.de, one of Germany's first online tyre shops, as early as 2000. With more than 6 million customers in 42 countries, the company is the market leader in a growing sales channel.

Tirendo On 16.09.2013 Delticom acquired Tirendo, a young and innovative company with strengths in IT, marketing and branding. The Berlin-based team has quickly established Tirendo as a fast-growing online retailer of tyres. The brand is already enjoying a high level of recognition, not least due to TV campaigns with four-time Formula 1 world champion Sebastian Vettel, who serves as Tirendo brand ambassador.

In addition to the complementary approaches in terms of digital branding and customer acquisition, Tirendo runs a state-of-the-art IT infrastructure to execute its processes. This enables Tirendo to offer a broad selection in its shops and to swiftly and flexibly expand its product range. Today, Tirendo offers its customers not only car tyres, but also motorcycle tyres, complete wheels, rims and accessories.

Tirendo is active in eight European countries and had generated revenues of € 23.0 million until the date of acquisition.

Synergies

Tirendo complements Delticom's existing shop portfolio with another strong brand. The acquisition will allow us to target additional consumer groups. As part of the Delticom Group, Tirendo has access to the extensive industry and logistical network of the Delticom Group in Hanover. As a result, European car drivers will benefit even more from the advantages and simplicity of a purchase in our online shops.

Over the coming years we will make use of the complementary strengths of Delticom and Tirendo throughout the entire value chain to achieve a good balance between growth and profitability.

Business performance and earnings situation

Tirendo Holding GmbH and Tirendo Deutschland GmbH (both companies hereinafter collectively referred to as Tirendo) are fully consolidated in the Delticom Group from the date of acquisition, 16.09.2013.

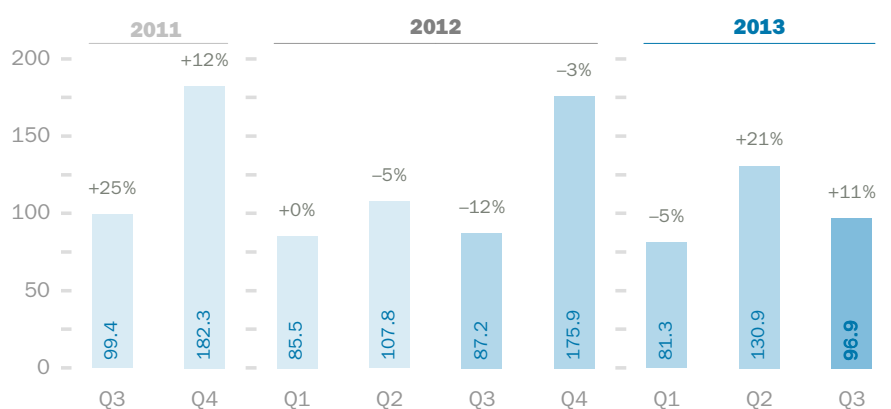
Revenues**Group**

Delticom, Europe's leading online tyre retailer, generates the bulk of its revenues through sales of replacement tyres for cars, motorcycles, trucks and industrial vehicles.

The chart *Revenues trend* summarises the development of the quarterly revenues.

Revenues trend

quarterly revenues in € million



Following a weak first half year, the European replacement market continued to lag expectations in the third quarter. Against this market trend, Delticom generated revenues of € 96.9 million in the past quarter (Q3 12: € 87.2 million) – an increase of 11.1 % year-on-year. For the 9M 13 reporting period as a whole, the

company recognised revenues of € 309.1 million, an increase of 10.2 % year-on-year, after € 280.4 million in the prior-year period.

E-Commerce

Revenues in the E-Commerce division with its 137 online shops increased year-on-year by 11.6 %, from € 268.7 million to € 299.8 million. The share of divisional revenues amounted to 97.0 %, compared to 95.8 % in the previous year.

Over the past quarter the company was able to acquire a total of 199 thousand new customers via its Delticom-shops (i.e. without Tirendo; Q3 12: 165 thousand, +20.9 %). As a result, over the course of the year the customer base grew by 634 thousand new customers (9M 12: 525 thousand, +20.7 %). During the same period 411 thousand existing customers made repeat purchases at Delticom (9M 12: 353 thousand, +16.4 %).

Wholesale

Delticom's Wholesale division sells tyres to wholesalers in Germany and abroad. In the reporting period divisional revenues decreased by 20.6 % to € 9.3 million, after prior-year revenues of € 11.7 million.

Regional split

The group offers its product range in 42 countries. In 9M 13 revenues in EU countries totalled € 231.8 million (+14.1 %). Across all non-EU countries the revenue contribution for 9M 13 was € 77.3 million, flat year-on-year.

Revenues by division and region

in € thousand

	9M13	%	+	9M12	%	+	9M11	%
Revenues	309,062	100.0	10.2	280,438	100.0	-5.8	297,695	100.0
Primary Segments								
E-Commerce	299,758	97.0	11.6	268,719	95.8	-3.7	279,184	93.8
Wholesale	9,304	3.0	-20.6	11,719	4.2	-36.7	18,511	6.2
Regions								
EU	231,789	75.0	14.1	203,142	72.4	-10.6	227,112	76.3
Rest	77,273	25.0	0.0	77,296	27.6	9.5	70,582	23.7

Key expense positions

Cost of goods sold

The cost of goods sold (COGS) is the largest expense item; it considers the purchase price of sold tyres. Group COGS increased by +13.1 % from € 206.9 million in 9M 12 to € 234.1 million in 9M 13. The E-Commerce division accounted for € 225.8 million (9M 12: € 196.4 million). COGS in the Wholesale division was € 8.3 million (9M 12: € 10.5 million).

Transportation costs

Among the other operating expenses, transportation costs is the largest line item. They increased in the reporting period from € 23.7 million by 14.7 % to € 27.2 million. The share of transportation costs against revenues went up from 8.4 % in 9M 12 to 8.8 % in 9M 13.

Warehousing costs	Rents and overheads increased in 9M 13 by 10.7 %, from € 4.5 million to € 5.0 million. Stocking costs came in at prior year's level (9M 13: € 2.5 million, 9M 12: € 2.4 million).
Personnel expenses	In the reporting period on average 148 staff members were employed at Delticom (9M 12: 143). Personnel expenses amounted to € 7.0 million (9M 12: € 6.3 million). The 9M 13 personnel expenses ratio stood unchanged at 2.3 % (staff expenditures as percentage of revenues, 9M 12: 2.3 %). The headcount at Tirendo has had little impact on the average, as the acquisition was carried out late in the year.
Marketing costs	Q3 13 marketing expenses of 4.0 % of revenues were higher than last year's 2.7 %, according to plan. This includes the new commercial with Sebastian Vettel as Tirendo brand ambassador. Since mid of September the winter spot is regularly broadcasted on TV in several countries. For the year so far, marketing expenses grew by 54.1 % to € 10.3 million (9M 12: € 6.7 million), equating to a ratio of 3.3 % (9M 12: 2.4 %).
Financial and legal	Financial and legal expenses totalled € 2.6 million in the reporting period. In the previous year total expenses were considerably lower at € 0.8 million due to the reversal of accruals. Expenses in the third quarter totalled € 1.3 million (Q3 12: € 0.3 million), mainly related to due diligence costs, auditing, tax, financial and legal advice concerning the acquisition of Tirendo.
Depreciation	Depreciation for 9M 13 rose by 11.7 % from € 2.0 million to € 2.2 million. Main reason for this increase is the scheduled depreciation of intangible assets totalling € 17.5 million, identified as part of the the purchase price allocation.

Earnings position

Gross margin	Over the recent months Delticom has offered its customers attractive prices to achieve its sales targets, against the background of a challenging market environment. 9M 13 gross margin came in with 24.3 %, after 26.2 % in 9M 12. The quarterly gross margin came down from 25.7 % in Q3 12 to 24.1 %.
Other operating income	Other operating income increased in 9M 13 by 23.6 % to € 3.5 million (9M 12: € 2.8 million), thereof gains from exchange rate differences to the order of € 2.1 million (9M 12: € 1.2 million). FX losses have to be accounted for as line item in the other operating expenses (9M 13: € 2.2 million, 9M 12: € 3.1 million). For the nine months the balance of FX income and losses totalled € -46.2 thousand (9M 12: € -1.9 million).

Gross profit

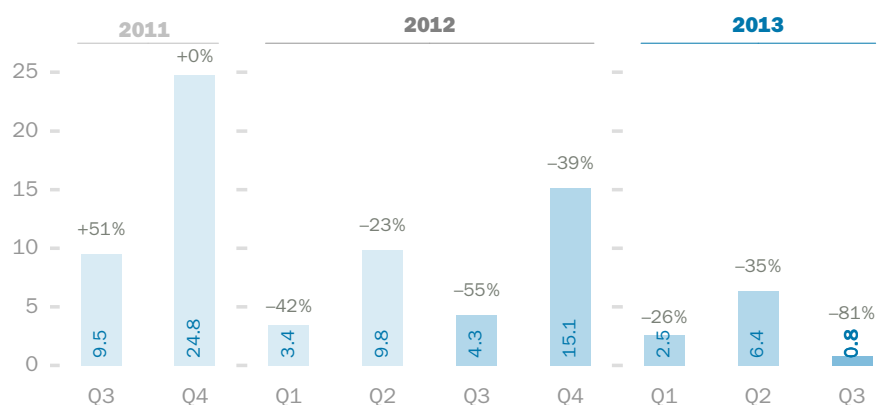
Altogether, the gross profit increased in the reporting period by 2.8 % year-on-year, from € 76.3 million to € 78.5 million. Gross profit in relation to total income of € 312.5 million (9M 12: € 283.3 million) amounted to 25.1 % (9M 12: 26.9 %).

EBIT

EBIT for the reporting period came down by 44.5 % from € 17.5 million to € 9.7 million. This equates to an EBIT margin of 3.1 % (9M 12: 6.2 %). Third quarter EBIT saw a decline of 80.9 %, from prior-year's € 4.3 million to € 0.8 million or 0.8 % of revenues (Q3 12: 4.9 %).

EBIT

quarterly, in € million

**Financial result**

Financial income for the nine months amounted to € 36.6 thousand (9M 12: € 26.0 thousand). Financial expenses decreased to € 71.1 thousand (9M 12: € 190.1 thousand), leading to a financial result of € -34.6 thousand (9M 12: € -164 thousand).

Income taxes

In 9M 13 the expenditure for income taxes was € 3.5 million (9M 12: € 5.6 million). This equates to a tax rate of 36.5 % (9M 12: 32.5 %). The income tax rate was unusually high because the due diligence and advisory costs of € 1.1 million related to the Tirendo deal have to be capitalised as incidental acquisition expenses.

Net income

Consolidated net income totalled € 6.2 million after € 11.7 million in 9M 12. Net income for Q3 13 amounted to € 0.1 million (Q3 12: € 2.9 million). For the nine months, earnings per share (EPS) were € 0.52 (undiluted, 9M 12: € 0.99), a decline of 47.5 % year-on-year.

The table *Abridged P+L statement* summarises key income and expense items from multiple years' profit and loss statements.

Abridged P+L statement

in € thousand

	9M13	%	+	9M12	%	+	9M11	%
Revenues	309,062	100.0	10.2	280,438	100.0	-5.8	297,695	100.0
Other operating income	3,479	1.1	23.6	2,815	1.0	-52.6	5,939	2.0
Total operating income	312,541	101.1	10.3	283,253	101.0	-6.7	303,633	102.0
Cost of goods sold	234,055	75.7	13.1	206,933	73.8	-5.4	218,638	73.4
Gross profit	78,486	25.4	2.8	76,320	27.2	-10.2	84,995	28.6
Personnel expenses	6,961	2.3	9.7	6,344	2.3	21.9	5,204	1.7
Other operating expenses	59,560	19.3	18.1	50,447	18.0	0.6	50,169	16.9
EBITDA	11,966	3.9	-38.7	19,529	7.0	-34.1	29,622	10.0
Depreciation	2,246	0.7	11.7	2,010	0.7	40.2	1,434	0.5
EBIT	9,720	3.1	-44.5	17,518	6.2	-37.9	28,188	9.5
Net financial result	-35	0.0	-78.9	-164	-0.1	-2765.0	6	0.0
EBT	9,685	3.1	-44.2	17,354	6.2	-38.4	28,194	9.5
Income taxes	3,535	1.1	-37.4	5,647	2.0	-38.6	9,189	3.1
Consolidated net income	6,151	2.0	-47.5	11,707	4.2	-38.4	19,005	6.4

Financial and assets position**Balance sheet structure**

As of 30.09.2013 the balance sheet total amounted to € 233.1 million (31.12.2012: € 156.4 million).

Inventories

Among the current assets, inventories is the biggest line item. Since the beginning of the year their value grew by € 46.6 million to € 120.7 million (31.12.2012: € 74.1 million). This corresponds to a share of 51.8 % of total assets (31.12.2012: 47.4 %, 30.09.2012: 69.7 %).

Receivables

Trade receivables usually follow the seasons, but reporting date effects are often unavoidable. At the end of the quarter, the accounts receivable amounted to € 20.9 million (30.09.2012: € 15.7 million).

Payables

In the wake of the inventory build-up, the accounts payable increased from € 74.8 million at the beginning of the year by € 61.9 million to € 136.7 million (30.09.2012: € 112.4 million). This corresponds to a share of 58.6 % of the balance sheet total (31.12.2012: 47.8 %, 30.09.2012: 62.0 %).

Liquidity position

Liquidity (cash and cash equivalents plus liquidity reserve) as of 30.09.2013 totalled € 9.2 million (30.09.2012: € 15.0 million, 31.12.2012: € 46.2 million). The company's net cash position amounted to € -18.0 million (liquidity less liabilities from current accounts, 30.09.2012: € 11.8 million).

Abridged balance sheet

in € thousand

	30.09.13	%	+	31.12.12	%	+	31.12.11	%
Assets								
Non-current assets	70,456	30.2	357.8	15,391	9.8	-7.7	16,669	10.0
Fixed assets	69,371	29.8	377.1	14,540	9.3	-9.7	16,098	9.7
Other non-current assets	1,085	0.5	27.4	852	0.5	49.1	571	0.3
Current assets	162,667	69.8	15.4	140,982	90.2	-5.8	149,695	90.0
Inventories	120,671	51.8	62.8	74,107	47.4	-30.4	106,492	64.0
Receivables	32,798	14.1	58.4	20,707	13.2	-1.4	21,006	12.6
Liquidity	9,199	3.9	-80.1	46,168	29.5	108.0	22,197	13.3
Securities	0	0.0		0	0.0		0	0.0
Cash and cash equivalents	9,199	3.9	-80.1	46,168	29.5	108.0	22,197	13.3
Assets	233,123	100.0	49.1	156,374	100.0	-6.0	166,364	100.0
Equity and Liabilities								
Long-term funds	54,094	23.2	-17.5	65,560	41.9	-17.1	79,108	47.6
Equity	46,314	19.9	-26.1	62,636	40.1	-17.0	75,480	45.4
Long-term debt	7,780	3.3	166.1	2,924	1.9	-19.4	3,628	2.2
Provisions	313	0.1	103.7	154	0.1	411.2	30	0.0
Liabilities	7,467	3.2	169.6	2,770	1.8	-23.0	3,597	2.2
Short-term debt	179,029	76.8	97.1	90,814	58.1	4.1	87,256	52.4
Provisions	1,873	0.8	-14.0	2,177	1.4	-66.8	6,560	3.9
Liabilities	177,156	76.0	99.9	88,637	56.7	9.8	80,696	48.5
Equity and Liabilities	233,123	100.0	49.1	156,374	100.0	-6.0	166,364	100.0

Cash flow**Operating cash flow**

Due to the net working capital increase in Q2 and the weaker earnings situation, the cash flow from ordinary business activities of € 11.3 million for the period under review was significantly lower than last year, at (9M 12: € 29.7 million).

The operating cash flow reflects the changes in net working capital at Tirendo from first-time consolidation (16.09.2013) to the end of the quarter.

Investments

As part of the acquisition of Tirendo, Delticom paid € -42.3 million as equity value (ex cash).

In the reporting period Delticom invested € 0.4 million into property, plant and equipment, after € 0.9 million the previous year. In total, the cash flow from investments was € -43.1 million (30.09.2012: € -0.8 million, 31.12.2012: € -1.0 million).

Financing activities

In the reporting period, Delticom recorded a cash flow from financing activities amounting to € -5.0 million, thereof the dividend payout for the last financial year of € 22.5 million and disbursements due to redemption of loans of € 7.5 million. The cash outflow was offset by inflows from shortterm financial liabilities of € 24.9 million and € 0.1 million capital increase from the exercise of stock options. The redemption of loans includes the repayment of € 6.6 million

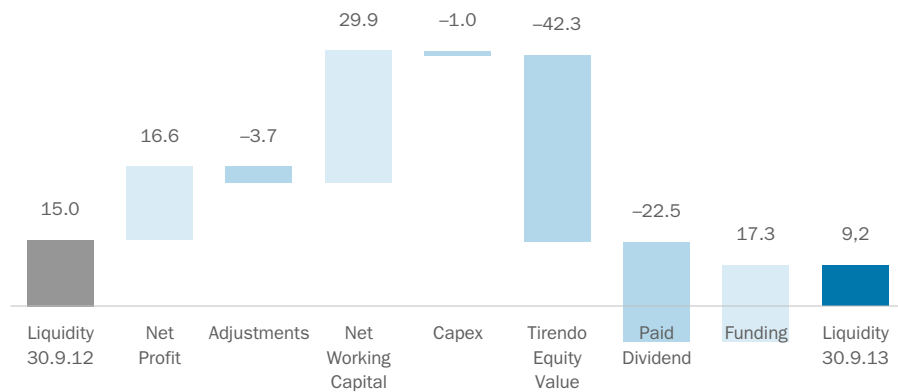
of shareholder loans which were purchased from former shareholders of Tirendo as part of the acquisition.

The acquisition of Tirendo was funded with cash and credit lines. Follow-up financing is planned in Q4.

Based on the cash flow, the chart *Liquidity Bridge* illustrates how the liquidity position changed in the trailing 12 months.

Liquidity Bridge

in € million



Organisation

Legal structure

As of 30.09.2013, the Delticom Group comprised the following subsidiaries.

- Reifendirekt GmbH, Hanover (Germany)
- Pnebo Gesellschaft für Reifengroßhandel und Logistik mbH, Hanover (Germany)
- Delticom Tyres Ltd., Oxford (United Kingdom)
- NETIX S.R.L., Timisoara (Romania)
- Delticom North America Inc., Benicia, California, (USA)
- Tyrepac Pte. Ltd., Singapur
- Hongkong Tyrepac Ltd., Hongkong
- Wholesale Tire and Automotive Inc., Benicia (California, USA)
- OOO Delticom Shina, Moscow (Russia)
- Tirendo Holding GmbH, Berlin (Germany)
- Tirendo Deutschland GmbH, Berlin (Germany)

An overview of all subsidiaries of Tirendo Holding GmbH can be found in the notes in the section *Group of consolidated companies*.

Delticom AG owns 100 % of the shares in Delticom North America Inc. and its new subsidiary Wholesale Tire and Automotive Inc., founded on 19.07.2013.

Delticom holds a majority interest in Singapore-based Tyrepac Pte. Ltd and its subsidiaries amounting to 50.9 %. Of the other subsidiaries, Delticom AG owns 100 % of the outstanding shares.

Employees

In the reporting period an average of 148 persons were employed at Delticom (9M 12: 143), thereof 8 apprentices and trainees.

Significant events after the reporting date

There were no events of particular importance after the end of the period under review.

Risk Report

As a company that operates internationally, Delticom is exposed to varying types of risk. In order to be able to identify, evaluate and respond to such risks in a timely fashion, Delticom put in place a risk management system early on. The system is based on corporate guidelines for the early risk detection and risk management. An outline of the risk management process is presented in the Annual Report for fiscal year 2012 on pages 42ff, together with a list of key individual risks.

The improvement of our market position by means of acquisitions and interests is a part of our corporate strategy. We work to keep the risk from entering into business combinations within acceptable limits by means of preliminary due diligence audits and fairness opinions. We also analyse investment opportunities with regard to their strategic relevance and profitability.

Concerning other risks stated in the Annual Report 2012, the risk situation has not changed materially. Individual risks endangering the company do not exist, and considered together, the aggregate risk does not pose any danger to Delticom's going concern.

Outlook

Economic environment In spite of a more optimistic mood, the eurozone is only recovering slowly from the crisis. Nevertheless, it remains to be seen to what extent a further improvement in sentiment and the ongoing fiscal consolidation in the crisis countries will contribute to further growth.

Prospects for the German economy remain comparatively good due to stable labour market.

Tyre retail After a disappointing summer tyre business, the hopes of the German tyre trade are on the the all-important fourth quarter. Unfortunately, due to mild weather conditions across Europe, the winter season has not taken-off yet. Experts predict that, even in case of the winter business gaining momentum, revenues are unlikely to grow year-on-year. The development of tyre prices will also depend on the weather to a considerable extent.

In the past months, tyre dealers have only been cautiously stocking up for the winter season. If the remaining weeks of the fourth quarter see some good snowfall, shortages in some tyre dimensions might crop up.

Forecast Despite the disappointing weather conditions so far, Delticom should be able to exceed previous year's revenues. The company will once again significantly outperform the industry as a whole in 2013, regardless of broader sector developments.

The development of the Tirendo brand will affect profits in the coming quarters. Our focus is therefore on the rapid integration of business processes in order to make the best use of existing synergies.

With its shops in Hanover and Berlin, the Delticom Group is well positioned to drive future growth and strengthen its position as the market leader.

Medium term outlook For the medium term we expect revenues to grow double-digit. We are confident that Delticom will continue to grow at a rate above the market trend.

Consolidated Interim Financial Statements of Delticom AG

Table of contents

15 Consolidated Income Statement

15 Statement of Recognised Income and Expenses

16 Consolidated Balance Sheet

16 Assets

16 Shareholders' Equity and Liabilities

17 Consolidated Cash Flow Statement

18 Statement of Changes in Shareholders' Equity

Consolidated Income Statement

	01.01.2013 – 30.09.2013	01.01.2012 – 30.09.2012	01.07.2013 – 30.09.2013	01.07.2012 – 30.09.2012
in € thousand				
Revenues	309,062	280,438	96,855	87,168
Other operating income	3,479	2,815	789	747
Total operating income	312,541	283,253	97,644	87,915
Cost of goods sold	–234,055	–206,933	–73,550	–64,761
Gross profit	78,486	76,320	24,094	23,154
Personnel expenses	–6,961	–6,344	–2,416	–1,970
Depreciation of intangible assets and property, plant and equipment	–2,246	–2,010	–901	–678
Other operating expenses	–59,560	–50,447	–19,963	–16,235
Earnings before interest and taxes (EBIT)	9,720	17,518	815	4,271
Financial expenses	–71	–190	–36	–81
Financial income	37	26	9	3
Net financial result	–35	–164	–27	–78
Earnings before taxes (EBT)	9,685	17,354	788	4,193
Income taxes	–3,535	–5,647	–645	–1,276
Consolidated net income	6,151	11,707	143	2,917
Thereof allocable to:				
Shareholders of Delticom AG	6,151	11,707		
Earnings per share (basic)	0.52	0.99		
Earnings per share (diluted)	0.51	0.98		

Statement of Recognised Income and Expenses

	01.01.2013 – 30.09.2013	01.01.2012 – 30.09.2012	01.07.2013 – 30.09.2013	01.07.2012 – 30.09.2012
in € thousand				
Consolidated Net Income	6,151	11,707	143	2,917
Changes in the financial year recorded directly in equity				
Changes in currency translation	–135	31	–111	–45
Net Investment Hedge Reserve				
Changes in current value recorded directly in equity	37	0	10	0
Deferred taxes relating to Net Investment Hedge Reserve	–12	0	–3	0
Other comprehensive income for the period	–109	31	–104	–45
Total comprehensive income for the period	6,042	11,738	39	2,871

Consolidated Balance Sheet

Assets

in € thousand	30.09.2013	31.12.2012
Non-current assets	70,456	15,391
Intangible assets	57,328	1,053
Property, plant and equipment	11,194	12,660
Financial assets	848	826
Deferred taxes	571	335
Other receivables	515	517
Current assets	162,667	140,982
Inventories	120,671	74,107
Accounts receivable	20,922	9,585
Other current assets	5,449	8,173
Income tax receivables	6,427	2,949
Cash and cash equivalents	9,199	46,168
Assets	233,123	156,374

Shareholders' Equity and Liabilities

in € thousand	30.09.2013	31.12.2012
Equity	46,314	62,636
Subscribed capital	11,859	11,847
Share premium	24,446	24,311
Other components of equity	-111	-2
Retained earnings	200	200
Net retained profits	9,920	26,279
Liabilities	186,809	93,738
Non-current liabilities	7,780	2,924
Long-term borrowings	1,350	2,250
Non-current provisions	313	154
Deferred tax liabilities	6,117	520
Current liabilities	179,029	90,814
Provisions for taxes	128	432
Other current provisions	1,745	1,745
Accounts payable	136,705	74,814
Short-term borrowings	25,820	905
Other current liabilities	14,631	12,918
Shareholders' equity and liabilities	233,123	156,374

Consolidated Cash Flow Statement

in € thousand	01.01.2013 – 30.09.2013	01.01.2012 – 30.09.2012
Earnings before interest and taxes (EBIT)	9,720	17,518
Depreciation of intangible assets and property, plant and equipment	2,246	2,010
Changes in other provisions	159	–759
Net gain on the disposal of assets	–240	–65
Changes in inventories	–46,564	–19,965
Changes in receivables and other assets not allocated to investing or financing activity	–6,602	–3,432
Changes in payables and other liabilities not allocated to investing or financing activity	59,834	43,907
Interest received	36	27
Interest paid	–69	–191
Income tax paid	–7,254	–9,318
Cash flow from operating activities	11,267	29,731
Proceeds from the disposal of property, plant and equipment	331	217
Payments for investments in property, plant and equipment	–406	–936
Proceeds from the disposal of intangible assets	3	0
Payments for investments in intangible assets	–704	–91
Payments for investments in financial assets	–5	0
Auszahlung für den Erwerb konsolidierter Tochterunternehmen	–42,343	0
Cash flow from investing activities	–43,125	–811
Dividends paid by Delticom AG	–22,510	–34,950
Payments from additions to capital	147	0
Cash inflow of financial liabilities	24,915	–343
Cash outflow of financial liabilities	–7,529	–900
Cash flow from financing activities	–4,977	–36,193
Changes in cash and cash equivalents due to currency translation	–135	31
Cash and cash equivalents at the start of the period	46,168	22,197
Changes in cash and cash equivalents	–36,969	–7,242
Cash and cash equivalents - end of period	9,199	14,955
For information only:		
Liquidity – start of period	46,168	22,197
Changes in cash and cash equivalents	–36,969	–7,242
Liquidity – end of period	9,199	14,955
Net Cash – start of period	43,013	17,803
Changes in cash and cash equivalents	–36,969	–7,242
Changes in financial liabilities	–17,386	1,243
Net Cash – end of period	–11,342	11,803

Statement of Changes in Shareholders' Equity

in € thousand	Sub- scribed capital	Share premium	Reserve from currency translation	Net Invest- ment Hedge Reserve	Accumulated profits / losses			Total equity
					Retained earnings	Net retained profits	total	
as of 1 January 2012	11,847	24,311	50	0	200	39,072	39,272	75,480
Dividends paid						-34,950	-34,950	-34,950
Total comprehensive income for the period			31			11,707	11,707	11,738
as of 30 September 2012	11,847	24,311	80	0	200	15,829	16,029	52,268
as of 1 January 2013	11,847	24,311	-2		200	26,279	26,479	62,636
Shares of capital increase	12							12
Capital increase of issue new shares		135						135
Dividends paid						-22,510	-22,510	-22,510
Total comprehensive income for the period			-135	25		6,151	6,151	6,042
as of 30 September 2013	11,859	24,446	-136	25	200	9,920	10,119	46,314

Notes to the Consolidated Interim Financial Statements of Delticom AG

Segment results

9M 13

in € thousand	E-Commerce	Wholesale	not allocated	Group
Revenues	299,758	9,304	0	309,062
Other operating income	3,101	42	337	3,479
Cost of goods sold	-225,754	-8,301	0	-234,055
Gross profit	77,105	1,045	337	78,486
Personnel expenses	-3,744	-160	-3,057	-6,961
Depreciation and amortization	-2,130	0	-116	-2,246
thereof property, plant and equipment	-1,812	0	-71	-1,883
thereof intangible assets	-318	0	-44	-362
Other operating expenses	-56,588	-326	-2,646	-59,560
thereof bad debt losses and one-off loan provisions	-1,311	0	0	-1,311
Segment result	14,643	558	-5,481	9,720
Net financial result				-35
Income taxes				-3,535
Consolidated net income				6,151

9M 12

in € thousand	E-Commerce	Wholesale	not allocated	Group
Revenues	268,719	11,719	0	280,438
Other operating income	2,703	101	10	2,815
Cost of goods sold	-196,442	-10,491	0	-206,933
Gross profit	74,980	1,330	10	76,320
Personnel expenses	-3,096	-477	-2,772	-6,344
Depreciation and amortization	-1,902	-1	-107	-2,010
thereof property, plant and equipment	-1,829	-1	-66	-1,896
thereof intangible assets	-73	0	-42	-115
Other operating expenses	-48,258	-345	-1,844	-50,447
thereof bad debt losses and one-off loan provisions	-935	0	0	-935
Segment result	21,723	507	-4,713	17,518
Net financial result				-164
Income taxes				-5,647
Consolidated net income				11,707

Reporting companies

Delticom, Europe's leading online tyre retailer, was founded in Hanover in 1999. With 137 online shops in 42 countries, the company offers its private and business customers a broad assortment of car tyres, motorcycle tyres, truck tyres, bus tyres, special tyres, bicycle tyres, rims, complete wheels (pre-mounted tyres on rims), selected replacement car parts and accessories, motor oil and batteries. Further information about the reporting company can be found in the chapter *Business Operations* and in the chapter *Organisation* of the annual report 2012.

Seasonal effects

In many countries, business with car replacement tyres depends to a large extent on the seasons with their different weather and road conditions. For example, the business in the northern parts of Europe and in German-speaking countries is characterized by two peak periods - the purchase of summer tyres in spring and winter tyres in early winter. Volume is generally weaker in the first quarter, as most winter tyres are bought and fitted with the first snow, and thus before the end of the year. The second quarter is characterized by strong sales: the weather in April and May is usually quite warm and car drivers buy their new summer tyres.

The third quarter is a transitional quarter between the summer and winter business, with unit sales again being somewhat weaker. In most European countries, the last quarter generates the highest sales as car drivers face difficult road conditions and become aware of the fact that they need new tyres.

Principles of accounting and consolidation, balance sheet reporting and valuation methods

Delticom's consolidated interim financial statements as of 30.09.2013 were prepared according to the *International Financial Reporting Standards* (IFRS), as prescribed by the International Accounting Standards Board (IASB), that were mandatory according to the European Union (EU) Directive. All applicable and mandatory IFRS standards on the balance sheet date were applied, especially IAS 34 (Interim Financial Reporting).

To the extent that there were no changes to standards requiring first-time application, the accounting, valuation and calculation methods explained in the 2012 Consolidated Financial Statements have also been applied in this set of interim financial statements, and apply correspondingly.

These interim financial statements contain all clarifications and information required for annual financial statements, and can therefore be read in conjunction with the annual financial statements as of 31.12.2012.

The Annual Report 2012 is made available on the Delticom website in the section *Investor Relations* or can be downloaded directly using the following link:

www.delti.com/Investor_Relations/Delticom_AnnualReport_2012.pdf

One deviation from the Annual Report 2012 was the recognition for the first time of a net investment hedge reserve in equity. A net investment hedge uses derivative or non-derivative financial instruments to hedge exchange rate-related fluctuations in the net assets of foreign business operations by recognizing the effective portion of the exchange rate-related fluctuations of the hedging instruments within equity in the net investment hedge reserve and thus compensating the exchange rate-related fluctuations in the net assets of the foreign business operations.

In the case of the sale of part or all of the foreign operation, the amount previously shown in the net investment hedge reserve is recognized in profit or loss.

Group of consolidated companies

The group of consolidated companies comprises Delticom AG as controlling company, four domestic and four foreign subsidiaries, all fully consolidated in the interim financial accounts.

The group of fully consolidated companies has changed in the reporting period by the following accesses since 01.01.2013:

- Wholesale Tire and Automotive Inc., Benicia (California, USA) - founded by Delticom North America Inc. on 19.07.2013, which also holds 100 % of the shares.
- Tirendo Holding GmbH, Berlin (Germany) – business acquisition, i.e. purchase of 100 % of the shares by Delticom AG on 16.09.2013
- Tirendo Deutschland GmbH, Berlin (Germany) – 100 % subsidiary of Tirendo Holding GmbH

Due to its negligible impact on Delticom's net assets, financial position and results of operations, the following companies are not consolidated, but instead recognized as a financial instrument pursuant to IAS 39.

The Tyrepac Pte. Ltd., Singapore of which Delticom owns 50.9 % of the shares, and Tyrepac's fully owned subsidiaries Hongkong Tyrepac Ltd., Hongkong and Guangzhou Tyrepac Trading Ltd., Guangzhou, China.

- OOO Delticom Shina, Moscow (Russia) of which Delticom owns 100 % of the shares
- Tirendo France Holding UG, Berlin (Germany) – 100 % subsidiary of Tirendo Holding GmbH – and its 100 % subsidiary Tirendo France SARL, Paris (France)
- Tirendo Netherlands Holding UG, Berlin (Germany) – 100 % subsidiary of Tirendo Holding GmbH – and its 100 % subsidiary Tirendo Netherlands B.V., Den Haag (Netherlands)
- Tirendo Austria Holding UG, Berlin (Germany) – 100 % subsidiary of Tirendo Holding GmbH – and its 100 % subsidiary Tirendo AT GmbH, Vienna (Austria)
- Tirendo Switzerland Holding UG, Berlin (Germany) – 100 % subsidiary of Tirendo Holding GmbH – and its 100 % subsidiary Tirendo Switzerland GmbH, Zug (Switzerland)

- Tirendo Poland Holding UG, Berlin (Germany) – 100 % subsidiary of Tirendo Holding GmbH – and its 100 % subsidiary Tirendo Poland sp.z.o.o., Warsaw (Poland)
- Tirendo Turkey Holding UG, Berlin (Germany) – 100 % subsidiary of Tirendo Holding GmbH

Business combinations in accordance with IFRS 3

Identifiable and recognisable assets, liabilities and contingent liabilities of an acquired business are always reported at their fair value at the transaction date. Any remaining differences between the acquisition costs and the acquired net assets are recognized as goodwill.

On 16.09.2013, Delticom acquired 100 % of Tirendo, a Berlin-based online tyre retailer (share deal). The provisional purchase price amounts to € 43.6 million and was paid in cash. In addition, Delticom paid € 6.6 million in cash to the former shareholders to redeem shareholder loans.

Tirendo complements Delticom's existing shop portfolio with another strong brand. The acquisition will allow Delticom to target additional consumer groups. As part of the Delticom Group, Tirendo has access to the extensive industry and logistical network of the Delticom Group in Hanover. As a result, European car drivers will benefit even more from the advantages and simplicity of a purchase in the Group's online shops. Over the coming years the Management will make use of the complementary strengths of Delticom and Tirendo throughout the entire value chain to achieve a good balance between growth and profitability.

The following fair values of the identifiable assets and liabilities were recognised as first-time consolidation amounts:

in € thousand	Fair Values at acquisition date
Non-current assets	17,719
Accounts receivable	1,400
Other current assets	556
Cash and cash equivalents	1,257
Assets total	20,933
Deferred tax liabilities	5,299
Other current provisions	135
Accounts payable	3,062
Other current liabilities	7,225
there of shareholder loans	6,629
Liabilities total	15,721
Net assets	5,212
Goodwill	38,388
Total purchase price	43,600

The intangible assets identified as part of the purchase price allocation with a total value of € 17.5 million and their expected useful lives are listed in the following table:

in € thousand	Fair Value	Useful life years
Customer Relationships	615	5
Trademarks	8,223	5
Rights of sale	6,539	2
Software	2,167	5

The assessment of the non-tax-deductible loss carryforwards, and consequently the formation of related deferred taxes, has not yet been finalised. The purchase price allocation can be adjusted within one year following acquisition.

The main factors determining the goodwill are primarily the strategically well-positioned marketing appearance of the Tirendo group, the workforce, employee know-how and synergies resulting from the merger. The goodwill is not amortisable for tax purposes.

The acquired trade accounts receivable carry a fair value of € 1.4 million. The receivables amount to € 1.8 million on a gross basis, of which € 0.4 million was categorised as uncollectible and written down accordingly.

Between 16.09.2013 and 30.09.2013 the Tirendo group generated revenues of € 2.9 million and net income of € –0.8 million. If the transaction had already been completed by 01.01.2013, Tirendo would have added 2013 revenues of € 25.8 million. The impact on consolidated net income would have been € –10.4 million.

Incidental acquisition costs of € 1.1 million as a result of the transaction were recognised under Other operating expenses and reduced profit.

Unusual items

No significant matters have arisen that affect the assets, liabilities, equity, result for the period, or cash flows, and which are unusual for Delticom AG's business due to their type, extent or frequency. Business trends are explained in the interim management report.

Other operating expenses

The following table shows the development of the other operating expenses.

in € thousand	9M13	9M12
Transportation costs	27,163	23,686
Warehousing costs	2,457	2,427
Credit card fees	2,493	2,201
Bad debt losses and one-off loan provisions	1,311	935
Marketing costs	10,325	6,700
Operations centre costs	3,763	3,867
Rents and overheads	5,005	4,520
Financial and legal costs	2,621	755
IT and telecommunications	1,020	881
Expenses from exchange rate differences	2,151	3,139
Other	1,251	1,335
Total	59,560	50,447

Profit and loss statement, balance sheet and statement of cash flow

Detailed information with regards to business trends and the profit and loss statement can be found in the chapter *Business performance and earnings situation* of the interim management report. The chapter *Financial and assets position* presents additional Information concerning the balance sheet and the cash flow statement.

Equity

As part of a stock option program, Delticom has granted to Frank Schuhardt (CFO) option rights that are settled with equity instruments. This commitment is based on the option terms of 09.08.2007. On 02.05.2013, Mr. Schuhardt exercised 12,000 options from the 25.11.2008 tranche. The exercise price amounted to € 12.227 per ordinary share. This transaction increased the subscribed capital by € 12,000.00 to € 11,859,440.00. The capital reserves increased by € 134,724.00 to € 24,446,102.69.

Earnings per share

Basic earnings per share totalled € 0.52 (9M 12: € 0.99). The diluted earnings per share totalled € 0.51 (9M 12: € 0.98).

Calculation of earnings per share

Pursuant to IAS 33, undiluted (basic) earnings per share are calculated by dividing the consolidated net income of € 6,150,836.71 (previous year: € 11,707,499.68) by the 11,854,082 weighted average number of ordinary shares in circulation during the financial year (previous year: 11,847,440 shares).

During the period under review, there were 15,810 potential shares (financial instruments and other agreements which entitle their holders to subscribe to ordinary shares) from the tranche dated 22.11.2007, 37,500 potential shares from the tranche dated 08.05.2008, 17,500 potential shares from the tranche dated 25.11.2008 and 15,000 potential shares from the tranche dated 30.03.2009. The exercise prices for the tranches 22.11.2007, 08.05.2008, 25.11.2008 and 30.03.2009 were below the average share prices since the options were issued on 22.11.2007, 08.05.2008, 25.11.2008 and 30.03.2009. As a result all tranches are included in the diluted earnings per share.

The calculation of the diluted earnings per share was based (in accordance with IAS 33) on net income after taxes totalling € 6,150,836.71 (previous year: € 11,707,499.68) and the weighted average number of shares outstanding during the fiscal year and the number of potential shares from options totalling 11,945,250 shares (previous year: 11,945,250 shares).

Dividends

On 02.05.2013 Delticom has paid a dividend of € 1.90 for fiscal year 2012 (previous year: € 2.95)

Related parties disclosure

Related companies and persons in the meaning of IAS 24 include the Managing and Supervisory boards of Delticom AG (category *persons in key positions*), the majority shareholders Binder GmbH and

Prüfer GmbH (category *companies with a significant influence on the Group*), as well as not consolidated subsidiaries (category *not consolidated subsidiaries*). All transactions with related parties are agreed contractually, and conducted on terms as would also be usual with third parties. Transactions which occurred during the interim reporting period did not have any significant effects on the earnings, financial and asset positions.

Related companies and persons (Category *persons in key positions*): In the reporting period, goods and services worth € 235 thousand (9M 12: € 521 thousand) were purchased from related companies and persons, and goods and services worth € 1 thousand (9M 12: € 1 thousand) were sold to related companies and persons. Accounts receivable from business with related companies and persons amounted to € 1 thousand (9M 12: € 0 thousand) and accounts payable totalled € 9 thousand (9M 12: € 53 thousand).

Related companies and persons (category *not consolidated subsidiaries*): In the reporting period, goods and services worth € 0 thousand (9M 12: € 51 thousand) were purchased from related companies and persons, and goods and services worth € 1,743 thousand (9M 12: € 923 thousand) were sold to related companies and persons. Accounts receivable from business with related companies and persons amounted to € 1,407 thousand (9M 12: € 538 thousand) and accounts payable totalled € 0 thousand (9M 12: € 0 thousand). Other current assets amounted to € 195 thousand (9M 12: € 0 thousand) and other current liabilities totalled € 185 thousand (9M 12: € 0 thousand).

Contingent liabilities and other financial commitments

As compared to 31.12.2012, the situation with regards to other financial commitments has not changed significantly. As of the reporting date, there were no contingent liabilities or claims.

Employees

From 01.01.2013 to 30.09.2013 Delticom had an average of 148 employees (thereof 8 apprentices and interns). The calculation is based on full-time equivalents, thus taking into account the actual work hours.

Key events after the reporting date

There were no key events that occurred after the reporting date.

Declaration according to section 37w Abs. 5 WpHG (Securities Act)

The interim financial statements and the interim management report has not been reviewed by our auditors.

German Corporate Governance Codex

The website www.delti.com/Investor_Relations/Entsprechungserklaerung.html shows the current statements made by the Managing and Supervisory boards of Delticom AG pursuant to Section 161 of the German Public Limited Companies Act (AktG).

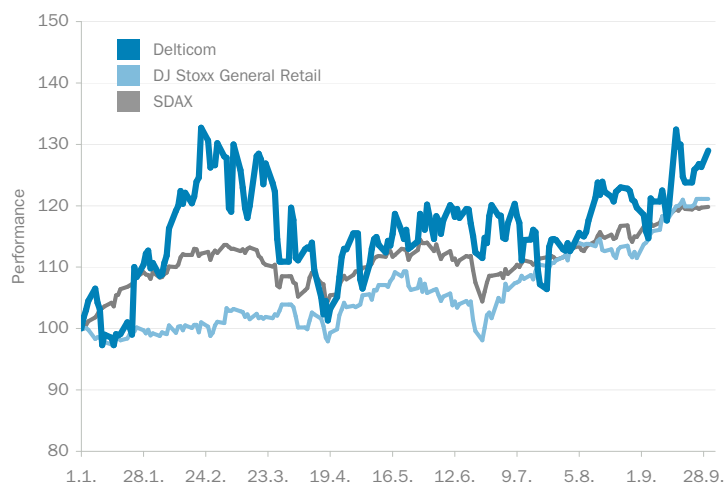
Responsibility Statement

To the best of our knowledge, we declare that, according to the principles of proper interim consolidated reporting applied, the interim consolidated financial statements provide a true and fair view of the company's net assets, financial position and results of operations, that the interim consolidated management report presents the company's business including the results and the company's position such as to provide a true and fair view and that the major opportunities and risks of the company's anticipated growth for the remaining financial year are described.

Hanover, 07.11.2013

(The Management Board)

The Delticom Share



WKN
ISIN
Reuters / Bloomberg
Index membership
Type of shares
Transparency level

12 November 2013

514680
DE0005146807
DEXGn.DE / DEX GR
SDAX, CXPR, GEX, NISAX
No-par value, registered
Prime Standard

German Equity Forum

		01.01.2013 – 30.09.2013	01.01.2012 – 31.12.2012
Number of shares	shares	11,859,440	11,847,440
Share price on first trading day ¹	€	32.88	67.00
Share price on last trading day of the period ¹	€	41.66	32.30
Share performance ¹	%	+26.7	–51.8
Share price high/low ¹	€	42.87 / 31.43	82,51 / 30,74
Market capitalisation ²	€ million	494.1	382.7
Average trading volume per day (XETRA)	shares	20,498	28,309
EPS (undiluted)	€	0.52	1.87
EPS (diluted)	€	0.51	1.85
Equity per share	€	3.91	5.29

(1) based on closing prices

(2) based on official closing price at end of quarter

Broker	Analyst	Recommendation	Target price	Estimates for 2013				Estimates for 2014			
				Sales (€m)	EBIT (€m)	EBIT (%)	EPS (€)	Sales (€m)	EBIT (€m)	EBIT (%)	EPS (€)
NordLB	Frank Schwope	Buy	43.00	501.0	31.0	6.2	1.76	544.0	35.9	6.6	2.03
Metzler	Jürgen Pieper	Sell	36.00	495.0	33.0	6.7	1.70	590.0	38.5	6.5	2.05
Exane	Andreas Inderst	Outperform	51.00	516.4	18.6	3.6	1.00	657.4	24.2	3.7	1.35
Berenberg	Stanislaus Thurn und Taxis	Hold	40.50	484.0	33.0	6.8	1.89	540.0	39.0	7.2	2.13
Deutsche Bank	Tim Rokossa	Hold	35.00	511.0	31.0	6.1	1.77	573.0	39.0	6.8	2.22
BH Lampe	Christian Ludwig	Sell	28.00	498.6	25.4	5.1	1.46	536.0	29.0	5.4	1.67
Commerzbank	Dennis Schmitt	Add	47.00	529.0	26.7	5.0	1.47	657.0	32.4	4.9	1.80
HSBC	Christopher Johnen	Neutral	40.00	531.4	25.1	4.7	1.42	626.3	21.2	3.4	1.20
Hauk & Aufhäuser	Sascha Berresch	Sell	33.00	493.8	32.1	6.5	1.84	539.1	36.5	6.8	2.09
Montega	Hendrik Emrich	Sell	30.00	470.0	29.9	6.4	1.69	500.0	32.2	6.4	1.83
		Average	38.35	503.0	28.6	5.7	1.60	576.3	32.8	5.8	1.84

as of 1 November 2013

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