Hawesko Holding AG
Hamburg

German securities code 604 270
Reuters HAWG.F

Six-month Report at 30 June 2001

Hamburg, 30 July 2001

Highlights
in DM millions

	2nd quarter (1 April - 30 June)			Six months (1 January - 30 June)		
	2001	2000 *)	+ / -	2001	2000 *)	+ / -
Group sales	**117.3**	**93.5**	**25%**	**228.6**	**185.8**	**23%**
Operating result (EBIT)	**6.4**	**1.4**	**344%**	**10.2**	**4.3**	**136%**
Group result	**2.5**	**0.1**	**2,021%**	**3.5**	**1.0**	**245%**

*) Previous year adjusted to the audited IAS accounts

Dear shareholders,

in the second quarter of 2001, Hawesko continued the unbroken positive development of the first. I am very pleased to report that this achievement not only exceeds our expectations, but was carried by all three segments. This increases our trust in the recovery of the market from the difficulties of the year 2000 as well as in the effectiveness of the operational measures implemented in the current year. For the Hawesko Group, 2001 will be a year of consolidation and exploitation of Group synergies – and a year of rising profits. With the presentation of this interim report, we can demonstrate to you that we have made great progress toward these goals.

If we look at the second quarter of 2001 in isolation – that is, the period between April 1st and June 30th – the figures make this progress clearly visible. The Hawesko Group achieved an increase in sales of 25% – in the first three months growth amounted to 21%. Spurred on, among other things, by the success of our new partnership with *Marchesi Antinori*, the wholesale segment posted an increase of 37%. The specialist retail segment under *Jacques' Wein-Depot* increased its sales by 21%. The Group's operating profit (EBIT) increased nearly fivefold compared to the second quarter of 2000, rising to more than DM 6 million. The Group thus achieved an operating margin of over 5% (first quarter 2001: a good 3%) of sales. The EBIT margin improved noticeably thereby: in the mail order/e-commerce division it rose to over 4% of sales (first quarter 2001: just 2%) and in the wholesale division to nearly 7% of sales (first quarter 2001: a good 4%).

In the mail order/e-commerce division, wines exclusive to Hawesko were successfully introduced, including the Spanish red wine *Marques de Sandoval* as well as – under the joint label of *Beaufleur* – a superb chardonnay and a high-quality merlot from France. Furthermore, the number of responses to the advertising mailings at *Hanseatisches Wein- und Sekt-Kontor* has returned to the accustomed level. The mailings of our ultra-premium mail order subsidiary *Carl Tesdorpf – Weinhandel zu Lübeck* continue to achieve better results than expected. The newly acquired Bordelais group *Le Monde des Grands Bordeaux* benefits from the prominence of the Bordeaux wines. As planned, the e-commerce activities are being linked increasingly closely to those of the mail order segment, so that we expect a lesser burden on the result overall from this division for the second half of the year.

The specialist retail division (*Jacques' Wein-Depot*) experienced lively development based on the resounding acceptance of the new customer journal – which also enjoys great respect among experts – and our consistent use of the opportunities offered by the loyalty card. With its 21% increase in sales over the second quarter of 2000, this division has achieved growth of which only very few retail companies can boast.

Development in the wholesale division was characterized primarily by the introduction of the *Antinori* wines. However, champagne sales also made a strong recovery from the previous year.

Based on the sales development in the first half of the year, we believe our optimism for the entire year, which we already expressed after the first quarter, is entirely justified. In our opinion, the influence of the basis effect from the previous year – i.e., the relatively high rates of increase due to the comparison with the below-average figures from early 2000 – will begin to decrease over the remaining course of the year. For this reason we are re-iterating our estimate made at the beginning of this year that sales will rise by 9% to nearly DM 500 million and the operating profit (EBIT) will increase by an even greater percentage.

Best regards,

Alexander Margaritoff
Chief Executive Officer

Sales and business results

Second Quarter

In the second quarter of fiscal year 2001 (April to June), the Hawesko Group achieved sales of DM 117.3 million, compared to DM 93.5 million in the same period of the previous year. This corresponds to an increase of 25,5%. As in the first quarter, all Group divisions posted sales increases. The individual segments accounted for the sales as follows: mail order/e-commerce: DM 42.6 million (+20.5%); specialist retail: DM 39.1 million (+21.0%); and wholesale: DM 35.5 million (+37.3%).

The positive quarterly development in mail order/e-commerce is due on the one hand to the normalization of the market, and on the other to the increased number of new products offered in the advertising mailshots. The newly consolidated company *Le Monde des Grands Bordeaux* contributed DM 5.6 million to sales. The e-commerce activities were responsible for DM 3.0 million (same period of the previous year: DM 2.7 million).

The success of the new customer journal and the measures taken to address the existing customer base assisted the specialist retail segment (*Jacques' Wein-Depot*) in the achievement of its sales increase. Three new stores were opened in the second quarter, increasing the number of depots at 30 June 2001 to 196. Furthermore, five stores in Austria are now in operation. Six store locations had been leased by the end of the quarter but not yet opened. Like-for-like sales were up 15.5% over the second quarter of 2000.

The development of the wholesale segment in the second quarter was even more strongly influenced than in the first quarter by the addition of the *Antinori* wines, which enjoy a high degree of acceptance by the customers, to the product range. Champagne sales also increased strongly compared to the same period in the previous year.

The Group result from operations (EBIT) in the second quarter amounted to DM 6.4 million, far above the figure for the comparable period in the previous year (DM 1.4 million, adjusted to the audited IAS accounts). The mail order/e-commerce segment experienced the strongest upswing in results: from DM –1.4 million in the second quarter of the previous year to DM 1.8 million in the quarter under review. As in the first quarter, an improvement in the result at *Hanseatisches Wein- und Sekt-Kontor* as well as lower start-up costs at *Carl Tesdorpf – Weinhandel zu Lübeck* and the Group's Austrian subsidiary *The Wine Company* were the main factors therein. The operating result in the specialist retail segment under *Jacques' Wein-Depot* amounted to DM 3.9 million, an increase of 18.6%. The operating result in the wholesale segment doubled from DM 1.2 million in the same period of the previous year to DM 2.4 million in the quarter under review.

First Half

The Hawesko Group increased its sales in the first six months of fiscal year 2001 to DM 228.6 million, up by 23.1% from the comparable period in the previous year.

The result from operations (EBIT) for the first six months improved from DM 4.3 million in the same period of the previous year to DM 10.2 million.

Financing expenditures increased by DM 1.0 million compared to the first six months of 2000 – to DM 3.2 million – due to the initial application of IAS 39 (financial instruments), higher financial debts and increased interest rates. The result from ordinary activities rose from DM 2.1 million by DM 4.9 million to DM 7.0 million. The Group earnings after deductions for taxes and profit due to minority interests amounted to DM 3.5 million (2000: DM 1.0 million). This resulted in undiluted earnings per share of DM 0.80 (Euro 0.40), compared to DM 0.23 (Euro 0.12) in the first half-year of 2000. The figure for 2001 takes into account that for the period average, 76,000 shares from the share buyback program are not in circulation and is thus based on the number of 4,329,500 shares. The diluted earnings per share, for which the exercise of option rights in full scope is assumed, amounts to DM 0.78 (2000: DM 0.22) per share.

HAWESKO
HOLDING AG

Balance Sheet

The balance sheet total at 30 June 2001 declined compared to that of 31 December 2000 by DM 40.6 million to DM 304.5 million. This is due primarily to the decline in trade accounts receivable, which typically reach their highest level during the year on 31 December, as well as to a reduction in cash and cash equivalents.

Cash Flow Statement and Capital Spending

Cash flow from current operations in the period under review amounted to DM 6.7 million, thus exceeding that of the same period in the previous year (DM – 0.7 million). The higher operating result and the lower net outpayments for income taxes were thereby the primary contributing factors.

Cash flow from financing activities reflects a decline in the financial debts and the payment of the dividend for fiscal year 2000, which was passed by resolution at the annual general meeting on 14 June 2001.

In the first half of 2001, capital spending amounted to DM 5.1 million (DM 8.5 million in the previous year, whereby DM 5.4 million was financed through sale and lease-back at the end of the year). They were used mainly for the implementation of a new cash register system and store renovations at *Jacques' Wein-Depot*.

Segment Report

In a variation from the previous year, as of 2001 the item Miscellaneous/Consolidation also includes the logistics activities of the Group under the company IWL Internationale Wein Logistik GmbH with registered office in Tornesch, near Hamburg. This results in a charge of DM 0.3 million in the operating result for this item that would otherwise have been included in the mail order/e-commerce and in the wholesale segments.

Outlook

An increase in sales by 9% to DM 495 million is still expected for the entire fiscal year. Our efforts continue to be focussed on the improvement of the operating profit margin. The individual projects in fiscal year 2001 include the integration of the mail-order and e-commerce activities, the expansion of our market presence in Austria and the integration of the *Antinori* products in the distribution structures of the wholesale and mail-order/e-commerce segments. Business development in the first six months is above the expectations which were held when the annual forecast was announced. In the previous year sales had increasingly normalized toward the end of the year. Based on this, a lower growth rate is assumed for the further course of this fiscal year. Whether the forecast can still be surpassed depends primarily on the business development during the Christmas season in the fourth quarter.

Hawesko Holding AG **Profit and Loss Statement** (in millions of DM, not audited; rounding differences are possible)	1 Jan –30 Jun 2001	1 Jan –30 Jun 2000*)	+ / -
Sales revenues	**228.6**	**185.8**	**23.1%**
Cost of purchased goods	–134.7	–107.8	24.9%
Gross profit on sales	**93.9**	**77.9**	**20.5%**
Other operating income	8.8	7.7	13.3%
Personnel expenses	– 21.7	– 19.0	14.4%
Depreciation and amortization	– 4.1	– 3.4	20.4%
Other operating expenses	– 66.7	– 59.0	13.0%
Result from operations (EBIT)	**10.2**	**4.3**	**136.3%**
Finance result	– 3.2	– 2.2	46.3%
Result from ordinary operations	7.0	2.1	230.5%
Taxes on income and deferred tax expense	– 3.0	– 1.0	193.7%
Result after taxes	**4.0**	**1.1**	**265.9%**
Profit due to minority interests	– 0.5	– 0.1	523.5%
Consolidated earnings	**3.5**	**1.0**	**245.1%**
Earnings per share in DM	**0.80**	**0.23**	**251.1%**

*) Previous year adjusted to the audited IAS accounts

Hawesko Holding AG **Consolidated Balance Sheet** (in millions of DM, quarters not audited)	30 Jun 2001	31 Dec 2000	+ / -
Assets			
Fixed assets	43.1	42.4	1.7%
Inventories	142.4	140.9	1.1%
Trade accounts receivable	36.6	64.0	-42.8%
Other current assets	23.3	36.4	-36.0%
Deferred taxes	57.9	60.4	-4.0%
Prepaid expenses	1.3	1.2	1.8%
Total	**304.5**	**345.2**	**-11.8%**
Liabilities			
Equity	110.5	115.5	-4.3%
Minority interests	1.7	1.6	3.6%
Provisions	16.9	16.4	2.8%
Borrowings	110.4	116.8	-5.5%
Trade accounts payable	46.3	58.2	-20.4%
Other liabilities	18.7	36.7	-48.8%
Total	**304.5**	**345.2**	**-11.8%**

Hawesko Holding AG
Consolidated Cash Flow Statement

(in millions of DM, not audited)	1 Jan –30 Jun 2001	1 Jan –30 Jun 2000*)
Result before taxes on income	7.0	2.1
Depreciation of fixed assets	4.1	3.4
Interest result	3.2	2.2
Change in inventories	– 1.3	– 4.1
Change in other short-term assets	23.8	32.5
Change in provisions	0.5	– 6.7
Change in liabilities (excluding borrowings)	–29.8	–25.0
Taxes on income paid out	– 0.7	– 5.2
Net inflow of payments from current operations	**6.7**	**– 0.7**
Acquisition of subsidiaries net of funds acquired	– 0.0	– 0.7
Outpayments for tangible assets and intangible assets	– 5.0	– 7.8
Outpayments for treasury shares	– 0.2	– 2.6
Inpayments from the disposal of intangible assets and tangible assets	0.2	0.0
Inpayments from the disposal of financial assets	0.1	0.3
Net funds employed for investment activities	**– 5.0**	**–10.8**
Outpayments for dividends	– 7.1	–11.7
Outpayments to minority interests	– 0.4	– 0.5
Change in borrowings	– 9.0	18.1
Interest paid out	– 2.9	– 1.7
Outflow of net funds from financing activities	**– 19.5**	**4.3**
Net decrease in funds	**– 17.7**	**– 7.2**
Cash at start of period	18.7	6.1
Cash at end of period	**1.0**	**– 1.1**

*) Previous year adjusted to the audited IAS accounts

Segments (in millions of DM)

First half-year of 2001	Mail Order/E-Commerce	Specialist Retail	Wholesale	Miscellaneous/ Consolidation	Group
Sales revenues	94.2	74.4	66.4	– 6.4	228.6
– External	**89.8**	**74.1**	**64.5**	**0.2**	**228.6**
– Internal	4.4	0.3	1.9	– 6.6	–
Operating result (EBIT)	**2.7**	**7.4**	**3.7**	– 3.6	**10.2**

First half-year of 2000*)	Mail Order/E-Commerce	Specialist Retail	Wholesale	Miscellaneous/ Consolidation	Group
Sales revenues	76.5	63.5	52.5	– 6.7	185.8
– External	**72.4**	**63.5**	**49.9**	**–**	**185.8**
– Internal	4.1	0	2.6	– 6.7	–
Operating result (EBIT)	**– 1.3**	**6.2**	**2.2**	– 2.6	**4.3**

*) Previous year adjusted to the audited IAS accounts

Other Information	1.1–30.6. 2001	1.1.–30.6 2000
Employees (Average during the period)	441	437

Calendar:

Third Quarter Report/Nine-month Report	Early November 2001
Preliminary report on Fiscal Year 2001	Mid-February 2002

Published by:
Hawesko Holding AG
– Investor Relations –
20205 Hamburg
GERMANY
Tel. + 49 40 / 30 39 21 00
Fax +49 40 / 30 39 21 05
Internet:www.hawesko.com