

Hawesko Holding AG Hamburg

Securities Code 604 270
Reuters HAWG.F

Three-month report for the quarter ending 31 March 2001

Hamburg, 8 May 2001

| Highlights (in DM millions) | 1.1. -31.3. | | +/- |
|--------------------------------|--------------|-------------|-----------------|
| | 2001 | 2000*) | |
| Group sales | 111.3 | 92.3 | + 20.6 % |
| Operating result (EBIT) | 3.8 | 2.9 | + 32.6 % |
| Group result | 1.0 | 0.8 | + 16.3 % |

*) Prior year adjusted to the audited IAS accounts

Dear Shareholders,

For the Hawesko Group, 2001 will be a year of consolidation and exploitation of Group synergies as well as a year of increasing profits. Through targeted measures designed to increase margins and reduce costs, we plan to achieve a sustained operating margin of 7% in the medium term. The year 2001 will be the first step in this direction.

The first quarter of 2001 puts us in a very optimistic mood. In the first three months of the current fiscal year we increased Group sales by a total of 21%. This increase is based on a positive developments in all business segments.

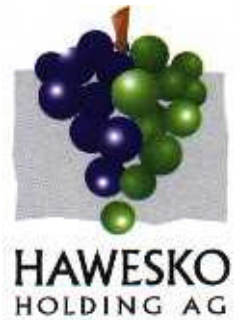
Sales of the mail order/e-commerce segment rose by 28% from DM 37 million to more than DM 47 million. At the *Hanseatisches Wein- und Sekt-Kontor*, for which the market environment in 2000 was especially difficult, nearly 30% more orders were received from old customers in the first three months of the year than in the comparable period of the previous year. At *Carl Tesdorpf – Weinhandel zu Lübeck* sales rose by 46% in the first three months.

In the specialist retail segment –*Jacques' Wein-Depot*– sales rose by 12% to DM 35 million. With like-for-like growth of 5% we experienced positive development in this segment as well.

In the wholesale segment, sales rose in the first quarter by 21% to DM 29 million.

The profit situation is even more gratifying. In the first quarter, the Group operating result rose from DM 3 million by 33% to DM 4 million. The developments in all three distribution channels were positive here as well: in the mail order/e-commerce segment, the operating result rose from DM 0.1 million to DM 0.9 million. Development at *Carl Tesdorpf – Weinhandel zu Lübeck* was especially welcome: it posted a positive quarterly result for the first time. At *Jacques' Wein-Depot* the operating result rose by 20% to DM 3.5 million. In the wholesale segment as well, the result was decidedly positive with an increase of 26% to DM 1.3 million.

After the improvement in the fourth quarter of 2000, the first quarter of 2001 leads us to be optimistic about the further development of the Group. Based on the operative measures we have introduced, we are optimistic that sales in the current fiscal year will rise by 9% to DM 495 million and that we will achieve a proportionally greater increase in profits.



Best regards,

Alexander Margaritoff
Chief Executive

Sales and business results

In the first three months of 2001 the Hawesko Group achieved sales of DM 111.3 million compared to DM 92.3 million in the same period of the previous year. This corresponds to an increase of 20.6%. All business segments of the Group posted sales growth. Sales in the individual segments were as follows: mail order/e-commerce DM 47.3 million (+ 27.6 %), specialist retail DM 35.0 million (+ 12.2 %) and wholesale DM 29.0 million (+ 20.7 %).

The positive quarterly development in the mail order/e-commerce division is due primarily to a normalization of the market, which was characterized in the same period of the previous year by extreme consumer restraint. The company *Le Monde des Grands Bordeaux*, which was consolidated from the fourth quarter of 2000, contributed DM 4.1 million to sales. The e-commerce division contributed DM 2.8 million (comparable period in the previous year: DM 1.4 million).

The stationary specialist retail division profited primarily from higher sales in the existing stores as well as optimization in advertising. At 31 March 2001 there were 193 *Jacques' Wein-Depots* 193, 5 thereof in Austria. Furthermore, 9 additional stores were leased but not yet opened. Like-for-like sales increased by 5% over the first quarter of 2000.

The development of the wholesale segment was influenced primarily by the introduction of *Antinori* wines starting on 1 January 2001, which have been very positively received by the customers.

The Group operating result (EBIT) rose to DM 3.8 million from the same period in the previous year (DM 2.9 million, adjusted to the audited IAS accounts). With DM 0.9 million, the mail order/e-commerce segment posted a higher operating result than in the comparable period of the previous year. Positive factors included an improvement in results at *Hanseatisches Wein- und Sekt-Kontor* as well as lower start-up costs at *Carl Tesdorpf – Weinhandel zu Lübeck*, but these were offset against start-up costs for *The Wine Company* and in e-commerce. The operating result in the specialist retail segment *Jacques' Wein-Depot* amounted to DM 3.5 million, rising proportionally higher – by 19.6% – to the sales increase. The wholesale segment result rose by 25.8% to DM 1.3 million, likewise proportionally higher to the sales increase.

Financial expenditures rose by DM 0.7 million over the same period in the previous year to DM 1.8 million, mainly due to the first-time application of IAS 39 (financial instruments), higher financial debt and interest rates. The pre-tax result rose by 11.5% to DM 2.1 million. Consolidated net profit adjusted for minority interests amounted to DM 1.0 million (2000: DM 0.8 million). This figure results in an undiluted profit per share of DM 0.23 (Euro 0.12) compared to DM 0.19 (Euro 0.10) in the first quarter of 2000. The figure for 2001 takes account of the fact that 76 thousand treasury shares are not outstanding and is thus based on a share count of 4,329,500. The diluted profit per share, assuming the full exercise of preemptive rights, amounts to DM 0.22 (DM 0.19) per share.

Balance Sheet

The balance sheet total declined by DM 48.5 million to DM 296.7 million compared to 31 December 2000. This is due primarily to the decline in receivables from goods and services, which typically reach their peak at 31 December, and to a reduction in inventories.

Capital spending in the first quarter of 2001 amounted to DM 2.6 million (2000: DM 2.1 million). They relate mainly to the introduction of a new cash-register system and renovations at *Jacques' Wein-Depot*.



Cash Flow

Cash flow from current operations for the period under review amounted to DM 0.9 million and was thus lower than in the comparable period in the previous year (DM 2.7 million). The main reason for this was a reduction of short-term liabilities.

Segment report

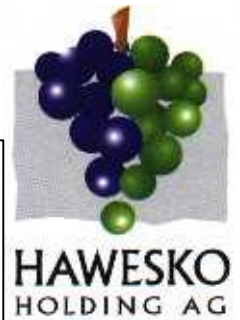
In a variation from the previous year, from 2001 the item Miscellaneous/Consolidation will additionally include the logistics operations of the Group under IWL Internationale Wein Logistik GmbH, with registered office in Tornesch near Hamburg. This will lead to a DM 0.4 million charge in the operating result of this item that would otherwise have been included partially in the mail order/e-commerce segment and partially in the wholesale segment.

Outlook

For the fiscal year overall, sales are expected to rise by 9% to DM 495 million. The focus of the Group's efforts remains the improvement of the return on sales. The individual projects in fiscal year 2001 include the integration of the mail order and e-commerce segments, the expansion of Hawesko's market presence in Austria and the integration of the *Antinori* products in the sales structures of the wholesale segment and the mail order/e-commerce segment. Since the first quarter is generally the second strongest in the fiscal year after the fourth quarter, the results of the past quarter re-inforce the view that the forecast for the year will be achieved.

| Hawesko Holding AG | | |
|--|---------------------|-----------------------|
| Profit and Loss Statement | | |
| (in DM millions, not audited; rounding differences possible) | 1.1. – 31.3 2001 | 1.1. – 31.3 2000*) |
| Sales | 111.3 | 92.3 |
| Cost of purchased goods | – 65.7 | – 54.2 |
| Gross profit on sales | 45.6 | 38.1 |
| Other operating income | 4.9 | 3.8 |
| Personnel expenses | – 11.0 | – 9.4 |
| Depreciation and amortization | – 1.9 | – 1.6 |
| Other operating expenses | – 33.8 | – 28.0 |
| Results from operations (EBIT) | 3.8 | 2.9 |
| Finance result | – 1.8 | – 1.1 |
| Result from ordinary activities | 2.1 | 1.8 |
| Taxes on income and deferred taxes | – 0.9 | – 0.9 |
| Result after taxes | 1.2 | 1.0 |
| Profit due to minority interests | – 0.2 | – 0.1 |
| Consolidated earnings | 1.0 | 0.8 |
| Earnings per share in DM | 0.23 | 0.19 |

*) Prior year adjusted to the audited IAS accounts



| Hawesko Holding AG Consolidated Balance Sheet (in DM millions, quarters not audited) | 31.3.2001 | 31.12.2000 |
|--|--------------|--------------|
| <u>Assets</u> | | |
| Fixed assets | 42.8 | 42.4 |
| Inventories | 133.4 | 140.9 |
| Other current assets | 59.9 | 100.3 |
| Deferred taxes | 59.3 | 60.4 |
| Prepaid expenses | <u>1.3</u> | <u>1.2</u> |
| Total | 296.7 | 345.2 |
| <u>Shareholders' equity and liabilities</u> | | |
| Equity | 108.2 | 115.5 |
| Minority interests | 1.4 | 1.6 |
| Provisions | 18.0 | 16.4 |
| Borrowings | 106.1 | 116.8 |
| Trade accounts payable | 36.3 | 58.2 |
| Other liabilities | <u>26.7</u> | <u>36.7</u> |
| Total | 296.7 | 345.2 |

| Hawesko Holding AG Group Cash Flow (in DM millions, not audited) | 1.1. – 31.3. 2001 | 1.1. – 31.3. 2000 |
|--|----------------------|----------------------|
| Result before taxes on income | 2.1 | 1.8 |
| Depreciation of fixed assets | 1.9 | 1.6 |
| Interest result | 1.8 | 1.1 |
| Change in inventories | 7.7 | 0.0 |
| Change in other short-term assets | 29.2 | 34.3 |
| Change in provisions | 1.3 | - 0.7 |
| Change in liabilities (excluding borrowings) | - 40.7 | - 33.2 |
| Taxes on income paid out | <u>- 2.4</u> | <u>- 2.2</u> |
| Net inflow of payments from current operations | 0.9 | 2.7 |
| Acquisition of subsidiaries net of funds acquired | - 0.1 | - 0.7 |
| Outpayments for tangible assets and intangible assets | - 2.6 | - 2.1 |
| Inpayments from the disposal of intangible assets and tangible assets | 0.2 | 0.0 |
| Inpayments from the disposal of financial assets | <u>0.1</u> | <u>0.4</u> |
| Net funds employed for investment activities | - 2.4 | - 2.4 |
| Change in borrowings | - 9.7 | - 0.2 |
| Interest paid out | <u>- 2.2</u> | <u>- 0.6</u> |
| Outflow of net funds from financing activities | <u>-11.9</u> | <u>-0.8</u> |
| Net decrease of funds | - 13.4 | - 0.5 |
| Cash at the beginning of the period | 18.7 | 6.1 |
| Cash at the end of the period | 5.3 | 5.6 |

| Segments (in millions DM) | | | | | |
|----------------------------------|-----------------------|-------------------|-------------|----------------------------|--------------|
| 1st Quarter 2001 | Mail order/E-commerce | Specialist retail | Wholesale | Miscellaneous / Transition | Group |
| Sales | 48.1 | 35.1 | 30.4 | - 2.3 | 111.3 |
| - External | 47.3 | 35.0 | 29.0 | -- | 111.3 |
| - Internal | 0.8 | 0.1 | 1.4 | - 2.3 | -- |
| Operating result (EBIT) | 0.9 | 3.5 | 1.3 | - 1.9 | 3.8 |
| 1st Quarter 2000 *) | Mail order/E-commerce | Specialist retail | Wholesale | Miscellaneous / Transition | Group |
| Sales | 39.9 | 31.2 | 24.9 | - 3.7 | 92.3 |
| - External | 37.0 | 31.2 | 24.0 | -- | 92.3 |
| - Internal | 2.8 | 0.0 | 0.9 | - 3.7 | -- |
| Operating result (EBIT) | 0.1 | 2.9 | 1.0 | - 1.1 | 2.9 |

*) Adjusted

| Other Data | 1.1- 31.3. <u>2001</u> | 1.1.-31.3 <u>2000</u> |
|---------------------------------------|---------------------------|--------------------------|
| Employees (average during the period) | 491 | 439 |

Calendar of Events:

| | |
|--|---------------------|
| - Annual General Meeting | 14 June 2001 |
| - Ex-dividend date | 15 June 2001 |
| - Second Quarter / Six-Month Report | Early August 2001 |
| - Third Quarter / 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