beate uhse

3 months report 2012

Contents

Financial summary

EUR 000s	3 months 31.03.12	3 months 31.03.11	Change %
Sales performance			
Retail	10,853	11,684	-7.1
Mail order	14,515	17,515	-17.1
Wholesale	8,355	8,298	0.7
Entertainment	2,258	2,362	-4.4
Total sales	**35,981**	**39,859**	**-9.7**
International share of sales (%)	59.3	65.0	
Results			
EBITDA	2,398	1,935	23.9
EBIT	672	-84	-
EBT	209	-282	-
Net income ongoing business divisions	771	489	57.7
Other earnings indicators (%)			
Return on sales before tax	0.6	-0.7	-
Return on sales after tax	2.1	1.2	74.7
Return on equity	2.9	1.9	52.7
Gross profit margin	50.8	51.2	-0.7
Financial situation			
Cash flow from operating activities	-18	-517	-96.5
Investments	491	1,626	-69.8
Depreciation	1,726	2,019	-14.5
Balance sheet data *			
Total assets	92,487	94,113	-1.7
Shareholders' equity	26,645	25,797	3.3
Equity ratio (%)	28.8	27.4	5.1
Long-term assets	46,882	48,509	-3.4
Short-term assets	45,605	45,604	0.0
Other data			
Fulltime equivaltens	743	958	-22.4
Cost of sales	17,688	19,445	-9.0
Cost of distribution	14,555	18,508	-21.4
Shares (€)			
Number of shares (pieces)	78,074,696	78,074,696	0.0
Closing price	0.29	0.32	-9.4
High	0.35	0.45	-22.2
Low	0.28	0.30	-6.7
Earnings per share	0.01	0.01	-
Cash flow per share**	0.03	0.03	0.0

* Previous year as of 31.12.
** by gross cash flow

Letter to shareholders

Dear readers, shareholders, and employees,

We were happy with the way we began the financial year 2012. The development in sales and earnings of our Group was as forecast. Since we introduced and implemented a range of measures designed to strengthen our sales areas in 2010/2011, we are now seeing the effect of these on the profitability of our Group. We were able to improve our operating result (EBIT) in the first quarter of 2012 by EUR 0.8 million to EUR 0.7 million. This means that Beate Uhse Group has returned to profitability.

We intended to vigorously pursue this positive trend and will remain firmly on the defined course to restructure the Group. It is our objective to close the financial year 2012 with a positive result overall.

Alongside the operating measures to strengthen Beate Uhse Group, we will also focus intently on financing the group of companies and continue with the debt-reduction policy in place. As a result, we reduced loan liabilities by EUR 1.1 million in the first quarter of 2012.

Yours,

Sören Müller
(COO)

Serge van der Hooft
(Chairman of the Management Board, CEO

Interim management report

Business performance and economic environment

Fiscal consolidation measures in a number of member states, the signing of a fiscal deal and measures implemented by the European Central Bank resulted in less uncertainty on the financial markets at the beginning of 2012. The mood among companies also improved during the first quarter of 2012. As a result, experts at Euro-zone Economic Outlook, a joint project between ifo Institut, INSEE and Istat, expect real GDP growth to pick up gradually and reach -0.2% in the first quarter of 2012. However, there are still a number of downside risks in sight. In the Economic Outlook study dated 3.4.2012, experts forecast export activities to increase again. According to the study, private consumption will remain weak in view of the fact that precarious labour market conditions and the negative impact of fiscal consolidation measures on income had a renewed impact on consumer confidence in the first quarter of 2012. The rate of inflation fell from 3.0% at the end of 2011 to 2.6% in the first quarter of the current year. Inflationary pressure remains low due to overall economic demand, according to Euro-zone Economic Outlook. However, the persistently high price of oil and energy continues to prevent inflation from falling at a more pronounced rate.

While the mood among German companies has lightened since autumn 2011, experts from the Commerzbank research study see no signs of a sustained change in the trend. Although industrial production in Germany recovered at the beginning of 2012 from its fall in December, the average of January and February remained 0.7% below the level seen in the fourth quarter of 2011. By the same token, Retail and Wholesale sales have not increased in the first quarter of 2012 according to preliminary figures. The Commerzbank study expects the service sector to become the main driver of the German economy. Overall, Commerzbank forecasts the rate of GNP growth in the first quarter of 2012 to be 0.1% higher than in the final quarter of 2011.

Performance of distribution channels

In the first quarter of 2012, the **Retail** division generated sales of EUR 10.9 million (3M 2011: EUR 11.7 million). The decline in sales was due to further cuts in the store network. Sales in existing stores were satisfactorily stable.

Retail EUR million	3 months 31.03.12	3 months 31.03.11
Sales	10.9	11.7
EBITDA	0.8	0.1
EBIT	0.3	-0.4
EBT	0.1	-0.7

In the first quarter, the Group closed another five stores (two in Germany, two in the Netherlands and one in Belgium). The operating result of the Retail division improved considerably as a result of the focus on profitable stores. Margins in the Retail division were shored up during the reporting period through the sale of strong company-owned brands such as Besired, as well as exclusive brands such as Leg Avenue. Furthermore, the Retail division optimised its cost structure by renegotiating rental agreements, among other measures.

Gross domestic product

Country (Change in %)	Q 1/2011	Q 2/2011	Q 3/2011	Q 4/2011	Q 1/2012
Eurozone (17 countries)	0.7	0.1	0.1	-0.3	-0.2
Germany	1.3	0.3	0.6	-0.2	0.1
Netherlands	0.7	0.2	-0.4	-0.6	-0.4
Belgium	0.9	0.3	-0.1	-0.1	0.3
France	0.9	0.0	0.3	0.2	0.0

Source: eurostat, Insee, Euro-zone economic outlook, Gemeinschaftsdiagnose, Rabobank, National Bank of Belgium

Shops by countries	3 months 31.03.12	%	3 months 31.03.11	%
Germany	38	40.0	47	43.5
Italy	7	7.4	7	6.5
Switzerland	0	0.0	1	0.9
Netherlands	36	37.9	38	35.2
Belgium	6	6.3	7	6.5
France	4	4.2	4	3.7
Norway	4	4.2	4	3.7
	95	**100.0**	**108**	**100.0**

In the course of realigning online operations, sales in the **Mail Order** division dropped by EUR 3.0 million to EUR 14.5 million. At EUR 1.0 million, the operating result was positive but below the amount in the previous year (EUR 2.4 million). The reason for this was a one-off effect from the sale of receivables of the German Mail Order division in the first quarter of the previous year.

Mail Order EUR million	3 months 31.03.12	3 months 31.03.11
Sales	14.5	17.5
EBITDA	1.6	3.0
EBIT	1.0	2.4
EBT	0.9	2.3

During the first quarter of 2012, the **Entertainment** division recorded sales of EUR 2.3 million, very close to forecasts. In particular, sales in online B2C developed well during the reporting period. The Entertainment division began the financial year 2012 with a number of improvements. The product NjoyOn was developed for use on mobile devices as the first B2C product from Beate Uhse Entertainment. User interfaces and menus were adapted to the requirements of smartphones. In addition, the Entertainment division increased the number of new films released every day thanks to a new front end upload on the HomepornOn website. The distribution channel increased its operating result by EUR 0.3 million thanks to an improved gross profit margin.

Entertainment EUR million	3 months 31.03.12	3 months 31.03.11
Sales	2.3	2.4
EBITDA	0.6	0.3
EBIT	0.5	0.2
EBT	0.6	0.3

The **Wholesale** division developed very well in the first quarter of 2012. The optimisation of the flow of goods and the exclusive sale of high-quality brands such as Leg Avenue continued to have positive effects as in the two previous quarters. The Wholesale division was the only distribution channel to achieve a gentle increase in sales to EUR 8.4 million. Its operating result (EBIT) improved considerably by EUR 1.2 million to EUR -0.2 million. The reasons for this encouraging trend were an improvement in the material usage ratio, cost reductions achieved through the realignment of the German wholesaler ZBF as sales agent and a reduction in general administrative expenses in the B2B sales area.

Wholesale EUR million	3 months 31.03.12	3 months 31.03.11
Sales	8.4	8.3
EBITDA	0.4	-0.7
EBIT	-0.2	-1.4
EBT	-0.4	-1.7

Our staff

As of 31 March 2012, Beate Uhse Group had 743 FTEs in twelve countries (3M 2012: 958 FTEs). In the course of restructuring the Group, additional stores in the Retail unit were closed, which resulted in fewer jobs being available. Reductions in the Mail Order and Wholesale divisions stemmed from the optimisation of work processes.

FTEs by region	3 months 31.03.12	3 months 31.03.11	Change %
Germany	304	394	-22.8
Netherlands	333	419	-20.5
Belgium	25	13	92.3
France	23	45	-48.9
United Kingdom	7	5	40.0
Austria	0	4	-100.0
Scandinavia	30	38	-21.1
Italy	16	17	-5.9
Other European countries	5	23	-78.3
	743	**958**	**-22.4**

FTEs by distribution channels	3 months 31.03.12	3 months 31.03.11	Change %
Retail	365	415	-12.0
Mail Order	168	228	-26.3
Wholesale	115	209	-45.0
Entertainment	59	61	-3.3
Holding Service	36	45	-20.0
	743	**958**	**-22.4**

Strategic orientation of Beate Uhse Group

Beate Uhse Group created a sound basis in 2011 for further restructuring and growth measures in order to steer the Group towards success. In the current year and 2013, Beate Uhse Group will stabilise its business areas and increase their efficiency.

As a key driver of growth in the Group, e-Commerce will be developed and expanded further. Traditional in-store retail activities focus on profitable locations such as city centres, large shopping centres and tourist spots. Shopping in an attractive setting increases the attractiveness of the brand and thereby strengthens e-commerce activities in the long term.

The Wholesale and Entertainment units will continue to expand their B2B activities.

The optimisation of ordering and delivery processes in the Wholesale unit performed up to now will also have a positive effect on the end consumer sales units of Mail Order and Retail, for example by providing prompt delivery of exclusive products to own stores and the Mail Order unit. Consequently, the Group expects sales to stabilise. Aside from strengthening the company's own sales channels, brand management plays a key role during this phase of restructuring. The key Group brands Beate Uhse, Pabo, Christine le Duc and Adam & Eve will be clearly positioned in the market.

In the final stage of the restructuring process (2014–2015), Beate Uhse Group expects to return to growth. To this end, Beate Uhse is taking two main approaches. On the one hand, the product range is being analysed in detail, with new product areas being added in line with customer demand. At the same time, new growth markets will be tapped during the third phase of restructuring, notably for online business and e-commerce. The Group therefore sees a healthy potential for future growth in the 27 member states of the European Union.

Share price performance

The Beate Uhse share closed the first quarter of 2012 at a price of EUR 0.29. This corresponds to a total market capitalisation of around EUR 22.6 million (3M 2011: EUR 25.0 million) and of EUR 8.2 million (3M 2011: EUR 11.9 million) on a free float basis. Since the beginning of 2012, the share price has increased by 5.9%. The Beate Uhse share's highest closing price of EUR 0.35 was recorded in January 2012, and the share price low of EUR 0.28 was reported in March 2012. The number of shares remained unchanged at 78,074,696. On average, 22,000 shares were traded per day in the first three months of 2012. The ratio of share price to cash flow with respect to a gross cash flow of EUR 2.4 million was 9.3. The book value per share was EUR 0.22.

Share performance		3 months 31.03.12	3 months 31.03.11
Opening	EUR	0.27	0.46
Closing	EUR	0.29	0.32
High	EUR	0.35	0.45
Low	EUR	0.28	0.30
Performance	%	5.9%	-30.4%
Number of shares	pieces	78,074,696	78,074,696
Earnings per share	EUR	0.01	0.01
Market capitalisation	EUR million	22.6	25.0
Market cap. free float	EUR million	8.2	11.9
Ø sales / day	pieces	22,000	46,083

Risk report

In the first three months of 2012, there were no significant changes in terms of the risks as laid out in the management report and Group management report of the 2011 Annual Report.

Events after the balance sheet date

No noteworthy changes of circumstances have occurred after the balance sheet date.

Forecast

Overall economic environment

In the opinion of the ifo Institut, the German economy is returning to growth. The institute forecasts an increase in real gross domestic product by 0.9% for 2012 and 2.0% for 2013. The situation in the labour market should continue to improve, with the number of unemployed people set to fall to 2.8 million in 2012.

The debt and confidence crisis in the eurozone rumbles on. Economic experts believe that the situation in Italy, Ireland and Spain can only be stabilised once the planned reforms have actually taken effect and when there is no new loss of confidence on the capital markets. As a result, the economic research institute forecasts GDP in the eurozone to shrink by 0.3% in its current spring report for 2012. The already high level of unemployment is predicted to take a firmer hold and will also have a considerable negative impact on private consumption. Experts are going as far as forecasting a decline of 0.6%.

Adult lifestyle sector

It is our view that the ongoing consolidation of the adult lifestyle market will proceed in 2012. Alongside the classic shops, which cater for heterosexual and homosexual men, vendors catering for women and couples will increasingly appear on the market. Adult lifestyle products for women and couples will continue to become more widely available in shops. Specialist shops such as Beate Uhse city-centre shops, drugstores, shop-in-shops in department stores, and webshops will be the main vendors of these high-quality adult lifestyle products.

Strategic development of Beate Uhse Group

The restructuring process of Beate Uhse Group will continue in 2012. In addition to the further stabilisation of distribution channels, measures to optimise costs, strengthen sales brands and improve the range of goods are the focus of the current financial year.

Sales and earnings performance of Beate Uhse Group

The Group started the financial year 2012 with an EBIT of EUR 0.7 million as expected. The operating result was positive once again as a result of the continued restructuring process. Consequently, there is no change to the forecasts made by the Beate Uhse management for the financial year 2012.

Beate Uhse Group interim financial statements

Consolidated income statement & notes

EUR 000s	3 months 31.03.12	3 months 31.03.11	Change
Sales	35,981	39,859	**-3,878**
Cost of sales	-17,688	-19,445	1,757
Gross profit on sales	**18,293**	**20,414**	**-2,121**
Other operating income	2,209	4,521	-2,312
Sales-related expenses	-14,555	-18,508	3,953
General administration expenses	-4,957	-6,036	1,079
Other operating expenses	-108	-274	166
Share in earnings of associated companies	-210	-201	-9
Earnings before interest and taxes	**672**	**-84**	**756**
Finance income	92	368	-276
Finance expense	-555	-566	11
Earnings before taxes	**209**	**-282**	**491**
Taxes on income	562	771	-209
Consolidated earnings	**771**	**489**	**282**
Allocable to:			
Shareholders in the holding company	718	447	271
Shares without dominant influence	53	42	11
Earnings per share (EPS)			
Undiluted (EUR)	0.01	0.01	0.01
Diluted (EUR)	0.00	0.01	-0.01

Sales performance

In the first quarter of 2012, sales fell by EUR 3.9 million to EUR 36.0 million (3M 2010: EUR 39.9 million). In order to improve profitability, Beate Uhse Group deliberately concentrated on the most successful business activities in the course of the restructuring programme.

Sales by distribution channels EUR 000s	3 months 31.03.12	3 months 31.03.11	Change %
Retail	10,853	11,684	-7.1
Mail Order	14,515	17,515	-17.1
Wholesale	8,355	8,298	0.7
Entertainment	2,258	2,362	-4.4
	35,981	**39,859**	**-9.7**

Sales by region EUR 000s	3 months 31.03.12	3 months 31.03.11	Change %
Germany	12,047	12,940	-6.9
Netherlands	7,554	8,776	-13.9
Belgium	2,450	2,968	-17.5
France	5,902	6,959	-15.2
United Kingdom	1,034	846	22.2
Austria	902	1,262	-28.6
Switzerland	135	310	-56.3
Scandinavia	2,729	2,616	4.3
Italy	471	740	-36.4
Other european countries	2,465	2,211	11.4
Other regions	294	232	26.7
	35,981	**39,859**	**-9.7**

Earnings performance

Beate Uhse Group was able to reduce the cost of sales once again. In the first quarter of 2012, they fell by EUR 1.8 million to EUR 17.7 million (3M 2011: EUR 19.4 million). The Wholesale and Entertainment divisions cut their cost of materials in the reporting period. The Retail division recorded a slight rise in the cost of goods sold as private cabin sales declined. The share of cost of sales to sales remained virtually unchanged at 49.2% (3M 2011: 48.8%).

Other operating income was EUR 2.3 million lower and amounted to EUR 2.2 million at the end of the period (3M 2011: EUR 4.5 million). By focusing on the e-Commerce business, both customer and payment structures in the Mail Order division changed. As a result, income from mail order and reminder fees declined by EUR 0.4 million in the first quarter of 2012.

Furthermore, the Mail Order division generated income of EUR 1.2 million in the same quarter of the previous year by selling receivables and from the reversal of a write-down on receivables in the amount of EUR 0.4 million.

Selling expenses were reduced for the fifth quarter in succession since the end of 2010. Thanks to the successfully implemented measures of the restructuring concept, selling expenses fell by EUR 3.9 million in the first quarter of 2012 to EUR 14.6 million (3M 2011: EUR 18.5 million). The Mail Order division in particular was able to significantly cut its selling expenses by focusing on online sales. Alongside this, the Group was able to cut costs further by streamlining the store network and by combining all wholesale activities at Almere.

The ratio of selling expenses to sales reached 40.5% in the first quarter of 2012 (3M 2011: 46.4%). The various restructuring activities here primarily cut costs for personnel, advertising, mail order and rent, as well as reducing the scale of write-downs on receivables.

General administrative expenses decreased by EUR 1.1 million to EUR 4.9 million (3M 2011: EUR 6.0 million). A reduction in staff and rental costs in the Mail Order, Wholesale and Retail divisions contributed to this improvement.

The share in earnings of associated companies resulted from the interest held by Beate Uhse AG in tmc Content Group, which is accounted for using the equity method. The share of losses remained virtually unchanged over the same period last year and was at EUR 0.2 million as of the end of March 2012. Net interest was EUR 0.3 million lower than in the first quarter of 2011, due to the fact that positive valuation effects from interest hedging transactions were recognised in the first quarter of 2011. Moreover, Beate Uhse Group recorded interest of approximately EUR 0.1 million on the purchase price of Kondomeriet A/S in the first quarter of 2012.

The restructuring measures introduced at the end of 2010 continued to ensure further increases in the profitability of Beate Uhse Group. With lower sales (decline in sales: 9.7%), Beate Uhse achieved an EBITDA of EUR 2.4 million in the first quarter of 2012 (3M 2011: EUR 1.9 million). Following a loss in the same quarter of last year, the Group returned to profitability with an operating result (EBIT) of EUR 0.7 million (3M 2011: EUR -0.08 million). Earnings before taxes (EBT) improved by EUR 0.5 million to EUR 0.2 million (3M 2011: EUR -0.3 million).

EBIT by quarter EUR 000s	Q 1/2011	Q 2/2011	Q 3/2011	Q 4/2011	Q 1/2012
Retail	-442	-434	-608	1,484	282
Mail Order	2,369	189	-467	-2,091	1,018
Wholesale	-1,368	-1,294	-346	3,008	-183
Entertainment	229	248	469	-946	508
Holding Service	-872	-1,629	-794	3,295	-953
	-84	**-2,920**	**-1,746**	**4,750**	**672**

Consolidated statement of comprehensive income

Consolidated statement of comprehensive income EUR 000s	3 months 31.03.12	3 months 31.03.11
Net income for the period	**771**	**489**
Currency translation on foreign operations	77	849
Other net income after tax	**77**	**849**
Comprehensive income after taxes	**848**	**1,338**
Of which allocable to:		
Shareholders in the holding company	783	1,236
Shares without dominant influence	65	102

Consolidated balance sheet & notes

Assets EUR 000s	3 months 31.03.12	3 months 31.03.11	Change
Non-current assets			
Intangible assets	9,180	9,912	-732
Goodwill	9,064	9,064	0
Property, plant & equipment	16,034	16,742	-708
Other financial assets	4,725	4,702	23
Investments	127	127	0
Shares in associated companies	7,078	7,288	-210
Income taxes	674	674	0
	46,882	48,509	-1,627
Current assets			
Inventories	19,936	19,959	-23
Accounts receivable	18,147	18,020	127
Other short-term financial assets and other assets	3,337	2,801	536
Income tax refund claims	63	17	46
Liquid funds	4,122	4,807	-685
	45,605	45,604	1
Total assets	**92,487**	**94,113**	**-1,626**

Notes on the net asset and financial position

The Beate Uhse AG balance sheet total fell by EUR 1.6 million to EUR 92.5 million (2011: EUR 94.1 million) as of the balance sheet date of 31.3.2012.

Assets

Non-current assets decreased by EUR 1.6 million to EUR 46.9 million (2011: EUR 48.5 million). This was primarily the result of ongoing write-downs on intangible assets and property, plant and equipment. Shareholdings declined by EUR 0.2 million to EUR 7.1 million in the first quarter of 2012 as a result of the share of losses in tmc Content Group AG.

At EUR 45.6 million, current assets were the same amount as in the previous year (EUR 45.6 million). Current trade receivables, other current financial assets and other assets increased in the reporting period due to seasonal advance payments of longer-term liabilities such as maintenance and rent. In contrast, cash and cash equivalents fell as a result of these higher payment obligations.

Shareholders‘s equity and liabilities EUR 000s	**3 months 31.03.12**	**3 months 31.03.11**	**Change**
Shareholders's equity			
Subscribed capital	78,075	78,075	0
Treasury stock at cost of acquisition	-3,463	-3,463	0
Capital reserves	-89	-89	0
Revenue reserves	3,295	3,295	0
Unappropriated net profit	-52,871	-53,589	718
Balancing item for currency conversion	1,397	1,332	65
Shares without dominant influence	301	236	65
	26,645	25,797	848
Long-term liabilities			
Interest-bearing loans	7,025	7,569	-544
Pensions and similar obligations	3,590	3,590	0
Other accruals	1,229	1,297	-68
Other financial liabilities	1,335	1,304	31
Deferred tax liabilities	104	119	-15
	13,283	13,879	-596
Short-term liabilities			
Accounts payable	11,591	13,108	-1,517
Other financial liabilities	16,795	15,659	1,136
Pensions and similar obligations	254	283	-29
Other accruals	2,845	3,076	-231
Income tax liabilities	3,455	4,164	-709
Overdraft liabilities	15,492	15,033	459
Current loans	2,127	3,114	-987
	52,559	54,437	-1,878
Total shareholders‘ equity and liabilities	**92,487**	**94,113**	**-1,626**

Equity and liabilities

In comparison with the full year 2011, shareholders‘ equity increased in the reporting period by EUR 0.8 million to EUR 26.6 million due to the positive consolidated earnings (2011: EUR 25.8 million).

Non-current liabilities were reduced in the first quarter of 2012 thanks to repayments made for non-current, interest-bearing loans. Non-current liabilities totalled EUR 13.3 million at the end of March 2012 (2011: EUR 13.9 million). Current liabilities declined by EUR 1.9 million to EUR 52.5 million as of 31 March 2012 (2011: EUR 54.4 million). By optimising the Group‘s stock management and due to the seasonality of the adult lifestyle industry, it was possible to cut trade payables by EUR 1.5 million to EUR 11.6 million (2011: EUR 13.1 million). In contrast, other financial liabilities increased by EUR 1.1 million to EUR 16.8 million (2011: EUR 15.7 million) due to invoices still outstanding. Income tax liabilities fell by EUR 0.7 million due to the reversal of a tax liability in the French Mail Order division. Current loan liabilities were reduced by EUR 0.5 million.

The reduction in trade payables led to a rise in current working capital by EUR 1.6 million to EUR 26.5 million.

Beate Uhse Group‘s net debt fell to 20.5% (2011: 20.9%).

Consolidated cash flow statement & notes

EUR 000s	3 months 31.03.12	3 months 31.03.11	Change
Cash flow from operating activities			
Earnings before taxes (EBT)	**209**	**-282**	**491**
Corrections for:			
Depreciation of property, plant and equipment, amortisation of intangible assets	1,726	2,018	-292
Losses incurred on the disposal of property, plant and equipment and intangible assets	97	-92	189
Other non-cash expenses	210	201	9
Changes in:			
Trade receivables	-127	-3,039	2,912
Other assets	-1,687	863	-2,550
Trade payables	-1,517	-86	-1,431
Other liabilities	73	-854	927
Finance income	-92	-368	276
Finance expenses	555	566	-11
Income taxes paid/received	535	556	-21
Cash flow from operating activities	**-18**	**-517**	**499**
Cash flow from investing activities			
Cash received from the sale of property, plant and equipment, intangible assets and other non-current assets	209	338	-129
Cash paid for investments in property, plant and equipment, intangible assets and other non-current assets	-484	-1,593	1,109
Cash paid in connection with short-term financial management	3	-687	690
Cash received in connection with short-term financial management	1,158	3,173	-2,015
Cash received for acquisition of subsidiaries, less cash and cash equivalents acquired	0	178	-178
Interest received	32	93	-61
Cash flow from investing activities	**918**	**1,502**	**-584**
Cash flow from financing activities			
Taking up of bank liabilities	1,169	7,328	-6,159
Interest paid for loans and hedging instruments	-546	-563	17
Redemption of bank liabilities	-2,192	-6,759	4,567
Redemption of loans from third parties	-51	-48	-3
Cash flow from financing activities	**-1,620**	**-42**	**-1,578**
Net change in cash, cash equivalents and securities	**-720**	**943**	**-1,663**
Changes due to movements in exchange rates	35	0	35
Cash, cash equivalents and securities at beginning of period	4,807	4,597	210
Cash, cash equivalents and securities at end of period	4,122	5,540	-1,418
Composition of cash and cash equivalents at end of period			
Cash holdings, credit balances at banks, cheques and securities	4,122	5,540	-1,418
	4,122	5,540	-1,418

Notes to the cash flow statement

Cash flow from operating activities at the end of the first quarter of 2012 was EUR 0.5 million more than the same period in 2011 (3M 2012: EUR 0.0 million; 3M 2011: EUR -0.5 million). Positive consolidated earnings were a key factor contributing to this improvement.

In the course of the restructuring programme, the level of investment fell by EUR 1.1 million compared with the first quarter of 2011. Overall, an arranged repayment made by tmc Media Group AG to the amount of EUR 1.2 million resulted in a positive cash flow from investing activities of EUR 0.9 million (3M 2011: EUR 1.5 million).

Cash flow from financing activities totalled EUR -1.6 million as a result of loan repayments made.

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Consolidated statement of changes in equity

	Equity allocable to the shareholders in the parent company								
EUR 000s	**Share capital**	**Treasury stock**	**Capital reserve**	**Revenue reserves**	**Net profits**	**Balancing item for currency conversion**	**Total**	**Shares without dominant influence**	**Total equity**
Balance as of 1 January 2011	**78,075**	**-3,463**	**-89**	**3,295**	**-45,560**	**1,385**	**33,643**	**-80**	**33,563**
Period earnings					447		447	42	489
Change in the scope of consolidation					-2,108		-2,108	66	-2,042
Dividend payout to schareholders without dominant influence								-40	-40
Capital increase to shareholders without dominant influence								180	180
Other earnings						789	789	60	849
Balance as of 31 March 2011	**78,075**	**-3,463**	**-89**	**3,295**	**-47,221**	**2,174**	**32,771**	**228**	**32,999**
Balance as of 1 January 2012	**78,075**	**-3,463**	**-89**	**3,295**	**-53,589**	**1,332**	**25,561**	**236**	**25,797**
Period Earnings					718		718	53	771
Other earnings						65	65	12	77
Balance as of 31 March 2012	**78,075**	**-3,463**	**-89**	**3,295**	**-52,871**	**1,397**	**26,344**	**301**	**26,645**

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Segment report

	Retail		Mail order		Wholesale		Entertainment		Holding Service		Consolidation		Group Value	
Segment date by distribution channels	**31.03.12**	**31.03.11**	**31.03.12**	**31.03.11**	**31.03.12**	**31.03.11**	**31.03.12**	**31.03.11**	**31.03.12**	**31.03.11**	**31.03.12**	**31.03.11**	**31.03.12**	**31.03.11**
EUR 000s														
Sales	11,098	11,874	14,515	17,664	12,764	12,880	2,502	2,760	0	0	-4,898	-5,319	35,981	39,859
- of which with third parties	**10,853**	**11,684**	**14,515**	**17,515**	**8,355**	**8,298**	**2,258**	**2,362**	**0**	**0**	**0**	**0**	**35,981**	**39,859**
- of which with group companies	245	190	0	149	4,409	4,582	244	398	0	0	-4,898	-5,319	0	0
Amortisation of intangible assets	-61	-60	-422	-341	-281	-358	-35	-30	-17	-17	0	0	-816	-806
Depreciation of property, plant and equipment	-449	-531	-144	-282	-253	-331	-19	-24	-45	-45	0	0	-910	-1,213
Financial result	-149	-222	-104	-91	-173	-297	83	90	-120	322	0	0	-463	-198
Income from shareholdings in associated companies	0	0	0	0	0	0	0	0	-210	-201	0	0	-210	-201
EBT	**133**	**-664**	**914**	**2,278**	**-356**	**-1,665**	**591**	**319**	**-1,073**	**-550**	**0**	**0**	**209**	**-282**
Taxes on income	-18	-4	565	124	11	524	4	3	0	124	0	0	562	771
Net income	**115**	**-668**	**1,479**	**2,402**	**-345**	**-1,141**	**595**	**322**	**-1,073**	**-426**	**0**	**0**	**771**	**489**
Assets (not including associated companies and tax claims)	25,704	29,231	34,261	42,275	36,578	48,725	8,730	9,900	124,898	179,452	-145,499	-200,442	84,672	109,141
Shareholdings in associated companies	0	0	0	0	0	0	0	0	7,078	8,599	0	0	7,078	8,599
Investments in long-term assets	250	957	13	52	136	543	67	25	18	16	0	0	484	1,593
Investments in financial assets	0	26	0	2,685	0	0	322	150	72	2,119	-387	-4,947	7	33
Liabilities (excluding tax liabilities)	22,365	29,192	32,879	43,669	33,779	45,205	1,052	1,262	37,292	52,433	-65,084	-88,803	62,283	82,958

Notes to the interim financial statements

Information about Beate Uhse AG

Beate Uhse AG does not have its own operating business. It functions as a holding company for the subsidiaries and shareholdings within the Group. Central Group management functions including accounting, controlling, financing, HR, legal matters and communications are carried out by the holding company (AG). The development of earnings at Beate Uhse AG primarily stems from profit and loss transfer agreements concluded with subsidiaries as well as revenue from other shareholdings and expenses relating to the holding function.

Accounting and valuation methods

Beate Uhse AG is a parent company as defined in Section 290 of the German Commercial Code (HGB). As the company issues shares listed on the capital market, it is required under Article 4 of Regulation No. 1606/2002 of the European Parliament and European Council dated 19 July 2002 to prepare its consolidated financial statements in accordance with IFRS. These interim consolidated statements dated 31.3.2012 have therefore also been prepared in line with currently applicable IFRS accounting standards. It was not necessary to make any adjustments to the accounting and valuation methods. This interim report has been prepared in compliance with the international accounting requirements of IFRS and in accordance with the German accounting standard DRS 16. The accounting and valuation policies used are consistent with those applied in the most recent consolidated financial statements for the 2011 financial year. In the interest of clarity and to enhance readability, individual items in the income statement, balance sheet and cash flow statement of Beate Uhse Group have been grouped together.

This three-month report for 2012 has not been reviewed by the auditors.

Basis of consolidation

Since the financial statements for financial year 2011 the group of consolidated companies included in the Beate Uhse Group has not changed.

Segment reporting

The reporting structure applied in the most recent set of annual financial statements has been retained without amendment in this interim report.

Earnings per share

Earnings per share have been calculated by dividing the Group's net income (not including minority interests) by the number of shares.

Changes to directors and officers

There were no changes to directors or officers in the first quarter of 2012.

Related-party transactions

In the reporting period from 1 January 2012 to 31 March 2012, transactions were performed with the following related parties as well as affiliated and associated companies:

Immo Almere B.V.
Summa Finance B.V.
Consipio Holding B.V.
Mohist B.V.
Bocca B.V.
tmc Content Group AG
Devitrade Managementdiensten
More4Media GmbH
Th.B.H.Ruezette Holding B.V.

Additional information

Financial calendar

Date	Happening
15.8.2012	6 months report
20.8.2012 (Flensburg)	Annual General Meeting
15.11.2012	Interim statement (General Standard)

Stock exchange data

Trading locations	All German stock exchanges
Segment	Prime Standard until 26.6.2012, General Standard as of 27.6.2012
ISIN	DE0007551400
Stock market code	USE

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Disclaimer

This interim report contains statements concerning the future which are based on assumptions and estimates made by the management of Beate Uhse. In spite of the assumption that these forward-looking statements are realistic, no guarantee can be provided that these expectations will prove to be accurate.

The 2012 three-month interim report can be found online on the Group website under http://www.beate-uhse.ag in both German and English.