



**INTERIM REPORT OF  
BEATE UHSE AKTIENGESELLSCHAFT**

**IN THE SECOND HALF OF 2014**

**PURSUANT TO SECTION 37X GERMAN SECURITIES TRADING ACT (WPHG)**

# INTERIM REPORT OF BEATE UHSE AKTIENGESELLSCHAFT

in the second half of 2014 pursuant to Section 37x German Securities Trading Act (WpHG)

- **Considerable growth:** Sales increase by approximately 4% in the third quarter. Q3 2014 EUR 35.3 million (Q3 2013: EUR 34.0 million)
- **Marketing expenses increase, affecting result:** EBITDA Q3 2014: EUR 1.8 million (EBITDA Q3 2013: EUR 2.2 million)
- **EBT drops due to interest for bond** – Q3 2014: EUR -0.5 million (Q3 2013: EUR 0.19 million)
- **Growth drivers:** Sales in Mail Order and Wholesale continue to climb

Beate Uhse Group's sales improved once again in the third quarter, although the result declined due to an increase in marketing expenses (EBITDA) and interest for the bond (EBT). The Management Board is confident about the last quarter of this year, which is traditionally the strongest.

## Sales and earnings development as at 30.9.2014

### Group

Beate Uhse Group achieved an increase in sales of approximately 4% in the third quarter of this year against the same quarter last year. Sales rose from EUR 34.0 million to EUR 35.3 million. The decrease in EBITDA in the third quarter to EUR 1.8 million from the previous year's EUR 2.2 million is mainly due to the increase in marketing activities, carried out specifically to position the company for the important Christmas shopping season. This also led to a decrease in EBIT – at EUR 0.5 million this year, it is EUR 0.2 million lower than last year (Q3 2013: EUR 0.7 million). Due to higher interest rates for the bond placed at the end of June 2014, EBT fell from EUR 0.2 million to EUR -0.5 million.

### Beate Uhse Group key performance indicators (IFRS)

	Q3 2014	Q3 2013	9 months 2014	9 months 2013
	01.07. - 30.09.	01.07. - 30.09.	01.01. - 30.09.	01.01. - 30.09.
EUR 000s				
Sales	35,279	33,984	105,310	102,418
EBITDA	1,750	2,155	5,800	6,157
EBIT	496	727	1,949	1,820
EBT	-478	190	184	445

### Retail

With revenue of EUR 11.53 million, Retail was able to increase sales by 0.6% (Q3 2013: EUR 11.46 million). Adjusted for currency changes relating to the Norwegian krone and the effects of the closing of the shop and museum in Berlin, the increase in Retail sales was even 3.5% higher than revenue in the previous year. Both had a negative effect on sales in Retail, which makes the slight increase even more pleasing. EBIT decreased to EUR -0.04 million in the period under review (Q3 2013: EUR 0.65 million). The effects of the currency changes and branch closure mentioned above have also adversely affected Retail's EBIT in the third quarter, which amounted to EUR 0.51 million, of which EUR 0.49 million is due to the forced closure of premises in Berlin (shop and museum). Beate Uhse was forced to vacate the premises on Joachimstalerstrasse in Berlin because the building will be torn down following a change of ownership.

### Retail KPIs

	Q3 2014	Q3 2013	9 months 2014	9 months 2013
	01.07. - 30.09.	01.07. - 30.09.	01.01. - 30.09.	01.01. - 30.09.
EUR 000s				
Sales	11,531	11,461	32,340	32,919
EBITDA	272	1,045	1,846	2,519
EBIT	-43	645	723	1,277
EBT	-159	604	426	1,015

### Mail Order

Mail Order also achieved another sales increase of 4.1%. Following EUR 13.3 million in the previous year's period (Q3 2013), Mail Order generated EUR 13.9 million in the third quarter of this year. Due to marketing expenses in preparation for the Christmas season, EBIT declined and amounted to EUR 0.8 million at the end of the period under review (Q3 2013: EUR 0.9 million). Significant improvements were also made to the e-commerce platform in the third quarter, which will further optimise its use and purchase processes. These actions are intended to strengthen e-commerce activities. The knowledge gained from the switch to the Hybris platform in January 2014 has been used to improve the platform further in 2014.

### Mail Order KPIs

	Q3 2014	Q3 2013	9 months	9 months
	01.07. -	01.07. -	01.01. -	01.01. -
EUR 000s	30.09.	30.09.	30.09.	30.09.
Sales	13,852	13,310	44,437	43,438
EBITDA	1,241	1,418	4,134	4,030
EBIT	795	915	2,632	2,525
EBT	651	820	2,342	2,225

### Wholesale

At EUR 8.6 million, the Beate Uhse Wholesale division achieved a considerable 12.2% increase in sales in the third quarter of 2014 (Q3 2013: EUR 7.6 million). Despite the difficult market environment, Wholesale managed to increase EBIT six-fold. Following EUR 0.08 million in the previous year's period, EBIT in Wholesale was EUR 0.47 million in the reporting period. The successful strategy of focusing on developing and marketing Beate Uhse's own brands is showing clear results. Releasing several collections each year and products for the toy and lingerie ranges that are aimed directly at the individual target groups creates considerable competitive advantages in a market saturated with similar products.

### Wholesale KPIs

	Q3 2014	Q3 2013	9 months	9 months
	01.07. -	01.07. -	01.01. -	01.01. -
EUR 000s	30.09.	30.09.	30.09.	30.09.
Sales	8,563	7,634	24,413	20,880
EBITDA	899	533	2,480	2,071
EBIT	471	78	1,440	748
EBT	267	-47	879	379

## Entertainment

The Entertainment division showed a decrease from EUR 1.6 million in the previous year to EUR 1.3 million in the third quarter of 2014 due to the difficult market environment in the Audiotex and online business. However, there was a slight improvement in EBIT: it rose from EUR 0.14 million in the third quarter of 2013 to EUR 0.16 million in the period under review. The Entertainment division will continue to focus on offering high-quality paid products, which will remain relevant in the future as a superior alternative to the often free offers of low-quality material available online.

## Entertainment KPIs

	Q3 2014 01.07. - 30.09.	Q3 2013 01.07. - 30.09.	9 months 2014 01.01. - 30.09.	9 months 2013 01.01. - 30.09.
EUR 000s				
Sales	1,333	1,579	4,120	5,181
EBITDA	208	183	369	378
EBIT	162	139	229	240
EBT	262	232	520	508

## Outlook

Beate Uhse Group increased sales in the Mail Order, Retail and Wholesale sales channels. The Group finished the first nine months of the year with an improved EBIT of EUR 2 million (Q3 2013: EUR 1.8 million). In the third quarter, the Company hired Marc Koster, a proven e-commerce expert, for the position of Head of Omnichannel, strengthening its management. The foundation has also been laid for further sales opportunities with the optimisation of the e-commerce platform. Based on these developments, the Management Board remains committed to its forecast for 2014: The Management Board anticipates sales totalling between EUR 145.0 and 150.0 million and an operating profit of EUR 5.0 million to 7.0 million for the year. The fourth quarter in particular, typically the strongest quarter, is expected to contribute to this result.

With a solid brand image for Beate Uhse and the country-specific brands Pabo (Netherlands and Belgium), Christine le Duc (Netherlands and France) and Adam & Eve (France) and appealing, modern (online) shopping worlds, the Retail and Mail Order B2C segments intend to attract more women and couples. Over 70% of the customer base is female. This is apparent in the coming refurbishment of the most important stores and new stores in planning: Almost 25% of all stores in Germany will be refurbished by the end of this year and all other relevant stores will follow in the next year. In Belgium and the Netherlands, all stores have already been refurbished in the new design. All stores in France will also be refurbished over the next months. The Management Board therefore anticipates continuing positive developments. A major brand campaign is planned for the core markets of Germany, the Netherlands and France in 2015.