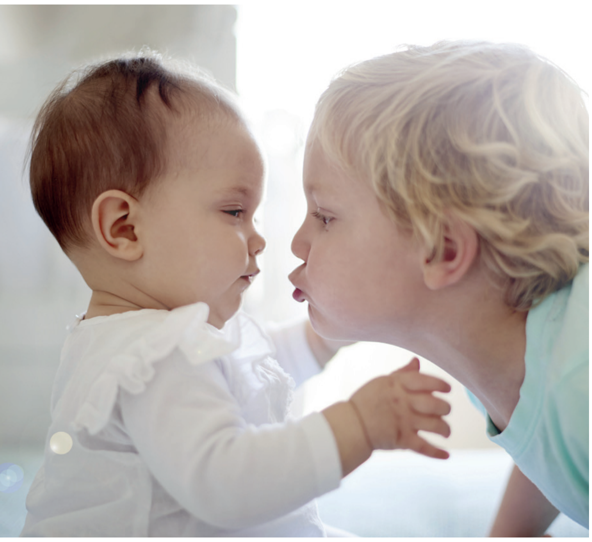
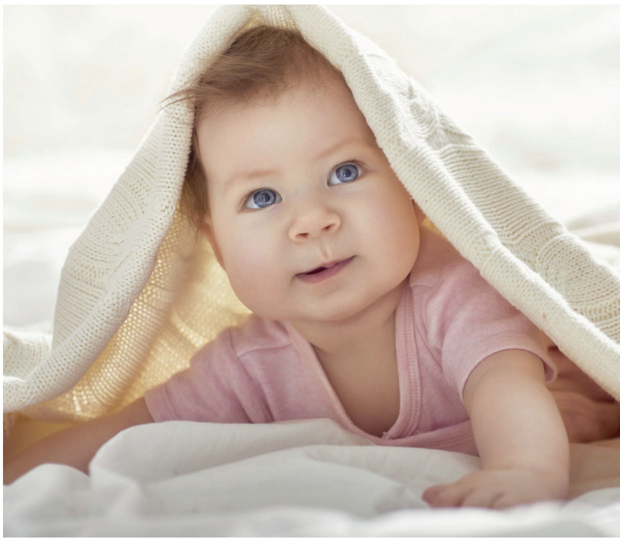
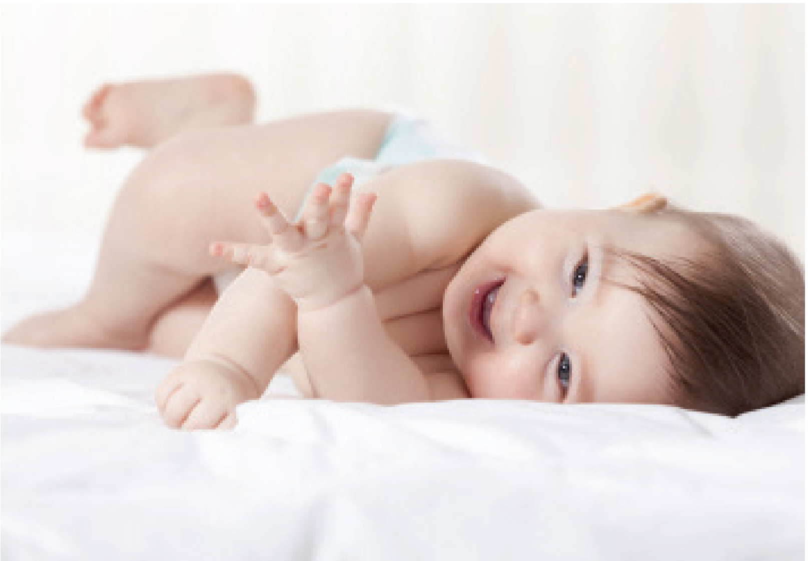
HALF YEAR REPORT 2016

January - June 2016







windeln.de

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WINDELN.DE GROUP AT A GLANCE

Performance Indicators	H1 2016	H1 2015 R	Q2 2016	Q2 2015 R
Site Visits	55,663,050	29,083,473	28,185,454	14,784,636
Mobile Visit Share (as % of Site Visits)	66.3%	66.0%	67.5%	66.5%
Mobile Orders (as % of Number of Orders)	48.7%	47.1%	49.4%	47.6%
Active Customers	1,071,052	612,775	1,071,052	612,775
Number of Orders	1,347,705	913,168	639,394	460,389
Average Orders per Active Customer (in number of orders)	2.5	2.8	2.5	2.8
Share of Repeat Customer Orders (as % of Number of Orders)	79.8%	83.8%	79.8%	83.8%
Gross Order Intake (in EUR)	119,101,495	86,049,506	55,323,841	44,133,304
Average Order Value (in EUR)	88.4	94.2	86.5	95.9
Returns (as % of Net merchandise value)	8.8%	6.7%	8.5%	7.4%
Marketing Cost Ratio (as % of revenues)	7.3%	6.3%	8.0%	7.4%
Adjusted Fulfilment Cost Ratio (as % of revenues)	18.7%	10.2%	18.7%	9.8%
Adjusted Other SG&A Expenses (as % of revenues)	18.6%	15.0%	19.1%	16.3%

Earnings Position				
Revenues (in kEUR)	101,575	75,026	49,443	39,377
Gross Profit (in kEUR)	29,623	19,622	14,697	10,493
Gross Profit (as % of revenues)	29.2%	26.2%	29.7%	26.6%
Operating Contribution (in kEUR)	3,355	7,311	1,559	3,729
Operating Contribution (as % of revenues)	3.3%	9.7%	3.2%	9.5%
Adjusted EBIT((in kEUR)	-15,555	-3,965	-7,861	-2,689
Adjusted EBIT (as % of revenues)	-15.3%	-5.3%	-15.9%	-6.8%

Financial Position				
Cash flow from operating activities (in kEUR)	-19,834	-3,817	-10,801	-5,019
Cash flow from investing activities (in kEUR)	-1,672	-1,209	-776	-624
Cash and cash equivalents at the end of the period (in kEUR)	67,116	122,565	67,116	122,565

Other				
Basic earnings per share (in EUR)	-0.70	-0.49	-0.31	-0.18
Diluted earnings per share (in EUR)	-0.64	-0.47	-0.28	-0.17

INTERIM GROUP MANAGEMENT REPORT AS OF JUNE 30, 2016

1. Fundamental information about the Group

The statements made in the annual report 2015 on the business model, the group structure, the strategy and competitive situation of the group, and on research and development and sustainability still apply on June 30, 2016.

2. Report on economic position

2.1. Development of the economy as a whole

As an online provider of products for babie, toddlers and children the windeln.de group is affected by the general economic development, the consumer climate but especially by the development of Internet and mail-order. Despite a troubled global economic environment, the Institute forecasts for World Economy (IfW) in Kiel forcasted an increase in gross domestic product of 1.8% in Germany for 2016[1]. In the European Union (EU28), retail sales grew by more than 2% over the same period last. The calendar adjusted retail trade index for the EU28 recorded 2.4% higher in June 2016 than in June 2015[2]. In particular, the mail order and internet retail contributed to this development. For the full year 2016, GfK sees the conditions for retail in Europe as still positive, but growth is losing some momentum[3].

Driven by a good situation on the labor market and low inflation, sales in retail trade in Germany increased by 2.3% (adjusted for inflation) over the same period last year[4]. The Internet retail sector showed a strong increase in sales of 7.5%[5].

2.2. Sector-specific environment – market for products for babies, toddlers and children

2.2.1. German and European market

The market for products for babies and toddlers at the age of 0-3 years in Germany was estimated in 2014 to reach EUR 4.2bn (for babies aged 0-3 years[6]). According to an assessment by the Group, the market for babies and children aged 0-6 years amounts to EUR 8.4bn. Consumer demand in this market is dominated by low dependence on the business cycle, supported by a relatively stable birth rate as well as a high level of predictability in needs and therefore shopping behavior. The crude birth rate[7] in Germany increased[8] by 4.9% from 8.1 to 8.5 between 2009 and 2015.

The European market for products for babies, toddlers and children is fragmented. According to Group estimates, the European market (excluding Germany) for products for babies and toddlers came to a total volume of EUR 28.2bn (for babies aged 0-3 years) and a total volume of EUR 56.5bn (for babies and children aged 0-6 years) in 2014. The European market is therefore approximately seven times bigger than the total target market in Germany[9].

2.2.2. German and European e-commerce market

The growth of the e-commerce market for consumables for babies and other baby and toddler products is decisive for the Group.

Consumers have increased their online spending for consumables for babies and other baby and toddler products from EUR 265.8m in 2011 to EUR 392.8m in 2014. The Group therefore sees medium-term growth of the online share in the total market for baby and toddler products as very likely. Euromonitor expects the online share to grow from 9.3% in 2014 to 12.7% in

1 https://www.ifw-kiel.de/medien/medieninformationen/2016/konjunktur-deutsche-wirtschaft-halt-kurs
2 http://ec.europa.eu/eurostat/documents/2995521/7578570/4-03082016-AP-DE.pdf
3 http://www.gfk.com/de/insights/press-release/einzelhandel-europa-2016/
4 http://www.boerse-frankfurt.de/nachrichten/aktien/ROUNDUP-Gute-Geschaefte-im-Einzelhandel-Mehr-Umsatz-im-ersten-Halbjahr-841836
5 http://www.einzelhandel.de/online-monitor
6 Euromonitor International Ltd., Analysis of baby and toddler products retail in Germany, February 2015 (prepared on behalf of windeln.de) ("Euromonitor")
7 The crude birth rate relates to the number of live births during a given year per 1,000 inhabitants
8 Eurostat data European Commission, January 2016, crude birth rate
9 Company estimates derived from Eurostat data

2017. This increase enables the total market relevant for windeln.de to grow to EUR 4.4 bn[10].

The online channel offers a good opportunity to sell consumables for babies, as these products are similar to other product categories that are already largely sold online, such as consumer electronics and fashion items. Products for babies, toddlers and children are typically branded articles, durable and bought frequently. This offers a significant opportunity to grow the online share. Demand can also be predicted to a great extent and there a low demand for individualization. The possibility of being able to shop at any time and any place with simple home delivery also offers a considerably more comfortable shopping experience compared to traditional offline shopping.

The online share of the market for products for babies, toddlers and children in Germany is still far behind the other product categories, such as consumer electronics and fashion items.

The online share of all product categories in Germany is expected to increase from 6.1% in 2013 to 11.2% in 2018. However, this remains behind[11] the shares in the United Kingdom and Norway. The online share in other large European markets, such as France, Spain and Italy, is even lower and will probably grow at about the same rate. The Group expects the e-commerce share and the online infrastructure to grow in size and that online offerings will be increasingly used in all parts of Europe.

2.2.3. Mobile devices

The constant rise in the use of smartphones and tablets is one of the main reasons for the increasing penetration of online facilities in Europe. Customers are provided with a comfortable option to shop at any time and any place. This is a huge advantage in the sale of products for babies and toddlers. Furthermore, online marketing via mobile devices (e.g. push notifications) offer a new opportunity to increase daily interaction with customers.

2.2.4. Cross-border e-commerce market in China

windeln.de is also active in the Chinese cross-border e-commerce market. Chinese customers here make purchases direct from foreign online dealers. The total volume is estimated to be EUR 18.4 bn[12]. While the population's disposable income is constantly on the rise, demand for high-quality products from abroad is also increasing. The overwhelming majority are purchases from product categories such as cosmetics and body care (56.8%) as well as products for mother and child (55.3%)[13]. The Chinese cross-border e-commerce market is expected to grow from the current CNY 128.4bn (approx. EUR 18.4bn) to more than CNY 372.2bn (approx. EUR 53.5bn) by 2017.

In 2014, the cross-border e-commerce market for products for mother and child reached a total volume of CNY 53.2bn (approx. EUR 7.5bn), corresponding to 41.5% of the entire cross-border e-commerce market in China[14].

Growth of purchases in the cross-border e-commerce market is boosted by the following drivers. With more than 16.9 million births in 2014 and a forecast increase to 17.9 million births in 2015[15] and increasing purchasing power, the Chinese market for baby products is geared towards growth. This trend is also strengthened by the end of the one-child policy in China announced at the end of October 2015. This had been introduced to slow down the rapid population rise in China. The end of this policy may result in a sharp increase in births over the next few years; an increase of around 10% a year is expected in China in the next five years. This corresponds to roughly two million new births a year, which is likely to trigger additional demand for baby products. The market is also strengthened by the fact that more and more babies are fed formula instead of breast milk. Formula consumption in China increased by 110% from 346.6 thousand metric tons in 2008 to 727.8 thousand metric tons in 2014[16]. Rising demand for quality products from abroad is also boosted by past scandals with local formula products. The middle class in China is also expanding,

10 cf. footnote 6: Euromonitor
11 eMarketer Inc., Retail sales worldwide will top USD 22 trillion this year
12 IResearch Consulting Group, 2015 China cross-border online shopper behavior report, January 2015, statistical model and online survey conducted on iClick, (prepared on behalf of the Group) ("IResearch")
13 IResearch, cf. footnote 12
14 IResearch, cf. footnote 12
15 China Population Association, China Internet Information Center, January 2015
16 Euromonitor International Ltd., Packaged Food 2015 edition

with a compound annual growth rate of 7.9% GDP per capita forecast from 2014 to 2019[17]. These reasons are why the Group expects the market for baby products in China to keep growing considerably in the coming years.

2.3. Course of business

windeln.de generated revenues of over EUR 101,575k (H1 2015: EUR 75,026k) in the first half 2016. This is in line with expectations which were adjusted and announced earlier given the regulatory changes in China and the introduction of a new ERP program in the second quarter.

The number of customers grew in the first half of 2016. The number of customers who placed at least one order in the past twelve months amounted to approximately 1,071 thousand. (Previous year: 613 thousand).

Outlook adjustment

The group published an outlook adjustment on May 18 for the year 2016 after revenues with customers in China where significantly below expectations in April and May following changes by the Chinese government in customs and import regulations on April 8, 2016. windeln.de group thus expects an increase in revenues of approximately 30 percent year over year and an adjusted EBIT margin between -10% to -12% in 2016. The gross margin is still expected to be at least 28%.

windeln.de's shipments to China are not affected except for a moderate increase in customs. The new regulations particularly aim at reducing uncontrolled shipments of goods to China by unauthorized traders by starting to tax them. As a result, windeln.de sees additional upside potential for its Chinese business in the medium-term. Among other initiatives windeln.de plans to exploit this further, e.g. by opening a Tmall shop in July 2016. In the months after the new regulations were introduced, uncertainty and reluctance to purchase existed among Chinese customers as details of the revised regulation and its practical impact were not yet completely clarified.

Cunina GmbH – Establishing of private label business

On April 6, 2016, the Cunina GmbH was founded. As a 100% subsidiary of the windeln.de Group, Cunina GmbH sells the the private label brands Max & Lily, Dimboworld, Avani and Formila Plus, thus building up private label business.

The first private label brand for infant baby milk, Formila Plus, has been available on windeln.de since June 2016 and is especially designed for the Chinese Market.

Implementation of new ERP system

windeln.de AG introduced a new ERP system in the beginning of April 2016. The migration of the ERP system to Microsoft AX is the foundation for better operational performance and scalability. The implementation was completed in July. As expected, it led to temporary negative effects in the second quarter as it led to delays in returns, - and payment processes and problems with stock requests.

Warehouse move Bebitus

The management of windeln.de decided to switch the external logistics partner which operates the warehouse of Bebitus in Spain in the first quarter of 2016. The warehouse relocation was completed in the first half of 2016. One-time moving costs amounted to EUR 329k.

17 International Monetary Fund, October 2014

Warehouse move Switzerland

In January, management made the decision to reduce stock in the Swiss warehouse so as to realize efficiencies from a central warehouse. The measure did not lead to significant expenses in the first half of 2016

Review of seller guarantees

In connection with the acquisition of the Feedo Group in 2015, a review process of the issued seller guarantees was performed in January 2016. In the course of this review process, windeln.de AG and two of the sellers of the Feedo Group agreed on a compensation payment in March 2016. As a result, windeln.de AG recognized other operating income in the amount of EUR 1,050k in the first quarter of 2016. In May 2016, windeln.de AG agreed with the three remaining sellers of the Feedo Group on a compensation of EUR 2,128k as well as on changes of the subsequent purchase price.

Capital increase

In the end of 2015, stock options were exercised. The corresponding capital increase for the issue of new shares was registered in the first quarter 2016 in the commercial register. In this context, the capital was increased by EUR 537k and the capital reserve by EUR 27k compared to 31 December 2015.

First Annual General Meeting on June 17, 2016

On June 17, 2016, the first annual general meeting of windeln.de AG was held in Munich. In attendance was 69.33% of the voting share capital. The AGM voted for the conversion of windeln.de AG into windeln.de SE and elected Willi Schwerdtle, Dr. Edgar Lange, Dr. Christoph Braun, Nenad Marovac, David Reis and Petra Schäfer as new Supervisory Board members of windeln.de SE . Besides the election of the Supervisory Board, the AGM approved all other agenda items with majority of the shareholders.

2.4. Net assets, financial position and results of operations of the windeln.de Group

2.4.1. Results of operations

a) Consolidated income statement

kEUR	H1 2016	H1 2015 R	Change absolute in kEUR	Change relative in %	Q2 2016	Q2 2015 R	Change absolute in kEUR	Change relative in %
Revenues	101,575	75,026	26,549	35%	49,443	39,377	10,066	26%
Cost of Sales	-71,952	-55,404	-16,548	30%	-34,746	-28,884	-5,862	20%
Gross Profit	**29,623**	**19,622**	**10,001**	**51%**	**14,697**	**10,493**	**4,204**	**40%**
Selling and distribution expenses	-39,609	-20,363	-19,246	95%	-19,837	-11,190	-8,647	77%
Administrative expenses	-12,155	-10,484	-1,671	16%	-5,728	-4,122	-1,606	39%
Other operating income	3,754	2,591	1,163	45%	2,583	2,205	378	17%
Other operating expenses	-602	-305	-297	97%	-519	-42	-477	>100%
Earnings before interest and taxes (EBIT)	**-18,989**	**-8,939**	**-10,050**	**>100%**	**-8,804**	**-2,656**	**-6,148**	**>100%**
Financial income	820	7	813	>100%	710	5	705	>100%
Financial expenses	-15	-103	88	-85%	46	-92	138	<-100%
Financial result	**805**	**-96**	**901**	**<-100%**	**756**	**-87**	**843**	**<-100%**
Earnings before tax (EBT)	**-18,184**	**-9,035**	**-9,149**	**>100%**	**-8,048**	**-2,743**	**-5,305**	**>100%**
Income taxes	-8	-1,528	1,520	-99%	-8	-1,333	1,325	-99%
Loss for the period	**-18,192**	**-10,563**	**-7,629**	**72%**	**-8,056**	**-4,076**	**-3,980**	**98%**

In H1 2016, the Group generated revenues of EUR 101,575k, corresponding to an increase of 35% compared to H1 2015 (EUR 75,026k). The Group increased its revenues in its three operating segments. Especially, the segment International Shops shows a strong sales growth due to the launch of the online shop pannolini.it in Q2 2015 and due to the acquisitions made in H2 2015.The higher number of orders as well as the larger number of active customers who made at least one purchase at one of the Group's shops in the past twelve months contributed to the increase in revenue. Considering the regulatory changes in China and the related uncertainty of the Chinese customers as well as the introduction of a new ERP system in the second quarter, the revenues developed in accordance with the expectations for the first half of 2016 as adjusted and communicated in May 2016.

The margin (gross profit as a percentage of sales) was increased by 3.0pp in comparison to the prior-year period in 2015. The positive development of the margin is in particular attributable to the increased sales of products with higher margins, improved purchasing conditions with suppliers as well as the introduction of direct deliveries to China in Q3 2015.

Selling and distribution expenses increased in H1 2016, in absolute amounts as well as in relation to gross profit. This can particularly be explained by the introduction of direct delivery to China. Due to the change of the third-party warehouse supplier in Spain, non-recurring costs of EUR 329k occurred in H1 2016. No significant costs occurred due to the reorganization of the Swiss warehouse in H1 2016. The windeln.de Group will generate efficiency benefits due to the reorganization in the following years.

Administrative expenses increased at a slower rate compared to gross profit. Therefore, in relation to gross profit, administrative expenses decrease from 53.4% to 41.0%. In the first half of 2016, the administrative expenses included above-average expenses for equity-settled share-based payment awards. For further information, please refer to the annual report 2015. The expenses for share-based payment awards in connection with the acquisitions of the Feedo Group and Bebitus amounted to

EUR 4,459k in the first half of 2016. In contrast, in the first half of 2015, expenses for share-based payment awards in connection with the acquisition of windeln.ch AG only amounted to EUR 359k.

Other operating income increased due to compensation claims of EUR 3,104k against the sellers of the Feedo Group recognized in the first half of 2016. In 2015, there has been particularly included cost recharges of EUR 2,059k to investors from internal and external costs in connection with the IPO.

Earnings before interest and taxes (EBIT) deteriorated by 112% from EUR -8,939k to EUR -18,989k in H1 2016. EBIT as a percentage of revenue decreased from -11.9% to -18.7% in the same period.

In contrast, the financial result increased from an expense of EUR 96k in H1 2015 to an income of EUR 805k in H1 2016. In the first half of 2015, the measurement of a derivative (contingent refunds in connection with the acquisition of windeln.ch AG) at fair value resulted in an expense of EUR 86k. In the first half of 2016, the Group recognized an income of EUR 795k due to the measurement of derivatives at fair value in connection with contingent considerations to the former owners of the Feedo Group and Bebitus.

The tax result increased from a tax expense of EUR 1,528k in H1 2015 to tax income of EUR 8k in H1 2016. Deferred tax assets at windeln.de AG were released in the prior year as the Company is not allowed to recognize deferred tax assets because it has no history of income.

The loss for the period deteriorated from EUR -10,563k in the first half of 2015 to EUR -18,192k in the first half of 2016. This is primarily associated with the disproportionate increase in selling and distribution expenses compared to H1 2015.

b) Other consolidated financial information

For the purposes of managing the Group, earnings before interest and taxes (EBIT) are adjusted for expenses in connection with share-based compensation as well as expenses and income in connection with the IPO, with acquisitions and integration of new subsidiaries and expenses in connection with the expansion of the Group as well as for expenses for reorganization, internal restructuring measures and the ERP system change.

kEUR	H1 2016	H1 2015 R	Change absolute in kEUR	Change relative in %	Q2 2016	Q2 2015 R	Change absolute in kEUR	Change relative in %
Earnings before interest and taxes (EBIT)	**-18,989**	**-8,939**	**-10,050**	**>100%**	**-8,804**	**-2,656**	**-6,148**	**>100%**
adjusted for costs in connection with the IPO	-	-316	316	-100%	-	-1,242	1,242	-100%
thereof expenses	-	1,561	-1,561	-100%	-	635	-635	-100%
thereof income	-	-1,877	1,877	-100%	-	-1,877	1,877	-100%
adjusted for costs of acquisition, integration and expansion	-2,529	536	-3,065	<-100%	-1,944	431	-2,375	<-100%
thereof expenses	575	536	39	7%	110	431	-321	-74%
thereof income	-3,104	-	-3,104		-2,054	-	-2,054	
adjusted for share-based compensation	5,089	4,754	335	7%	2,326	778	1,548	>100%
thereof cost of sales	8	5	3	60%	5	5	0	0%
thereof selling and distribution expenses	-14	471	-485	<-100%	7	103	-96	-93%
thereof administrative expenses	5,095	4,278	817	19%	2,314	670	1,644	>100%
adjusted for costs of reorganziation	351	-	351		103	-	103	
adjusted for costs of restructuring under corporate law	132	-	132		67	-	67	
adjusted for ERP system change	391	-	**391**		391	-	367	
adjusted EBIT	**-15,555**	**-3,965**	**-11,590**	**>100%**	**-7,861**	**-2,689**	**-5,172**	**>100%**

kEUR	H1 2016	H1 2015 R	Change absolute in kEUR	Change relative in %	Q2 2016	Q2 2015 R	Change relative in kEUR	Change relative in %
Gross profit (as % of revenue)	29.2%	26.2%	-	3.0pp	29.7%	26.6%	-	3.1pp
adjusted EBIT (in kEUR)	-15,555	-3,965	-11,590	>100%	-7,861	-2,689	-5,172	>100%
Adjusted EBIT (as % of revenues)	-15.3%	-5.3%	-	-10.0pp	-15.9%	-6.8%	-	-9.1%

Adjusted EBIT deteriorated from EUR -3,965k in the first half of 2015 to EUR -15,555k in the first half of 2016, which was mainly caused by the acquisitions of the Feedo Group and Bebitus and the disproportionate increase of the selling and distribution expenses. With a decreased adjusted EBIT compared to the first half of 2015, the German shop also contributes to this development. The adjusted EBIT as a percentage of revenue decreased from -5.3% in H1 2015 to -15.3% in H1 2016. In the Group notes, a restatement of the share-based payment awards in connection with the acquisition of Bebitus is described. The adjusted EBIT is not affected by the restatement as the costs in connection with the share-based payment awards are adjusted.

c) Segment results of operations

kEUR	H1 2016	H1 2015 R	Change absolute in kEUR	Change relative in %	Q2 2016	Q2 2015 R	Change absolute in kEUR	Change relative in %
Revenues	**101,575**	**75,026**	**26,549**	**35%**	**49,443**	**39,377**	**10,066**	**26%**
German Shop	65,958	64,434	1,524	2%	31,163	33,736	-2,573	-8%
International Shops	26,009	3,355	22,654	>100%	13,765	1,953	11,812	>100%
Shopping Clubs	9,650	7,237	2,413	33%	4,557	3,688	869	24%
Reconciling item to Group revenues	-42	-	-42		-42	-	-42	
EBIT	**-18,989**	**-8,939**	**-10,050**	**>100%**	**-8,804**	**-2,656**	**-6,148**	**>100%**
German Shop contribution	-368	2,689	-3,057	<-100%	-71	1,531	-1,602	<-100%
International Shops contribution	-10,961	-1,523	-9,438	>100%	-5,306	-787	-4,519	>100%
Shopping Clubs contribution	-2,891	-2,638	-253	10%	-1,661	-1,672	11	-1%
reconciling item to Group EBIT	-4,769	-7,467	2,698	-36%	-1,766	-1,728	-38	2%
Adjusted EBIT	**-15,555**	**-3,965**	**-11,590**	**>100%**	**-7,861**	**-2,689**	**-5,172**	**>100%**
German Shop contribution	-137	3,383	-3,520	<-100%	94	1,680	-1,586	-94%
as % of revenues	-0.2%	5.3%	-	-5.5pp	0.3%	5.0%	-	-4.7pp
International Shops contribution	-5,956	-868	-5,088	>100%	-3,053	-334	-2,719	>100%
as % of revenues	-22.9%	-25.9%	-	3.0pp	-22.2%	-17.1%	-	-5.1pp
Shopping Clubs Beitrag	-2,828	-2,382	-446	19%	-1,602	-1,609	7	0%
as % of revenues	-29.3%	-32.9%	-	3.6pp	-35.2%	-43.6%	-	8.5pp
Reconciling item to adjusted Group EBIT	-6,634	-4,098	-2,536	62%	-3,300	-2,426	-874	36%

In the first half of 2016, the German Shop segment recorded a revenue growth of 2%, the International Shops segment a revenue growth of 675% and the Shopping Clubs segment a revenue growth of 33%, each compared with the respective prior year period.

In order to assess the operating performance of the segments, the Group also considers EBIT and the EBIT margin before expenses in connection with share-based compensation as well as expenses and income that are considered to be non-recurring or extraordinary in connection with the IPO, acquisitions and integration of new subsidiaries and with the expansion strategy of the Group as well as in connection with reorganization, internal restructuring measures and the ERP system change. The calculated indicators are referred to as adjusted EBIT and adjusted EBIT margin.

The adjusted EBIT margin of the segments developed differently. The German Shop segment recorded an adjusted EBIT margin of -0.2% in the first half of 2016 compared to 5.3% in the corresponding prior year period, particularly resulting from increased fulfilment costs. In the same period, the adjusted EBIT margin of the International Shops improved from -25.9% to -22.9% and the adjusted EBIT margin of the Shopping Clubs improved from -32.9% to -29.3%.

d) Regional results of operations

kEUR	H1 2016	H1 2015 R	Change absolute in kEUR	Change relative in %	Q2 2016	Q2 2015 R	Change absolute in kEUR	Change relative in %
Revenues	**101,575**	**75,026**	**26,549**	**35%**	**49,443**	**39,377**	**10,066**	**26%**
GSA region	36,571	32,539	4,032	12%	17,346	17,096	250	1%
as % of revenues	36.0%	43.4%	-	-7.4pp	35.1%	43.4%	-	-8.3pp
China	40,901	41,100	-199	0%	19,123	21,522	-2,399	-11%
as of % of revenues	40.3%	54.8%	-	-14.5pp	38.7%	54.7%	-	-16.0pp
Other/rest of Europe	24,103	1,387	22,716	>100%	12,974	759	12,215	>100%
as % of revenues	23.7%	1.8%	-	21.9pp	26.2%	1.9%	-	24.3pp

The Group increased its revenue in the regions GSA and Other/rest of Europe. Particularly in the region Other/rest of Europe, the revenues increased by 1,638% compared with the corresponding prior year period. Growth in the “Other/rest of Europe” region is primarily attributable to the acquisition of Feedo which was completed in the third quarter of 2015 and the resulting successful expansion into Eastern Europe as well as the acquisition of Bebitus which was completed in the fourth quarter of 2015 and the resulting successful expansion into Southwestern Europe. In the region GSA, the Group achieved a revenue growth of 12% despite of operating challenges due to the ERP system change. In contrast, the revenues in China decreased by less than 1%. The decrease is mainly caused by regulatory changes in the second quarter 2016 which led to uncertainties among Chinese consumers.

2.4.2. Financial position

kEUR	H1 2016	H1 2015 R	Change absolute in kEUR	Change relative in %
Loss for the period	-18,192	-10,563	-7,629	72%
Net cash flows from operating activities	**-19,834**	**-3,817**	**-16,017**	**>100%**
Net cash flow from investing activities	**-1,672**	**-1,209**	**-463**	**38%**
Net cash flow from financing activities	**-53**	**93,761**	**-93,814**	**<-100%**
Cash and cash equivalents at the beginning of the period	88,678	33,830	54,848	>100%
Change in cash and cash equivalents	-21,559	88,735	-110,294	<-100%
Changes in cash and cash equivalents due to exhange rates and changes in valuation	-3	0	-3	
Cash and cash equivalents at the end of the period	**67,116**	**122,565**	**-55,449**	**-45%**

The Group generated a negative cash flow from operating activities of EUR 19,834k in the first half of 2016, partly on account of the negative contribution to earnings by the rapidly growing International Shops and Shopping Clubs segments.

The cash outflow from investing activities in the first half of 2016 came to EUR 1,672k (H1 2015: cash outflow of EUR 1,209k). The cash outflow was primarily attributable to investments in the tangible and intangible assets as well as to the purchase of treasury shares which will be used to satisfy the 2015 subsequent purchase price related to the acquisition of the Feedo Group.

In H1 2016, the cash outflow from financing activities of EUR 53k is clearly below the cash inflow of EUR 93,761k in the first half of 2015. The cash inflow of the prior year was attributable to the IPO in the first half of 2015.

At June 30, 2016, the equity ratio is 70.5% compared to 72.0% at December 31, 2015. This is primarily attributable to the loss of the period in the amount of EUR 18,192k. This effect is reduced by EUR 5,002k due to the increase of the share-based payment awards recognized in the share premium.

In H1 2016, windeln.de AG extended the secured borrowing base credit framework agreement with Commerzbank AG amounting to EUR 5m and the secured line agreement with DZ BANK AG Deutsche Zentralgenossenschaft amounting to EUR 4m by another year. The loan agreement with Commerzbank AG ends on March 15, 2017. The loan agreement with DZ BANK ends on March 31, 2017. The secured revolving cash credit line agreement with Deutsche Bank amounting to EUR 5m is still concluded for an unlimited period. As of June 30, 2016, none of these credit lines were utilized.

2.4.3. Net assets

Assets			Change	
kEUR	30.06.2016	31.12.2015 R	absolute in kEUR	relative in %
NON-CURRENT ASSETS				
Intangible assets	32,272	32,428	-156	0%
Fixed assets	1,706	1,334	372	28%
Other financial assets	730	33	697	>100%
Other non-financial assets	440	289	151	52%
Deferred tax assets	2	2	0	0%
Total non-current assets	**35,150**	**34,086**	**1,064**	**3%**
CURRENT ASSETS				
Inventories	29,272	27,099	2,173	8%
Prepayments	311	1,670	-1,359	-81%
Trade receivables	5,485	2,469	3,016	>100%
Income tax receivables	5	5	0	0%
Other financial assets	4,577	2,725	1,852	68%
Other non-financial assets	2,090	2,727	-637	-23%
Cash and cash equivalents	67,116	88,678	-21,562	-24%
Total current assets	**108,856**	**125,373**	**-16,517**	**-13%**
TOTAL ASSETS	**144,006**	**159,459**	**-15,453**	**-10%**

Equity and liabilities			Change	
kEUR	30.06.2016	31.12.2015 R	absolute in kEUR	relative in %
EQUITY				
Issued capital	26,283	25,746	537	2%
Share premium	159,578	154,570	5,008	3%
Accumulated loss	-83,608	-65,416	-18,192	28%
Cumulated other comprehensive income	-425	-22	-403	>100%
Treasury shares	-370	-	-370	
Total equity	**101,458**	**114,878**	**-13,420**	**-12%**
NON-CURRENT LIABILITIES				
Defined benefit obligations and other accrued employee benefits	162	201	-39	-19%
Other provisions	98	221	-123	-56%
Financial liabilities	139	73	66	90%
Other financial liabilities	1,109	3,542	-2,433	-69%
Deferred tax liabilities	6,066	6,171	-105	-2%
Total non-current liabilities	**7,574**	**10,208**	**-2,634**	**-26%**
CURRENT LIABILITIES				
Other provisions	2,314	2,221	93	4%
Financial liabilities	48	41	7	17%
Trade payables	16,468	18,137	-1,669	-9%
Deferred revenues	4,608	4,352	256	6%
Income tax payables	9	9	0	0%
Other financial liabilities	8,221	6,028	2,193	36%
Other non-financial liabilities	3,306	3,585	-279	-8%
Total current liabilities	**34,974**	**34,373**	**601**	**2%**
TOTAL EQUITY AND LIABILITIES	**144,006**	**159,459**	**-15,453**	**-10%**

As of June 30, 2016, the non-current assets increased to a total of EUR 35,150k (December 31, 2015: EUR 34,086k). The increase is primarily attributable to the long term part of a compensation claim against three sellers of the Feedo Group amounting to EUR 576k. In addition, costs for the implementation of a new ERP software have been capitalized. The implementation was finished in the second quarter of 2016. Since then, the software is subject to the regular amortization.

Current assets amounted to EUR 108,856k as of June 30, 2016, following EUR 125,373k as of year end 2015, corresponding to a decrease of 13%. This mainly relates to the decrease of cash and cash equivalents by EUR 21,562k. The decrease of cash and cash equivalents is primarily attributable to the cash outflow from operating activities amounting to EUR 19,834k. Besides that, current assets decreased due to a decrease of prepayments for inventories by EUR 1,359k and due to a decrease of other non-financial assets by EUR 637k. The decrease of other non-financial assets mainly relates to a decrease of VAT receivables. In contrast, trade receivables increased by EUR 3,016k, inventories by EUR 2,173k and other financial assets by EUR 1,852k, mainly resulting from a compensation claim against three seller of the Feedo Group amounting to EUR 1,478k. The increase of trade receivables by over 100% compared to December 31, 2015, relates to delayed direct debiting caused by the ERP system change. Management adjusted inventories to the constant growth of the Group to ensure an even quicker inventory availability.

At EUR 101,458k, equity as of June 30, 2016 was below the level as of December 31, 2015 (EUR 114,878k), for more information see the comments on the financial position.

Non-current liabilities decreased by EUR 2,634k to EUR 7,574k compared to December 31, 2015. The decrease is primarily attributable to the reclassification of contingent considerations amounting to EUR 2,432k from non-current financial liabilities to current financial liabilities. As of June 30, 2016, the non-current portion of the subsequent purchase price in connection with the acquisition of the Feedo Group amounting to EUR 989k (December 31, 2016: EUR 3,421k) is recognized within financial liabilities.

As of June 30, 2016, current liabilities increased by EUR 601k compared to December 31, 2015. The increase mainly relates to the increase of financial liabilities by EUR 2,193k as portions of subsequent purchase prices have been reclassified from non-current liabilities to current liabilities. Subsequent purchase prices in connection with the acquisitions of the Feedo Group and Bebitus amounting to EUR 5,072k are recognized within other financial liabilities. In contrast, trade payables decreased by EUR 1,669k to EUR 16,468k.

Overall, total equity and liabilities as of June 30, 2016, came to EUR 144,006k and were therefore below the figure as of December 31, 2015 (EUR 159,459k).

2.4.4. Overall statement

The first half of 2016 has been as expected after the regulatory changes for the Chinese market and the ERP system change.

2.5. Other financial performance indicators

			Change				Change	
kEUR	H1 2016	H1 2015 R	absolute in kEUR	relative in %	Q2 2016	Q2 2015 R	absolute in kEUR	relative in %
Marketing cost ratio (as % of revenues)	7.3%	6.3%	-	1.0pp	8.0%	7.4%	-	0.6pp
Adjusted fulfilment cost ratio (as % of revenues)	18.7%	10.2%	-	8.5pp	18.7%	9.8%	-	8.9pp
Adjusted other SG&A costs (as % of revenues)	18.6%	15.0%	-	3.6pp	19.1%	16.3%	-	2.8pp
Operating contribution (in kEUR)	3,355	7,311	-3,956	-54%	1,599	3,729	-2,310	-57%
Operating contribution (as % of revenues)	3.3%	9.7%	-	-6.4pp	3.2%	9.5%	-	-6.3pp

In the consolidated statement of profit and loss, marketing costs are recognized within selling and distribution expenses. Marketing costs mainly consist of advertising expenses, including search engine marketing, online display and other marketing channel expenses, as well as costs for the marketing tools of the Group. In the first half of 2016, the Group recognized marketing costs amounting to EUR 7,445k (H1 2015: EUR 4,694k). We define Marketing Cost Ratio as marketing costs divided by revenues for the measurement period.

Fulfilment costs consist of logistics and warehouse rental expenses which are recognized within selling and distribution expenses in the consolidated statement of profit and loss. Adjusted fulfilment costs exclude costs in connection with the reorganization of the Swiss and Spanish warehouses. We define Adjusted Fulfilment Cost Ratio as adjusted fulfilment costs divided by revenues for the measurement period.

kEUR	H1 2016	H1 2015 R	Change absolute in kEUR	Change relative in %	Q2 2016	Q2 2015 R	Change absolute in kEUR	Change relative in %
Logistics	-17,003	-6,125	-10,878	>100%	-8,128	-3,122	-5,006	>100%
Warehouse rents	-2,254	-1,492	-762	51%	-1,208	-747	-461	62%
Fulfilment costs	**-19,257**	**-7,617**	**-11,640**	**>100%**	**-9,336**	**-3,869**	**-5,467**	**>100%**
Adjustments	303	-	303		66	-	66	
Adjusted fulfilment costs	**-18,954**	**-7,617**	**-11,337**	**>100%**	**-9,270**	**-3,869**	**-5,401**	**>100%**

In the first half of 2016, the Adjusted Fulfilment Cost Ratio came to 18.7% compared 10.2% in the first half of 2015. The increase is primarily attributable to the introduction of direct delivery to China.

Other selling, general and administrative expenses (other SG&A expenses) consist of selling and distribution expenses, excluding marketing costs and fulfilment costs, and administrative expenses as well as other operating income and expenses. Adjusted other SG&A expenses exclude expenses in connection with share-based compensation as well as expenses and income in connection with the IPO, with acquisitions and integration of new subsidiaries and expenses in connection with the expansion of the Group as well as for expenses for reorganization, internal restructuring measures and ERP system change. We define Adjusted Other SG&A Expenses (in % of revenues) as adjusted other SG&A expenses divided by revenues.

kEUR	H1 2016	H1 2015 R	Change absolute in kEUR	Change relative in %	Q2 2016	Q2 2015 R	Change absolute in kEUR	Change relative in %
Selling and distribution expenses (w/o Marketing and Fulfilment costs)	-12,907	-8,052	-4,855	60%	-6,542	-4,426	-2,116	48%
Administrative expenses	-12,155	-10,484	-1,671	16%	-5,728	-4,122	-1,606	39%
Other operating income	3,754	2,591	1,163	45%	2,583	2,205	378	17%
Other operating expenses	-602	-305	-297	97%	-519	-42	-477	>100%
Other SG&A costs	**-21,910**	**-16,250**	**-5,660**	**35%**	**-10,206**	**-6,385**	**-3,821**	**60%**
Adjustments	3,000	4,974	-1,974	-40%	746	-33	779	<-100%
Adjusted other SG&A costs	**-18,910**	**-11,276**	**-7,634**	**68%**	**-9,460**	**-6,418**	**-3,042**	**47%**

In the first half of 2016, Adjusted Other SG&A Expenses (in % of revenues) came to 18.6% compared to 15.0% in the first half of 2015. The increase is primarily attributable to the disproportional increase of other selling and distribution expenses (mainly personnel expenses).

We define Operating Contribution as adjusted gross profit excluding Marketing Costs and Adjusted Fulfilment Costs. The adjustments of gross profit mainly relate to costs for the ERP system change.

kEUR	H1 2016	H1 2015 R	Change absolute in kEUR	Change relative in %	Q2 2016	Q2 2015 R	Change absolute in kEUR	Change relative in %
Gross profit	**29,623**	**19,622**	**10,001**	**51%**	**14,697**	**10,493**	**4,204**	**40%**
Adjustments	131	-	131		131	-	131	
Adjusted gross profit	**29,754**	**19,622**	**10,132**	**52%**	**14,828**	**10,493**	**4,335**	**41%**
Marketing costs	-7,445	-4,694	-2,751	59%	-3,959	-2,895	-1,064	37%
Adjusted fulfilment costs	-18,954	-7,617	-11,337	>100%	-9,270	-3,869	-5,401	>100%
Operating contribution	**3,355**	**7,311**	**-3,956**	**-54%**	**1,599**	**3,729**	**-2,130**	**-57%**

In H1 2016, Operating Contribution decreased by EUR 3,956k to EUR 3,355k compared to H1 2015 (EUR 7,311k). The decrease is mainly attributable to the increase of Adjusted Fulfilment Costs resulting from the introduction of direct delivery in China. Operating contribution in relation to revenues decreased from 9.7% in the first half of 2015 to 3.3% in the first half of 2016. The decrease relates to the disproportionate increase of Adjusted Fulfilment Costs.

2.6. Non-financial performance indicators

Non-financial performance indicators	H1 2016	H1 2015 R	Q2 2016	Q2 2015 R
Site Visits	55,663,050	29,083,473	28,185,454	14,784,636
Mobile Visit Share (as % of Site Visits)	66.3%	66.0%	67.5%	66.5%
Mobile Orders (as % of Number of Orders)	48.7%	47.1%	49.4%	47.6%
Active Customers	1,071,052	612,775	1,071,052	612,775
Number of Orders	1,347,705	913,168	639,394	460,389
Average Orders per Active Customer (in number of orders)	2.5	2.8	2.5	2.8
Share of Repeat Customer Orders (as % of Number of Orders)	79.8%	83.8%	79.8%	83.8%
Gross Order Intake (in EUR)	119,101,495	86,049,506	55,323,841	44,133,304
Average Order Value (in EUR)	88.4	94.2	86.5	95.9
Returns (as % of Net merchandise value)	8.8%	6.7%	8.5%	7.4%

In a prior-year comparison, the most important non-financial performance indicators developed positively.

For example, the number of active customers increased from 613 thousand as of June 30, 2015, to 1,071 thousand as of June 30, 2016. The number of orders recorded an increase of 48% compared to the prior-year period, reaching a volume of 1,348 thousand orders in the first half-year of 2016 (prior year period: 913 thousand). The increased number of customers as well as the higher number of orders were buoyed by the significantly higher traffic on the website. The number of page views rose by 91% from 29,083 thousand as of June 30, 2015, to 55,663 thousand in comparison to the prior-year period.

3. Subsequent events

Jürgen Vedie as new member of the management board

As of July 1, 2016, Jürgen Vedie is a new member of the management board of windeln.de. As Chief Operating Officer he will be responsible for logistics, customer service and purchasing.

Set of measures to sustainably increase profitability

With the approval of the Supervisory Board, the Management Board of windeln.de AG has passed a comprehensive set of measures to focus its business activities more closely on the customer, improve its operating processes, and cut costs, including already initiated measures. Hereby Europe's leading online retailer for baby and toddler products intends to advance its transition from a pure growth value to a sustainably profitable e-commerce champion. windeln.de aims to generate balanced earnings over the next few years with the existing capital base and, in the long term, to achieve an EBIT margin of more than 5%.

The set of measures include the closing of Nakiki's shopping club business, relocating the central warehouse and focusing the product range on its largest 290 suppliers, who represent more than 95% of windeln.de's sales with about 60,000 products. Thereby windeln.de Group will reduce its complexity considerably while maintaining a full product range. Additionally, further efficiency and cost benefits will be gained by measures to accelerate integration of the Southern and Eastern European online shops bebitus and feedo, centralize purchasing and automate functions throughout the company.

Implementation of these measures are supported by management changes. In addition to introducing Jürgen Vedie as new COO, the management team for windeln.de's shop business with German and Chinese customers will be realigned.

By closing the shopping club business, the windeln.de team will be reduced by 100 employees (approx. 22% of employees in Germany). One-off restructuring costs will amount to approx. EUR 2m, which will be recognized as expenses in the second half of 2016. The cumulative positive EBIT effects that the set of measures will produce (including measures already communicated and initiated), are estimated to total more than EUR 65m gross up to the end of 2019 or approx. EUR 20m per annum in full run rate.

Without Nakiki's shopping club business, management anticipates according to the guidance announced in May, that sales from ongoing operations will increase by 25% from EUR 161m to EUR 200m in the course of 2016. The forecast for adjusted EBIT margin from ongoing operations in fiscal year 2016 is in the range of -10% to -12%.

4. Report on expected developments

The positive developments in internet trade are also expected to progress further in the future. Online retail in Germany is expected to reach a total market volume of EUR 46.3bn in 2016 (compared to EUR 41.7bn in 2015)[18].

The Group aims to achieve further growth in the German-speaking region. In this region and other European countries, the Group forecasts a slightly lower growth rate for 2016 than in the past due to the implementation of the new ERP system. In the medium term, however, it expects higher growth rates as the growth rate for the market for baby products in Germany is anticipated to be at 26.7% between 2014 and 2017[19]. This growth will be achieved by an increasing number of customers, orders and an increasing average order value.

windeln.de plans to focus more on profitable revenue growth, supported especially by the set of measures announced on July 28, 2016:

- focus business on ready-to-ship online shops and close Nakiki's shopping club business;
- reduce product range to the 290 top-selling suppliers, who account for more than 95% of total sales. This will significantly reduce the company's complexity while maintaining its full product range;
- accelerate integration of online shops feedo and bebiuts;
- relocation of central warehouse in the medium-term;
- centralization of purchasing;

18 German Retail Federation: Development of e-commerce revenue in recent years, February 2016.
19 cf. footnote 6: Euromonitor

- leverage the efficiency potential offered at all levels and functional areas of the company by increasing automation.

The group published an outlook adjustment on May 18, 2016, for the year 2016 after revenues with customers in China where significantly below expectations in April and May following changes by the Chinese government in customs and import regulations on April 8, 2016. windeln.de Group thus expects an increase in revenues of approximately 30% year over year and an adjusted EBIT margin between -10% to -12% in 2016. The gross margin is still expected to be at least 28%. Without Nakiki's shopping club business, management anticipates that sales from ongoing operations will increase by 25% from EUR 161m in 2015 to EUR 200m in 2016. The forecast for adjusted EBIT from ongoing operations in fiscal year 2016 remains the same.

Revenue growth, which includes the continuous improvement of the gross profit margin, continued in the first half year 2016 compared to the prior year. This provides a solid basis for further business development and for achieving the adjusted 2016 objectives.

5. Opportunities and risk report

As part of the closing process for the fiscal year 2015, windeln.de Group made a risk assessment. In the first half of 2016, a planned reassessment has been performed. Compared to the risk assessment as of December 31, 2015, some assessments have been changed. Based on the regular assessment process no material changes of opportunities can be seen by the Group. However, various corporate measures which were published by windeln.de on July 28, 2016, offer additional opportunities for the Group.

In the course of the change of import rules for imports to China the Group already adjusted its revenues forecast for 2016. This reduction already affects revenues generated in the first half year 2016 and has a major impact on the risk assessment. The Group estimates that the occurrence probability for risks related to the Chinese business increases. However, due to the adjusted revenues forecast the assessment of the overall risk remains the same.

In the following all material changes will be presented. Any assignment of risks to another risk class based on the last evaluation is considered as a material change. For the classifications as a low, medium or high risk the same thresholds were applied as the ones for the annual report 2015.

Risk resulting from expansion activities

Acquisitions of third-party entities are associated with considerable additional costs. Each acquisition involves the risk that the acquired entity cannot provide the anticipated benefits or that the integration of the acquired entity into the Group takes longer than expected. As the Group currently focuses on the integration of its already acquired companies the risk resulting from additional acquisitions decreases significantly. Furthermore, the Group is going to intensify its integration activities for its two acquired subsidiaries in the upcoming months. As a result, the risk increases as the integration could lead to additional costs. All in all, the Group sees a risk with a medium extent of damage.

Personnel-related risks

A higher than expected employee illness and turnover rate could lead to additional costs. As many employees were hired in various functional areas the Group only sees a low risk here compared to December 31, 2015. The risk of losing key management employees remains medium.

Demand risks

It is only possible to plan demand levels to a limited extent, particularly in the newly entered markets in Southern and Eastern Europe due to high uncertainty in these markets. As a result, demand in these markets can be lower than expected which has a negative impact on revenues planned for the international shops. Under certain circumstances, it may be required to offset lower demand with price discounts, resulting in lower margins. The Group deems this risk to be medium.

Risk resulting from internal processes and projects

The Group faces the challenge of implementing and enhancing internal control systems and processes given the fast growth of the Group. The implementation of the new ERP System Microsoft AX at the parent company showed that such a migration can cause additional costs and have a negative impact on revenues in the first months after the go-live date. Based on this experience the risk resulting from internal processes and projects is rated as a high risk.

Tax risks

As international company, the Group is subject to various tax regulations. The risk also relates to delivery of products to other countries and the corresponding country-specific VAT calculation using the local VAT rates. If this is calculated incorrectly, additional late payment penalties and fines may be issued. Based on already implemented changes in the ERP system, the Group deems this risk as a low risk.

Currency risk

The Group's international activities expose it to foreign currency risks. The risk mainly relates to revenues generated in foreign currency as well as goods purchased in foreign currency. Because of exchange rate movements this risk increases and is now estimated as a medium risk.

Developments after the closing date

On July 27, 2016, the management decided to stop the flash sales business in the second half of 2016. As this decision was taken after 30th of June this strategic decision was not considered in the regular risk reassessment process. The closure of the shopping club business will lead to one-time restructuring costs. Consequently, this will initially be a risk for the Group. However, this measure will lead to significant cost savings as the business was loss making. As the Group will now be able to focus on the core "ready-to-ship" business model the shut-down also offers a great opportunity for the Group. The other published measures might also lead to additional opportunities for the Group in the future. The reduction of number of products will increase efficiency. Furthermore, the Group will focus on the bundling of its operating units, in particular its purchasing processes. Better purchasing conditions could lead to higher margins and hence, the centralization offers a great opportunity for the Group. In the management's expectation, moving the Group's warehouse to Eastern Europe as well as centralizing logistics might lead to significant savings. The short- to mid-term integration of the Feedo Group and Bebitus to the systems and platforms of the Group aims to create synergies in IT, product development, marketing, purchasing and sales. Under the leadership of the new COO Jürgen Vedie the Group will also focus on improving operational processes. The Group sees a significant cost saving potential here. It is further expected that the newly opened Tmall shop – as an additional distribution channel to Chinese customers – creates additional revenue streams and, thereby, reinforces the revenues growth in China.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Income Statement and Other Comprehensive Income

kEUR	H1 2016	H1 2015 R	Q2 2016	Q2 2015 R
Revenues	101,575	75,026	49,443	39,377
Cost of sales	-71,952	-55,404	-34,746	-28,884
Gross profit	**29,623**	**19,622**	**14,697**	**10,493**
Selling and distribution expenses	-39,609	-20,363	-19,837	-11,190
Administrative expenses	-12,155	-10,484	-5,728	-4,122
Other operating income	3,754	2,591	2,583	2,205
Other operating expenses	-602	-305	-519	-42
Earnings before interest and taxes (EBIT)	**-18,989**	**-8,939**	**-8,804**	**-2,656**
Financial income	820	7	710	5
Financial expenses	-15	-103	46	-92
Financial result	**805**	**-96**	**756**	**-87**
Earnings before taxes (EBT)	**-18,184**	**-9,035**	**-8,048**	**-2,743**
Income taxes	-8	-1,528	-8	-1,333
PROFIT OR LOSS FOR THE PERIOD	**-18,192**	**-10,563**	**-8,056**	**-4,076**
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign operations	-403	264	-431	10
OTHER COMPREHENSIVE INCOME/LOSS, NET OF TAX	**-403**	**264**	**-431**	**10**
TOTAL COMPREHENSIVE INCOME, NET OF TAX	**-18,595**	**-10,299**	**-8,487**	**-4,066**
Basic earnings per share (in EUR)	-0.70	-0.49	-0.31	-0.18
Diluted earnings per share (in EUR)	-0.64	-0.47	-0.28	-0.17

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

kEUR	June 30, 2016	December 31 2015 R
NON-CURRENT ASSETS		
Intangible assets	32,272	32,428
Fixed assets	1,706	1,334
Other financial assets	730	33
Other non-financial assets	440	289
Deferred tax assets	2	2
Total non-current assets	**35,150**	**34,086**
CURRENT ASSETS		
Inventories	29,272	27,099
Prepayments	311	1,670
Trade receivables	5,485	2,469
Income tax receivables	5	5
Other financial assets	4,577	2,725
Other non-financial assets	2,090	2,727
Cash and cash equivalents	67,116	88,678
Total current assets	**108,856**	**125,373**
TOTAL ASSETS	**144,006**	**159,459**

Equity and liabilities

kEUR	June 30, 2016	December 31, 2015 R
EQUITY		
Issued capital	26,283	25,746
Share premium	159,578	154,570
Accumulated loss	-83,608	-65,416
Cumulated other comprehensive income	-425	-22
Treasury shares	-370	-
Total equity	**101,458**	**114,878**
NON-CURRENT LIABILITIES		
Defined benefit obligations and other accrued employee benefits	162	201
Other Provisions	98	221
Financial liabilities	139	73
Other financial liabilities	1,109	3,542
Deferred tax liabilities	6,066	6,171
Total non-current liabilities	**7,574**	**10,208**
CURRENT LIABILITIES		
Other Provisions	2,314	2,221
Financial liabilities	48	41
Trade payables	16,468	18,137
Deferred revenues	4,608	4,352
Income tax payables	9	9
Other financial liabilities	8,221	6,028
Other non-financial liabilities	3,306	3,585
Total current liabilities	**34,974**	**34,373**
TOTAL EQUITY AND LIABILITIES	**144,006**	**159,459**

Consolidated Statement of Cash Flows

kEUR	H1 2016	H1 2015 R	Q2 2016	Q2 2015 R
Profit or loss for the period	-18,192	-10,563	-8,056	-4,076
Amortisation (+) / write-up (-) of intangible assets	444	346	243	183
Depreciation (+) / write-up (-) of fixed assets	259	76	123	28
Increase (+)/decrease (-) in other provisions	-29	441	-61	247
Non-cash expenses (+) from emplyee benefits	4,964	4,414	2,294	425
Other non-cash expenses (+) / income (-) items	228	49	436	1
Increase (-) / decrease (+) in inventories	-2,179	-3,380	-1,118	-3,313
Increase (-) / decrease (+) in prepayments	1,359	-261	341	-305
Increase (-) / decrease (+) in trade receivables	-3,207	-524	-4,509	-497
Increase (-) / decrease (+) in other assets	-1,962	-2,094	-1,190	-3,002
Increase (-) / decrease (+) in restricted cash	-107	-	-	-
Increase (+) / decrease (-) in trade payables	-1,682	4,744	1,962	4,388
Increase (+) / decrease (-) in deferred revenue	256	107	-189	-248
Increase (+) / decrease (-) in other liabilities	47	1,291	-1,059	-187
Gain (-) /loss (+) from disposal of intangible assets	-13	-	-13	-
Interest expenses (+) / income (-)	-22	13	-12	8
Income tax expenses (+) / income (-)	4	1,524	10	1,329
Income tax paid (-) / received (+)	-2	-	-3	-
Net cash flows from / used in operating activities	**-19,834**	**-3,817**	**-10,801**	**-5,019**
Purchase (-) of intangible assets	-800	-1,083	-297	-589
Purchase (-) of fixed assets	-528	-127	-120	-35
Cash paid (-) for additions to group structure less acquires cash and cash equivalents	-372	-	-372	-
Interest received (+)	28	1	13	-
Net cash flows from / used in investing activities	**-1,672**	**-1,209**	**-776**	**-624**
Proceeds (+) from issue of shares	-	99,824	-	99,824
Transaction cost (-) on issue of shares	-18	-4,530	-18	-4,520
Repayment (-) of finance-lease liabilities	-24	-18	-13	-11
Proceeds (+) from financial liabilities	-	5	-	-141
Repayment (-) of financial liabilities	-5	-1,506	-2	-1
Interest paid (-)	-6	-14	-1	-8
Net cash flows from / used in financing activities	**-53**	**93,761**	**-34**	**95,143**
Cash and cash equivalents at the beginning of the period	88,678	33,830	78,730	33,065
Net increase / decrease in cash and cash equivalents	-21,559	88,735	-11,611	89,500
Change in cash and cash equivalents due to foreign exchange rates	-3	0	-3	0
Cash and cash equivalents at the end of the period	**67,116**	**122,565**	**67,116**	**122,565**

Consolidated Statement of Changes in Equity

kEUR	Issued capital	Share premium	Accu-mulated loss	Actuarial gains/ losses from remeasure-ment of de-fined pension plans	Exchange differences on translation of foreign operations	Other com-prehensive income	Treasury shares	Total equity
As at January 1, 2016 R	**25,746**	**154,570**	**-65,416**	**-28**	**6**	**-22**	**-**	**114,878**
Total comprehensive income of the period	-	-	-18,192	-	-403	-403	-	-18,595
Issue of share capital	537	27	-	-	-	-	-	564
Repurchase of own shares	-	-	-	-	-	-	-370	-370
Transaction costs	-	-21	-	-	-	-	-	-21
Share-based payments	-	5,002	-	-	-	-	-	5,002
As at June 30, 2016	26,283	159,578	-83,608	-28	-397	-425	-370	101,458
As at January 1, 2015	**163**	**68,911**	**-34,488**	**10**	**25**	**35**	**-**	**34,621**
Total comprehensive income of the period	-	-	-10,563	-	264	264	-	-10,299
Issue of share capital	-	99,824	-	-	-	-	-	99,824
Capital increase out of reserves	25,232	-25,232	-	-	-	-	-	-
Transaction costs	-	-3,259	-	-	-	-	-	-3,259
Share-based payments	-	10,732	-	-	-	-	-	10,732
As at June 30, 2015 R	25,395	150,976	-45,051	10	289	299	-	131,619

Condensed Notes to the Interim Consolidated Financial Statements as of June 30, 2016

1. General information

windeln.de AG is the parent company of the windeln.de Group. The Annual General Meeting held on June 17, 2016, approved to change the legal structure of the company into a European Company (Societas Europaea – SE). The change in legal structure will become effective upon entry in the Commercial Register that has not yet happened before the publication date.

The condensed and unaudited interim consolidated financial statements as of June 30, 2016, were approved for publication by resolution of the management board on August 24, 2016.

2. Accounting principles

The condensed interim consolidated financial statements as of June 30, 2016, were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union (EU). These interim consolidated financial statements conform with the regulation IAS 34 “Interim financial reporting”.

The condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should therefore be read in conjunction with the consolidated financial statements for the year ended December 31, 2015.

The same accounting and measurement principles were applied as in the consolidated financial statements for the financial year ended December 31, 2015. Exceptions relate to new or revised accounting standards applicable as of financial year 2016. We refer to section 3.2 “New accounting standards issued by the IASB” of our notes to the consolidated financial statements as of December 31, 2015. IFRS standards respectively revised standards applicable for the first time in this reporting period have no effects on the net asset, financial and income position of the windeln.de Group.

3. Correction of errors

In the comparative periods H1 2015 and Q2 2015 share-based payments have been restated. For further information, please refer to the Nine Months Report 2015.

In the condensed interim consolidated financial statements, adjustments are required to correctly recognize expenses in relation to share-based payments. In the course of the acquisition of Bebitus Retail S.L., both founders of the company were given commitments on subsequent purchase price payments that consist of two components: (a) contingent consideration (Earn Out) accounted for pursuant to IFRS 3 and (b) employee remuneration that is accounted for as either short-term benefit to employees (IAS 19) or share-based payment (IFRS 2). The fair value of the share-based payment commitment (IFRS 2) is revaluated at each balance sheet date and recognized as expense ratably over the vesting period. The vesting period is 27 months instead of 36 months as reported in the 2015 Annual Report. The reported expense in fiscal year 2015 and Q1 2016 of EUR 1,572k and EUR 1,322k is based on an incorrect assumption of a vesting period of 36 months, and is therefore understated by EUR 524k and EUR 441k. The expected total expense of the employee remuneration remains unchanged for each respective balance sheet date. In addition, the revised vesting period impacts the dilution effects in the presentation of earnings per share. The incorrect accounting was retrospectively corrected and disclosed in accordance with IAS 8. The correction impacted the reporting items in fiscal year 2015 and in the first quarter 2016 as follows:

Impact on consolidated income statement and other comprehensive income

kEUR	As presented Q1 2016	Changes from adjustments according to IAS 8	Adjusted Q1 2016 R	As presented 2015	Changes from adjustments according to IAS 8	Adjusted 2015 R
Administrative expenses	-5,986	-441	-6,427	-23,332	-524	-23,856
Loss for hte period	**-9,695**	**-441**	**-10,136**	**-30,404**	**-524**	**-30,928**
Basic earnings per share (in EUR)	-0.37		-0.39	-1.28		-1.31
Diluted earnings per share (in EUR)	-0.37		-0.38	-1.24		-1.26

Impact on consolidated statement of financial position as of March 31, 2016 and December 31, 2015

kEUR	As presented March 31, 2016	Changes from adjustments according to IAS 8	Adjusted March 31, 2016 R	As presented December 31, 2015	Changes from adjustments according to IAS 8	Adjusted December 31, 2015 R
Share premium	156,276	965	157,241	154,046	524	154,570
Accumulated loss	-74,587	-965	-75,552	-64,892	-524	-65,416
Total equity and liabilities	**149,990**	-	**149,990**	**159,459**	-	**159,459**

4. Scope of consolidation

By means of a Shareholders' Agreement effective January 11, 2016, windeln.de AG founded a new subsidiary Cunina GmbH. The subsidiary was founded in order to further promote the Group's private label business. The company is a fully owned subsidiary of windeln.de AG and is fully consolidated in the windeln.de Group financial statements. The entry in the Commercial Register took place on April 6, 2016.

5. Notes on the subsequent measurement of the acquisitions

Subsequent accounting for the acquisition of Feedo Sp. z o.o.

In connection with the acquisition of the Feedo Sp. z o.o. and its subsidiaries (hereinafter referred to as "Feedo Group" or "Feedo") in 2015, a review process of the issued seller guarantees was performed in January 2016. In the course of this review process, windeln.de AG and two of the sellers of the Feedo Group agreed on a compensation payment in March 2016. As a result, windeln.de AG recognized other operating income in the amount of EUR 1,050k in the first quarter of 2016. The compensation payment has been received in the second quarter of 2016. The payment is recognized within cash flows from operating activities as the payment is a claim settlement.

In May 2016, windeln.de AG agreed with the three remaining sellers of the Feedo Group on a compensation of EUR 2,128k. As the compensation will be offset against subsequent purchase price payments in the coming years, windeln.de AG added a discounted compensation claim of EUR 2,054k to other financial assets of which EUR 1,478k are recognized within other current financial assets and EUR 576k are recognized within other non-current financial assets. The compensation of EUR 2,054k has been recognized within other operating income in the second quarter 2016.

From an economic perspective, the subsequent purchase price consists of contingent considerations (Earn Out) as well as – in the case of the two founders of the Feedo Group – equity-settled share-based payment awards. In addition to the compensation claim described above, windeln.de AG and the remaining sellers of the Feedo Group agreed on changes of the subsequent purchase price (Earn Out and equity-settled share-based payments). The subsequent purchase price does not only comprise three parts (2015, 2016, 2017) but four parts (2015, 2016, 2017, 2018). In addition, the calculation of the contingent consideration has been adjusted:

- The contractually agreed revenue multipliers have been decreased. In addition, the revenue multipliers depend on the development of the SDAX Performance Index.
- The Split Factor of the years 2016 and 2017 has been decreased from 15% to 10%. The calculation of the subsequent purchase price of 2018 is also based on 10% of the previously calculated future valuation.
- In addition, the contingent consideration depends on the future EBIT development (less PPA and other Group adjustments) and on the additional future funding requirements of the Feedo Group. If the EBIT of a year is lower than the contractually agreed EBIT, the subsequent purchase price of the respective year decreases by the shortfall adjusted by a multiplier. In addition, the purchase price decreases if additional funding of the Feedo Group exceeds the EBIT shortfall.

The contingent consideration of 2015 is not affected by the adjustments mentioned above.

In addition, it has been agreed that the two founders are required to remain employed in the Group for 42 months instead of 36 months beginning on July 3, 2015, in order to achieve the full subsequent purchase price. According to IFRS 2, the prolongation of the vesting period does not affect the valuation of the equity-settled share-based payment awards as the prolongation is unfavorable. This results in a continuation of the total share-based payment expense that is recognized on a straight-line basis over 36 months.

Considering the adjustments described above, the equity-settled share-based payment awards granted to members of the local management board increased from EUR 1,006k on December 31, 2016, to EUR 1,833k on June 30, 2016. In the first six months of 2016, personnel expenses of EUR 827k were recognized within administrative expenses. The equity-settled share-based payment awards are recognized within share premium.

The non-financial asset relating to the prepayment of share-based compensation incurred on the acquisition date was reduced by EUR 96k in H1 2016, the change was recognized as personnel expense within administrative expenses. As of June 30, 2016, the non-current portion amounts to EUR 192k (December 31, 2015: EUR 289k), and the current portion amounts to EUR 192k (December 31, 2015: EUR 192k). This part of the consideration is not affected by the adjustments described above.

As of June 30, 2016, the fair value of the contingent consideration (Earn Out) amounts to EUR 2,655k (December 31, 2015: EUR 3,338k). The change of EUR 683k was recognized within financial income. The Earn Out liability as of June 30, 2016, is recognized within other current financial liabilities in the amount of EUR 1,666k (December 31, 2015: EUR 1,232k) and within other non-current financial liabilities in the amount of EUR 989k (December 31, 2015: EUR 2,106k).

Subsequent accounting for the acquisition of Bebitus Retail S.L.

In connection with the acquisition of Bebitus Retail S.L. (hereinafter referred to as “Bebitus”), equity-settled share-based payment awards were granted to members of the local management boards in 2015. From an economic perspective, the equity-settled share-based payment awards are part of the purchase price. In the first six months of 2016, personnel expenses of EUR 3,535k were recognized within administrative expenses. The corresponding portion within share premium increased from EUR 2,096k on December 31, 2015, to EUR 5,631k on June 30, 2016.

The fair value of short-term employee benefits to local management, incurred in the acquisition of Bebitus, increased by EUR 54k in H1 2016 and is recognized as personnel expenses within administrative expenses. The undiscounted liability thus amounts to EUR 2,325k as of June 30, 2016 (December 31, 2015: EUR 2,271k), and is recognized within other current non-financial liabilities.

As of June 30, 2016, the fair value of the contingent consideration amounts to EUR 3,406k (December 31, 2015: EUR 3,517k). The change of EUR 111k was recognized within financial income. An amount of EUR 281k is related to the purchase price adjustment for inventories. This obligation, together with the contingent considerations of 2015 and 2016 amounting to EUR 3,125k as of June 30, 2016 (December 31, 2015: EUR 1,922k), is shown within other current financial liabilities. In connection with the acquisition of Bebitus, there is no contingent consideration recognized within other non-current financial liabilities (December 31, 2015: EUR 1,314k).

6. Notes to the consolidated statement of financial position and to the consolidated statement of profit and loss

6.1. Equity

Capital increases

In the end of 2015, stock options have been exercised. The registration of the corresponding capital increase for the issuance of new shares in the Commercial Register was completed in Q1 2016. As a result, issued capital increased by EUR 537k; and the share premium increased by EUR 27k compared to December 31, 2015.

After partial utilization, the authorized capital 2015 amounts to EUR 11,808,530. Conditional capital 2015/I and conditional capital 2015/II amount to EUR 7,997,804 and EUR 1,999,451; they remain unchanged compared to the prior year.

Issued capital

As of June 30, 2016, the issued capital of the Group parent amounts to EUR 26,283k (December 31, 2015: EUR 25,746k). It has been fully paid in and comprises 26,283,236 no-par value bearer shares.

Treasury shares

By means of a Supervisory Board Resolution on May 13, 2016, the Management Board was authorized to purchase up to 70,000 own windeln.de shares in order to satisfy the 2015 subsequent purchase price after offsetting with compensation claims from the acquisition of the Feedo Group. Until June 30, 2016, a total of 64,683 shares was purchased in several tranches. As of June 30, 2016, the treasury shares are still owned by windeln.de AG. The subsequent purchase price is described in note 5 in detail.

Share premium

As of June 30, 2016, the share premium amounts to EUR 159,578k (December 31, 2015: EUR 154,570k) and breaks down as follows:

kEUR	June 30, 2016	December 31 2015 R
Premium from financing rounds and/or IPO	165,341	165,341
Capital increases from company funds	-25,232	-25,232
Contributions in kind	3,466	3,466
Costs of equity transactions	-5,455	-5,434
Share-based payments	21,421	16,419
Premium from exercise of stock options	37	10
Total	**159,578**	**154,570**

The increase in the share-based payment reported within share premium results from the share-based compensation commitments from the acquisitions of the Feedo Group and Bebitus (see note 5), and from the equity-settled stock option programs issued by windeln.de AG (see note 6.3).

6.2. Earnings per share

	H1 2016	H1 2015 R	Q2 2016	Q2 2015 R
Basic earnings per share				
Loss for the period (kEUR)	18,192	-10,563	-8,056	-4,076
Basic weighted average number of shares (thousands)	26.174	21,656	26,260	23,318
Earnings per share (EUR)	**-0.70**	**-0.49**	**-0.31**	**-0.18**
Diluted earnings per share				
Loss for the period (kEUR)	-18,192	-10,563	-8,056	-4,076
Diluted weighted average number of shares (thousands)	28.565	22,454	28,660	24,136
Earnings per share (EUR)	**-0.64**	**-0.47**	**-0.28**	**-0.17**

6.3. Share-based payments

Stock option programs

The subscription rights recognized in equity changed as follows:

	VSOP 1 and 2	LTIP - RSU	LTIP - SO
Outstanding at the beginning of the reporting period (January 1, 2016)	140,655	16,563	21,781
Expired during the reporting period	-	-	-
Forfeited during the reporting period	-	-	-
Exercised during the reporting period	-	-	-
Granted during the reporting period	32,268	5,046	20,161
Outstanding at the end of the reporting period (June 30, 2016)	172,923	21,609	41,942
Exercisable at the end of the reporting period (June 30, 2016)	172,923	18,769	41,317

The expense recognized in H1 2016 from share-based payment obligations amounts to EUR 576k (H1 2015: EUR 4,320k) with an income of EUR 64k (H1 2015: expense of EUR 12k) relating to cash-settled share-based payments and an expense of EUR 640k (H1 2015: EUR 4,308k) relating to equity-settled share-based payments.

As of June 30, 2016, the carrying amount of the liabilities from cash-settled share-based payment obligations is EUR 5k (December 31, 2015: EUR 69k).

Share-based payment obligations as part of acquisitions

See note 5.

6.4. Disclosures on fair value measurement

The following table shows the assets and liabilities measured at fair value:

	Valuation Date	Level 1	Level 2	Level 3
Assets measured at fair value				
---	June 30, 2016	-	-	-
---	December 31, 2015 R	-	-	-
Liabilities for which a fair value is recognized				
Contingent considerations	June 30, 2016	-	-	5,780
Contingent considerations	December 31, 2015 R	-	-	6,574

There were no reclassifications between the different levels during the reporting period.

Of the contingent considerations, EUR 2,655k (December 31, 2015: EUR 3,338k) relates to the acquisition of the Feedo Group and EUR 3,125k (December 31, 2015: EUR 3,236) to the acquisition of Bebitus Retail S.L. See note 5.

6.5. Additional disclosures on financial instruments

The following table shows the carrying amounts and fair values of all financial instruments disclosed in the consolidated financial statements and the allocation of assets and liabilities or parts of statement of financial position items to the measurement categories in accordance with IAS 39 or measurements in accordance with IAS 17:

kEUR	Measurement category pursuant to IAS 39	Carrying amount as of June 30, 2016	Amount recognized in the statement of financial position in accordance with IAS 39			Amount recognized in the statement of financial position in accordance with IAS 17	Fair value as of June 30, 2016
			Amortized cost	Fair value in equity	Fair value through profit or loss		
Financial assets							
Other non-current financial assets	LaR	730	730	-	-	-	730
Trade receivables	LaR	5,485	5,485	-	-	-	5,485
Other current financial assets	LaR / afs	4,577	4,577	-	-	-	4,577
Cash and cash equivalents	LaR	67,116	67,116	-	-	-	67,116
Financial liabilities							
Non-current finance lease liabilities	n.a.	125	-	-	-	125	125
Non-current financial liabilities	FLAC	14	14	-	-	-	14
Other non-current financial liabilities	FLAC / FLAFV	1,109	120	-	989	-	1,109
Trade payables	FLAC	16,468	16,468	-	-	-	16,468
Current financial liabilities	FLAC	10	10	-	-	-	10
Current finance lease liabilities	n.a.	38	-	-	-	38	38
Other current financial liabilities	FLAC / FLAFV	8,221	3,430		4,791	-	8,221
Aggregated by measurement category in accordance with IAS 39							
Available for sale (AfS)	afs	4	4	-	-	-	4
Loans and receivables (LaR)	LaR	77,904	77,904	-	-	-	77,904
Financial liabilities measured at amortized cost (FLAC)	FLAC	20,042	20,042	-	-	-	20,042
Financial liabilities measured at fair value (FLAFV)	FLAFV	5,780	-	-	5,780	-	5,780

kEUR	Measurement category pursuant to IAS 39	Carrying amount as of Dec. 31, 2015 R	Amount recognized in the statement of financial position in accordance with IAS 39			Amount recognized in the statement of financial position in accordance with IAS 17	Fair value as of Dec. 31, 2015 R
			Amortized cost	Fair value in equity	Fair value through profit or loss		
Financial assets							
Other non-current financial assets	LaR / afs	33	33	-	-	-	33
Trade receivables	LaR	2,469	2,469	-	-	-	2,469
Other current financial assets	LaR / afs	2,725	2,725	-	-	-	2,725
Cash and cash equivalents	LaR	88,678	88,678	-	-	-	88,678
Financial liabilities							
Non-current finance lease liabilities	n.a.	54	-	-	-	54	54
Non-current financial liabilities	FLAC	19	19	-	-	-	19
Other non-current financial liabilities	FLAC / FLAFV	3,542	122	-	3,420	-	3,542
Trade payables	FLAC	18,137	18,137	-	-	-	18,137
Current financial liabilities	FLAC	10	10	-	-	-	10
Current finance lease liabilities	n.a.	31	-	-	-	31	31
Other current financial liabilities	FLAC / FLAFV	6,028	2,874		3,154	-	6,028
Aggregated by measurement category in accordance with IAS 39							
Available for sale (AfS)	afs	4	4	-	-	-	4
Loans and receivables (LaR)	LaR	93,901	93,901	-	-	-	93,901
Financial liabilities measured at amortized cost (FLAC)	FLAC	21,162	21,162	-	-	-	21,162
Financial liabilities measured at fair value (FLAFV)	FLAFV	6,574	-	-	6,574	-	6,575

Due to the short-term maturities of cash and cash equivalents, trade receivables and trade payables, other current receivables and assets, and other current liabilities, the fair values for these items are assumed to be equal to the carrying amounts.

The fair values of the financial liabilities correspond with their carrying amounts, since the contractually agreed interest rates do not differ materially from the prevailing market interest rates.

Classifications remained unchanged during the reporting period.

7. Segment reporting

The basis of segmentation is remains unchanged compared to the last consolidated financial statements as of December 31, 2015.

In the first six months, operating segments developed as follows:

	H1 2016				
kEUR	**German Shop**	**International Shops**	**Shopping Clubs**	**Other/Cons.**	**Total**
Revenues	**65,958**	**26,009**	**9,650**	**-42**	**101,575**
EBIT contribution	**-368**	**-10,961**	**-2,891**	**-12**	**-14,232**
Adjustment for share-based payments	117	4,532	3	-	4,652
Costs in connection with expansion	-	117	6	-	123
Costs in connection with reorganization	-	351	-	-	351
Costs inconnection with the ERP system change	114	5	54	-	173
Adjusted EBIT contribution	**-137**	**-5,956**	**-2,828**	**-12**	**-8,933**
as % of revenues	-0.2%	-22.9%	-29.3%		-8.8%
Corporate					-4,757
Earnings before interest and taxes (EBIT)					**-18,989**
Financial result					805
Income taxes					-8
Profit/loss for the period					**-18,192**

	H1 2015 R				
kEUR	**German Shop**	**International Shops**	**Shopping Clubs**	**Other/Cons.**	**Total**
Revenues	**64,434**	**3,355**	**7,237**	**-**	**75,026**
EBIT contribution	**2,689**	**-1,523**	**-2,638**	**-24**	**-1,496**
Adjustment for share-based payments	684	579	256	-	1,519
Costs in connection with expansion	10	76	-	-	86
Costs in connection with reorganization	-	-	-	-	-
Costs inconnection with the ERP system change	-	-	-	-	-
Adjusted EBIT contribution	**3,383**	**-868**	**-2,382**	**-24**	**109**
as % of revenues	5.3%	-25.9%	-32.9%		0.1%
Corporate					-7,443
Earnings before interest and taxes (EBIT)					**-8,939**
Financial result					-96
Income taxes					-1,528
Profit/loss for the period					**-10,563**

In the second quarter, operating segments developed as follows:

	Q2 2016				
kEUR	**German Shop**	**International Shops**	**Shopping Clubs**	**Other/Cons.**	**Total**
Revenues	**31,163**	**13,765**	**4,557**	**-42**	**49,443**
EBIT contribution	**-71**	**-5,306**	**-1,661**	**-10**	**-7,048**
Adjustment for share-based payments	51	2,120	6	-	2,177
Costs in connection with expansion	-	24	-1	-	23
Costs in connection with reorganization	-	104		-	104
Costs inconnection with the ERP system change	114	5	54	-	173
Adjusted EBIT contribution	**94**	**-3,053**	**-1,602**	**-10**	**-4,571**
as % of revenues	0.3%	-22.2%	-35.2%		-9.2%
Corporate					-1,756
Earnings before interest and taxes (EBIT)					**-8,804**
Financial result					756
Income taxes					-8
Profit/loss for the period					**-8,056**

	Q2 2015 R				
kEUR	**German Shop**	**International Shops**	**Shopping Clubs**	**Other/Cons.**	**Total**
Revenues	33,736	1,953	3,688	-	39,377
EBIT contribution	1,531	-787	-1,672	160	-768
Adjustment for share-based payments	139	377	63	-	579
Costs in connection with expansion	10	76	-	-	86
Costs in connection with reorganization	-	-	-	-	-
Costs inconnection with the ERP system change	-	-	-	-	-
Adjusted EBIT contribution	1,680	-334	-1,609	160	-103
as % of revenues	5.0%	-17.1%	-43.6%		-0.3%
Corporate					-1,888
Earnings before interest and taxes (EBIT)					-2,656
Financial result					-87
Income taxes					-1,333
Profit/loss for the period					-4,076

8. Related party disclosures

Pursuant to the principles in IAS 24, the members of the management board and the supervisory board of windeln.de AG are classified as key management personnel. Until June 30, 2016, there were no changes in the staff of those boards. Transactions with related parties have not materially changed in the reporting period compared to the consolidated financial statements 2015.

9. Subsequent events

On June 15, 2016, windeln.de AG announced the appointment of Jürgen Vedie as an additional member of the management board. Jügen Vedie commenced his function on July 1, 2016, and is responsible for logistics, customer service and procurement activities.

In the course of the planned transition into a European Company, the supervisory board was newly elected by the Annual General Meeting on June 17, 2016. The members of the previous supervisory board Dr. Christoph Braun, Dr. Edgar Carlos Lange, Nenad Marovac, David Reis and Willi Schwerdtle have been elected into the new supervisory board. Francesco Rigamonti will resign from the board. Petra Schäfer was newly elected into the supervisory board. The new supervisory board will commence its function when the change in legal structure becomes effective.

By appointment to the management board and supervisory board, Petra Schäfer and Jürgen Vedie qualify as key management personnel and therefore as related parties.

On July 28, 2016, the management board with approval by the supervisory board announced a comprehensive set of measures for a customer-focused streamlining of business activities, improvement of operational processes and cost reductions. It was announced that the business segment Shopping Clubs will be discontinued. The team of windeln.de will be reduced by 100 employees in the course of discontinuing the business segment. The abandonment of the business segment is estimated to incur one-time restructuring expenses in the amount of EUR 2m.

The abandonment of the business segment is expected to occur in Q3 2016. Had the abandonment happened in the first six months of 2016, income statement positions with respect to continued operations would have been as follows: revenues would have amounted to EUR 91,925k, earnings before interest and taxes (EBIT) would have amounted to EUR -16,098k, and net loss would have amounted to EUR 15,300k. Net loss of discontinued operations would have amounted to EUR 2,892k. Revenues, EBIT and adjusted EBIT contribution of the discontinued operating segment Shopping Clubs is detailed in note 7.

Munich, August 24, 2016

Alexander Brand Konstantin Urban Jürgen Vedie Dr. Nikolaus Weinberger

Service

1. Glossary

Site visits

We define Site Visits as the number of series of page requests from the same device and source in the measurement period and include visits to our online magazine. A visit is considered ended when no requests have been recorded in more than 30 minutes. The number of site visits depends on a number of factors including the availability of the products we offer, the level and effectiveness of our marketing campaigns and the popularity of our online shops. Measured by Google Analytics.

Mobile Visit Share

We define Mobile Visit Share (in % of Site Visits) as the number of visits via mobile devices (smartphones and tablets) to our mobile optimized websites divided by the total number of Site Visits in the measurement period. We have excluded visits to our online magazine and visits from China. We exclude visits from China because the most common online translation services on which most of our customers who order for delivery to China rely to translate our website content are not able to do so from their mobile devices, and therefore very few of such customers order from their mobile devices. Measured by Google Analytics.

Mobile Orders

We define Mobile Orders (in % of Number of Orders) as the number of orders via mobile devices to our mobile optimized websites divided by the total Number of Orders in the measurement period. We have excluded orders from China. Measured by Google Analytics.

Active Customers

We define Active Customers as the number of customers placing at least one order in the 12 months preceding the end of the measurement period, irrespective of returns.

Number of Orders

We define Number of Orders as the number of customer orders placed in the measurement period irrespective of returns. An order is counted on the day the customer places the order. Orders placed and orders delivered may differ due to orders that are in transit at the end of the measurement period or have been cancelled. Every order which has been placed, but for which the products in the order have not been shipped (e.g., the products are not available or the customer cancels the order), is considered "cancelled".

Average Orders per Active Customer

We define Average Orders per Active Customer as Number of Orders divided by the number of Active Customers in the measurement period.

Share of Repeat Customer Orders

We define Share of Repeat Customer Orders as the number of orders from Repeat Customers divided by the Number of Orders during the measurement period.

Gross Order Intake

We define Gross Order Intake as the aggregate Euro amount of customer orders placed in the measurement period minus cancellations. The Euro amount includes value added tax and excludes marketing rebates.

Average Order Value

We define Average Order Value as Gross Order Intake divided by the Number of Orders in the measurement period.
Returns (in % of Net Merchandise Value)

Returns

We define Returns (in % of Net Merchandise Value) as the Net Merchandise Value of items returned divided by Net Merchandise Value in the measurement period.

Marketing Cost Ratio

We define Marketing Cost Ratio as marketing costs divided by revenues for the measurement period. Marketing costs consist mainly of advertising expenses, including search engine marketing, online display and other marketing channel expenses, as well as costs for our marketing tools and allocated overhead costs, but not costs related to our loyalty program. Allocated overhead costs include rent and depreciation, but not costs of shared services.

Adj. Fulfillment Cost Ratio

We define Adj. Fulfillment Cost Ratio as fulfillment costs divided by revenues for the measurement period. Fulfillment costs consist of logistics and rental expenses, adjusted to exclude costs of reorganization that are fulfilment related.

Adjusted Other SG&A Expenses (in % of revenues)

We define Adjusted Other SG&A Expenses (in % of revenues) as Adjusted Other SG&A Expenses divided by revenues. Other selling, general and administrative expenses (other SG&A expenses) consist of selling and distribution expenses, excluding marketing costs and fulfilment costs, and administrative expenses as well as other operating income and expenses. Adjusted other SG&A expenses exclude expenses in connection with share-based compensation as well as expenses and income in connection with the IPO, with acquisitions and integration of new subsidiaries and expenses in connection with the expansion of the Group as well as for expenses for reorganization, internal restructuring measures and ERP system change.

Operating Contribution

We define Operating Contribution as adjusted gross profit excluding Marketing Costs and Adjusted Fulfilment Costs. The adjustments of gross profit mainly relate to costs for the ERP system change.

2. Financial Calender

Commerzbank “TMT and Consumer Sektor Conference” in Frankfurt a. M.:	September 1, 2016
Berenberg/Goldman Sachs “German Corporate Conference” in Munich:	September 19 - 20, 2016
Publication of nine month results 2016 by windeln.de AG:	November 15, 2016

Morgan Stanley "Tech, media and Telecom Conference" in Barcelona:	November 16 - 18, 2016
Deutsche Börse "German Equity Forum" in Frankfurt a. M.:	November 21, 2016

3. Imprint

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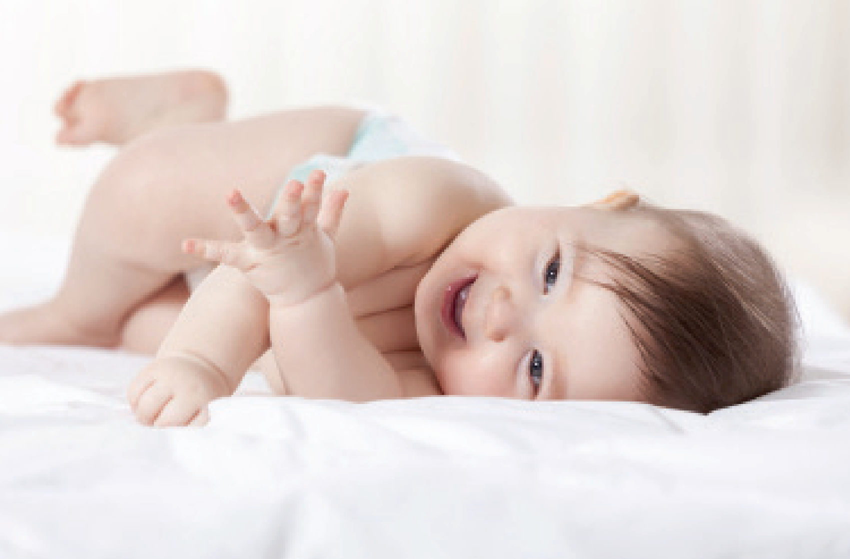
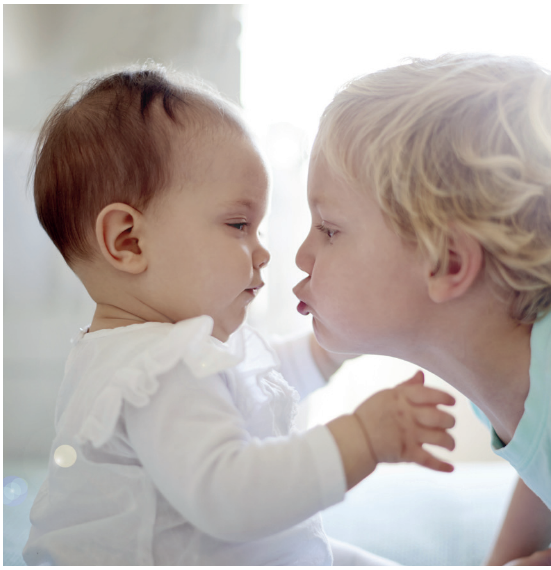
Statement relating to the future

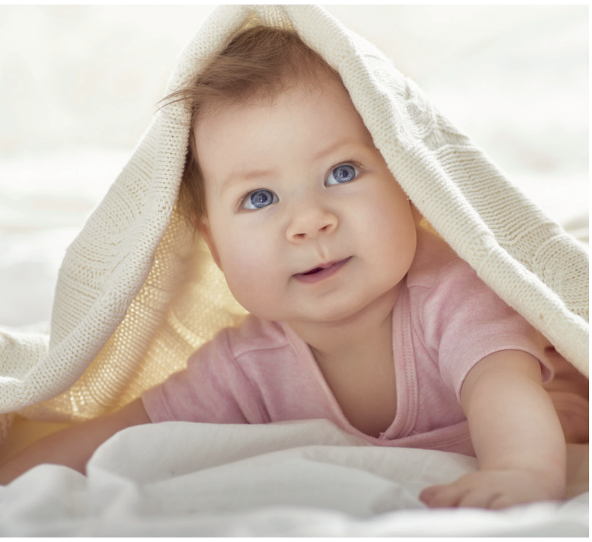
This annual report contains statements that relate to the future and are based on assumptions and estimates made by the management of windeln.de AG. Even if the management is of the opinion that these assumptions and estimates are appropriate, the actual development and the actual future results may vary from these assumptions and estimates as a result of a variety of factors. These factors include, for example, changes to the overall economic environment, the statutory and regulatory conditions in Germany and the EU and changes in the industry.

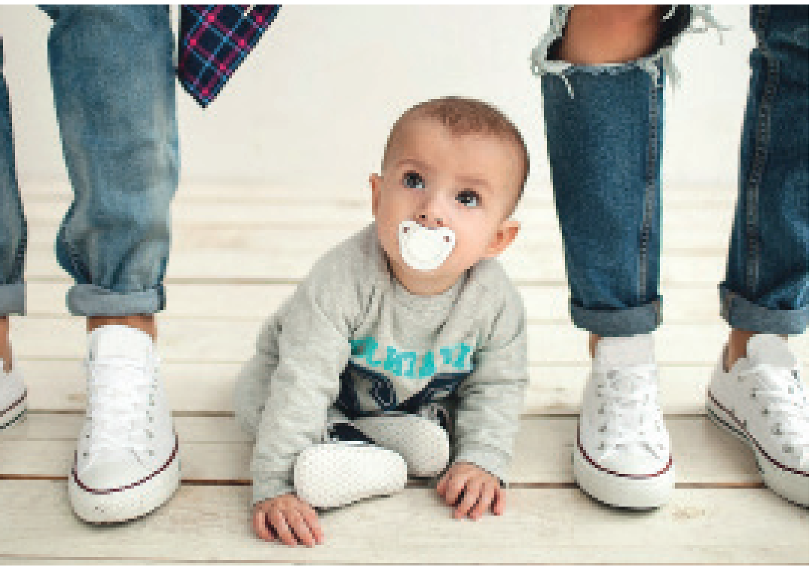
windeln.de AG makes no guarantee and accepts no liability for future development and the actual results achieved in the future matching the assumptions and estimates stated in this interim report. It is neither the intention of windeln.de AG nor does windeln.de AG accept a special obligation to update statements related to the future in order to align them with events or developments that take place after this report is published.

The annual report is available in English. If there are variances, the German version has priority over the English translation. It's is available for download in both languages at https://corporate.windeln.de/









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