

# zooplus

3-monthly report 2013



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Highlights of the first three months of 2013

**Sales and total sales up +32 %  
year-on-year** – zooplus accelerates its European growth trend

**Successful market entry in Turkey  
in Q1 2013**

**Forecast for 2013 confirmed**

– zooplus well on track to achieve total sales of EUR 400 m with positive overall EBITDA



## Share information

### Stock chart zooplus AG: May 9, 2008 to March 28, 2013



### Overview

zooplus AG's shares were introduced to the Frankfurt Stock Exchange's Entry Standard segment on May 9, 2008. Around one and a half years later, on October 22, 2009, the company successfully moved into the Prime Standard segment (which requires the highest transparency and publicity standards in Germany). After continuous positive development in market capitalization and trading volumes, the zooplus AG share ascended to the SDAX on June 29, 2011.

The zooplus share started the financial year 2013 on January 2 at a price of EUR 33.80. From mid-January, the share price rose substantially and reached a high of EUR 45.98 (February 28) during the first quarter. After

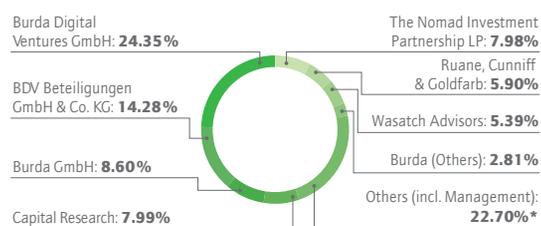
a period of consolidation on the back of the general market development from mid-March, the share price of zooplus AG closed on the final trading day of the first quarter (March 28) at EUR 40.88. Compared with the relevant benchmark indices SDAX and DAX subsector All Retail Internet, the zooplus AG share recorded significantly better development than the market during the period under review, with both indices clearly outperformed.

zooplus AG's market capitalization amounted to EUR 250 m as of the balance sheet date March 28, 2013. Around EUR 125 m of this amount was attributed to free float in accordance with Deutsche Börse AG's definition.

## Analysts

Institution	Analyst	Date	Recommendation	Target price (EUR)
Deutsche Bank	Benjamin Kohnke, Uwe Schupp	03.04.2013	Buy	50.00
Berenberg	Alexandra Schlegel, Gunnar Cohrs	26.03.2013	Sell	29.50
Bankhaus Lampe	Christoph Schlienkamp	26.03.2013	Hold	44.00
Close Brothers Seydler	Martin Decot	25.03.2013	Hold	45.00
Commerzbank	Dennis Schmitt, Florian Treisch	18.04.2013	Buy	50.00
Hauck & Aufhäuser	Sascha Berresch	31.01.2013	Hold	41.00
Numis Securities	Andrew Wade	05.11.2012	Add	32.00

## Shareholder structure



As of: March 31, 2013

Share ownership corresponds with the published voting rights notifications

\* The free float stands at 49.96% according to the Deutsche Börse's definition

## Key data

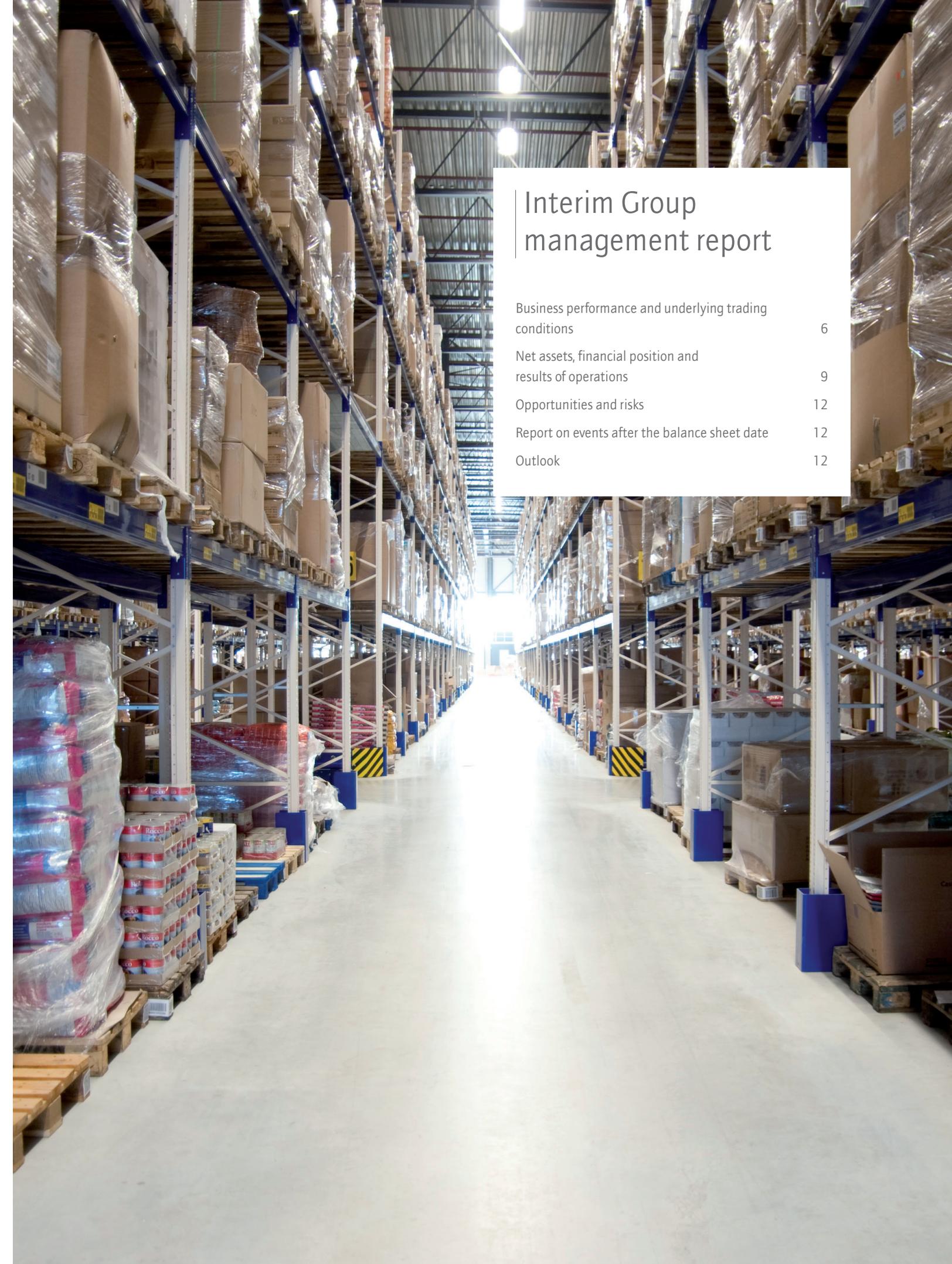
WKN	5111 70
ISIN	DE0005111 702
Ticker symbol	Z01
Trading segment	Regulated market (Prime Standard)
Type of shares	No-par-value ordinary bearer shares
Share capital in EUR as of December 31, 2012	6,100,639.00
Share capital in EUR as of March 31, 2013	6,100,639.00
Number of shares as of March 31, 2013	6,100,639
Initial listing	09.05.2008
Initial issuing price*	EUR 13.00
Share price as of January 2, 2013	EUR 33.80
Share price as of March 28, 2013	EUR 40.88
Percentage change	+20.9%
Period high	EUR 45.98
Period low	EUR 32.85

Closing prices in the Xetra trading system from Deutsche Börse AG

\*This takes into account the capital increase from company resources in July 2011

## Financial calendar 2013

June 5, 2013	Ordinary General Meeting 2013
July 22, 2013	Preliminary sales figures for H1 2013
August 19, 2013	Publication of the H1 semi-annual report 2013
September 23-25, 2013	Berenberg Bank and Goldman Sachs Inaugural German Corporate Conference
October 21, 2013	Preliminary sales figures for Q3 2013
November 11, 2013	Publication of the nine-monthly report 2013
November 11-13, 2013	German Equity Forum



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# Interim Group Management Report of zooplus AG

## Business performance and underlying trading conditions

### Divisions

The Group parent company zooplus AG was founded in Munich in 1999. The Group operates in the field of e-commerce with web-based trading activities focusing on pet supplies for private customers. The zooplus Group is positioned as the clear online market leader in Europe in terms of sales and active customer base.

The overriding goal and prime focus of the business is sustained growth and the expansion of the company's online market leadership in Europe. In this context, zooplus is continuously working to expand its technological infrastructure in an effort to remain the "state-of-the-art" technology leader within its segment.

Overall, zooplus offers its customers around 8,000 food and accessories products for dogs, cats, small animals, birds, reptiles, fish and horses. These include everyday staples such as brand name foods generally available at specialist dealers, zooplus AG's own private labels, as well as specialty articles such as toys, care and hygiene products and other accessories. In addition, zooplus offers its customers a wide range of free content and information on its websites, veterinary and other animal-related advice, plus interactive features such as discussion forums and blogs.

zooplus generates the majority of its sales by selling its own goods from its central warehouses located in Germany and the Netherlands. This central warehousing approach enables the company to ensure rapid standardized quality deliveries with a high level of general product availability to its customers across Europe. In addition, zooplus realizes a small portion of its sales with its so-called "direct line business", in which zooplus directly sells and ships products from selected suppliers from their respective warehouses to zooplus customers. Sales in this area are always generated

through a zooplus-operated Internet platform. Shipments and final mile deliveries are generally made by national and international parcel service providers.

Overall, zooplus' business model is based on a broad product range coupled with efficient supply and delivery processes, as well as clear cut and convenient user interfaces from the customers' perspective.

### Market and competitive environment

#### *Economic environment*

There is still a risk that the effects of the Euro debt crisis could have a significant negative impact on the real European economy. Although the German economy has been able to largely set itself apart from the rest of the Eurozone up to now, economic uncertainties exist which could influence zooplus' business model in the future. The management believes that a key influence on zooplus compared to the general economic overview provided above still remains the development of the specific industry and online retailing environment in the respective individual markets.

#### *Markets and online pet supplies*

zooplus maintains a pan-European presence in 23 countries, which together represent a total annual pet supplies market volume of around EUR 22 bn. The company operates a range of country-specific and international online shops. According to the company's own estimates, zooplus AG is the online market leader in terms of sales and active customer base in all of the high-volume European markets (Germany, France, United Kingdom, the Netherlands, Spain and Italy) and overall within the European Union by a distance. The company also assumes that it is the fastest-growing company in its sector.

As of the start of May 2013, zooplus operated a total of 20 country-specific online shops: In addition to the six high-volume markets stated above, the company also runs online shops in Belgium, Denmark, Finland,

Ireland, Austria, Poland, Romania, Slovakia, Switzerland, Slovenia, Sweden, the Czech Republic, Turkey and Hungary.

zooplus also serves Liechtenstein, Luxembourg and Portugal via the multinational English language pages at zooplus.com.

The company is therefore effectively the dominant provider in the online segment across Europe by a substantial margin compared to smaller local and national competitors.

Overall, zooplus is forecasting a stable to slightly increasing total pet supplies market volume for the coming years. The company is anticipating market growth of around 2 % for 2013 within the European Union. In Germany, around one third of all households have one or more pets. zooplus assumes that the other key high-volume European markets present similar levels. The growth in the market is due to changes in the animal population, as well as a shift in sales towards higher value products and categories within the food and accessories sector ("premiumization").

Overall, the pet supplies market enjoys a very low degree of seasonality as a result of repeat demand patterns, particularly within its food segments. Around 75 % of the total demand at zooplus is generated by the food segment. From the company's point of view, this leads to above-average stability in the demand structure.

zooplus' objective remains to consolidate and extend its online leadership position and to significantly benefit from the anticipated further substantial growth in online retailing overall.

## Group structure

As of March 31, 2013, the scope of fully consolidated members of the Group included zooplus AG, Munich, as well as the following subsidiaries:

	Equity share	
matina GmbH, Munich	100 %	(private label business)
bitiba GmbH, Munich	100 %	(second-brand business)
zooplus service Ltd., Oxford, England	100 %	(service company for the UK)
logistik service center, Mimon, Czech Republic	100 %	(online pharmacy)
zooplus italia s.r.l., Genoa, Italy	100 %	(service company for Italy)
zooplus polska sp. z.o.o., Cracow, Poland	100 %	(service company for Poland)
zooplus services ESP S.L., Madrid, Spain	100 %	(service company for Spain)
zooplus france S.A.R.L., Strasbourg, France	100 %	(service company for France)
zooplus Pet Supplies Import and Trade Ltd., Istanbul, Turkey	100 %	(sales company for Turkey)

The following subsidiaries have not been included in the consolidated financial statements:

- the wholly-owned subsidiary zooplus EE TOV, Kiev, Ukraine with equity of kEUR 10 and founded in the second quarter 2011.
- the wholly-owned subsidiary zooplus Nederland B.V., Rotterdam, the Netherlands, which was founded in November 2012.

Both of these companies did not conduct any business activities during the financial year and are therefore not included in the consolidated financial statements due to their lack of importance.

At the conclusion of the financial year 2012, logistik service center s.r.o. was in liquidation. The company is due to be completely liquidated as planned in the financial year 2013.

## Corporate strategy

The Group aims to significantly expand its existing market leadership within the European online pet supplies segment and thereby substantially increase the company's medium and long-term earnings potential. From the company's point of view, the Internet as well as new Internet-based mobile applications offer enormous potential for further sustained growth within our target markets. The Group is therefore now aiming to position itself so that it can achieve significant positive returns in the medium to long-term by virtue of its size and market leadership.

Given this aim, our activities focus on the following objectives:

- Expanding and increasing our customer base in all major European markets
- Tapping and penetrating further European markets (incl. Eastern Europe and Scandinavia)
- Boosting revenues and contribution margin per customer / year
- Defending and expanding our market leadership

The Management Board views the following key figures as good yardsticks for measuring success

- The Group's total sales and sales as an indicator of success in the market
- EBITDA before one-off items and market development costs as a yardstick for operating performance
- After-tax profit as the key financial figure

The key figures are determined on Group level according to IFRS.

In an effort to achieve its targets, the company utilizes a wide range of financial and non-financial indicators and steering tools, focusing on the following areas:

- Pricing and product range
- New customer acquisition and existing customer management
- Logistics and distribution management
- HR management
- Cost management in all fixed and variable areas
- Working capital management and payment transactions

The top priority is realizing maximum possible growth in connection with the sustained achievement of operating profitability and its continuous increase. Against the backdrop of great expansion opportunities across Europe and wide-ranging untapped potential for boosting earnings, the Group believes this to be the most sensible strategy for long-term growth in the company's value over the coming quarters.

Relevant performance criteria are managed and controlled using process-specific indicators in all areas. These are reviewed regularly and can be adjusted and modified over the short to medium-term if required. In this context, the company attaches particular importance to clearly communicating its key targets to its employees and the general public.

## Development of the zooplus Group in the period under review

In the view of the Management Board, the zooplus Group recorded positive development overall in the reporting period and is on track to achieve its targets for 2013. This is primarily reflected in the growth in sales and the roughly 32% growth in total sales compared to the same period in the previous year. The company was therefore even able to exceed its growth dynamic from the previous year in the first quarter 2013. In the first

three months of the 2013 financial year, 63 % of sales were generated outside of Germany (compared to 56 % in the same period in 2012).

In the period under review, zooplus was able to achieve significant economies of scale in all key operating areas, such as logistics and marketing. At the same time, the company continued to position itself as an attractively priced option. This as well as the one-off expenses as part of the tapping of the Turkish market impacted EBITDA and the consolidated net result as planned in the first quarter 2013. For the full year 2013, the Management Board believes that the company is on track for achieving a positive operating result. The asset and finance situation also remains positive.

zooplus will continue to systematically focus on growth and internationalization in the current financial year, combined with positive operating earnings development.

## Net assets, financial position and results of operations

All of the percentages provided in the following section are approximate figures and may be subject to slight rounding differences compared with the figures of the interim consolidated financial statements.

### Development of total sales and sales

Overall, the Group's total sales were increased by 31.9% in the first three months of the financial year 2013 to EUR 97.0 m compared to EUR 73.6 m in the same period in the previous year. This primarily reflects the organic growth of the company in Germany and abroad. The rise in total sales is essentially the result of a concentrated European growth strategy. The Group's sales in the period under review also rose by 32.0% to EUR 92.8 m compared to EUR 70.3 m in the same period in the first quarter 2012. The share of sales generated abroad rose to a disproportionately high 63 %, following a 56 % share in the previous year period.

The high customer loyalty and repeat purchase rate of existing customers had a significantly positive effect on sales and total sales.

### Development of main expense items

The cost of materials rose to EUR 63.1 m from EUR 45.5 m in the first three months of 2013 compared to the previous year. As a result, the cost of materials ratio achieved increased to 65.1 % in relation to total sales compared to 61.9 % in the same period of the previous year. In turn, the company's net product margin fell from 38.1 % to 34.9 %.

zooplus has positioned itself in the reporting period with substantially more attractive prices, which contributed to a further acceleration in growth. At the same time, the direct expenses for advertising and customer

acquisition were reduced considerably in relation to total sales compared to the previous year, which partially offset this effect. From the company's point of view, striking a balance between generally attractive pricing and specific customer acquisition expenses is decisive to successful long-term growth.

Personnel costs developed by a slightly above-average amount compared to total sales and rose to EUR 4.6 m in the first three months of 2013 compared to EUR 3.3 m in the previous year period. This resulted in a personnel costs ratio of 4.8% (in terms of total sales) for the first three months of 2013 compared to 4.5% for the same period in 2012.

In addition, in the period under review, other expenses increased from EUR 24.4 m in the first quarter 2012 to EUR 29.8 m in the period under review. In contrast, its percentage share in terms of the Group's total sales fell from 33.1% to 30.7%. This change is explained by significant efficiency increases in the field of logistics amongst other things: Expenses on logistics reached a level of 22.7% in relation to total sales, down 0.6 percentage points from 23.3% in the same period of the previous year. In addition, expenses on customer acquisition and marketing fell from EUR 3.4 m to EUR 3.2 m in the first quarter 2013. In relation to total sales, this makes up a level of 3.3%. This positive result was made possible by specific efficiency improvements coupled with an optimized and growth-oriented European pricing policy. Total payment transaction costs amounted to EUR 1.4 m compared to EUR 1.0 m in the previous year period.

The Management Board anticipates that the company will continue to perform well overall in the 2013 financial year from a current perspective.

### **EBITDA and consolidated net result**

In the first three months of 2013, the company posted EBITDA (earnings before interest, taxes, depreciation and amortization) of EUR -0.5 m compared to EUR 0.4 m in the same period of 2012. The consolidated net result came in at EUR -0.6 m compared to EUR 0.1 m in the first three months of the financial year 2012.

The planned decline in the earnings key figures compared to the previous year came about, among other things, as a result of the growth-oriented pricing policy of the company, which has achieved a significant acceleration in sales growth. In addition, one-off start-up losses were incurred as part of the entering of the Turkish market during the first quarter 2013.

### **Net assets and financial position**

As of March 31, 2013, non-current assets totaled EUR 12.0 m compared to EUR 11.1 m as of December 31, 2012. At the same time, current assets stood at EUR 58.3 m as of the reporting date March 31, 2013, compared to EUR 54.3 m as of the end of 2012. The change is largely attributable to the increase in inventories as well as advance payments made. In addition, the initial stocking of the new logistics center in Poland, which is due to enter service in the second quarter 2013, resulted in a rise in inventories.

Equity fell slightly as of March 31, 2013 to EUR 33.6 m compared to EUR 33.9 m as of the reporting date on December 31, 2012. This resulted in an equity ratio of 47.9 % as of March 31, 2013. This means that this key figure lies significantly above the long-term target range of a balance sheet equity ratio between 30 % and 40 %.

Trade payables totaled EUR 16.8 m on March 31, 2013, remaining on a par with the level at the end of 2012. As part of the increase in goods availability, a further EUR 5 m from a line of credit as part of a short-term Euribor loan was used. As a result, financial liabilities rose to EUR 7.0 m as of March 31, 2013 after EUR 2.0 m as of December 31, 2012. The company continues to have flexible lines of credit available worth a total of EUR 17.0 m, of which the named EUR 7.0 m had been used as of March 31, 2013. At EUR 70.3 m, the company's total assets at the end of the reporting period were 8 % up on the level at the end of 2012 (EUR 65.4 m). The company was therefore able to continue to efficiently represent its strong growth on the balance sheet.

Cash flow from operating activities stood at EUR -0.4 m in the period under review compared to EUR -0.1 m in the first three months of 2012. Cash flow from investing activities amounted to EUR -1.9 m compared to EUR -0.1 m in the same period in the previous year. The strong rise resulted from outgoing payments for licenses of the planned transaction system for shop, order management and finance management. Cash flow from financing activities of EUR 5.0 m was posted compared to EUR -16.0 m in the first three months of the previous year. This significant change resulted from the use of funds from the credit line in the first quarter 2013 as well as the repayment of the short-term Euribor loan within the same period in 2012.

In summary, as a retail company, zooplus is subject to substantial volatility with regards to items that are of relevance to both the balance sheet and cash flow, such as inventories, liabilities and VAT. This has led to significantly higher natural fluctuations in these figures during the course of the year as compared to the development of our earnings.

## Opportunities and risks

As an internationally operating group, zooplus is exposed to a wide-ranging variety of business opportunities and risk factors. The dynamic tapping of new markets and the establishment of market-leading positions within the key European markets are the core priorities in our corporate activities. The Management Board therefore established a risk management system at an early stage. Within this system, the company's individual departments are responsible for identifying and evaluating risks as well as developing effective counterstrategies. A list of the main strategic, operational and financial risks can be found in the company's 2012 Annual Report. All of these risks remain relevant and are constantly monitored.

## Report on events after the balance sheet date

The co-founder and CEO of zooplus AG, Dr. Cornelius Patt, extended his contract by a further three years through to the end of 2016 during the period under review. This was announced by the zooplus Group in a press release dated April 18, 2013.

## Outlook

The underlying economic conditions are hardly expected to change in 2013 and 2014 according to the latest forecasts. We are expecting a slight increase in overall sales in our sector over this period of time.

Irrespective of this, however, we anticipate that online shopping will continue to grow further in importance as a sales channel in the coming years. zooplus will benefit substantially from this.

As a result of these two trends, we anticipate an increase in total sales to at least EUR 400 m for the financial year 2013, as well as positive earnings before interest, taxes, depreciation and amortization (EBITDA) in the lower single-digit million range.

We are then expecting a further increase in total sales to at least EUR 500 m and a positive operating result (EBITDA) in the mid single-digit million range for the following year 2014.

In addition, the other strategic and medium-term targets stated in the Annual Report 2012 (Outlook) remain valid.

## Consolidated financial statements and Notes

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## Consolidated balance sheet as of March 31, 2013 according to IFRS

### Assets

in EUR	31.03.2013	31.12.2012
<b>A. NON-CURRENT ASSETS</b>		
I. Property, plant and equipment	629,584.94	680,352.01
II. Intangible assets	3,041,522.33	2,138,421.69
III. Financial assets	20,000.00	70,000.00
IV. Deferred tax assets	8,268,403.39	8,200,532.38
<b>Total non-current assets</b>	<b>11,959,510.66</b>	<b>11,089,306.08</b>
<b>B. CURRENT ASSETS</b>		
I. Inventories	35,120,519.61	32,285,324.82
II. Advance payments	2,258,741.17	599,920.95
III. Trade receivables	9,804,321.92	9,298,986.64
IV. Other current assets	5,339,171.22	9,021,766.86
V. Derivative financial instruments	208,680.28	77,791.23
VI. Cash and cash equivalents	5,589,250.07	2,979,781.66
<b>Total current assets</b>	<b>58,320,684.27</b>	<b>54,263,572.16</b>
	<b>70,280,194.93</b>	<b>65,352,878.24</b>

## Equity and Liabilities

in EUR	31.03.2013	31.12.2012
<b>A. EQUITY</b>		
I. Capital subscribed	6,100,639.00	6,100,639.00
II. Capital reserves	49,561,494.05	49,389,582.73
III. Other reserves	99,183.72	-127,444.67
IV. Profit and Loss carried forward	-22,112,090.20	-21,468,773.85
<b>Total equity</b>	<b>33,649,226.57</b>	<b>33,894,003.21</b>
<b>B. NON-CURRENT LIABILITIES</b>		
<b>Deferred tax liabilities</b>	<b>13,772.25</b>	<b>18,362.99</b>
<b>C. CURRENT LIABILITIES</b>		
I. Trade payables	16,803,932.51	16,847,306.43
II. Financial liabilities	7,000,000.00	2,000,000.00
III. Derivative financial instruments	66,656.44	293,674.05
IV. Other current liabilities	9,579,423.69	9,089,735.97
V. Tax liabilities	43,736.24	66,958.32
VI. Provisions	2,180,391.50	2,229,619.78
VII. Deferred income	943,055.73	913,217.49
<b>Total current liabilities</b>	<b>36,617,196.11</b>	<b>31,440,512.04</b>
	<b>70,280,194.93</b>	<b>65,352,878.24</b>

## Consolidated statement of comprehensive income January 1 to March 1, 2013 according to IFRS

in EUR	Q1 / 2013	Q1 / 2012
Sales	92,808,398.21	70,301,971.00
Other income	4,233,029.05	3,268,992.20
<b>Total sales</b>	<b>97,041,427.26</b>	<b>73,570,963.20</b>
Cost of materials	-63,146,237.81	-45,508,279.76
Personnel costs	-4,609,652.19	-3,305,250.81
of which cash	(-4,437,740.87)	(-3,157,943.19)
of which non-cash	(-171,911.32)	(-147,307.62)
Depreciation	-169,087.65	-188,473.35
Other expenses	-29,826,888.93	-24,366,274.12
of which logistics / fulfillment	(-22,048,344.88)	(-17,146,940.26)
of which marketing	(-3,182,740.32)	(-3,363,072.78)
of which payment	(-1,420,102.3)	(-1,007,419.64)
<b>Earnings before interest and taxes (EBIT)</b>	<b>-710,439.32</b>	<b>202,685.16</b>
Financial income	1,961.01	3,451.76
Financial expenses	-71,045.28	-30,544.93
<b>Earnings before taxes (EBT)</b>	<b>-779,523.59</b>	<b>175,591.99</b>
Taxes on income	136,207.24	-105,034.64
<b>Consolidated net result</b>	<b>-643,316.35</b>	<b>70,557.35</b>
Differences from currency translation	-13,258.55	176.42
Hedge reserve	239,886.94	0.00
<b>Comprehensive income</b>	<b>-416,687.96</b>	<b>70,733.77</b>
<b>Earnings per share</b>		
basic (EUR / share)	-0.11	0.01
diluted (EUR / share)	-0.11	0.01

## Group cash flow statement

### January 1 to March 31, 2013 according to IFRS

in EUR	Q1 / 2013	Q1 / 2012
<b>Cash flows from operating activities</b>		
Earnings before taxes	-779,523.59	175,591.99
Allowances for:		
Depreciation	169,087.65	188,473.35
Non-cash personnel costs	171,911.32	147,307.62
Other non-cash expenses / income	1,586,741.45	8,904.27
Financial expenses	71,045.28	30,544.93
Financial income	-1,961.01	-3,451.76
Changes in:		
Inventories	-2,835,194.79	68,225.53
Advance Payments	-1,658,820.22	-2,020,034.59
Trade receivables	-505,335.28	-801,636.49
Other current assets	3,682,595.64	2,746,725.14
Trade payables	-743,461.92	-179,673.73
Other liabilities	489,687.72	-868,169.98
Provisions	-49,228.28	430,408.23
Deferred income	29,838.24	0.00
Taxes on income	0.00	-6,210.00
Interest received	1,961.01	3,451.76
<b>Cash flows from operating activities</b>	<b>-370,656.78</b>	<b>-79,543.73</b>
<b>Cash flows from investing activities</b>		
Payments for financial investments	0.00	-25,973.22
Payments for property, plant and equipment / intangible assets	-1,921,800.88	-63,304.64
<b>Cash flows from investing activities</b>	<b>-1,921,800.88</b>	<b>-89,277.86</b>
<b>Cash flows from financing activities</b>		
Cash-inflow from bank loans	5,000,000.00	0.00
Cash-outflow from bank loans	0.00	-16,000,000.00
Interest paid	-71,045.28	-30,544.93
<b>Cash flows from financing activities</b>	<b>4,928,954.72</b>	<b>-16,030,544.93</b>
Influence from currency effects on cash and cash equivalents	-27,028.65	0.00
<b>Cash flows from financing activities</b>	<b>2,609,468.41</b>	<b>-16,199,366.52</b>
Cash and cash equivalents at the beginning of the period	2,979,781.66	23,466,124.34
Cash and cash equivalents at the end of the period	5,589,250.07	7,266,757.82
<b>Composition of funds balance at the end of the period</b>		
Cash on hand, bank deposits, cheques	5,589,250.07	7,266,757.82
	<b>5,589,250.07</b>	<b>7,266,757.82</b>

## Group statement of changes in equity as of March 1, 2013 according to IFRS

in EUR	Capital subscribed	Capital reserves	Contributions made for corporate actions	Other reserves	Profit or loss carried forward	Total
<b>As of January 1, 2013</b>	<b>6,100,639.00</b>	<b>49,389,582.73</b>	<b>0.00</b>	<b>-127,444.67</b>	<b>-21,468,773.85</b>	<b>33,894,003.21</b>
Additions from stock options	0.00	171,911.32	0.00	0.00	0.00	171,911.32
Currency translation differences	0.00	0.00	0.00	-13,258.55	0.00	-13,258.55
Net result Q1 2013	0.00	0.00	0.00	0.00	-643,316.35	-643,316.35
Hedge Reserve	0.00	0.00	0.00	239,886.94	0.00	239,886.94
<b>As of March 31, 2013</b>	<b>6,100,639.00</b>	<b>49,561,494.05</b>	<b>0.00</b>	<b>99,183.72</b>	<b>-22,112,090.20</b>	<b>33,649,226.57</b>
<b>As of January 1, 2012</b>	<b>5,631,138.00</b>	<b>29,565,812.12</b>	<b>19,670,996.19</b>	<b>11,245.94</b>	<b>-19,356,695.11</b>	<b>35,522,497.14</b>
Additions from stock options	0.00	147,307.62	0.00	0.00	0.00	147,307.62
Currency translation differences	0.00	0.00	0.00	176.42	0.00	176.42
Net result Q1 2012	0.00	0.00	0.00	0.00	70,557.35	70,557.35
Capital increase from authorized capital 2012	469,261.00	19,201,735.19	-19,670,996.19	0.00	0.00	0.00
<b>As of March 31, 2012</b>	<b>6,100,399.00</b>	<b>48,914,854.93</b>	<b>0.00</b>	<b>11,422.36</b>	<b>-19,286,137.76</b>	<b>35,740,538.53</b>

# Notes

## Explanatory notes on the interim consolidated financial statements

### Accounting principles

This three-month report ending March 31, 2013 was drawn up in accordance with the International Financial Reporting Standards as they are to be applied in the European Union (EU). These consolidated financial statements conform with IAS 34 "Interim Financial Reporting".

The same accounting and measurement principles were applied as in the consolidated financial statements for the financial year ending December 31, 2012.

Disclosures on fair value measurement:

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The following table shows financial instruments which are measured at fair value, analyzed according to the method of valuation. The different levels are as follows:

- Level 1: The market prices (unadjusted) used on an active market for identical assets and liabilities
- Level 2: Including data, excluding the market prices stated in level 1, which is either directly or indirectly observable (i.e. can be derived from the price) for the assets and liabilities
- Level 3: Data for the assets and liabilities is not exclusively derived from market data

The following table shows the assets and liabilities that are measured at fair value as of March 31, 2013.

	Level 1	Level 2	Level 3
<b>Assets in EUR thousand</b>			
Derivative financial instruments as hedging instruments	0	209	0
<b>Liabilities in EUR thousand</b>			
Derivative financial instruments as hedging instruments	0	67	0

The following table shows the assets and liabilities that are measured at fair value as of December 31, 2012.

	Level 1	Level 2	Level 3
<b>Assets in EUR thousand</b>			
Derivative financial instruments as hedging instruments	0	78	0
<b>Liabilities in EUR thousand</b>			
Derivative financial instruments as hedging instruments	0	294	0

The fair value of financial instruments which are traded on the active market is based on the market price trading on the balance sheet date. A market is regarded as active when listed market prices are easily and regularly available on the stock market, from a trader, broker, an industry group, a pricing service or a supervisory body and these market prices correspond to current and regular transactions between third parties. For assets held by the Group, the appropriate quoted market price corresponds with the buying price offered by the buyer.

The fair value of the financial instruments that are not traded on an active market (e.g. over the counter derivatives) is determined using a valuation method. The fair value is therefore determined using the results of a valuation method which is based to the greatest extent possible on market data and as little as possible on company-specific data. If all data required for the fair value is observable, the instrument is allocated to level 2. If one or more of the important pieces of data is not based on observable market data, the instrument is assigned to level 3.

Specific measurement methods used for the measurement of financial instruments include present value models based on market data valid on the reporting date.

### Additional information on financial instruments

The following table displays the carrying amount and fair value of all of the financial instruments contained in the consolidated financial statements and shows the allocation of the assets and liabilities as well as the parts of the balance sheet items to the measurement categories pursuant to IAS 39:

EUR thousand	Measurement category	Carrying amount		Fair value	
		31.03.2013	31.12.2012	31.03.2013	31.12.2012
<b>Financial assets</b>					
Accounts receivable	LaR	9,804	9,299	9,804	9,299
Other financial assets	AfS	20	70	n / a	n / a
Other current assets	LaR	1,207	6,743	1,207	6,743
Derivative financial instruments	n / a	209	78	209	78
Cash and cash equivalents	LaR	5,589	2,980	5,589	2,980
<b>Total</b>		<b>16,829</b>	<b>19,170</b>	<b>16,809</b>	<b>19,100</b>
<b>Financial liabilities</b>					
Financial debt	FLaC	7,000	2,000	7,000	2,000
Trade payables	FLaC	16,804	16,847	16,804	16,847
Derivative financial instruments	n / a	67	294	67	294
Other current liabilities	FLaC	2,777	2,643	2,777	2,643
<b>Total</b>		<b>26,648</b>	<b>21,784</b>	<b>26,648</b>	<b>21,784</b>

LaR (Loans and Receivables)

AfS (Available for Sale)

FLaC (Financial Liability at Cost)

The market values of the cash and cash equivalents, trade receivables, current assets, trade payables and other current liabilities as of March 31, 2013 and December 31, 2012 correspond to their carrying amounts. This is primarily due to these instruments' short terms.

For the other financial assets (interests in non-consolidated Group companies), an active market or traded price cannot be used for measurement, and the fair value cannot be determined in another way, which is why a disclosure of the fair value is omitted. These instruments are not intended to be sold.

The Group's financial liabilities are all short-term and have a maturity of up to one year. The repayments of the existing financial liabilities are made from operating cash flow.

Grouped according to the measurement categories of IAS 39, the figures break down as follows:

EUR thousand	Measurement category	Carrying amount		Fair value	
		31.03.2013	31.12.2012	31.03.2013	31.12.2012
<b>Financial assets</b>					
Loans and Receivables	LaR	16,600	19,022	16,600	19,022
Available for Sale	AfS	20	70	n / a	n / a
<b>Financial liabilities</b>					
Financial Liability at Cost	FLaC	26,581	21,490	26,581	21,490

LaR (Loans and Receivables)

AfS (Available for Sale)

FLaC (Financial Liability at Cost)

## Scope of consolidation

As of March 31, 2013, the scope of fully consolidated members of the Group included zooplus AG, Munich, as well as the following subsidiaries:

	Equity share	
matina GmbH, Munich	100 %	(private label business)
bitiba GmbH, Munich	100 %	(second-brand business)
zooplus service Ltd., Oxford, England	100 %	(service company for the UK)
logistik service center, Mimon, Czech Republic	100 %	(online pharmacy)
zooplus italia s.r.l., Genoa, Italy	100 %	(service company for Italy)
zooplus polska sp. z.o.o., Cracow, Poland	100 %	(service company for Poland)
zooplus services ESP S.L., Madrid, Spain	100 %	(service company for Spain)
zooplus france S.A.R.L, Strasbourg, France	100 %	(service company for France)
zooplus Pet Supplies Import and Trade Ltd., Istanbul, Turkey	100 %	(sales company for Turkey)

The following subsidiaries have not been included in the consolidated financial statements:

- the wholly-owned subsidiary zooplus EE TOV, Kiev, Ukraine with equity of kEUR 10 and founded in the second quarter 2011.
- the wholly-owned subsidiary zooplus Nederland B.V., Rotterdam, the Netherlands, which was founded in November 2012.

As of the reporting date March 31, 2013, neither company was performing business operations. Both are of minor significance and have therefore not yet been included in the consolidated financial statements.

### **Segment reporting**

The zooplus Group only operates in one business segment – the sale and distribution of pet supplies in EU and European states. The range of products distributed by the company is homogenous and cannot be sub-divided. As an Internet retailer, the company distributes its products centrally from one location irrespective of the geographic location of the customers. No geographic segments therefore exist pursuant to IFRS. No segment reporting currently takes place internally either. Consequently, the Group does not provide or produce any segment-oriented reports.

### **Earnings per share**

Undiluted earnings per share are calculated as a quotient from earnings for the period to be allocated to bearers of ordinary shares of the parent company and the weighted average of ordinary shares in circulation during the reporting period. The consolidated net result for the first three months of 2013 was EUR -0.6 m (previous year: EUR 0.1 m). The average number of shares in the first quarter of the year stands at 6,100,639. This results in undiluted earnings per share of EUR -0.11 (previous year: EUR 0.01).

Diluted earnings per share are calculated by dividing the earnings for the period to be allocated to bearers of ordinary shares of the parent company by the weighted average quantity of ordinary shares in circulation during the reporting period plus the share equivalents leading to the dilution. This results in notional earnings of EUR -0.11 per share (previous year: EUR 0.01).

### **Disclosure pursuant to article 37w, section 5, of the German Securities Trading Act (WpHG)**

These interim financial statements and the Interim Management Report, like all regular company interim reports, have not been subjected to review by an auditor of annual accounts.

### **German Corporate Governance Code**

zooplus AG's corporate governance declaration based upon section 161 of the German Stock Corporation Act (AktG) and in accordance with the German Governance Code has been published and can be accessed online under <http://investors.zooplus.com/de/ir/cgk>.

Munich, May 21, 2013

The Management Board

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This interim report is also available in German. In case of discrepancies the German version prevails.

A digital version of this zooplus AG interim report as well as the annual reports can be downloaded from the Investor Relations section of [www.zooplus.com](http://www.zooplus.com).

## **Forward looking Statements**

This report contains forward-looking statements. These statements are based on current experience, estimates and projections of the management and currently available information. They are not guarantees of future performance, involve certain risks and uncertainties that are difficult to predict, and are based upon assumptions as to future events that may not be accurate. Many factors could cause the actual results, performance or achievements to be materially different from those that may be expressed or implied by such statements. Such factors include those discussed in the Risk Report on page 12. We do not assume any obligation to update the forward-looking statements contained in this report.



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