

Announcement 9 2014/15  
Allerød, 21 August 2014

## Interim report - Q1 2014/15 (1 April – 30 June 2014)

### Strong and stable earnings – solid market position retained

Q1 2014/15 revenue grew 3.0% year on year to DKK 827 million. Like-for-like growth was 1.4% in Q1 2014/15, including a minor negative calendar effect. EBITA was DKK 130 million in Q1 2014/15 equivalent to an EBITA margin of 15.8%, down from 16.9% in the year-earlier period. The guidance for earnings and the financial targets for the full year are retained although the growth rate fell slightly short of expectations.

Terje List, Chief Executive Officer, said: *"We have noted that the Danish retail market remains difficult, contributing to dampening revenue growth, which, at the rate of 3% in Q1, was slightly below our expectations. However, thanks to our robust business model, we again successfully retained our position in the market, which we expect will benefit us in the remaining part of the year."*

- Q1 2014/15 revenue grew 3.0% year on year to DKK 827 million. Like-for-like growth was 1.4% and was adversely affected by fewer business days this year than in Q1 2013/14. The consolidation of acquired operations accounted for 1.6% of the revenue growth in Q1 2014/15.
- Q1 gross profit was DKK 386 million, equivalent to a gross margin of 46.7%, up from 46.6% in Q1 2013/14.
- EBITA was DKK 130 million in Q1 2014/15 equivalent to an EBITA margin of 15.8%, down from 16.9% in the year-earlier period.
- Profit after tax for the period was DKK 68 million, and adjusted profit after tax net of amortisation of trademarks was DKK 82 million (Q1 2013/14: DKK 82 million).
- Cash generated from operations increased to DKK 184 million in Q1 2014/15 (Q1 2013/14: DKK 46 million). The free cash flow was an inflow of DKK 156 million (Q1 2013/14: an inflow of DKK 3 million).
- Net interest bearing debt was DKK 1,468 million at 30 June 2014, equivalent to 2.4x LTM adjusted EBITDA before exceptional items as compared to 2.9x at the end of Q1 2013/14.
- At the Annual General Meeting held on 30 June 2014, a resolution was passed to declare a dividend of 5.50 per share of DKK 2.50, equivalent to a total dividend of DKK 224 million, which will be recognised in the cash flow statement for Q2 2014/15.
- Club Matas continued the net membership growth in Q1, retaining its position as the largest customer club in Denmark.

## Outlook for 2014/15

The financial targets for the Group for 2014/15 are unchanged as follows:

- Revenue is expected to be around DKK 3.5 billion, assuming like-for-like growth of 2-3% after taking into account a negative calendar effect.
- The EBITA margin is expected to be on a level with the 2013/14 EBITA margin, which was 17.1%.

The Danish retail market was challenging in the first quarter of the financial year with continuing weak demand among consumers despite an improvement in consumer confidence. The financial targets for 2014/15 are based on an assumption of unchanged market conditions in the near term but an increase in consumption towards the end of the financial year. Moreover, it is expected that the Group will be in a position to continue to grow its market share.

## Conference call

Matas will host a conference call for investors and analysts on Thursday, 21 August at 11:00 a.m. The conference call and presentation will be available on our investor website: [investor.en.matas.dk](http://investor.en.matas.dk).

Conference call access numbers for investors and analysts:

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## Forward-looking statements

*The interim report contains statements relating to the future, including statements regarding Matas A/S' future operating results, financial position, cash flows, business strategy and plans for the future. The statements can be identified by the use of words such as "believes", "expects", "estimates", "projects", "plans", "anticipates", "continues" and "intends" or any variations of such words or other words with similar meaning. The statements are based on management's reasonable expectations and forecasts at the time of the disclosure of the report. Any such statements are subject to risks and uncertainties, and a number of different factors, of which many are beyond Matas A/S' control, can mean that the actual development and the actual results will differ significantly from the expectations contained in the interim report. Without being exhaustive, such factors include general economic and commercial factors, including market and competitive matters, supplier issues and financial issues.*

# Key financials

(DKK millions)	2014/15 Q1	2013/14 Q1
<b>Statement of comprehensive income</b>		
Revenue	827.2	803.0
Gross profit	385.9	374.1
EBITDA	144.6	122.4
Operating profit	111.3	88.6
Profit before tax	91.6	54.7
Profit for the period	67.6	42.6
Net exceptional items	0.0	28.1
EBITDA before exceptional items	144.6	150.5
EBITA	130.3	135.8
Adjusted profit after tax	81.9	81.7
<b>Statement of financial position</b>		
Total assets	5,689.4	5,518.2
Total equity	2,444.0	2,387.0
Net working capital	-156.8	9.8
Net interest-bearing debt	1,467.9	1,775.8
<b>Statement of cash flows</b>		
Cash flow from operating activities	172.3	30.3
Cash flow from investing activities	-16.2	-27.1
Free cash flow	156.1	3.2
<b>Ratios</b>		
Revenue growth	3.0%	3.7%
Like-for-like growth	1.4%	2.5%
Gross margin	46.7%	46.6%
EBITDA margin	17.5%	15.2%
EBITDA margin before exceptional items	17.5%	18.7%
EBITA margin	15.8%	16.9%
EBIT margin	13.5%	11.0%
Cash conversion	121.9%	41.9%
Earnings per share, DKK	1.66	1.04
Diluted earnings per share, DKK	1.66	1.04
Share price, end of period, DKK	154.5	119.0
Return on invested capital, pre-tax (LTM)	15.4%	12.9%
Return on invested capital, pre-tax and excluding goodwill (LTM)	109.0%	76.7%
Net working capital as a percentage of revenue	-4.7%	0.3%
Investments as a percentage of revenue	2.0%	3.4%
Net interest bearing debt / Adjusted EBITDA	2.4	2.9
Average number of employees	2,192	2,072

For definitions of key financials, see page 73 of the 2013/14 Annual Report.

# Management's review

## Revenue in Q1 2014/15

Matas generated revenue of DKK 827 million in Q1 2014/15, equivalent to a year-on-year growth rate of 3.0%.

Sales in Matas' own retail stores grew 6.2% year on year, while wholesale sales to associated Matas stores were down by 40.6% as a result of the acquisition of associated stores during the period. Adjusted for stores acquired, a 1% year-on-year underlying growth in wholesale sales to associated stores was recorded.

Sales to stores operated by the Group in both Q1 2014/15 and Q1 2013/14 (like-for-like growth) grew by 1.4% and was adversely affected by a minor calendar effect. Both transaction numbers and average basket size showed organic growth. Online sales also continued the high year-on-year growth rates.

The market for beauty, health and personal care products remained challenging in Q1 and, in line with many other segments of the Danish retail market, it did not see an increase in demand. With a focus on execution in sales, marketing and product flows, Matas managed to achieve a slight increase in market share in Q1 2014/15. In the short term, market conditions are expected to be unchanged until the current increase in consumer confidence begins to materialise into increased product consumption by the households.

The consolidation of acquired operations lifted revenue from Matas's own retail stores by approximately 5% year on year.

### REVENUE BY SALES CHANNEL

(DKK millions)	2014/15 Q1	2013/14 Q1	Growth
Beauty	589.1	552.1	6.7%
Vital	76.3	76.4	(0.1)%
Material	74.6	68.4	9.1%
MediCare	45.9	44.8	2.5%
Other including Sweden	8.9	6.8	30.9%
<b>Total revenue from own retail stores</b>	<b>794.8</b>	<b>748.5</b>	<b>6.2%</b>
Sales of goods to associated stores	32.4	54.5	(40.6)%
<b>Total revenue</b>	<b>827.2</b>	<b>803.0</b>	<b>3.0%</b>

Note: Product sales from StyleBox are included in Beauty, while sales of services are included in Other.

Sales in all product areas were favourably affected by the acquisition of associated stores.

The Beauty area offers everyday and luxury beauty products and personal care products, including cosmetics, fragrance, skincare and hair-care products. Revenue from the Beauty segment grew by 6.7% in Q1, of which acquired operations accounted for approximately 5.2 percentage points. Both Mass Beauty and High-end Beauty saw fair year-on-year growth in Q1 2014/15, and the market shares for these segments increased.

The Beauty segment's share of total revenue from Matas' own retail stores rose in Q1 2014/15 to 74.1% from 73.8% in the year-earlier period.

The Vital Shop segment, which consists of vitamins, minerals and supplements, saw a downturn in revenue of 0.1% in Q1 2014/15, including acquired operations. After several quarters of fair growth in the Vital Shop segment, a decline was recorded in Q1, driven by lower sales within certain supplement products.

Revenue from the Material Shop segment, which comprises products for handling complex household issues as well as footcare, sports, and other products, again grew faster than the other segments, driven in particular by good performance in the field of footcare. The overall growth rate of the Matas Material segment was 9.1%. Acquired operations accounted for approximately 4.4 percentage points of this growth.

The MediCare segment, which offers OTC medicine and healthcare products, recorded a 2.5% increase in revenue in Q1. Excluding the effect from acquired stores, revenue was down by 1.7% in Q1 2014/15, adversely affected by sales of e.g. smoking cessation products.

The number of members of the Club Matas loyalty programme continued to grow in Q1 2014/15. Both the development and roll-out of products to increase the value of the loyalty programme in the years ahead follow the plans made.

ClubM also continued its net growth and currently has 18 external partners.

As at 30 June 2014, the Matas chain still had 295 retail stores, divided into 272 own retail stores and 23 associated stores. In StyleBox, the number of stores was unchanged at five plus an online store throughout Q1 2014/15.

## Costs and operating profit

Gross profit in Q1 2014/15 was DKK 386 million (Q1 2013/14: DKK 374 million).

The gross margin for Q1 2014/15 was 46.7% (Q1 2013/14: 46.6%). The increase in the gross margin in Q1 2014/15 was, thus, attributable to the growth in revenue. The consolidation of acquired operations had a slightly positive effect on the gross margin in Q1 2014/15, which was, however, partially offset by normal fluctuations and the still very competitive market.

Other external costs were down by DKK 11.7 relative to Q1 2013/14. However, adjusted for one-off items related to the IPO in Q1 2013/14 of DKK 18.0 million, other external costs increased by DKK 6.3 million or 8.6%, which was primarily attributable to acquired operations. Other external costs as a percentage of revenue increased to 9.6% in Q1 2014/15 from 9.1%, excluding exceptional items in the year-earlier period, which was attributable to higher IT and distribution costs.

Staff costs rose by DKK 1.3 million year on year in Q1 2014/15. Excluding one-off items related to the IPO in Q1 2013/14 of DKK 10.1 million, staff costs increased by DKK 11.4 million or 7.6%, which was primarily attributable to acquired operations. As a percentage of revenue, staff costs rose to 19.6% in Q1 2014/15 from 18.8% excluding exceptional items in the year-earlier period. The increase was due to higher costs at the central warehouse facility and an increased level of activity at the head office, whereas the percentage of payroll costs fell in the retail stores. Q1 staff costs include DKK 0.4 million related to the company's long-term share compensation programme. It is expected that staff costs as a percentage of revenue in 2014/15 will be marginally higher than in 2013/14.

Overall, developments in other external costs and staff costs in Q1 2014/15 were as expected.

### DEVELOPMENTS IN COSTS

(DKK millions)	2014/15 Q1	2013/14 Q1
Other external costs	79.2	90.9
- of which net exceptional items (related to the IPO in June 2013)	0.0	18.0
Other external costs before exceptional items as a percentage of revenue	9.6%	9.1%
Staff costs	162.1	160.8
- of which net exceptional items (related to the IPO in June 2013)	0.0	10.1
Staff costs before exceptional items as a percentage of revenue	19.6%	18.8%

EBIT was DKK 111 million in Q1 2014/15. EBITA was down by 4% to DKK 130 million, equivalent to an EBITA margin of 15.8% (Q1 2013/14: 16.9%). This was in line with expectations and was due to the higher cost rates.

EBITDA in Q1 2014/15 was DKK 144.6 million, which was 3.9% lower than in the year-earlier period when adjusted for one-off costs related to the IPO in Q1 2013/14. This brought the EBITDA margin to 17.5%, representing an underlying decline of 1.3 percentage point.

## DEVELOPMENTS IN EBITA

(DKK millions)	2014/15 Q1	2013/14 Q1	Growth
Operating profit	111.3	88.6	25.6%
Net exceptional items (related to the IPO in June 2013)	0.0	28.1	
Amortisation of intangible assets	19.0	19.1	
EBITA	130.3	135.8	(4.1)%
EBITA margin	15.8%	16.9%	

## Financial items and tax

Total financial expenses were down by DKK 14.2 million in Q1 2014/15 to DKK 19.7 million.

In Q1 2014/15, a fair value adjustment of an interest rate swap in the amount of minus DKK 9.1 million was recognised. Net interest expenses excluding fair value adjustments were DKK 10.6 million, which was a DKK 4.8 million year-on-year decline when excluding a write-off of previously capitalised financing costs of DKK 18.5 million in Q1 2013/14.

## DEVELOPMENTS IN NET INTEREST EXPENSES

(DKK millions)	2014/15 Q1	2013/14 Q1
Net financials	19.7	33.9
Fair value adjustment of interest rate swap	(9.1)	0.0
Write-off of capitalised financing costs	0.0	(18.5)
Net interests expenses	10.6	15.4

## Profit for the period

The effective tax rate in Q1 2014/15 was 26.2%, equivalent to a tax expense of DKK 24.0 million. Profit for the period after tax was DKK 68 million, and adjusted profit after tax was DKK 81.9 million, representing a year-on-year increase of 0.2%.

## Statement of financial position

Total assets stood at DKK 5,689 million at 30 June 2014 (30 June 2013: DKK 5,518 million).

Current assets totalled DKK 1,170 million, representing a year-on-year increase of DKK 149 million. Inventories were 6% higher at the end of Q1 2014/15 than at the end of Q1 2013/14 including additions from acquired operations and store openings. Inventories accounted for 21.5% of the past 12 months' revenue at the end of Q1 2014/15 compared to 21.2% a year earlier, and 18.2% at the end of Q4 2013/14. The increase was due to inventory build up for the summer season and a temporary increase in inventories. Matas is still working to optimise the level of cash tied up in inventories and the reliability of delivery to the retail stores.

Trade receivables declined by DKK 64 million to DKK 33 million caused by a new agreement on shorter settlement periods for credit card sales. Trade creditors were up by DKK 142 million, which was attributable to the increase in the value of inventories, better credit terms and a number of more arbitrary leads and lags in connection with payments to creditors at the end of the quarter.

Cash and cash equivalents stood at DKK 296 million (30 June 2013: DKK 211 million). The increase was attributable to a better cash flow.

Net working capital stood at minus DKK 157 million at 30 June 2014, which was a year-on-year improvement of DKK 167 million. Net working capital accounted for approximately minus 4.7% of revenue for the past 12 months, as compared with 0.3% last year.

Equity stood at DKK 2,444 million at 30 June 2014 (30 June 2013: DKK 2,387 million).

Interest-bearing gross debt stood at DKK 1,764 million at 30 June 2014.

Net interest bearing debt was DKK 1,468 million at 30 June 2014, representing a year-on-year reduction of DKK 308 million. Net interest bearing debt represents 2.4x LTM EBITDA before exceptional items.

The Group held 97,777 treasury shares at 30 June 2014, equivalent to 0.2% of the share capital. The remaining treasury shares will be held to meet certain obligations to deliver shares under the Group's long-term incentive programme.

### Statement of cash flows

Cash generated from operations totalled DKK 184 million in Q1 2014/15 (Q1 2013/14: DKK 46 million) driven by the increase in profit as well as the reduction of working capital.

The cash flow from operating activities was DKK 172 million in Q1 2014/15 (Q1 2013/14: DKK 30 million).

The cash flow from investing activities was DKK 16 million, which was attributable to maintenance investments in the store network and IT investments. The cash flow from investing activities includes DKK 4 million from the acquisition of subsidiaries, relating to the stores acquired in March 2014.

The free cash flow was DKK 156 million in Q1 2014/15.

### Return on invested capital

The return on invested capital before tax in the past 12 months was 15.4% (109.0% excluding goodwill), as compared to 12.9% a year earlier.

### Events after the balance sheet date of the interim report

No significant events have occurred after the balance sheet date of the interim report.

### Significant risks

As stated in the 2013/14 Annual Report, no significant operational risks are deemed to exist other than what is normal in the industry. Matas is to some extent exposed to different types of financial risk such as interest-rate, liquidity and credit risk. See note 28 to the consolidated financial statements for 2013/14 for additional information on this risk.

# Statement by the Board of Directors and the Executive Management

The Board of Directors and the Executive Management today considered and adopted the interim report of Matas A/S for the period 1 April to 30 June 2014.

The interim report, which has been neither audited nor reviewed by the company's auditors, was prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion, the interim report gives a true and fair view of the Group's assets and liabilities and financial position at 30 June 2014 and of the results of the Group's operations and cash flows for the period 1 April–30 June 2014.

Furthermore, in our opinion the management review includes a fair review of the development and performance of the business, the results for the period and of the Group's financial position in general and describes the principal risks and uncertainties that it faces.

Allerød, 21 August 2014

## Executive Management

Terje List  
Chief Executive Officer

Anders T. Skole-Sørensen  
Chief Financial Officer

## Board of Directors

Lars Vinge Frederiksen  
Chairman

Lars Frederiksen  
Deputy Chairman

Ingrid Jonasson Blank

Christian Mariager

Birgitte Nielsen



## Additional information

### Financial calendar

The financial year covers the period 1 April – 31 March, and the following dates have been fixed for releases etc. in the financial year 2014/15:

18 November 2014	Q2 interim report 2014/15
4 February 2015	Q3 interim report 2014/15
28 May 2015	Annual report 2014/15
24 June 2015	Annual general meeting

### Company information

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Company reg. (CVR) no. 27 52 84 06

# Statement of comprehensive income

(DKK millions)	2014/15 Q1	2013/14 Q1
Revenue	827.2	803.0
Cost of goods sold	(441.3)	(428.9)
<b>Gross profit</b>	<b>385.9</b>	<b>374.1</b>
Other external costs	(79.2)	(90.9)
Staff costs	(162.1)	(160.8)
Amortisation, depreciation and impairment losses	(33.3)	(33.8)
Other operating costs	0.0	0.0
<b>Operating profit</b>	<b>111.3</b>	<b>88.6</b>
Financial income	0.1	0.0
Financial expenses	(19.8)	(33.9)
<b>Profit before tax</b>	<b>91.6</b>	<b>54.7</b>
Tax on profit for the period	(24.0)	(12.1)
<b>Profit for the period</b>	<b>67.6</b>	<b>42.6</b>
<b>Other comprehensive income</b>		
Other comprehensive income after tax	0.0	0.0
<b>Total comprehensive income</b>	<b>67.6</b>	<b>42.6</b>
<b>Earnings per share</b>		
Earnings per share, DKK	1.66	1.04
Diluted earnings per share, DKK	1.66	1.04

# Statement of cash flows

(DKK millions)	2014/15 Q1	2013/14 Q1
Profit before tax	91.6	54.7
Adjustment for non-cash operating items, etc.:		
Amortisation, depreciation and impairment losses	33.3	33.8
Other non-cash operating items, net	0.3	0.0
Financial income	(0.1)	0.0
Financial expenses	19.8	33.9
<b>Cash generated from operations before changes in net working capital</b>	<b>144.9</b>	<b>122.4</b>
Changes in net working capital	39.0	(76.8)
<b>Cash generated from operations</b>	<b>183.9</b>	<b>45.6</b>
Interest received	0.1	0.0
Interest paid	(11.7)	(15.3)
Corporation tax paid	0.0	0.0
<b>Cash flow from operating activities</b>	<b>172.3</b>	<b>30.3</b>
Acquisition of intangible assets	(4.8)	(5.6)
Disposal of intangible assets	0.0	0.0
Acquisition of property, plant and equipment	(7.3)	(10.6)
Acquisition of subsidiaries and operations	(4.1)	(10.9)
<b>Cash flow from investing activities</b>	<b>(16.2)</b>	<b>(27.1)</b>
<b>Free cash flow</b>	<b>156.1</b>	<b>3.2</b>
Debt raised from and settled with banks	0.0	(328.5)
Purchase and sale of treasury shares	0.0	0.0
<b>Cash flow from financing activities</b>	<b>0.0</b>	<b>(328.5)</b>
<b>Net cash flow from operating, investing and financing activities</b>	<b>156.1</b>	<b>(325.3)</b>
Cash and cash equivalents at 1 April	140.0	536.6
Foreign exchange adjustment of cash and cash equivalents	0.0	0.0
<b>Cash and cash equivalents at 30 June</b>	<b>296.1</b>	<b>211.3</b>

# Assets

(DKK millions)	30.06 2014	30.06 2013	31.03 2014
<b>NON-CURRENT ASSETS</b>			
Goodwill	3,684.7	3,586.1	3,684.7
Trademarks and trade names	565.1	639.0	583.6
Shares in co-operative property	3.9	3.9	3.9
Other intangible assets	40.7	49.0	41.1
<b>Total Intangible assets</b>	<b>4,294.4</b>	<b>4,278.0</b>	<b>4,313.3</b>
<b>Property, plant and equipment</b>			
Land and buildings	100.5	101.1	101.2
Plant and machinery	50.8	41.2	50.4
Leasehold improvements	18.9	26.5	21.1
<b>Total property, plant and equipment</b>	<b>170.2</b>	<b>168.8</b>	<b>172.7</b>
Deferred tax	18.1	17.8	15.9
Deposits	35.7	31.9	34.7
Other securities and investments	1.3	1.1	1.3
<b>Total other non-current assets</b>	<b>55.1</b>	<b>50.8</b>	<b>51.9</b>
<b>Total non-current assets</b>	<b>4,519.7</b>	<b>4,497.6</b>	<b>4,537.9</b>
<b>CURRENT ASSETS</b>			
Inventories	724.0	683.4	607.3
Trade receivables	32.7	97.1	54.4
Corporation tax	89.6	6.8	116.4
Other receivables	9.2	9.8	9.5
Prepayments	18.1	12.2	22.1
Cash and cash equivalents	296.1	211.3	140.0
<b>Total current assets</b>	<b>1,169.7</b>	<b>1,020.6</b>	<b>949.7</b>
<b>TOTAL ASSETS</b>	<b>5,689.4</b>	<b>5,518.2</b>	<b>5,487.6</b>

## Equity and liabilities

(DKK millions)	30.06 2014	30.06 2013	31.03 2014
<b>SHAREHOLDERS EQUITY</b>			
Share capital	101.9	101.9	101.9
Share premium	1,787.3	1,786.2	1,787.3
Translation reserve	0.3	0.5	0.3
Treasury share reserve	(10.5)	(15.1)	(10.5)
Proposed dividend	0.0	0.0	224.3
Retained earnings	565.0	513.5	496.6
<b>Total equity</b>	<b>2,444.0</b>	<b>2,387.0</b>	<b>2,599.9</b>
<b>LIABILITIES</b>			
Deferred tax	289.7	351.4	297.5
Banks	1,763.4	0.0	1,762.7
Other payables, long-term	20.4	1.6	13.1
<b>Total non-current liabilities</b>	<b>2,073.5</b>	<b>353.0</b>	<b>2,073.3</b>
Banks, short-term	0.0	1,985.5	0.0
Prepayments from customers	130.8	98.0	129.8
Dividend	223.8	0.0	0.0
Corporation tax	7.3	0.0	0.0
Trade payables	677.3	535.3	529.7
Other payables	132.7	159.4	154.9
<b>Total current liabilities</b>	<b>1,171.9</b>	<b>2,778.2</b>	<b>814.4</b>
<b>Total liabilities</b>	<b>3,245.4</b>	<b>3,131.2</b>	<b>2,887.7</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,689.4</b>	<b>5,518.2</b>	<b>5,487.6</b>

# Statement of changes in equity

	Share capital	Share premium	Translation reserve	Treasury share reserve	Proposed dividend	Retained earnings	Total
<b>Equity at 31 March 2014</b>	<b>101.9</b>	<b>1,787.3</b>	<b>0.3</b>	<b>(10.5)</b>	<b>224.3</b>	<b>496.6</b>	<b>2,599.9</b>
Other comprehensive income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit for the period	0.0	0.0	0.0	0.0	0.0	67.6	67.6
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>67.6</b>	<b>67.6</b>
<b>Transactions with owners</b>							
Dividend transferred to liabilities	0.0	0.0	0.0	0.0	(224.3)	0.0	(224.3)
Dividend on treasury shares	0.0	0.0	0.0	0.0	0.0	0.5	0.5
Share based payments	0.0	0.0	0.0	0.0	0.0	0.3	0.3
<b>Total transactions with owners</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(224.3)</b>	<b>0.8</b>	<b>(223.5)</b>
<b>Equity at 30 June 2014</b>	<b>101.9</b>	<b>1,787.3</b>	<b>0.3</b>	<b>(10.5)</b>	<b>0.0</b>	<b>565.0</b>	<b>2,444.0</b>

	Share capital	Share premium	Translation reserve	Treasury share reserve	Proposed dividend	Retained earnings	Total
<b>Equity at 31 March 2013</b>	<b>101.7</b>	<b>1,786.4</b>	<b>0.5</b>	<b>(0.1)</b>	<b>0.0</b>	<b>470.9</b>	<b>2,359.4</b>
Other comprehensive income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit for the period	0.0	0.0	0.0	0.0	0.0	42.6	42.6
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>42.6</b>	<b>42.6</b>
<b>Transactions with owners</b>							
Bonus shares	0.2	(0.2)	0.0	0.0	0.0	0.0	0.0
Acquisition of treasury shares	0.0	0.0	0.0	(15.0)	0.0	0.0	(15.0)
<b>Total transactions with owners</b>	<b>0.2</b>	<b>(0.2)</b>	<b>0.0</b>	<b>(15.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>(15.0)</b>
<b>Equity at 30 June 2013</b>	<b>101.9</b>	<b>1,786.2</b>	<b>0.5</b>	<b>(15.1)</b>	<b>0.0</b>	<b>513.5</b>	<b>2,387.0</b>

# Notes to the financial statements

## Note 1 - Accounting policies

The interim report is presented in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and Danish disclosure requirements for listed companies.

Except as stated below, the accounting policies are unchanged from the accounting policies applied in the consolidated financial statements for 2013/14, to which reference is made. The consolidated financial statements for 2013/14 contain the full description of the accounting policies.

Matas has changed its accounting policies with respect to the accounting classification of software in the statement of financial position. In future, software will be recognised in intangible assets under "Other intangible assets". Software was formerly recognised in property, plant and equipment in the line item "Plant and machinery". Software has been reclassified as of 1 April 2014 with a carrying amount of DKK 31.4 million and restatement of the comparative figures for 2013/14. The reclassification, which solely affects the split of amortisation and depreciation, line items in the statement of financial position and the statement of cash flows, and not totals or EBITA (see calculation of EBITA on page 17) is distributed on the quarters as set out below.

(DKK millions)	2013/14 Q1	2013/14 Q2	2013/14 Q3	2013/14 Q3	2013/14 FY
<b>Change in the statement of financial position</b>					
Other intangible assets under previous policy	17.0	16.5	15.8	9.7	9.7
Reclassification	33.3	32.1	30.1	31.4	31.4
<b>Other intangible assets under new policy</b>	<b>50.3</b>	<b>48.6</b>	<b>45.9</b>	<b>41.1</b>	<b>41.1</b>
Pant and machinery under previous policy	73.2	75.0	77.0	81.8	81.8
Reclassification	(33.3)	(32.1)	(30.1)	(31.4)	(31.4)
<b>Pant and machinery under new policy</b>	<b>39.9</b>	<b>42.9</b>	<b>46.9</b>	<b>50.4</b>	<b>50.4</b>
<b>Change in the statement of cash flows</b>					
Acquisition of intangible assets under previous policy	(0.1)	0.0	0.0	(0.4)	(0.5)
Reclassification	(6.9)	(4.3)	(3.5)	(7.3)	(22.0)
<b>Acquisition of intangible assets under new policy</b>	<b>(7.0)</b>	<b>(4.3)</b>	<b>(3.5)</b>	<b>(7.7)</b>	<b>(22.5)</b>
Acquisition of property, plant and equipment under previous policy	(16.1)	(13.5)	(18.0)	(14.3)	(61.9)
Reclassification	6.9	4.3	3.5	7.3	22.0
<b>Acquisition of property, plant and equipment under new policy</b>	<b>(9.2)</b>	<b>(9.2)</b>	<b>(14.5)</b>	<b>(7.0)</b>	<b>(39.9)</b>
<b>Distribution of depreciation, amortisation, and impairment charges</b>					
Depreciation of property, plant and equipment	8.9	9.1	9.1	9.1	36.1
Amortisation of software	5.8	5.5	5.5	5.9	22.8
Amortisation of other intangible assets	19.1	19.1	19.1	19.2	76.5
<b>Depreciation, amortization, and impairment losses</b>	<b>33.8</b>	<b>33.7</b>	<b>33.7</b>	<b>34.2</b>	<b>135.4</b>

Matas A/S has implemented the IFRS standards and interpretations taking effect for 2014/15. None of the new standards and interpretations have significantly affected recognition and measurement.

## Note 2 – Accounting estimates and judgments

The preparation of interim financial statements requires management to make accounting judgments and estimates that affect the application of accounting policies and recognised assets, liabilities, income and expenses. Actual results may differ from these estimates.

The critical accounting estimates and judgements are consistent with those in the consolidated financial statements for 2013/14.

## Note 3 – Seasonality

The Group's activities in the interim period were only to a limited extent affected by seasonal or cyclical fluctuations.



# Interim financial highlights

(DKK millions)	2014/15 Q1	2013/14 Q4	2013/14 Q3	2013/14 Q2	2013/14 Q1
<b>Income statement</b>					
Revenue	827.2	744.0	1,018.4	779.1	803.0
Gross profit	385.9	355.0	464.1	348.1	374.1
EBITDA	144.6	122.1	224.9	130.4	122.4
Operating profit	111.3	87.9	191.2	96.7	88.6
Net financials	(19.7)	(20.8)	(16.4)	(11.4)	(33.9)
Profit before tax	91.6	67.1	174.8	85.3	54.7
Profit for the period	67.6	4.1	135.9	66.3	42.6
<b>Statement of financial position</b>					
Total assets	5,689.4	5,487.6	5,767.3	5,511.1	5,518.2
Total equity	2,444.0	2,599.9	2,595.5	2,453.5	2,387.0
Net working capital	(156.8)	(121.1)	11.2	57.0	9.8
Net interest-bearing debt	1,467.9	1,623.3	1,761.2	1,719.4	1,775.8
<b>Statement of cash flows</b>					
Cash flow from operating activities	172.3	191.5	43.6	84.6	30.3
Cash flow from investing activities	(16.2)	(45.2)	(90.4)	(13.5)	(27.1)
Free cash flow	156.1	146.3	(46.8)	71.1	3.2
Net cash flow from operating, inv. and financing activities	156.1	(161.3)	58.9	31.1	(325.3)
<b>Key performance indicators</b>					
Number of transactions (in millions)	5.8	5.3	6.5	5.5	5.5
Average basket size (in DKK)	134.9	131.5	149.4	128.9	134.0
Total floor space (in '000 of square m)	50.9	50.9	49.8	48.1	48.1
Avg. revenue per square metre (in DKK thousands) - LTM	63.9	63.9	64.0	62.9	62.5
Like-for-like growth	1.4%	1.2%	5.5%	3.9%	2.5%
<b>Adjusted figures</b>					
EBITDA	144.6	122.1	224.9	130.4	122.4
Net exceptional items	0.0	1.8	0.0	0.0	28.1
EBITDA before exceptional items	144.6	123.9	224.9	130.4	150.5
Depreciation and amortisation of software	(14.3)	(15.0)	(14.6)	(14.6)	(14.7)
EBITA	130.3	108.9	210.3	115.8	135.8
Adjusted profit after tax	81.9	61.6	150.2	80.6	81.7
Gross margin	46.7%	47.7%	45.6%	44.7%	46.6%
EBITDA margin	17.5%	16.4%	22.1%	16.7%	15.2%
EBITDA margin before exceptional items	17.5%	16.7%	22.1%	16.7%	18.7%
EBIT margin	13.5%	11.8%	18.8%	12.4%	11.0%
EBITA margin	15.8%	14.6%	20.7%	14.9%	16.9%