



**TAKKO**  
FASHION

## Overview & figures

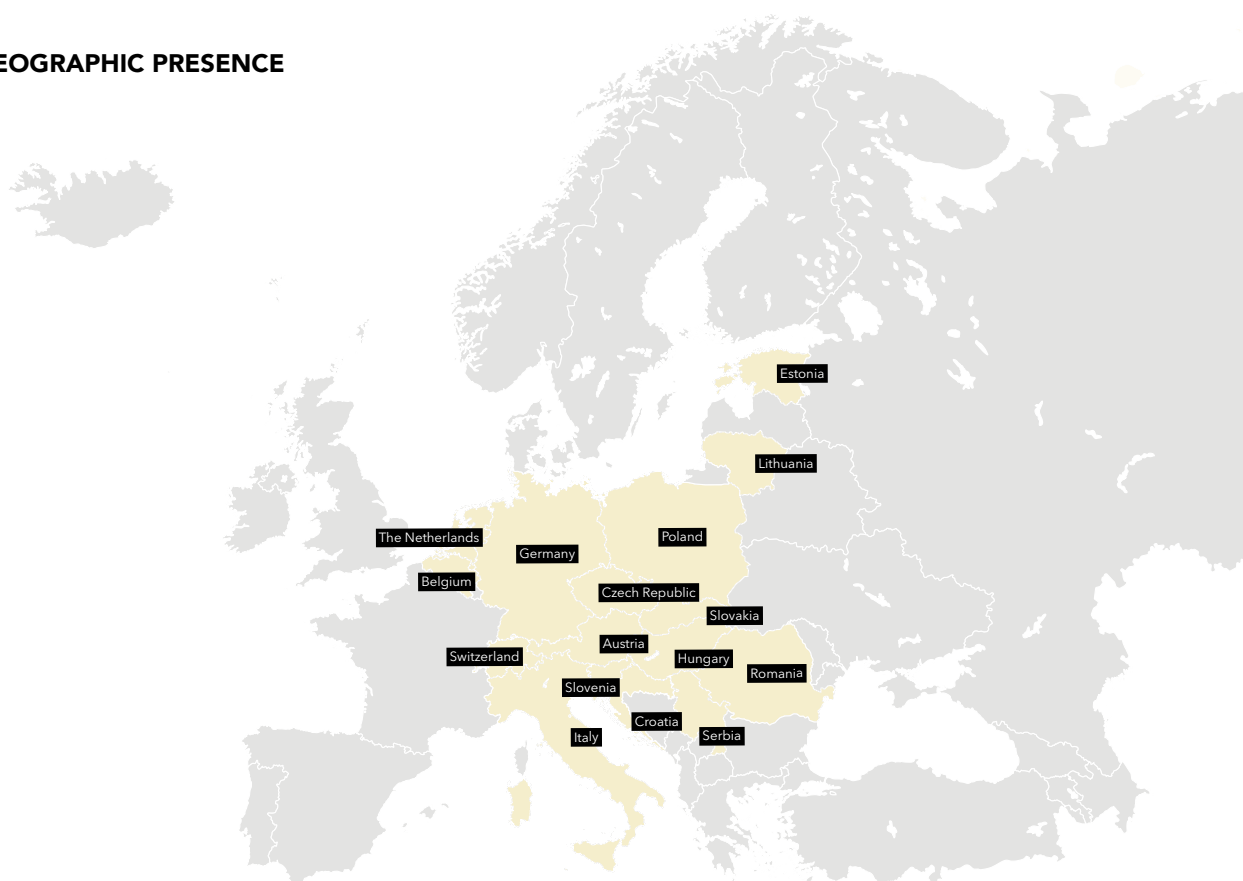
### THE TAKKO GROUP

Takko Fashion is a leading European fashion retailer with more than 1,850 stores across Germany and many other European countries. The company is positioned as a discount retailer selling modern fashion styles at very attractive prices in a pleasant store environment.

in EUR k	1 May to 31 July 2016	1 May to 31 July 2015	1 Feb to 31 July 2016	1 Feb to 31 July 2015
Net revenue	296,923	287,532	541,766	546,477
Adjusted EBITDA	51,522	38,769	75,032	64,009
Operating result (EBIT)	34,209	28,279	47,680	21,407

	31 July 2016	31 July 2015
Number of employees	16,971	17,480
Number of stores	1,883	1,902

### GEOGRAPHIC PRESENCE





## ***Disclaimer***

In this report, the accompanying unaudited consolidated interim financial information of Takko Fashion S.à r.l. as of and for the relevant period ended 31 July 2016 has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in the EU. The financial information and financial statements included in this report are presented in Euro. Certain numerical figures in this report have been rounded. Therefore, discrepancies in tables between totals and the sums of the amounts listed and between figures in tables and their respective analysis in the text of the report may occur due to such rounding. All changes in percentage and ratios were calculated using the underlying data in Euro thousands.

This Interim Report contains forward-looking statements which are based on forecasts, assumptions and information currently available to the Management. These forward-looking statements do not represent a guarantee that the developments, successes and achievements presented will actually come about or will not significantly deviate from the information provided in this Interim Report. Investors are cautioned not to place undue reliance on these forward-looking statements. Indeed, future developments, successes and achievements depend on the effects of various factors. Furthermore, the statements contain various risks and uncertainties. Takko Fashion does not consider itself to be under any obligation to update the forward-looking statements contained in this Interim Report.





*Unaudited Interim Report Q2 2016/2017*

*UNAUDITED  
INTERIM  
GROUP  
MANAGEMENT  
REPORT*

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# 1. Business performance in the period from 1 May 2016 to 31 July 2016 and in the period from 1 February 2016 to 31 July 2016

Takko changed its fiscal year from 30 April to 31 January, effective 31 January 2016. To enable better comparability following the change of the financial year, the three month period 1 May to 31 July 2016 is compared with the three month period 1 May to 31 July 2015 (Q1 2015/2016) and the six month period 1 February to 31 July 2016 is compared with the six month period 1 February to 31 July 2015 (Q4 2014/2015 and Q1 2015/2016).

## 1.1 Financial performance

in EUR k	1 May to 31 July 2016	1 May to 31 July 2015	1 Feb to 31 July 2016	1 Feb to 31 July 2015
<b>Net revenue</b>	296,923	287,532	541,766	546,477
Cost of materials	(116,106)	(116,450)	(205,488)	(223,514)
Personnel expenses	(62,412)	(60,868)	(120,890)	(118,661)
Lease payments incl. costs for services	(52,095)	(49,113)	(100,970)	(95,964)
Marketing expenses	(7,513)	(7,537)	(18,643)	(20,164)
Other operating result	(13,494)	(16,110)	(28,709)	(39,430)
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	(11,094)	(9,175)	(19,386)	(27,337)
<b>Operating result</b>	<b>34,209</b>	<b>28,279</b>	<b>47,680</b>	<b>21,407</b>
Financial result	(28,405)	(25,992)	(55,478)	(49,651)
Income taxes	(7,835)	(6,922)	(10,793)	(3,816)
<b>Net loss</b>	<b>(2,031)</b>	<b>(4,635)</b>	<b>(18,591)</b>	<b>(32,060)</b>
<b>Adjusted EBITDA<sup>1</sup></b>	<b>51,522</b>	<b>38,769</b>	<b>75,032</b>	<b>64,009</b>
% of net revenue	17.4 %	13.5 %	13.8 %	11.7 %
<b>EBITDA</b>	<b>45,303</b>	<b>37,454</b>	<b>67,066</b>	<b>48,744</b>
% of net revenue	15.3 %	13.0 %	12.4 %	8.9 %

<sup>1</sup> See paragraph "Adjusted EBITDA" below for a definition of EBITDA and Adjusted EBITDA

## Net revenue and net revenue by segment

in EUR k	1 May to 31 July 2016	1 May to 31 July 2015	Change in %	1 Feb to 31 July 2016	1 Feb to 31 July 2015	Change in %
Germany	191,047	184,207	3.7 %	348,616	349,965	-0.4 %
Western and Central Europe	48,547	49,047	-1.0 %	87,377	90,835	-3.8 %
Eastern Europe	57,329	54,278	5.6 %	105,773	105,677	0.1 %
<b>Total net revenue of the Group<sup>1</sup></b>	<b>296,923</b>	<b>287,532</b>	<b>3.3 %</b>	<b>541,766</b>	<b>546,477</b>	<b>-0.9 %</b>

<sup>1</sup>Net revenue excluding net revenue generated through deliveries among Group entities (so-called internal net revenue).

### 1 May 2016 to 31 July 2016

Our net revenue of the Group increased by EUR 9.4m or 3.3 % from EUR 287.5m in the three month period ended 31 July 2015 to EUR 296.9m in the three month period ended 31 July 2016. The development in net revenue is due to an increase in dynamic Like-for-Like (LfL) year-on-year revenue of 4.1 %. LfL revenues comprise the sales of stores which have been opened before 31 January 2015. The total number of stores decreased from 1,902 as of 31 July 2015 to 1,883 as of 31 July 2016. In the period from 1 May to 31 July 2016, Takko has opened 5 new stores on a gross basis.

### 1 February 2016 to 31 July 2016

Our net revenue of the Group decreased by EUR 4.7m or 0.9 % from EUR 546.5m in the six month period ended 31 July 2015 to EUR 541.8 in the six month period ended 31 July 2016. The development in net revenue is due to a decrease of stores from 1,902 as of 31 July 2015 to 1,883 as of 31 July 2016. The dynamic LfL year-on-year revenue increased by 0.1% in the six month period 31 July 2016, as compared to the six month period ended 31 July 2015. LfL revenues comprise the sales of stores which have been opened before 31 January 2015, so that they show full six month sales for both prior year and current year. In the period from 1 February to 31 July 2016, Takko has opened 20 new stores on a gross basis.

### 1 May 2016 to 31 July 2016 by segment

Net revenue of the Germany segment increased by EUR 6.8m or 3.7 % from EUR 184.2m in the three month period ended 31 July 2015 to EUR 191.0m in the three month period ended 31 July 2016. The dynamic LfL net revenue increased by 4.3% in the three month period ended 31 July 2016, as compared to the three month period ended 31 July 2015. The total number of stores decreased by 8 new stores (on a net basis) in the last 12 months. Indicative market performance for the period May 2016 to July 2016, based on Textilwirtschaft panel data participants, amounts to: May: -1 %, June: -2 %, and July: -3 %. In the period from 1 May 2016 to 31 July 2016, Takko has opened 4 new stores in Germany on a gross basis.

In the three month period ended 31 July 2016, net revenue of the Western and Central Europe segment decreased by EUR 0.5m or 1.0 % to EUR 48.5m as compared to EUR 49.0m in the three month period ended 31 July 2015. This was mainly due to the closing of 10 stores (on a net basis) in this segment in the last 12 months (resulting in a total number of 329 stores in this segment as of 31 July 2016). The dynamic LfL net revenue increased by 1.8% in the three month period ended 31 July 2016, as compared to the three month period ended 31 July 2015. In the period from 1 May 2016 to 31 July 2016, Takko has not opened new stores in Western and Central Europe on a gross basis.

The Eastern Europe segment showed an increase in net revenue of EUR 3.0m or 5.6% to EUR 57.3m in the three month period ended 31 July 2016, as compared to EUR 54.3m in the three month period ended 31 July 2015. The dynamic LfL net revenue increased by 5.5% in the three month period ended 31 July 2016, as compared to the three month period ended 31 July 2015. In the last 12 months, 1 store (on a net basis) was closed in this segment (resulting in a total number of 430 stores in this segment as of 31 July 2016). In the period from 1 May 2016 to 31 July 2016, Takko has opened 1 new store in Eastern Europe on a gross basis.

### **1 February 2016 to 31 July 2016 by segment**

Net revenue of the Germany segment decreased by EUR 1.4m or 0.4% from EUR 350.0m in the six month period ended 31 July 2015 to EUR 348.6m in the six month period ended 31 July 2016. The total number of stores decreased by 8 new stores (on a net basis) in the last 12 months. The dynamic LfL net revenue increased by 0.3% in the six month period ended 31 July 2016, as compared to the six month period ended 31 July 2015. Indicative market performance for the period February 2016 to July 2016 based on Textilwirtschaft panel data participants amounts to: February: +3%, March: -6%, April: +2%, May: -1%, June: -2%, and July: -3. In the period from 1 February 2016 to 31 July 2016, Takko has opened 12 new stores in Germany on a gross basis.

In the six month period ended 31 July 2016, net revenue of the Western and Central Europe segment decreased by EUR 3.4m or 3.8% to EUR 87.4m as compared to EUR 90.8m in the six month period ended 31 July 2015. The decrease of dynamic LfL net revenue was 0.3% for the six month period ended 31 July 2016, as compared to the six month period ended 31 July 2015. In addition, 10 stores (on a net basis) were closed in this segment in the last 12 months (resulting in a total number of 329 stores in this segment as of 31 July 2016). In the period from 1 February 2016 to 31 July 2016, Takko has opened 2 new stores in Western and Central Europe on a gross basis.

The Eastern Europe segment showed an increase in net revenue of EUR 0.1m or 0.1% to EUR 105.8m in the six month period ended 31 July 2016, as compared to EUR 105.7m in the six month period ended 31 July 2015. The dynamic LfL net revenue decreased by 0.1% in the six month period ended 31 July 2016, as compared to the six month period ended 31 July 2015. The total number of stores decreased by 1 store (on a net basis) in this segment in the last 12 months (resulting in a total number of 430 stores in this segment as of 31 July 2016). In the period from 1 February 2016 to 31 July 2016, Takko has opened 6 new stores in Eastern Europe on a gross basis.



## Cost of materials and gross profit

The following table shows our cost of materials for the three and six month period ended 31 July 2016 and the three and six month period ended 31 July 2015:

in EUR k	1 May to 31 July 2016	1 May to 31 July 2015	Change in %	1 Feb to 31 July 2016	1 Feb to 31 July 2015	Change in %
Cost of sales	104,239	108,024	-3.5 %	185,329	203,182	-8.8 %
Customs / freight / other	8,378	8,600	-2.6 %	15,993	15,671	2.1 %
Gains / losses on revaluation of inventories	3,489	(174)	NV	4,166	4,661	-10.6 %
<b>Cost of materials</b>	<b>116,106</b>	<b>116,450</b>	<b>-0.3 %</b>	<b>205,488</b>	<b>223,514</b>	<b>-8.1 %</b>
<b>Gross profit</b>	<b>180,817</b>	<b>171,082</b>	<b>5.7 %</b>	<b>336,278</b>	<b>322,963</b>	<b>4.1 %</b>
% of net revenue	60.9 %	59.5 %		62.1 %	59.1 %	
<b>Adjusted cost of materials<sup>1</sup></b>	<b>112,618</b>	<b>116,624</b>	<b>-3.4 %</b>	<b>201,322</b>	<b>218,853</b>	<b>-8.0 %</b>
<b>Adjusted gross profit</b>	<b>184,305</b>	<b>170,908</b>	<b>7.8 %</b>	<b>340,444</b>	<b>327,624</b>	<b>3.9 %</b>
% of net revenue	62.1 %	59.4 %		62.8 %	60.0 %	

<sup>1</sup>Adjusted cost of materials (excluding effects from gains/losses arising on revaluation of inventories).

### 1 May 2016 to 31 July 2016

Our Adjusted cost of materials decreased by EUR 4.0m or 3.4 % from EUR 116.6m in the three month period ended 31 July 2015 to EUR 112.6m in the three month period ended 31 July 2016. The Adjusted gross profit margin moved from 59.4 % in the three month period ended 31 July 2015 to 62.1 % in the three month period ended 31 July 2016. This was mainly driven by an improved intake calculation and lower markdowns.

### 1 February 2016 to 31 July 2016

Our Adjusted cost of materials decreased by EUR 17.6m or 8.0 % from EUR 218.9m in the six month period ended 31 July 2015 to EUR 201.3m in the six month period ended 31 July 2016. Adjusted gross profit margin moved from 60.0 % in the six month period ended 31 July 2015 to 62.8 % in the six month period ended 31 July 2016.

### Personnel expenses

Our personnel expenses increased by EUR 1.5m or 2.5 % from EUR 60.9m in the three month period ended 31 July 2015 to EUR 62.4m in the three month period ended 31 July 2016. The increase in personnel expenses relates mainly to the provisions for personnel expenses.

Our personnel expenses increased by EUR 2.2m or 1.9 % from EUR 118.7m in the six month period ended 31 July 2015 to EUR 120.9m in the six month period ended 31 July 2016.

### Lease payments including costs for services

In the three month period ended 31 July 2016, our lease payments and cost for services increased by EUR 3.0m or 6.1 % from EUR 49.1m in the three month period ended 31 July 2015 to EUR 52.1m in the three month period ended 31 July 2016. The development in lease payments is primarily due to extraordinary expenses in connection with store closures.

In the six month period ended 31 July 2016, our lease payments and cost for services increased by EUR 5.0m or 5.2% from EUR 96.0m in the six month period ended 31 July 2015 to EUR 101.0m in the six month period ended 31 July 2016.

### **Marketing expenses**

The marketing expenses remained unchanged at EUR 7.5m in the three month period ended 31 July 2016 compared with the corresponding period of the prior year.

The marketing expenses decreased by EUR 1.6m or 7.9% from EUR 20.2m in the six month period ended 31 July 2015 to EUR 18.6 m in the six month period ended 31 July 2016.

### **Other operating result**

Our negative other operating result increased by EUR 2.6m or 16.1% from EUR 16.1m in the three month period ended 31 July 2015 to EUR 13.5m in the three month period ended 31 July 2016.

Our negative other operating result increased by EUR 10.7m or 27.2% from EUR 39.4m in the six month period ended 31 July 2015 to EUR 28.7m in the six month period ended 31 July 2016.

### **Financial result**

The financial result decreased by EUR 2.4m or 9.2% from negative EUR 26.0m in the three month period ended 31 July 2015 to negative EUR 28.4m in the three month period ended 31 July 2016.

The financial result decreased by EUR 5.8m or 11.7% from negative EUR 49.7m in the six month period ended 31 July 2015 to negative EUR 55.5m in the six month period ended 31 July 2016.

### **Net loss**

Net loss for the three month period ended 31 July 2016 was EUR 2.0m compared with EUR 4.6m in the corresponding period of the prior year.

Net loss for the six month period ended 31 July 2016 was EUR 18.6m compared with EUR 32.1m in the corresponding period of the prior year.

### **Adjusted EBITDA**

Our current shareholders and management use EBITDA and, in particular, Adjusted EBITDA, Adjusted EBITDA margin (expressed as a percentage of net revenue), as well as Adjusted gross profit and Adjusted gross profit margin (expressed in percentage of net revenue) for internal management and performance monitoring purposes and as an indicator of the sustainable profitability of our operating segments. Adjusted gross profit and Adjusted EBITDA are Takko specific measures. These are non-IFRS measures and may not be comparable to similarly-titled measures by other companies. We define "Adjusted gross profit" as net revenue less cost of materials and inventory revaluation. We define "Adjusted EBITDA" as profit or loss before taxes plus financial result as well as depreciation, amortization and impairment of property, plant and equipment and intangible assets, adjusted for extraordinary effects, inventory revaluations and reclassifications. Please note that some of these items in the table below, such as adjustments relating to financial result, provisions for losses of non-performing stores, losses/gains on revaluation of inventories, may be of a recurring nature.

The following table shows a reconciliation of our reported profit or loss before taxes to our EBITDA and Adjusted EBITDA for the periods indicated:

in EUR k	1 May to 31 July 2016	1 May to 31 July 2015	1 Feb to 31 July 2016	1 Feb to 31 July 2015
<b>Profit / (loss) before taxes (EBT)</b>	5,804	2,287	(7,798)	(28,244)
Financial result	28,405	25,992	55,478	49,651
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	11,094	9,175	19,386	27,337
<b>EBITDA</b>	<b>45,303</b>	<b>37,454</b>	<b>67,066</b>	<b>48,744</b>
Adjustments relating to financial result <sup>(a)</sup>	1,651	1,797	3,151	3,511
Extraordinary store expenses <sup>(b)</sup>	1,262	(641)	429	4,283
Losses (gains) arising on revaluation of inventories <sup>(c)</sup>	3,489	(174)	4,166	4,662
Other non-operating loss / (profit) <sup>(d)</sup>	(183)	333	220	2,809
<b>Adjusted EBITDA</b>	<b>51,522</b>	<b>38,769</b>	<b>75,032</b>	<b>64,009</b>
% of net revenue	17.4 %	13.5 %	13.8 %	11.7 %

### 1 May 2016 to 31 July 2016

Adjusted EBITDA increased by EUR 12.7m or 32.7% from EUR 38.8m in the three month period ended 31 July 2015 to EUR 51.5m in the three month period ended 31 July 2016.

### 1 February 2016 to 31 July 2016

Adjusted EBITDA increased by EUR 11.0m or 17.2% from EUR 64.0m in the six month period ended 31 July 2015 to EUR 75.0m in the six month period ended 31 July 2016.

(a) Adjustments relating to financial result primarily relate to the handling and financing expenses for letters of credit (which we regularly use in connection with sourcing of merchandise from Asia), which are reclassified as interest expense. These financial expenses are shown as "other operating expenses" in our consolidated income statements.

(b) Extraordinary store expenses mainly consist of allocations to and reversal of provisions for potential future losses of non-performing stores. These stores are actively monitored for potential restructurings (such as early termination of leases, subletting etc.). In our consolidated income statement, these costs are reflected in other operating expenses. This item is shown as "Normalized expenses for store restructuring" in our Consolidated Financial Statements.

(c) Losses (gains) arising on revaluation of inventories reflect gains or losses arising from the revaluation of our inventories and resulting provisions. Management makes this adjustment in monitoring the performance of the business because it has no cash impact and does not affect actual sourcing costs, and therefore management believes including this adjustment gives a better view of the operating performance of and cash flow generation by the business. In addition, we currently report our financial performance to our existing investors with this adjustment, and management therefore believes that this is a metric that investors find useful in assessing the performance of the business.

(d) Other non-operating loss (profit) includes other items of a non-recurring nature, as well as unrealized foreign currency exchange gains or losses.

## 1.2 Financial position and net assets

### Assets of the balance sheet

in EUR k	31 July 2016	31 Jan 2016
Property, plant and equipment	136,328	146,570
Intangible assets – goodwill	891,646	891,646
Intangible assets – other	197,819	197,585
Other non-current assets	13,010	13,029
Inventories	174,819	164,959
Cash and short-term deposit	29,611	20,449
Other current assets	13,872	22,585
<b>Total assets</b>	<b>1,457,105</b>	<b>1,456,823</b>

The total assets as of 31 July 2016 were EUR 1,457.1m compared to EUR 1,456.8m as of 31 January 2016. The cash and short-term deposits increased by EUR 9.2m from EUR 20.4m as of 31 January 2016 to EUR 29.6m as of 31 July 2016. Our inventories increased by EUR 9.8m from EUR 165.0m as of 31 January 2016 to EUR 174.8m as of 31 July 2016.

### Total equity and liabilities

in EUR k	31 July 2016	31 Jan 2016
Total equity	(16,639)	3,883
Subordinated shareholder loans	603,176	578,098
Senior secured notes	515,434	513,963
Other non-current liabilities	105,459	106,048
Current bank liabilities and senior secured notes	13,108	45,810
Other current liabilities	236,567	209,021
<b>Total equity and liabilities</b>	<b>1,457,105</b>	<b>1,456,823</b>

The subordinated shareholder loans increased by EUR 25.1m from EUR 578.1m as of 31 January 2016 to EUR 603.2m as of 31 July 2016, mainly as a result of accrued interests. The current bank liabilities and senior secured notes decreased by EUR 32.7m from EUR 45.8m as of 31 January 2016 to EUR 13.1m as of 31 July 2016, mainly due to the repayment of the revolving facility. As of 31 July 2016, no cash was drawn under the revolving facility.

## Cash flow

in EUR k	1 May to 31 July 2016	1 May to 31 July 2015	1 Feb to 31 July 2016	1 Feb to 31 July 2015
<b>Cash and cash equivalents at the beginning of the period</b>	24,968	35,881	20,449	20,238
Net cash from operating activities	53,927	32,371	79,422	49,399
Net cash used in investing activities	(2,232)	(3,040)	(4,370)	(13,547)
Net cash from financing activities	(47,102)	(42,152)	(65,917)	(32,668)
<b>Net decrease in cash and cash equivalents</b>	<b>4,593</b>	<b>(12,821)</b>	<b>9,135</b>	<b>3,184</b>
Change in cash and cash equivalents due to exchange differences	50	(192)	27	(554)
<b>Cash and cash equivalents at the end of the period</b>	<b>29,611</b>	<b>22,868</b>	<b>29,611</b>	<b>22,868</b>

### 1 May 2016 to 31 July 2016

Net cash from operating activities increased to positive EUR 53.9m in the three month period ended 31 July 2016 compared to positive EUR 32.4m in the three month period ended 31 July 2015. Comparing the three month periods ended 31 July 2016 and 2015, the development of net cash from operating activities was primarily affected by an improvement of the working capital position attributable to a lower increase of inventories in the three month period ended 31 July 2016.

The net cash used in investing activities changed from EUR 3.0m in the three month period ended 31 July 2015 to EUR 2.2m in the three month period ended 31 July 2016. Capital expenditures in an amount of EUR 1.1m in the three month period ended 31 July 2015 and EUR 0.8m in the three month period ended 31 July 2016 related to new store openings.

The net cash from financing activities of negative EUR 42.2m in the three month period ended 31 July 2015 changed to net cash from financing activities of negative EUR 47.1m in the three month period ended 31 July 2016. The net cash from financing activities was primarily affected by the repayment of the revolving facility of EUR 40.0m in the three month period ended 31 July 2016 (as compared to EUR 35.0m in the three month period ended 31 July 2015).

### 1 February 2016 to 31 July 2016

Net cash from operating activities increased to EUR 79.4m in the six month period ended 31 July 2016 compared to EUR 49.4m in the six month period ended 31 July 2015. Comparing the six month period ended 31 July 2016 and 2015, the development of net cash from operating activities was primarily affected by an improvement of the working capital position attributable to a lower increase of inventories in the six month period ended 31 July 2016.



The net cash used in investing activities changed from EUR 13.5m in the six month period ended 31 July 2015 to EUR 4.4m in the six month period ended 31 July 2016. Capital expenditures in an amount of EUR 4.2m in the six month period ended 31 July 2015 and EUR 1.8m in the six month period ended 31 July 2016 related to new store openings.

The net cash from financing activities of negative EUR 32.7m in the six month period ended 31 July 2015 increased to net cash from financing activities of negative EUR 65.9m in the six month period ended 31 July 2016. The net cash from financing activities was primarily affected by the net repayment of the revolving facility of EUR 32.9m in the six month period ended 31 July 2016 (as compared to an unchanged revolving credit facility in the six month period ended 31 July 2015).

## **2. Report on opportunities and risks**

For a detailed description of opportunities and risks in the Takko Group, please refer to the report on opportunities and risks in the Annual Report for fiscal year 2015/2016, as well as the Offering Memorandum dated 22 March 2013.

Luxembourg, 26 September 2016

The Management

Thierry Jacob  
Class A manager

Gérard Maitrejean  
Class B manager



*Unaudited Interim Report Q2 2016/2017*

*UNAUDITED  
INTERIM  
CONDENSED  
CONSOLIDATED  
FINANCIAL  
STATEMENTS*

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# Interim condensed consolidated income statement (Unaudited)

For the period from 1 May 2016 to 31 July 2016 and for the period from 1 February 2016 to 31 July 2016  
(Comparative periods from 1 May 2015 to 31 July 2015 and from 1 February 2015 to 31 July 2015)

in EUR k	Note	1 May to 31 July 2016	1 May to 31 July 2015	1 Feb to 31 July 2016	1 Feb to 31 July 2015
Net revenue	4.1	296,923	287,532	541,766	546,477
Cost of materials		(116,106)	(116,450)	(205,488)	(223,514)
<b>Gross profit</b>		<b>180,817</b>	<b>171,082</b>	<b>336,278</b>	<b>322,963</b>
Other operating income		2,990	1,915	4,774	3,752
Personnel expenses	4.2	(62,412)	(60,868)	(120,890)	(118,661)
Lease payments incl. costs for services		(52,095)	(49,113)	(100,970)	(95,964)
Marketing expenses		(7,513)	(7,537)	(18,643)	(20,164)
Other operating expenses	4.3	(16,484)	(18,025)	(33,483)	(43,182)
Depreciation, amortization and impairment of property, plant and equipment and intangible assets		(11,094)	(9,175)	(19,386)	(27,337)
<b>Operating result</b>		<b>34,209</b>	<b>28,279</b>	<b>47,680</b>	<b>21,407</b>
Finance costs	4.4	(27,523)	(26,045)	(55,791)	(49,409)
Finance income	4.4	(882)	53	313	(242)
<b>Financial result</b>		<b>(28,405)</b>	<b>(25,992)</b>	<b>(55,478)</b>	<b>(49,651)</b>
<b>Profit / (loss) for the period from ordinary operations</b>		<b>5,804</b>	<b>2,287</b>	<b>(7,798)</b>	<b>(28,244)</b>
<b>Loss before taxes</b>		<b>5,804</b>	<b>2,287</b>	<b>(7,798)</b>	<b>(28,244)</b>
Income taxes	5.0	(7,835)	(6,922)	(10,793)	(3,816)
<b>Loss for the period</b>		<b>(2,031)</b>	<b>(4,635)</b>	<b>(18,591)</b>	<b>(32,060)</b>



# Interim condensed consolidated statement of comprehensive income (Unaudited)

For the period from 1 May 2016 to 31 July 2016 and for the period from 1 February 2016 to 31 July 2016  
(Comparative periods from 1 May 2015 to 31 July 2015 and from 1 February 2015 to 31 July 2015)

in EUR k

Other comprehensive income

1 May to 31 July

1 Feb to 31 July

	2016 / 2017	2015 / 2016	2016 / 2017	2015 / 2016
Loss for the period	(2,031)	(4,635)	(18,591)	(32,060)
Elements of other comprehensive income:				
<i>To be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences	(23)	182	63	1,946
Cash flow hedges	7,569	(5,814)	(2,876)	(17,355)
Other comprehensive (loss) / income to be re-classified to profit or loss in subsequent periods	7,546	(5,632)	(2,813)	(15,409)
Other comprehensive (loss) / income for the year (OCI)	7,546	(5,632)	(2,813)	(15,409)
Income taxes relating to components of OCI <sup>(1)</sup>	(2,273)	1,750	882	5,213
OCI, net of income taxes	5,273	(3,882)	(1,931)	(10,196)
Total comprehensive income (total CI <sup>(2)</sup> )	3,242	(8,517)	(20,522)	(42,256)

<sup>(1)</sup> OCI = other comprehensive income

<sup>(2)</sup> CI = comprehensive income

# Interim condensed consolidated balance sheet

As of 31 July 2016

in EUR k	Note	(unaudited) 31 July 2016	(audited) 31 Jan 2016
<b>ASSETS</b>			
Property, plant and equipment		136,328	146,570
Intangible assets – goodwill	6.1	891,646	891,646
Intangible assets – other	6.1	197,819	197,585
Other financial assets		6,494	6,619
Derivative financial instruments		679	773
Deferred taxes		5,837	5,637
<b>Total non-current assets</b>		<b>1,238,803</b>	<b>1,248,830</b>
<b>Current assets</b>			
Inventories	6.2	174,819	164,959
Trade receivables		438	866
Other assets		8,466	8,218
Other financial assets		2,245	1,163
Derivative financial instruments		2,723	12,338
Cash and short-term deposits		29,611	20,449
<b>Total current assets</b>		<b>218,302</b>	<b>207,993</b>
<b>Total assets</b>		<b>1,457,105</b>	<b>1,456,823</b>

# Interim condensed consolidated balance sheet (continued)

in EUR k	(unaudited) 31 July 2016	(audited) 31 Jan 2016
<b>EQUITY</b>		
Subscribed capital	99,298	99,298
Capital reserves	396,842	396,842
Net other comprehensive income	(4,701)	(2,770)
Retained earnings	(508,078)	(489,487)
<b>Total equity</b>	<b>(16,639)</b>	<b>3,883</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Senior secured notes	515,434	513,963
Subordinated shareholder loans	603,176	578,098
Financial liabilities from finance lease	22,002	23,352
Provisions for pensions and similar obligations	2,434	2,434
Other provisions	21,417	20,081
Derivative financial instruments	5,642	6,774
Deferred taxes	53,964	51,980
<b>Total non-current liabilities</b>	<b>1,224,069</b>	<b>1,196,682</b>
<b>Current liabilities</b>		
Senior secured notes	11,508	11,518
Liabilities to banks	1,600	34,292
Financial liabilities from finance leases	9,498	9,724
Other provisions	5,257	6,638
Trade payables	143,223	136,492
Other liabilities	49,881	39,120
Other financial liabilities	8,580	7,225
Derivative financial instruments	5,625	4,137
Income tax liabilities	14,503	7,112
<b>Total current liabilities</b>	<b>249,675</b>	<b>256,258</b>
<b>Total equity and liabilities</b>	<b>1,457,105</b>	<b>1,456,823</b>

# Interim condensed consolidated statement of changes in equity (Unaudited)

For the period from 1 February 2015 to 31 July 2015:

in EUR k	Subscribed capital	Capital reserves	Net other comprehensive income	Retained earnings	Total equity
As of 1 Feb 2015	99,298	396,842	19,642	(399,272)	116,510
Exchange differences			1,946		1,946
Loss for the period				(32,060)	(32,060)
Movement on cash flow hedges			(12,142)		(12,142)
Total comprehensive income	-	-	(10,196)	(32,060)	(42,256)
As of 31 July 2015	99,298	396,842	9,446	(431,332)	74,254

# Interim condensed consolidated statement of changes in equity (continued)

For the period from 1 February 2016 to 31 July 2016:

in EUR k	Subscribed capital	Capital reserves	Net other comprehensive income	Retained earnings	Total equity
As of 1 Feb 2016	99,298	396,842	(2,770)	(489,487)	3,883
Exchange differences			63		63
Loss for the period				(18,591)	(18,591)
Movement on cash flow hedges			(1,994)		(1,994)
Total comprehensive income	-	-	(1,931)	(18,591)	(20,522)
As of 31 July 2016	99,298	396,842	(4,701)	(508,078)	(16,639)



# Interim condensed consolidated statement of cash flows (Unaudited)

For the period from 1 May 2016 to 31 July 2016 and for the period from 1 February 2016 to 31 July 2016  
(Comparative periods from 1 May 2015 to 31 July 2015 and from 1 February 2015 to 31 July 2015)

in EUR k	1 May to 31 July 2016	1 May to 31 July 2015	1 Feb to 31 July 2016	1 Feb to 31 July 2015
<b>Operating activities</b>				
Profit / (loss) before taxes	5,804	2,287	(7,798)	(28,244)
<b>Adjustments to reconcile profit or loss before taxes to net cash flows</b>				
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	11,094	9,175	19,386	27,337
Finance income	882	(53)	(313)	242
Finance costs	27,523	26,045	55,791	49,409
Gain or loss on the disposal of non-current assets	(650)	(100)	(368)	(335)
Change in provisions and pension provisions	237	(897)	(970)	3,716
Change in other positions	(668)	(883)	(1,457)	(2,141)
<b>Working capital adjustments</b>				
Change in trade and other receivables	(1,163)	739	(922)	(2,021)
Change in inventories	(1,167)	(17,209)	(10,036)	(22,678)
Change in trade and other payables	12,552	13,747	27,065	24,929
Income taxes paid	(517)	(480)	(956)	(815)
<b>Net cash from operating activities</b>	<b>53,927</b>	<b>32,371</b>	<b>79,422</b>	<b>49,399</b>

# Interim condensed consolidated statement of cash flows (continued)

For the period from 1 May 2016 to 31 July 2016 and for the period from 1 February 2016 to 31 July 2016  
(Comparative periods from 1 May 2015 to 31 July 2015 and from 1 February 2015 to 31 July 2015)

in EUR k	1 May to 31 July 2016	1 May to 31 July 2015	1 Feb to 31 July 2016	1 Feb to 31 July 2015
<b>Investing activities</b>				
Purchase of property, plant and equipment	(1,943)	(2,252)	(3,516)	(11,297)
Purchase of intangible assets	(278)	(841)	(863)	(1,865)
Net investment in financial assets	0	0	0	(507)
Interest received	(11)	53	9	122
<b>Net cash used in investing activities</b>	<b>(2,232)</b>	<b>(3,040)</b>	<b>(4,370)</b>	<b>(13,547)</b>
<b>Financing activities</b>				
Payment of finance leases	(3,432)	(3,271)	(6,652)	(6,522)
Payments for financial instruments	(514)	(510)	(1,026)	(1,014)
(Repayment of) / proceeds from loans	(40,000)	(35,000)	(32,901)	580
Interest paid	(3,156)	(3,371)	(25,338)	(25,712)
<b>Net cash from financing activities</b>	<b>(47,102)</b>	<b>(42,152)</b>	<b>(65,917)</b>	<b>(32,668)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>4,593</b>	<b>(12,821)</b>	<b>9,135</b>	<b>3,184</b>
Cash and cash equivalents at the beginning of the period	24,968	35,881	20,449	20,238
Change in cash and cash equivalents due to exchange differences	50	(192)	27	(554)
<b>Cash and cash equivalents as of 31 July</b>	<b>29,611</b>	<b>22,868</b>	<b>29,611</b>	<b>22,868</b>

# Notes to the interim condensed consolidated financial statements (Unaudited)

## 1. Basis of preparation of the interim condensed consolidated financial statements

### *Information on the Company*

Takko Fashion S.à r.l., Luxembourg, is a limited liability company with its registered office in Luxembourg, 1-3, Boulevard de la Foire. The Company is registered in the Registre de Commerce et des Sociétés Luxembourg under note B 157325.

The interim condensed consolidated financial statements of Takko Fashion S.à r.l. relate to the period from 1 May to 31 July 2016 as well as to the period from 1 February 2016 to 31 July 2016. Comparative information is included. To enable better comparability following the change of the financial year, the three month period 1 May to 31 July 2016 is compared with the three month period 1 May to 31 July 2015 (Q1 2015/2016) and the six month period 1 February to 31 July 2016 is compared with the six month period 1 February to 31 July 2015 (Q4 2014/2015 and Q1 2015/2016).

On 8 February 2011, Takko Fashion S.à r.l. acquired the Takko Group and the new group commenced operating activities on this date. The consolidated financial statements of Takko Fashion S.à r.l. as of 31 January 2016 were authorized for issue by management resolution on 15 April 2016.

The Takko Group is a European apparel retail group operating more than 1,850 stores across 16 countries in Western, Central and Eastern Europe. The Takko Group offers a wide range of own label apparel and accessories for the whole family, primarily targeting price-conscious, yet mainstream-trend women. The home market of the Takko Group is Germany, where almost 60 % of the stores are located. The Group also has a large presence in 15 other European markets, including Austria, Switzerland, the Netherlands, Belgium, the Czech Republic, Hungary, Romania, Poland, Slovakia, Slovenia, Lithuania, Estonia, Croatia, Italy and Serbia. The Group's main activities are governed by Takko Fashion GmbH, Telgte, and Takko Holding GmbH, Telgte, and comprise e.g. central group management, product management, purchasing and the sales division. Takko Fashion S.à r.l., Luxembourg, is the parent which prepares the consolidated financial statements of the group.

Ultimate parent of Takko Fashion S.à r.l. is Salsa Retail Holding TopCo S.à r.l., Luxembourg.

The Group interim condensed consolidated financial statements as of 31 July 2016 were not subject to an audit.

## ***Consolidated Group***

The interim condensed consolidated financial statements of Takko Fashion S.à r.l. include all German and foreign subsidiaries which Takko Fashion S.à r.l. directly or indirectly controls. In accordance with IFRS 10, control is the power over an investee, exposure (or rights) to variable returns from the involvement with the investee, and the ability to use the power over the investee to affect the amount of Takko Fashion S.à r.l.'s return. A subsidiary is included in the interim condensed consolidated financial statements as of the date on which control over the subsidiary is transferred to Takko Fashion S.à r.l.

All direct and indirect subsidiaries of Takko Fashion S.à r.l. are wholly-owned. All subsidiaries are fully consolidated.

In addition to Takko Fashion S.à r.l. as the parent company, the interim condensed consolidated financial statements as of 31 July 2016 include 31 entities and one Joint Venture. In the interim period from 1 February 2016 until 31 July 2016, no further company was established.

## **2. General accounting policies**

The interim condensed consolidated financial statements for the three and six months ended 31 July 2016 have been prepared in accordance with IAS 34, as adopted by the EU.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the audited Group consolidated financial statements as of 31 January 2016.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group consolidated financial statements for the year ended 31 January 2016.

With respect to revised, amended or new standards and interpretations that have been issued by the IASB and IFRIC until the authorization date of these Group interim condensed consolidated financial statements and which have not been applied yet, reference is made to note 2.5 in the Group consolidated financial statements as of 31 January 2016.

## **3. Seasonal influences**

The retail apparel industry in which Takko operates is seasonal by nature, and the net revenue and profits of the Takko Group are therefore subject to seasonal fluctuations. Typically Takko's sales are lower in the summer (June to August) and winter (December to February), while sales in the spring (March to May) and fall (September to November) are higher. Any factors that harm Takko's operating results in the spring or fall, including unfavorable weather and economic conditions, would have an adverse effect on Takko's financial condition and results of operations for the entire fiscal year.

## 4. Notes to the income statement

### 4.1 Net revenue

in EUR k	1 May to 31 July 2016	1 May to 31 July 2015	1 Feb to 31 July 2016	1 Feb to 31 July 2015
Net revenue from the sale of goods	296,751	286,473	540,327	541,560
Net revenue from the delivery of goods to the Joint Venture in Russia	172	1,059	1,439	4,917
	296,923	287,532	541,766	546,477

Net revenue from the sale of goods comprises the sale of apparel in the Group's retail and online stores.

### 4.2 Personnel expenses

in EUR k	1 May to 31 July 2016	1 May to 31 July 2015	1 Feb to 31 July 2016	1 Feb to 31 July 2015
Wages and salaries	52,011	50,000	100,389	97,615
Social security services	10,401	10,868	20,501	21,046
	62,412	60,868	120,890	118,661

### 4.3 Other operating expenses

in EUR k	1 May to 31 July 2016	1 May to 31 July 2015	1 Feb to 31 July 2016	1 Feb to 31 July 2015
Logistics expenses such as freight / vehicle costs / third-party services, including wages for contract workers	6,043	6,093	12,310	13,229
IT and telephone costs	1,794	2,703	4,314	4,700
Fees for letters of credit	1,570	1,666	2,946	3,155
Bank charges and fees	1,534	1,457	2,876	2,917
Expenses for maintenance / renovation	1,459	1,315	2,895	4,407
Incidental personnel expenses	1,383	1,421	2,830	2,955
Consulting fees	1,040	1,074	2,121	955
Contributions, fees and dues	836	788	1,639	1,481
Travel and entertainment expenses	650	752	1,303	1,721
Brokerage commission	266	10	262	95
Foreign exchange losses	(142)	91	(243)	(5)
Miscellaneous	51	655	230	7,572
	16,484	18,025	33,483	43,182



#### 4.4 Financial result

in EUR k	1 May to 31 July 2016	1 May to 31 July 2015	1 Feb to 31 July 2016	1 Feb to 31 July 2015
<b>Finance costs</b>				
Fixed rate notes	(9,381)	(9,381)	(18,764)	(18,764)
Floating rate notes	(2,499)	(2,596)	(4,978)	(5,127)
Derivatives valuation	(196)	(247)	(441)	215
Shareholder loans	(12,196)	(10,360)	(25,078)	(18,480)
Effects from amortized costs	(819)	(748)	(1,616)	(1,473)
Accumulating interest of liabilities and provisions	(997)	(1,194)	(1,983)	(2,724)
Finance leases	(596)	(642)	(1,169)	(1,293)
Revolving facility	(397)	(527)	(921)	(1,096)
Interest rate hedges	(441)	(347)	(838)	(663)
Other finance costs	(1)	(3)	(3)	(4)
	(27,523)	(26,045)	(55,791)	(49,409)
<b>Finance income</b>				
Derivatives valuation	(918)	0	225	(363)
Interest income from bank balances / deposits	1	2	1	4
Other interest income	35	51	87	117
	(882)	53	313	(242)
	(28,405)	(25,992)	(55,478)	(49,651)

## 5. Income taxes

in EUR k	1 May to 31 July 2016	1 May to 31 July 2015	1 Feb to 31 July 2016	1 Feb to 31 July 2015
<b>Income taxes</b>				
Current income tax expense	(5,904)	(5,018)	(8,127)	(5,697)
Deferred income tax expense related to the origination and reversal of deferred taxes	(1,931)	(1,904)	(2,666)	1,881
<b>Income tax expense</b>	<b>(7,835)</b>	<b>(6,922)</b>	<b>(10,793)</b>	<b>(3,816)</b>
Income tax recognized in other comprehensive income	(2,273)	1,750	882	5,213
<b>Total income taxes from continuing operations</b>	<b>(10,108)</b>	<b>(5,172)</b>	<b>(9,911)</b>	<b>1,397</b>

## 6. Notes to the balance sheet

### 6.1 Inventories

The carrying amounts of inventories break down as follows:

in EUR k	31 July 2016	31 Jan 2016
Merchandise	136,422	130,026
Goods in transit	38,086	34,630
Raw materials, consumables and supplies	311	303
	174,819	164,959

Inventories primarily comprise merchandise and goods in transit. Consumables and supplies mainly relate to sales aids.

### 6.2 Financial instruments

The fair value of floating rate notes and fixed rate notes has been derived from quoted market prices and bear no amortized costs. The fair value of the shareholder loans has been determined by discounting the estimated cash flows with an estimated market rate. Within the category FAHfT (financial assets held for trading), FLHfT (financial liabilities held for trading) and L&R (loans & receivables), there is no significant difference between the carrying amount and the fair value. Within the oL (other liabilities) category, the fair value amount is EUR 244.8m (January 2016: EUR 260.7m) lower than the carrying amount. Valuations of interest-bearing loans and shareholder loans contribute to the effect in the oL category.

## 7. Related party disclosures

Transactions with related parties in the period from 1 February 2016 to 31 July 2016 are based on the following:

As of 8 February 2011, Salsa Retail Holding MidCo S.à r.l., Luxembourg, granted a portfolio of shareholder loans amounting to a total of EUR 258m to Takko Fashion S.à r.l. at arm's length. The portfolio of shareholder loans consists of EUR 158m preferred equity certificates (PECs) bearing interest at the rate of 10.193% per annum, EUR 74m PECs bearing interest at the rate of 0.5% per annum and EUR 26m yield-free PECs. As of 31 October 2011, Salsa Retail Holding MidCo S.à r.l., Luxembourg, granted an additional shareholder loan amounting to EUR 10m to Takko Fashion S.à r.l. at arm's length. This shareholder loan was increased by a further amount of EUR 50m as of 27 January 2012, so that a total of additional shareholder loans of EUR 60m was granted in fiscal year 2011/2012, bearing interest at the rate of 7.985% per annum. As of 3 April 2013, Salsa Retail Holding MidCo S.à r.l., Luxembourg, granted an additional shareholder loan amounting to EUR 100m to Takko Fashion S.à r.l. at the rate of 9.6855% per annum. Furthermore, the shareholder provided Takko Fashion S.à r.l. with a credit facility of EUR 1.7m, which has been drawn as of 31 July 2016 with EUR 0.7m. As of 31 July 2016, the loans to Salsa Retail Holding MidCo S.à r.l., including capitalized and accrued interest, amounted to EUR 603.2m (31 January 2016: EUR 578.1m).

### **Granting equity instruments to the Takko Group's key management personnel**

In fiscal year 2014/2015, Salsa Retail Holding TopCo S.à r.l. offered a performance bonus to key management personnel which is based on future EBITDA and net indebtedness, and will be paid only in certain change of control or leaver events, such as the sale or going public of the Takko Group. The above-mentioned bonus program is governed by IAS 19 and does not fall within the scope of IFRS 2.

## 8. Segment reporting

For management purposes, the Takko Group is divided into geographical operating segments, as the business is managed at country level respectively at the level of country groups. For segment reporting purposes, the countries were split into three regions: Germany, Western and Central Europe (the Benelux countries, Austria, Switzerland and Italy), and Eastern Europe (Hungary, Romania, Poland, Slovenia, Croatia, Estonia, Lithuania, the Czech Republic, Slovakia and Serbia). The non-operating entities and the consolidations that are set to be performed at group level are shown in a reconciliation column. Intersegment sales are made at arm's length.

Our current shareholders and management use EBITDA and in particular Adjusted EBITDA for internal management and performance monitoring purposes and as an indicator of the sustainable profitability of our operating segments. Adjusted EBITDA is a Takko specific measure. This is a non-IFRS measure and may not be comparable to similarly-titled measures by other companies. We define "Adjusted EBITDA" as profit or loss before taxes plus financial result as well as depreciation, amortization and impairment of property, plant and equipment and intangible assets, adjusted for extraordinary effects, inventory revaluations and reclassifications. Please note that some of these items such as adjustments relating to financial result, provisions for losses of non-performing stores, losses/gains on revaluation of inventories may be of a recurring nature.

*Operating segments by region (1 May 2015 to 31 July 2015)*

in EUR k	Germany	Western and Central Europe	Eastern Europe	Reconciliation	Total
External revenue (incl. VAT)	219,007	58,207	66,621	0	343,835
External net revenue	184,207	49,047	54,278	0	287,532
Internal net revenue	35,157	0	0	(35,157)	0
<b>Total net revenue</b>	<b>219,364</b>	<b>49,047</b>	<b>54,278</b>	<b>(35,157)</b>	<b>287,532</b>
<b>Adj. EBITDA</b>	<b>24,614</b>	<b>6,342</b>	<b>8,454</b>	<b>(641)</b>	<b>38,769</b>
<b>Investments</b>	<b>2,630</b>	<b>63</b>	<b>401</b>	<b>(1)</b>	<b>3,093</b>
<b>Inventories</b>	<b>160,506</b>	<b>16,539</b>	<b>23,003</b>	<b>0</b>	<b>200,048</b>

**Reconciliation to the operating result for the period from  
1 May 2015 to 31 July 2015 in EUR k**

Adj. EBITDA	38,769
Normalized expenses for store restructuring	641
Revaluation of inventories	174
Other non-operating profit or loss	(333)
Amortization and depreciation	(9,175)
Adjustments relating to financial result	(1,797)
Adjusted financial result	(25,992)
<b>EBT</b>	<b>2,287</b>

*Operating segments by region (1 May 2016 to 31 July 2016)*

in EUR k	Germany	Western and Central Europe	Eastern Europe	Reconciliation	Total
External revenue (incl. VAT)	228,022	58,142	69,572	0	355,736
External net revenue	191,047	48,547	57,329	0	296,923
Internal net revenue	36,479	0	0	(36,479)	0
<b>Total net revenue</b>	<b>227,526</b>	<b>48,547</b>	<b>57,329</b>	<b>(36,479)</b>	<b>296,923</b>
<b>Adj. EBITDA</b>	<b>35,355</b>	<b>5,688</b>	<b>9,823</b>	<b>656</b>	<b>51,522</b>
<b>Investments</b>	<b>1,802</b>	<b>149</b>	<b>257</b>	<b>13</b>	<b>2,221</b>
<b>Inventories</b>	<b>140,133</b>	<b>13,915</b>	<b>20,771</b>	<b>0</b>	<b>174,819</b>

**Reconciliation to the operating result for the period from  
1 May 2016 to 31 July 2016 in EUR k**

Adj. EBITDA	51,522
Normalized expenses for store restructuring	(1,262)
Revaluation of inventories	(3,489)
Other non-operating profit or loss	183
Amortization and depreciation	(11,094)
Adjustments relating to financial result	(1,651)
Adjusted financial result	(28,405)
<b>EBT</b>	<b>5,804</b>



*Operating segments by region (1 February 2015 to 31 July 2015)*

in EUR k	Germany	Western and Central Europe	Eastern Europe	Reconciliation	Total
External revenue (incl. VAT)	415,523	107,983	129,319	0	652,825
External net revenue	349,965	90,834	105,677	1	546,477
Internal net revenue	86,404	0	0	(86,404)	0
<b>Total net revenue</b>	<b>436,369</b>	<b>90,834</b>	<b>105,677</b>	<b>(86,403)</b>	<b>546,477</b>
<b>Adj. EBITDA</b>	<b>46,027</b>	<b>6,612</b>	<b>12,593</b>	<b>(1,223)</b>	<b>64,009</b>
<b>Investments</b>	<b>10,798</b>	<b>656</b>	<b>1,556</b>	<b>152</b>	<b>13,162</b>
<b>Inventories</b>	<b>160,506</b>	<b>16,539</b>	<b>23,003</b>	<b>0</b>	<b>200,048</b>

**Reconciliation to the operating result for the period from  
1 February 2015 to 31 July 2015 in EUR k**

Adj. EBITDA	64,009
Normalized expenses for store restructuring	(4,283)
Revaluation of inventories	(4,662)
Other non-operating profit or loss	(2,809)
Amortization and depreciation	(27,337)
Adjustments relating to financial result	(3,511)
Adjusted financial result	(49,651)
<b>EBT</b>	<b>(28,244)</b>

*Operating segments by region (1 February 2016 to 31 July 2016)*

in EUR k	Germany	Western and Central Europe	Eastern Europe	Reconciliation	Total
External revenue (incl. VAT)	415,023	104,622	128,383	0	648,028
External net revenue	348,616	87,377	105,773	0	541,766
Internal net revenue	85,130	0	0	(85,130)	0
<b>Total net revenue</b>	<b>433,746</b>	<b>87,377</b>	<b>105,773</b>	<b>(85,130)</b>	<b>541,766</b>
<b>Adj. EBITDA</b>	<b>54,939</b>	<b>6,678</b>	<b>14,272</b>	<b>(857)</b>	<b>75,032</b>
<b>Investments</b>	<b>3,340</b>	<b>381</b>	<b>658</b>	<b>0</b>	<b>4,379</b>
<b>Inventories</b>	<b>140,133</b>	<b>13,915</b>	<b>20,771</b>	<b>0</b>	<b>174,819</b>

**Reconciliation to the operating result for the period from  
1 February 2016 to 31 July 2016 in EUR k**

Adj. EBITDA	75,032
Normalized expenses for store restructuring	(429)
Revaluation of inventories	(4,166)
Other non-operating profit or loss	(220)
Amortization and depreciation	(19,386)
Adjustments relating to financial result	(3,151)
Adjusted financial result	(55,478)
<b>EBT</b>	<b>(7,798)</b>

Inventories are presented on a consolidated basis.

As Takko only operates in one area, the apparel retail market, net revenue by product falls into the product categories "Clothing" and "Other". The category "Other" mainly comprises accessories, concession goods as well as the wholesale business with our former Joint Venture partner in Russia.

No revenue is generated in Luxembourg (registered office of the group parent) and there are also no significant non-current assets (intangible assets and property, plant and equipment).

External net revenue by product breaks down as follows:

<b>in EUR k</b>				<b>1 May 2015 to 31 July 2015</b>
	<b>Clothing</b>	<b>Other</b>	<b>Group</b>	
<b>External net revenue</b>	273,258	14,274	287,532	

<b>in EUR k</b>				<b>1 May 2016 to 31 July 2016</b>
	<b>Clothing</b>	<b>Other</b>	<b>Group</b>	
<b>External net revenue</b>	281,984	14,939	296,923	

<b>in EUR k</b>				<b>1 February 2015 to 31 July 2015</b>
	<b>Clothing</b>	<b>Other</b>	<b>Group</b>	
<b>External net revenue</b>	515,907	30,570	546,477	

<b>in EUR k</b>				<b>1 February 2016 to 31 July 2016</b>
	<b>Clothing</b>	<b>Other</b>	<b>Group</b>	
<b>External net revenue</b>	514,398	27,368	541,766	

## 9. Events during the interim period

The following material events took place during the interim period:

- On 9 May 2016, Thierry Jacob has been appointed as class A Manager at Takko Fashion S.à r.l.
- On 24 May 2016, together with the main shareholder Apax Funds, the managing directors of Takko decided to reallocate their areas of responsibility within the reorganization of the company in order to continue the initiated change process. Besides his current role as Chief Procurement Officer, Alexander Mattschull has taken responsibility for product management. In the light of these changes, planning & allocation and logistics has merged into Thomas Helmreich's areas of responsibility as CFO. Ulli Eickmann, Chief Sales Officer, besides his responsibility for sales and expansion, has taken over responsibility for the areas of the online business and marketing. In this context, Peter Migsch (CMO) has left the company.

Luxembourg, 26 September 2016

The Management

Thierry Jacob  
Class A manager

Gérard Maitrejean  
Class B manager



## *Legal notice*

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