

## Interim report – Q1 2015/16

(1 April – 30 June 2015)

### Stable revenue – improved margins – unchanged strong market position

Q1 2015/16 revenue was DKK 826.5 million, down by 0.1% year on year. Revenue was adversely affected primarily by low summer season sales, including, in particular, sales of sun products and, to a lesser extent, by movements in outstanding Club Matas points. The underlying like-for-like sales growth rate in the stores was 0.4% in Q1 2015/16. EBITA was DKK 137.7 million in Q1 2015/16 equivalent to an EBITA margin of 16.7%, up from 15.8% in the year-earlier period.

Statement by Terje List, Chief Executive Officer: *“The Danish retail market continues to be characterised by weak growth, which together with lower sales of summer season products and the resulting lower traffic in the stores resulted in revenue being at a lower-than-expected level. Nevertheless, we generated a satisfactory profit in Q1 2015/16 and maintained our overall market share, mostly thanks to our strong market position, good execution of our strategy and tight cost management”.*

- Q1 2015/16 revenue was down by 0.1 % year on year to DKK 826.5 million. Like-for-like growth was 0.4%. Revenue was adversely affected by seasonal sales and movements in outstanding Club Matas points.
- Q1 2015/16 gross profit was DKK 386.0 million, equivalent to a gross margin of 46.7%, which was unchanged from Q1 2014/15.
- EBITA was DKK 137.7 million in Q1 2015/16 equivalent to an EBITA margin of 16.7%, up from 15.8% in the year-earlier period.
- Profit after tax for the period was DKK 86.4 million, and adjusted profit after tax net of amortisation not related to software was DKK 100.9 million (Q1 2014/15: DKK 81.9 million).
- Cash generated from operations increased to DKK 199.5 million in Q1 2015/16 (Q1 2014/15: DKK 183.9 million). Free cash flow was an inflow of DKK 177.5 million (Q1 2014/15: an inflow of DKK 156.1 million).
- Net interest bearing debt was DKK 1,645.1 million at 30 June 2015, equivalent to 2.5x LTM EBITDA before exceptional items as compared to 2.4x at the end of Q1 2014/15.
- At the annual general meeting held on 24 June 2015, a resolution was passed to pay a dividend of 5.80 per share of DKK 2.50, equivalent to a total dividend of DKK 232 million, which amount is recognised in the cash flow statement for Q1 2015/16.
- Club Matas sustained the net membership growth in Q1 2015/16, retaining its position as the largest customer club in Denmark.
- Matas’s online store continued its high growth rate.
- Stylebox revenue continued to grow in Q1, and management remains confident about the potential to further develop the Stylebox concept.

## Outlook for 2015/16

The financial targets for the Group for 2015/16 are unchanged:

- Revenue is expected to be around DKK 3.5 billion, assuming like-for-like growth of approximately 2%.
- The EBITA margin is expected to be at a level of between 17.0 and 17.5%.

The Danish retail market was challenging during the first quarter of the current financial year, partly due to continuing reluctant consumer spending, and partly due to an extraordinarily poor season for sales of summer-related products, which are typically a major sales category during Matas's first quarter. The guidance for 2015/16 is based on an assumption of unchanged market conditions for the rest of the financial year, although sales of seasonal products are expected to normalise. Moreover, it is expected that the Group will be in a position to retain its overall market share.

## Conference call

Matas will host a conference call for investors and analysts on Friday, 28 August at 10:30 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:

DK	+45 3848 75 13
UK (international)	+44 (0)20 3427 1908
US	+1 646 254 3364

## Contacts

Terje List  
CEO, tel +45 4816 5555

Søren Mølbak  
Head of Investor Relations, tel +45 4816 5548

Anders T. Skole-Sørensen  
CFO, tel +45 4816 5555

Henrik Engberg Johannsen  
Information Manager, tel +45 2171 2474

## Forward-looking statements

*This interim report contains statements relating to the future, including statements regarding Matas A/S'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, many of which are beyond Matas A/S's control, can mean that actual performance and actual results will differ significantly from the expectations expressed in this 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)	2015/16 Q1	2014/15 Q1
<b>Statement of comprehensive income</b>		
Revenue	826.5	827.2
Gross profit	386.0	385.9
EBITDA	152.4	144.6
Operating profit	118.7	111.3
Profit before tax	113.1	91.6
Profit for the period	86.4	67.6
EBITA	137.7	130.3
Adjusted profit after tax	100.9	81.9
<b>Statement of financial position</b>		
Total assets	5,474.4	5,689.4
Total equity	2,472.9	2,444.0
Net working capital	(122.6)	(156.8)
Net interest-bearing debt	1,645.1	1,467.9
<b>Statement of cash flows</b>		
Cash flow from operating activities	189.3	172.3
Cash flow from investing activities	(11.8)	(16.2)
Free cash flow	177.5	156.1
<b>Ratios</b>		
Revenue growth	(0.1)%	3.0%
Like-for-like growth	0.4%	1.4%
Gross margin	46.7%	46.7%
EBITDA margin	18.4%	17.5%
EBITA margin	16.7%	15.8%
EBIT margin	14.4%	13.5%
Cash conversion	125.3%	121.9%
Earnings per share, DKK	2.16	1.66
Diluted earnings per share, DKK	2.15	1.66
Share price, end of period, DKK	142.5	154.5
Return on invested capital, pre-tax	14.7%	15.4%
Return on invested capital, pre-tax and excluding goodwill	130.7%	109.0%
Net working capital as a percentage of revenue	(3.6)%	(4.7)%
Investments as a percentage of revenue	1.4%	2.0%
Net interest-bearing debt/Adjusted EBITDA	2.5	2.4
Average number of employees	2,112	2,192

For definitions of key financials, see page 73 of the 2014/15 Annual Report.

# Management's review

## Revenue in Q1 2015/16

Matas generated revenue of DKK 826.5 million in Q1 2015/16, equivalent to a year-on-year decline of 0.1%.

Sales to stores operated by the Group in both Q1 2015/16 and Q1 2014/15 (like-for-like growth) grew by 0.4%. The number of transactions was down during the period, which was more than offset by a growing average basket size. The high year-on-year growth rates in online sales continued.

Sales in Matas's own retail stores grew 0.6% year on year, while wholesale sales to associated Matas stores were down by 16.7% as a result of the acquisition of associated stores during the last 12 months. Adjusted for the acquisition of stores, a minor underlying improvement was seen in wholesale sales to associated stores.

The cost of Club Matas points, which is recognised as a deduction from revenue, and falling revenue from Club M due to changes to contract terms had an adverse impact on revenue for the quarter.

The market for beauty, health and personal care products remained challenging in Q1 2015/16, and products related to the summer and beach season such as sun products suffered in particular, whereas sales of high-end beauty products were satisfactory. Based on market data, Matas estimates that it has retained its market share.

The consolidation of acquired operations lifted revenue from Matas's own retail stores by approximately 0.2% year on year.

### REVENUE BY SALES CHANNEL

(DKK millions)	2015/16 Q1	2014/15 Q1	Growth
Beauty	589.3	589.1	0.0%
Vital	84.1	76.3	10.3%
Material	74.0	74.7	(1.0)%
MediCare	46.0	45.8	0.5%
Other including Sweden	6.1	8.9	(31.7)%
<b>Total revenue from own retail stores</b>	<b>799.5</b>	<b>794.8</b>	<b>0.6%</b>
Sales of goods to associated stores, etc.	27.0	32.4	(16.7)%
<b>Total revenue</b>	<b>826.5</b>	<b>827.2</b>	<b>(0.1)%</b>

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

The Beauty Shop offers everyday and luxury beauty products and personal care products, including cosmetics, fragrance, skincare and hair-care products. Revenue from the Beauty Shop was largely unchanged from Q1 2014/15. Sales of high-end beauty products showed good growth at the rate of 5.0%, and it is estimated that, as a minimum, Matas retained its market position in this segment in Q1. On the other hand, sales in Mass Beauty (everyday products – including summer-related products) saw a negative trend. All available market data indicate that Matas was able to retain its share of the Mass Beauty market in Q1 2015/16 as the weak performance was broadly based throughout the market.

The Beauty segment's share of total revenue from Matas's own retail stores was down in Q1 2015/16 to 73.7% from 74.1% in the year-earlier period.

The Vital Shop segment, which consists of vitamins, minerals, supplements and health foods continued its sales growth, generating a 10.3% revenue increase in Q1 2015/16. A growing focus on this area in the stores and a positive market contributed to this healthy growth rate.

Revenue from the Material Shop segment, which comprises products for handling complex household issues as well as footcare, sports and other products, showed a marginal year-on-year decline of 1.0%, partly driven by lower sales of sandals, footcare and garden products.

The MediCare segment, which offers OTC medicine and healthcare products, recorded a 0.5% increase in revenue in Q1 2015/16. However, this market remained under pressure from growing competition within sales of smoke cessation products.

The number of members of the Club Matas loyalty programme continued to grow in Q1 2015/16. Both the development and roll-out of projects to increase the value of the loyalty programme in the years ahead follow the plans made.

ClubM currently has 16 external partners. A steadily growing number of Club Matas members use Club M partners, but adjustments to the contract terms with certain partners reduced the positive revenue from Club M in Q1.

As at 30 June 2015, the Matas chain had 292 retail stores, divided into 272 own physical retail stores, one online store and 19 associated stores. Two small stores were closed during the quarter in Aarhus and Aabenraa, respectively. In StyleBox, the number of stores was unchanged at five plus an online store throughout Q1 2015/16.

Matas has noted that a relatively new retail store concept based on parallel imports of certain of the company's product categories, especially in the Mass Beauty segment, has indicated plans for a strong expansion in the number of its retail stores. Matas continually monitors the competitive situation in the market. Based on an analysis of sales performance of the company's stores exposed to competition from this competitor's stores, it is estimated that the adverse impact on Matas's total revenue amounts to approximately 0.2% in Q1, equivalent to approximately DKK 2 million.

## Costs and operating profit

Gross profit in Q1 2015/16 was DKK 386.0 million (Q1 2014/15: DKK 385.9 million).

The gross margin for Q1 2015/16 was 46.7% (Q1 2014/15: 46.7%). The flat gross profit performance in Q1 2015/16 can consequently be attributed to flat trends in both revenue and gross margin. The consolidation of acquired activities had a minor positive impact on the gross margin in Q1 2015/16, which was, however, offset by lower sales of summer products, which traditionally have above average margins, and the continuing intense competitive situation and the resulting higher proportion of products sold at a discount.

Other external costs were down by DKK 9.9 million relative to Q1 2014/15. Other external costs as a percentage of revenue dropped to 8.4% in Q1 2015/16 from 9.6% in the year-earlier period, which was attributable to exceptionally low net marketing costs and, to a lesser extent, to a continuing focus on costs in the organisation as a whole.

Staff costs rose by DKK 2.2 million year on year in Q1 2015/16. The increase was due to higher store payroll costs as a result of a decline in salary reimbursements due to changes in the public reimbursement rules. Head office payroll costs were lower year on year in Q1 2015/16 as a result of lower staff costs at the central warehouse facility. As a percentage of revenue, staff costs rose to 19.9% in Q1 2015/16 from 19.6% in the year-earlier period. Q1 2015/16 staff costs include DKK 0.5 million related to the company's long-term share compensation programme.

### DEVELOPMENTS IN COSTS

(DKK millions)	2015/16 Q1	2014/15 Q1	Growth
Other external costs	69.3	79.2	(12.5)%
As a percentage of revenue	8.4%	9.6%	
Staff costs	164.3	162.1	1.4%
As a percentage of revenue	19.9%	19.6%	

EBITDA was DKK 152.4 million in Q1 2015/16, representing a year-on-year increase of 5.4%. This brought the EBITDA margin to 18.4%, representing an improvement by 0.9 percentage points.

EBIT was DKK 118.7 million in Q1 2015/16. EBITA was up by 6% to DKK 137.7 million, equivalent to an EBITA margin of 16.7% (Q1 2014/15: 15.8%). The increase was attributable to the fall in external costs.

#### DEVELOPMENTS IN EBITA

(DKK millions)	2015/16 Q1	2014/15 Q1	Growth
<b>Operating profit</b>	118.7	111.3	6.6%
Amortisation of intangible assets	19.0	19.0	
<b>EBITA</b>	137.7	130.3	5.7%
EBITA margin	16.7%	15.8%	

## Financial items and tax

Total financial expenses were down by DKK 14.1 million in Q1 2015/16 to DKK 5.6 million.

In Q1 2015/16, the fair value adjustment of an interest rate swap produced a gain of DKK 5.3 million. Net interest expenses excluding fair value adjustments were DKK 10.9 million, which represented a year-on-year increase of DKK 0.3 million.

#### DEVELOPMENTS IN NET INTEREST EXPENSES

(DKK millions)	2015/16 Q1	2014/15 Q1
Net interest expenses	5.6	19.7
Fair value adjustment of interest rate swap	5.3	(9.1)
Net interest expenses	10.9	10.6

## Profit for the period

The effective tax rate in Q1 2015/16 was 23.6%, equivalent to a tax expense of DKK 26.7 million. Profit for the period after tax was DKK 86.4 million, and adjusted profit after tax was DKK 100.9 million, representing a year-on-year increase of 23.2%.

## Statement of financial position

Total assets stood at DKK 5,474.4 million at 30 June 2015 (30 June 2014: DKK 5,689.4 million).

Current assets totalled DKK 1,029.1 million, representing a year-on-year decline of DKK 140.6 million. Inventories were 2.6% lower at the end of Q1 2015/16 than at the end of Q1 2014/15 including additions from acquired operations and store openings. Inventories accounted for 20.6% of LTM revenue at the end of Q1 2015/16 compared to 21.5% a year earlier, and 19.3% at the end of Q4 2014/15. The increase in inventories in the course of Q1 was due to the normal build-up of inventories ahead of the summer season, and the relative year-on-year decline reflects the continuing efforts to optimise the level of cash tied up in inventories relative to the reliability of delivery to the retail stores.

Trade receivables were down by DKK 1.5 million to DKK 31.2 million. Trade payables were down by DKK 117.8 million compared to 30 June 2014, primarily as a result of a change in the mix of suppliers, an extraordinarily high level last year and a number of arbitrary timing differences in payments of outstanding amounts at the end of the quarter.

Net working capital stood at minus DKK 122.6 million at 30 June 2015 (30 June 2014: minus DKK 156.8 million). Net working capital accounted for approximately minus 3.6% of LTM revenue, as compared with minus 4.7% last year.

The decline in net working capital can mainly be attributed to the fact that the company paid out dividend this year at the end of Q1 and, in compliance with Danish legislation, withholding tax on shareholders' dividends had not yet been settled with the tax authorities by the balance sheet date.

Cash and cash equivalents stood at DKK 191.2 million (30 June 2015: DKK 296.1 million) especially because the company's payment of dividends was made in Q1 2015/16, whereas it was made in Q2 in 2014/15.

Equity stood at DKK 2,472.9 million at 30 June 2015 (30 June 2014: DKK 2,444.0 million).

Interest-bearing gross debt stood at DKK 1,836.3 million at 30 June 2015.

Net interest bearing debt was DKK 1,645.1 million at 30 June 2015, representing a year-on-year increase of DKK 177.2 million. Net interest-bearing debt represents 2.5x LTM EBITDA before exceptional items.

The Group's treasury shares totalled 783,242 shares at 30 June 2015. After the balance sheet date, 488,312 treasury shares, equivalent to 1.2% of the share capital, have been cancelled following a resolution adopted at the annual general meeting held on 24 June 2015. The treasury shares are held partly 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 199.5 million in Q1 2015/16 (Q1 2014/15: DKK 183.9 million) driven by the increase in profit as well as the reduction of working capital.

The cash flow from operating activities was DKK 189.3 million in Q1 2015/16 (Q1 2014/15: DKK 172.3 million).

The cash flow from investing activities was an outflow of DKK 11.8 million, which was primarily attributable to maintenance investments in the store network and IT investments.

The free cash flow was DKK 177.5 million in Q1 2015/16.

## Return on invested capital

The return on invested capital before tax in the past 12 months was 14.7%, as compared to 15.4% 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 2014/15 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 2014/15 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 2015.

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 2015 and of the results of the Group's operations and cash flows for the period 1 April to 30 June 2015.

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, 28 August 2015

## 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 2015/16:

19 November 2015	H1 interim report 2015/16
8 January 2016	Trading Update for the period 1 October 2015 to 31 December 2015
9 February 2016	Q3 interim report 2015/16
27 May 2016	Annual report 2015/16
29 June 2016	Annual general meeting

### Company information

Matas A/S  
Rørmosevej 1  
DK-3450 Allerød, Denmark

Tel.: +45 4816 5555  
[www.matas.dk](http://www.matas.dk)  
[investor.matas.dk](http://investor.matas.dk)  
Company reg. (CVR) no. 27 52 84 06

# Statement of comprehensive income

(DKK millions)	2015/16 Q1	2014/15 Q1
Revenue	826.5	827.2
Cost of goods sold	(440.5)	(441.3)
<b>Gross profit</b>	<b>386.0</b>	<b>385.9</b>
Other external costs	(69.3)	(79.2)
Staff costs	(164.3)	(162.1)
Amortisation, depreciation and impairment losses	(33.7)	(33.3)
<b>Operating profit</b>	<b>118.7</b>	<b>111.3</b>
Financial income	0.0	0.1
Financial expenses	(5.6)	(19.8)
<b>Profit before tax</b>	<b>113.1</b>	<b>91.6</b>
Tax on profit for the period	(26.7)	(24.0)
<b>Profit for the period</b>	<b>86.4</b>	<b>67.6</b>
<b>Other comprehensive income</b>		
Other comprehensive income after tax	0.0	0.0
<b>Total comprehensive income</b>	<b>86.4</b>	<b>67.6</b>
<b>Earnings per share</b>		
Earnings per share, DKK	2.16	1.66
Diluted earnings per share, DKK	2.15	1.66

# Statement of cash flows

(DKK millions)	2015/16 Q1	2014/15 Q1
Profit before tax	113.1	91.6
Adjustment for non-cash operating items:		
Amortisation, depreciation and impairment losses	33.7	33.3
Other non-cash operating items, net	2.1	0.3
Financial income	0.0	(0.1)
Financial expenses	5.6	19.8
<b>Cash generated from operations before changes in working capital</b>	<b>154.5</b>	<b>144.9</b>
Changes in net working capital	45.0	39.0
<b>Cash generated from operations</b>	<b>199.5</b>	<b>183.9</b>
Interest received	0.0	0.1
Interest paid	(10.2)	(11.7)
Corporation tax paid	0.0	0.0
<b>Cash flow from operating activities</b>	<b>189.3</b>	<b>172.3</b>
Acquisition of intangible assets	(5.3)	(4.8)
Acquisition of property, plant and equipment	(6.4)	(7.3)
Acquisition of subsidiaries and operations	(0.1)	(4.1)
<b>Cash flow from investing activities</b>	<b>(11.8)</b>	<b>(16.2)</b>
<b>Free cash flow</b>	<b>177.5</b>	<b>156.1</b>
Debt raised from and settled with banks	229.7	0.0
Dividend paid	(232.0)	0.0
Purchase and sale of treasury shares	(25.5)	0.0
<b>Cash flow from financing activities</b>	<b>(27.8)</b>	<b>0.0</b>
<b>Net cash flow from operating, investing and financing activities</b>	<b>149.7</b>	<b>156.1</b>
Cash and cash equivalents, beginning of period	41.5	140.0
<b>Cash and cash equivalents, end of period</b>	<b>191.2</b>	<b>296.1</b>

# Assets

(DKK millions)	30.06 2015	30.06 2014	31.03 2015
<b>NON-CURRENT ASSETS</b>			
Goodwill	3,691.0	3,684.7	3,691.0
Trademarks and trade names	491.2	565.1	509.7
Shares in co-operative property	3.9	3.9	3.9
Other intangible assets	38.2	40.7	39.4
<b>Total intangible assets</b>	<b>4,224.3</b>	<b>4,294.4</b>	<b>4,244.0</b>
<b>Property, plant and equipment</b>			
Land and buildings	98.2	100.5	98.7
Other fixtures and fittings, tools and equipment	53.1	50.8	53.2
Leasehold improvements	11.9	18.9	13.6
<b>Total property, plant and equipment</b>	<b>163.2</b>	<b>170.2</b>	<b>165.5</b>
Deferred tax assets	20.6	18.1	18.0
Deposits	36.3	35.7	36.2
Other securities and investments	0.9	1.3	1.3
<b>Total other non-current assets</b>	<b>57.8</b>	<b>55.1</b>	<b>55.5</b>
<b>Total non-current assets</b>	<b>4,445.3</b>	<b>4,519.7</b>	<b>4,465.0</b>
<b>CURRENT ASSETS</b>			
Inventories	705.4	724.0	662.1
Trade receivables	31.2	32.7	34.3
Income tax receivable	75.0	89.6	112.3
Other receivables	3.4	9.2	2.6
Deferred income	22.9	18.1	19.0
Cash and cash equivalents	191.2	296.1	41.5
<b>Total current assets</b>	<b>1,029.1</b>	<b>1,169.7</b>	<b>871.8</b>
<b>TOTAL ASSETS</b>	<b>5,474.4</b>	<b>5,689.4</b>	<b>5,336.8</b>

## Equity and liabilities

(DKK millions)	30.06 2015	30.06 2014	31.03 2015
<b>EQUITY</b>			
Share capital	101.9	101.9	101.9
Share premium	1,787.3	1,787.3	1,787.3
Translation reserve	0.3	0.3	0.3
Treasury share reserve	(111.2)	(10.5)	(85.7)
Retained earnings	694.6	565.0	603.2
Proposed dividend for the financial year	0.0	0.0	236.5
<b>Total equity</b>	<b>2,472.9</b>	<b>2,444.0</b>	<b>2,643.5</b>
<b>LIABILITIES</b>			
Deferred tax	256.9	289.7	263.9
Banks	1,836.3	1,763.4	1,560.6
Other payables, long-term	22.8	20.4	28.1
<b>Total non-current liabilities</b>	<b>2,116.0</b>	<b>2,073.5</b>	<b>1,852.6</b>
Banks, short-term	0.0	0.0	45.3
Prepayments from customers	138.2	130.8	141.2
Trade payables	559.5	677.3	499.5
Dividends	0.0	223.8	0.0
Other payables	187.8	132.7	154.7
Corporation tax	0.0	7.3	0.0
<b>Total current liabilities</b>	<b>885.5</b>	<b>1,171.9</b>	<b>840.7</b>
<b>Total liabilities</b>	<b>3,001.5</b>	<b>3,245.4</b>	<b>2,693.3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,474.4</b>	<b>5,689.4</b>	<b>5,336.8</b>

# Statement of changes in equity

	Share capital	Share premium	Translation reserve	Treasury share reserve	Proposed dividend	Retained earnings	Total
<b>Equity at 1 April 2015</b>	<b>101.9</b>	<b>1,787.3</b>	<b>0.3</b>	<b>(85.7)</b>	<b>236.5</b>	<b>603.2</b>	<b>2,643.5</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	86.4	86.4
<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>86.4</b>	<b>86.4</b>
<b>Transactions with owners</b>							
Dividend paid	0.0	0.0	0.0	0.0	(232.0)	0.0	(232.0)
Dividend on treasury shares	0.0	0.0	0.0	0.0	(4.5)	4.5	0.0
Acquisition of treasury shares	0.0	0.0	0.0	(25.5)	0.0	0.0	(25.5)
Share-based payment	0.0	0.0	0.0	0.0	0.0	0.5	0.5
<b>Total transactions with owners</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(25.5)</b>	<b>(236.5)</b>	<b>5.0</b>	<b>(257.0)</b>
<b>Equity at 30 June 2015</b>	<b>101.9</b>	<b>1,787.3</b>	<b>0.3</b>	<b>(111.2)</b>	<b>0.0</b>	<b>694.6</b>	<b>2,472.9</b>

	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 payment	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>

# 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 2014/15, to which reference is made.

Matas A/S has implemented the IFRS standards and interpretations taking effect for 2015/16. 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 judgments.

The critical accounting estimates and judgments are consistent with those in the consolidated financial statements for 2014/15.

## 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)	2015/16 Q1	2014/15 Q4	2014/15 Q3	2014/15 Q2	2014/15 Q1
<b>Statement of comprehensive income</b>					
Revenue	826.5	772.2	1,041.3	792.6	827.2
Gross profit	386.0	355.3	481.0	372.8	385.9
EBITDA	152.4	133.6	241.7	140.6	144.6
Operating profit	118.7	100.0	208.6	106.3	111.3
Net interest expenses	(5.6)	(15.1)	(12.8)	(16.9)	(19.7)
Profit before tax	113.1	84.9	195.8	89.4	91.6
Profit for the period	86.4	63.0	143.9	65.8	67.6
<b>Statement of financial position</b>					
Total assets	5,474.4	5,336.8	5,757.8	5,647.3	5,689.4
Total equity	2,472.9	2,643.5	2,625.7	2,510.6	2,444.0
Net working capital	(122.6)	(77.4)	(99.9)	(14.7)	(156.8)
Net interest-bearing debt	1,645.1	1,564.4	1,574.2	1,726.3	1,467.9
<b>Statement of cash flows</b>					
Cash flow from operating activities	189.3	68.3	194.3	(13.1)	172.3
Cash flow from investing activities	(11.8)	(13.0)	(12.1)	(20.8)	(16.2)
Free cash flow	177.5	55.3	182.2	(33.9)	156.1
Net cash flow from operating, investing and financing activities	149.7	(295.2)	122.8	(82.7)	156.1
<b>Key performance indicators</b>					
Number of transactions (in millions)	5.6	5.5	6.6	5.7	5.8
Average basket size (in DKK)	141.4	133.9	150.0	130.4	134.8
Total floor space (in thousands of square metres)	50.8	51.1	51.0	51.0	50.9
Average revenue per square metre (in DKK thousands) - LTM	64.3	64.2	63.8	63.7	63.9
Like-for-like growth	0.4%	3.7%	0.8%	0.5%	1.4%
<b>Adjusted figures</b>					
EBITDA	152.4	133.6	241.7	140.6	144.6
Depreciation and amortisation of software	(14.7)	(14.7)	(14.1)	(15.3)	(14.3)
EBITA	137.7	118.9	227.6	125.3	130.3
Adjusted profit after tax	100.9	77.3	158.2	80.1	81.9
Gross margin	46.7%	46.0%	46.2%	47.0%	46.7%
EBITDA margin	18.4%	17.3%	23.2%	17.7%	17.5%
EBITA margin	16.7%	15.4%	21.9%	15.8%	15.8%
EBIT margin	14.4%	13.0%	20.0%	13.4%	13.5%