



SERVING HEALTH

Quarterly Report
February to April 2016

We deliver health.
Each and every day. Across Europe.



- **The PHOENIX group** is a leading pharmaceutical trader in Europe, reliably supplying people with drugs and medical products every day. The PHOENIX group originated from the merger of five regionally active pharmaceutical wholesale businesses in Germany in 1994. Today, the company offers unique geographical coverage throughout Europe, making a vital contribution to comprehensive healthcare with around 30,000 employees. The PHOENIX group's vision is to be the best integrated healthcare provider – wherever it is active. This means that each customer group is provided with the best possible services and products along the entire pharmaceutical supply chain.
- **In pharmaceutical wholesale**, the PHOENIX group is active with 153 distribution centres in 26 European countries and supplies pharmacies and medical institutions with drugs and other health products. Numerous other products and services for pharmacy customers complete the portfolio – from support with patient advice to modern goods management systems to pharmacy cooperation programmes.
- **In pharmacy retail**, the PHOENIX group is active in 12 countries with around 1,800 of its own pharmacies – around 862 of which operate under the new corporate brand BENU. In addition to Norway, the United Kingdom, the Netherlands, and Switzerland, the company is also represented in the Eastern European and Baltic markets. The more than 13,000 pharmacy employees have around 120 million customer contacts each year. They dispense around 260 million drug packages to patients and advise them on issues concerning pharmaceuticals and general health.
- **Pharma Services** provides services across the whole supply chain. The “All-in-One” concept stands for a comprehensive range of services that benefits drug manufacturers, pharmacies, and patients. The PHOENIX group takes on the entire distribution process for the pharmaceutical industry as desired and with business intelligence offers a first-class basis for decision making.

SERVING HEALTH

ENHANCING SKILLS



DEVELOPING MARKETS

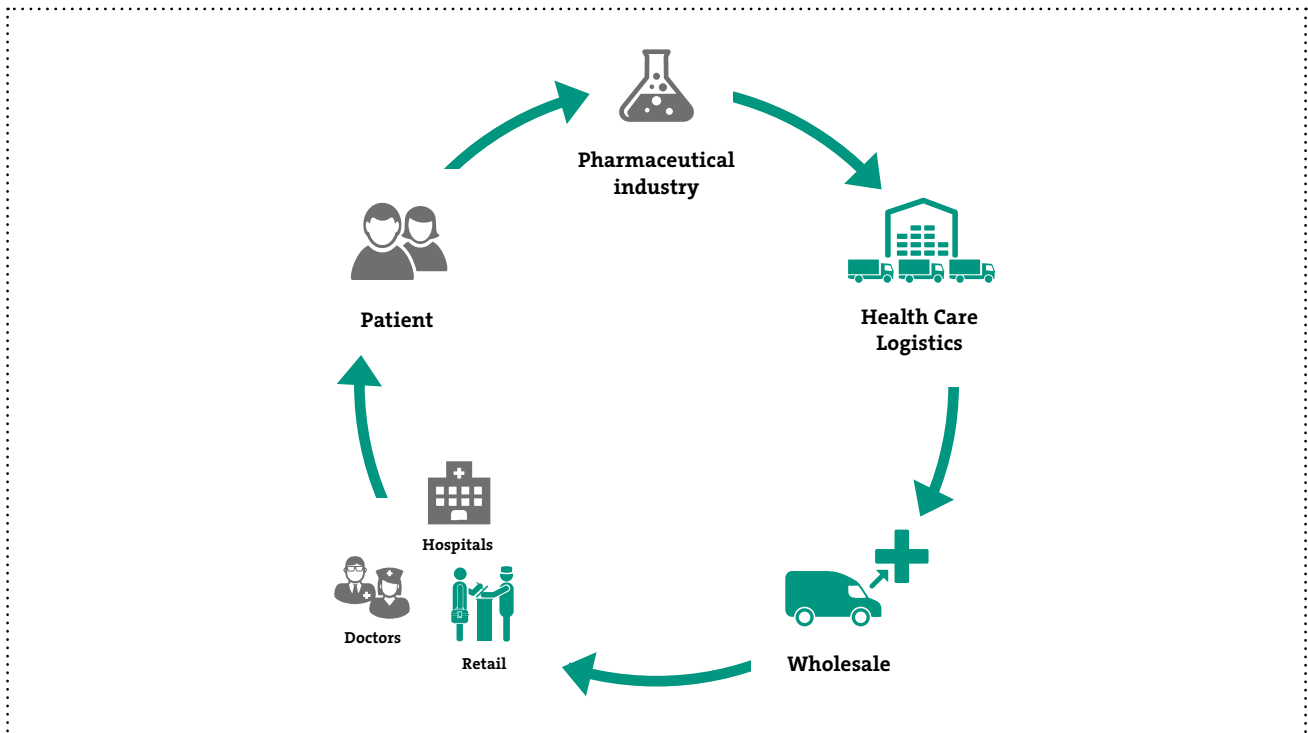


CREATING ADDED VALUE

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PHOENIX group: link between manufacturer and patient



Wholesale



> As a wholesaler, the PHOENIX group ensures that the drugs and health products of pharmaceutical manufacturers are delivered to pharmacies and medical institutions both quickly and reliably. The PHOENIX group also supports independent pharmacies in Europe, offering various services to increase customer retention.

Pharma Services



> PHOENIX Pharma Services offers a wide range of services along the entire pharmaceutical supply chain. Our business intelligence products also help pharmaceutical manufacturers to make better business decisions and to focus their attention on the development and production of superior drugs. The PHOENIX group takes care of everything else.

Retail



> In pharmacy retail, the PHOENIX group is responsible for directly supplying the general public with pharmaceuticals and health products. The comprehensive and professional advice provided by our pharmacy staff is of the highest quality and is accompanied by the best possible customer service.

The first quarter at a glance

- The Netherlands Authority for Consumers and Markets approves Mediq acquisition
- Position as a leading pharmaceutical trader in Europe underlined
- Total operating performance and revenue increased again
- Increased profit after tax (adjusted for foreign exchange rate effects)
- Positive outlook for the fiscal year 2016/17 confirmed

Key figures of the PHOENIX group		1st quarter 2015	1st quarter 2016
Total operating performance	in EUR k	7,127,708	7,260,500
Revenue	in EUR k	5,836,138	5,877,160
Total income	in EUR k	588,694	588,213
EBITDA	in EUR k	106,218	99,422
EBIT	in EUR k	78,177	71,150
Profit after tax (adjusted for foreign exchange rate effects)	in EUR k	44,255	45,305

		30 April 2015	31 Jan. 2016	30 April 2016
Equity	in EUR k	2,541,063	2,726,468	2,750,880
Equity ratio	in %	33.6	35.1	34.8
Net debt	in EUR k	1,585,117	1,121,561	1,355,338

Interim group management report

Business and economic environment

Development of the market

The economic environment in Europe was characterised by a slight growth of the GDP in the first quarter of 2016. In the eurozone, the seasonally adjusted GDP increased by 1.5 % in the first quarter of 2016 compared to prior year's first quarter. In Germany, GDP increased by 1.3 % compared to the first quarter of 2015.

Overall, the European pharmaceutical markets continued their moderate growth in the first quarter of 2016. The German pharmaceutical market also showed a moderate growth. The total turnover of the German wholesale pharmaceutical market grew by 1.3 % from January to April 2016 compared to the same period of prior year. The increase was mainly due to higher prescription pharmaceuticals revenues. Perceptible market growths were also noted in various foreign markets of the PHOENIX group.

In total, the PHOENIX group continued its positive development in the European market environment. The increase in total operating performance was 1.9 %; revenue grew by 0.7 %.

Acquisitions

In the first quarter of 2016/17 business combinations led to a cash outflow of EUR 7.6m (comparative period: EUR 4.1m).

At the end of February 2016, the competition authorities in Hungary approved the PHOENIX group's acquisition of Novodata. Novodata is market leader in the area of pharmacy software on the Hungarian healthcare market.

Results of operations

In the first quarter of 2016/17, total operating performance, comprising revenue and handled volume which cannot be recognised as revenue, increased by 1.9 % to EUR 7,260.5m. Adjusted for foreign exchange rate effects, total operating performance grew by 2.8 %.

Revenue grew by EUR 41.1m (0.7 %) to EUR 5,877.2m (comparative period: EUR 5,836.1m). Adjusted for foreign exchange rate effects, revenue grew by 1.8 %. The increase in revenue is mainly due to revenue growths in Northern and Eastern Europe.

Gross profit increased by EUR 0.9m to EUR 556.0m. At 9.5 %, the gross profit remained stable.

Other operating income was approximately on prior year's level.

Personnel expenses increased by 1.5 % (adjusted for foreign exchange rate effects: 4.7%) to EUR 295.9m. This is mainly due to the impact of collective salary increases, acquisitions and the growth in business. The personnel cost ratio was 5.0% and is almost unchanged compared to prior year's first quarter.

Other expenses rose by EUR 2.1m. This is mainly due to increased transportation costs and lease costs. In relation to revenue, other expenses came to 3.3 % (comparative period: 3.3 %).

Earnings before interest, taxes, depreciation and amortisation (EBITDA) decreased by EUR 6.8m to EUR 99.4m as total expenses grew at a higher rate than gross profit. Adjusted for foreign exchange rate effects, EBITDA decreased by EUR 3.0m.

The PHOENIX group's indicator used for comparison with net debt (adjusted EBITDA) came to EUR 102.6m and is determined as follows:

EUR k	1st quarter 2015	1st quarter 2016
EBITDA	106,218	99,422
Interest from customers	3,198	2,601
Expenses related to ABS/factoring	767	614
Adjusted EBITDA	110,183	102,637

Depreciation and amortisation came to EUR 28.3m and were on prior year's level.

The financial result improved compared to prior period's result by EUR 2.1m to EUR –9.7m. The improvement is mainly due to a lower average net debt.

Profit before tax declined by EUR 5.0m to EUR 61.5m compared to prior year.

The effective tax rate in the first quarter of 2016/17 came to 29.4 % and was 33.4 % in the comparative period.

Profit after tax was EUR 43.4m (comparative period: EUR 44.3m). Of this, EUR 5.2m is attributable to non-controlling interests (comparative period: EUR 4.5m).

Net assets

The Group's total assets increased by 1.6% to EUR 7,897.0m compared to 31 January 2016. The currency translation difference on the total assets, which is presented in the statement of changes in equity, amounts to EUR –56.5m (31 January 2016: EUR –48.5m).

Compared to 31 January 2016, non-current assets increased by EUR 4.5m to EUR 2,569.8m. Intangible assets contain goodwill with an amount of EUR 1,186.3m (31 January 2016: EUR 1,184.2m).

Inventories increased compared to 31 January 2016 by EUR 69.2m to EUR 2,050.6m. This increase is mainly due to seasonal fluctuation.

Trade receivables increased slightly by 3.8% to EUR 2,635.6m. As of 30 April 2016, receivables of EUR 24.0m (31 January 2016: EUR 24.8m) had been sold under ABS and factoring programmes that are not accounted for in the statement of financial position. Under ABS and factoring programmes that are accounted for only to the extent of the continuing involvement, receivables of EUR 180.9m had been sold as of 30 April 2016 (31 January 2016: EUR 164.2m). The Group's continuing involvement came to EUR 7.9m (31 January 2016: EUR 7.3m).

Other current receivables and other current financial assets decreased from EUR 168.2m as of 31 January 2016 to EUR 161.2m and mainly include receivables from factoring and ABS transactions of EUR 43.1m (31 January 2016: EUR 30.6m) as well as receivables from rebates and bonuses of EUR 54.2m (31 January 2016: EUR 55.4m).

Other current assets decreased from EUR 108.8m as of 31 January 2016 to EUR 104.1m, among others, due to lower other tax receivables.

The change in cash and cash equivalents is presented in the statement of cash flows.

Financial position

Equity increased mainly due to the earned profit.

The result before changes in working capital came to EUR 111.8m and was slightly below prior year's level. The increase in working capital of EUR 274.8m was EUR 278.9m lower than in the comparative period. Cash flow from operating activities increased by EUR 275.4m to EUR –163.0m.

Cash flow from investing activities came to EUR –38.7m and was EUR –35.9 in the comparative period.

Non-current financial liabilities came to EUR 604.8m. As at 30 April 2016, non-current financial liabilities contain, among others, bonds of EUR 593.0m (31 January 2016: EUR 592.7m).

Current financial liabilities increased by EUR 198.9m to EUR 933.6m mainly due to higher current bank liabilities and higher liabilities from ABS and factoring agreements.

Current financial liabilities include, among others, liabilities to banks of EUR 195.8m (31 January 2016: EUR 115.1m), liabilities from ABS and factoring agreements with an amount of EUR 496.4m (31 January 2016: EUR 387.8m) as well as other loans amounting to EUR 128.1m (31 January 2016: EUR 126.2m).

Trade payables decreased by EUR 107.5m to EUR 2,939.9m.

Other liabilities declined from EUR 258.5m as of 31 January 2016 to EUR 257.9m.

Overall, the PHOENIX group was able to underline its position in the first quarter of 2016/17 as a leading pharmaceuticals trader in Europe.

Subsequent events

The PHOENIX group has acquired Mediq Apotheken Nederland B.V. via its subsidiary Brocacef Groep. The Netherlands Authority for Consumers and Markets conditionally approved the acquisition as of June 13, 2016. The acquisition contains pre-wholesale activities in addition to pharmacies and wholesale.

Risks and opportunities

The PHOENIX group has comprehensive planning, approval and reporting structures and an early warning system which we use to identify, assess and monitor our opportunities and risks. The opportunities and risks of significance to us are presented extensively in our annual report for fiscal year 2015/16.

The risks presented there are still essentially relevant.

Forecast

We anticipate a stable economic environment in 2016, with GDP in Germany expected to grow by around 1%. Moderate GDP growth is also expected in the rest of Europe. We do not anticipate any noticeable increase in inflation or interest rates in 2016.

We expect the European pharmaceutical markets to record a positive market growth in 2016.

For the fiscal year 2016/17, the PHOENIX group expects to further expand its market position in Europe through organic growth and acquisitions and thereby increase revenue slightly above the level of growth on the European pharmaceutical markets. We anticipate revenue growth in Germany, Western Europe, Eastern Europe and Northern Europe.

The equity ratio is expected to again increase slightly mainly as a result of the planned earnings course.

We expect adjusted EBITDA for 2016/17 to be at the level of the prior-year value.

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Consolidated income statement

for the first quarter of 2016/17

EUR k	1st quarter 2015	1st quarter 2016
Revenue	5,836,138	5,877,160
Cost of purchased goods and services	-5,281,049	-5,321,162
Gross profit	555,089	555,998
Other operating income	33,605	32,215
Personnel expenses	-291,570	-295,948
Other operating expenses	-191,420	-193,516
Results from associates and joint ventures	446	455
Result from other investments	68	218
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	106,218	99,422
Amortisation of intangible assets and depreciation of property, plant and equipment	-28,041	-28,272
Earnings before interest and taxes (EBIT)	78,177	71,150
Interest income	4,026	3,305
Interest expenses	-15,737	-12,942
Other financial result	-17	-29
Financial result	-11,728	-9,666
Profit before tax	66,449	61,484
Income taxes	-22,194	-18,076
Profit after tax	44,255	43,408
thereof attributable to non-controlling interests	4,546	5,180
thereof attributable to owners of the parent company	39,709	38,228

Consolidated statement of comprehensive income

for the first quarter of 2016/17

EUR k	1st quarter 2015	1st quarter 2016
Profit after tax	44,255	43,408
Items not reclassified to the income statement		
Remeasurement of defined benefit plans	1,227	-10,264
Items that may subsequently be reclassified to the income statement		
Gains/losses from changes in the fair value of available-for-sale financial assets	0	1
Reclassification adjustments	0	0
Currency translation differences	16,746	-8,327
Other comprehensive income, net of taxes	17,973	-18,590
Total comprehensive income	62,228	24,818
thereof attributable to non-controlling interests	5,377	4,692
thereof attributable to owners of the parent company	56,851	20,126

Consolidated statement of financial position

as of 30 April 2016

ASSETS

EUR k	31 Jan. 2016	30 April 2016
Non-current assets		
Intangible assets	1,568,886	1,568,703
Property, plant and equipment	806,449	807,448
Investment property	7,902	7,929
Investments in associates and joint ventures	15,757	16,110
Trade receivables	35	19
Other financial assets	73,121	77,545
Other assets	0	77
Deferred tax assets	89,109	90,871
Income tax receivables	4,046	1,141
	2,565,305	2,569,843
Current assets		
Inventories	1,981,327	2,050,579
Trade receivables	2,539,905	2,635,623
Income tax receivables	40,549	38,946
Other receivables and other current financial assets	168,171	161,217
Other assets	108,765	104,118
Cash and cash equivalents	367,881	335,793
	5,206,598	5,326,276
Non-current assets held for sale	655	894
Total assets	7,772,558	7,897,013

EQUITY AND LIABILITIES

EUR k	31 Jan. 2016	30 April 2016
Equity		
Unlimited and limited partners' capital	1,185,000	1,185,000
Reserves	1,444,420	1,482,733
Accumulated other comprehensive income	-148,540	-166,642
Equity attributable to partners	2,480,880	2,501,091
Non-controlling interests	245,588	249,789
	2,726,468	2,750,880
Non-current liabilities		
Financial liabilities	604,262	604,799
Trade payables	1,243	692
Provisions for pensions and similar obligations	211,259	226,381
Other non-current provisions	2,681	1,185
Deferred tax liabilities	120,877	119,033
Other non-current liabilities	2,552	2,514
	942,874	954,604
Current liabilities		
Financial liabilities	734,796	933,646
Trade payables	3,046,137	2,939,185
Other provisions	28,923	30,342
Income tax liabilities	34,845	30,435
Other liabilities	258,515	257,921
	4,103,216	4,191,529
Liabilities directly associated with assets held for sale	0	0
Total equity and liabilities	7,772,558	7,897,013

Consolidated statement of changes in equity

for the first quarter of 2016/17

EUR k	Unlimited and limited partners' capital	Reserves
1 February 2015	1,185,000	1,247,377
Profit after tax		39,709
Accumulated other comprehensive income		0
Total comprehensive income, net of tax	0	39,709
Capital increase/reduction		-1,435
Changes in basis of consolidation		-108
Dividends		0
Other changes in equity		-24
30 April 2015	1,185,000	1,285,519
1 February 2016	1,185,000	1,444,420
Profit after tax		38,228
Accumulated other comprehensive income		0
Total comprehensive income, net of tax	0	38,228
Changes in basis of consolidation		99
Dividends		0
Other changes in equity		-14
30 April 2016	1,185,000	1,482,733

Currency translation differences	IAS 39 Available-for-sale financial assets	Remeasurement of defined benefit plans	Equity attributable to partners	Non-controlling interests	Total equity
-41,409	8,590	-152,377	2,247,181	234,310	2,481,491
			39,709	4,546	44,255
15,960		1,182	17,142	831	17,973
15,960	0	1,182	56,851	5,377	62,228
			-1,435	1,435	0
			-108	5	-103
			0	-2,603	-2,603
			-24	74	50
-25,449	8,590	-151,195	2,302,465	238,598	2,541,063
-48,480	8,416	-108,476	2,480,880	245,588	2,726,468
			38,228	5,180	43,408
-8,067	1	-10,036	-18,102	-488	-18,590
-8,067	1	-10,036	20,126	4,692	24,818
			99	-178	-79
			0	-306	-306
			-14	-7	-21
-56,547	8,417	-118,512	2,501,091	249,789	2,750,880

Consolidated statement of cash flows

for the first quarter of 2016/17

EUR k	30 April 2015	30 April 2016
Profit after tax	44,255	43,408
Write-downs/write-ups of fixed assets	28,041	28,272
Gain/loss from the disposal of fixed assets	287	335
Increase/decrease in non-current provisions	-313	-3,786
Result from associates and other investments	-514	-673
Other non-cash expenses/income	24,997	39,071
Net interest	11,711	9,637
Taxes	22,194	18,076
Interest paid	-8,907	-6,152
Interest received	4,089	3,189
Income taxes paid	-10,763	-19,784
Dividends received	204	181
Result before changes in working capital	115,281	111,774
Changes in working capital	-553,697	-274,763
Cash inflow (+)/ outflow (-) from operating activities	-438,416	-162,989
Cash paid for the purchase of consolidated companies and business units	-4,145	-7,626
Cash received from the sale of fixed assets	1,361	638
Cash paid for investments in non-current assets	-33,106	-31,739
Cash inflow (+)/ outflow (-) from investing activities	-35,890	-38,727

EUR k	30 April 2015	30 April 2016
Cash available for financing activities	-474,306	-201,716
Payments to non-controlling interests (dividends)	-1,024	-168
Cash received from the issue of loans from related parties	95,000	0
Repayment of borrowings from related parties	-95,000	0
Acquisition of additional shares in already consolidated companies	0	-69
Increase/decrease in ABS/factoring liabilities	8,480	96,774
Cash received from the issue of bonds and loans	138,032	114,553
Cash repayments of bonds and loans	-53,265	-41,738
Increase/decrease in finance lease liabilities	-323	-211
Cash inflow (+)/ outflow (-) from financing activities	91,900	169,141
Change in cash and cash equivalents	-382,406	-32,575
Cash and cash equivalents at the beginning of the period	567,449	367,881
Exchange rate effect on cash and cash equivalents	1,266	487
Cash and cash equivalents at the end of the period	186,309	335,793

Notes to the interim condensed consolidated financial statements

as of 30 April 2016

The company

PHOENIX Pharmahandel GmbH & Co KG, Mannheim, (“PHOENIX” or the “PHOENIX group”) is a European pharmaceuticals distribution group. PHOENIX has business activities in 26 European countries. In several countries, PHOENIX also operates own pharmacy chains. The registered office is located in Mannheim, Germany.

Basis of presentation

The interim condensed consolidated financial statements of PHOENIX group as of 30 April 2016 are prepared on the basis of IAS 34 “Interim Financial Reporting”, observing all International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), London, and mandatory in the EU as of 30 April 2016, as well as all mandatory interpretations of the International Financial Reporting Standards Interpretation Committee (IFRS IC).

The interim condensed consolidated financial statements as of 30 April 2016 of PHOENIX were released for publication by the management of PHOENIX Pharmahandel GmbH & Co KG on 16 June 2016.

Significant accounting policies

The accounting policies used to prepare the interim condensed consolidated financial statements are essentially consistent with those used in the consolidated financial statements as of 31 January 2016. Standards and Interpretations that are applicable since 1 February 2016 for the first time had the following impacts on the interim financial statements:

IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify that a depreciation method based on revenue is not appropriate. The changes did not have any impact on the interim financial statements.

IFRS 11 Accounting for Acquisitions of Interests in Joint Operations

The amendment to IFRS 11 regulates the accounting for the acquisition of an interest in a joint operation that constitutes a business. According to this, the principles of IFRS 3 Business Combinations shall be applied. The amendment did not have any impact on the interim financial statements.

Annual Improvements to IFRS 2012–2014 Cycle

The amendments address details of the recognition, measurement and disclosure of business transactions and serve to standardise terminology. They consist mainly of editorial changes to existing standards. The amendment did not have any impact on the interim financial statements.

Business combinations in the first quarter of 2016/17

The business combinations carried out in the first three months of 2016/17 are explained below. Purchase accounting is performed in accordance with the acquisition method pursuant to IFRS 3 “Business Combinations”.

In fiscal year 2016/17, the cumulative profit after tax of the acquirees came to EUR –8k and revenue to EUR 903k. Assuming that the acquisition date coincides with the beginning of the reporting period for all business combinations, accumulated revenue for the period came to EUR 903k. Assuming that the acquisition date coincides with the beginning of the reporting period for all business combinations, the accumulated profit after tax came to EUR –8k.

The table below shows a summary of their fair values:

Fair value recognised on acquisition

EUR k	Other
Cash and cash equivalents	6,187
Equity instruments	0
Acquisition-date fair value of previously held equity interests	0
Total cost	6,187
Intangible assets	2,865
Other non-current assets	57
Inventories	305
Trade receivables	591
Cash and cash equivalents	100
Other non-current assets	167
Non-current liabilities	173
Currents liabilities	1,557
Net assets	2,355
Non-controlling interests	0
Net assets acquired	2,355
Bargain purchase	0
Goodwill	3,832

Other business combinations

In the first three months of 2016/17, the Group acquired pharmacies that are individually immaterial.

The goodwill arising on those acquisitions was allocated to the cash-generating units United Kingdom (EUR 2,229k) and Serbia (EUR 1,603k) and is managed in the local functional currencies (GBP and RSD).

Because of preliminary data, some assets and liabilities could not be finally valued at the balance sheet date.

Other operating expenses

Other operating expenses contain expenses in connection with ABS and factoring programmes of EUR 614k (comparative period: EUR 767k).

Financial result

EUR k	1st quarter 2015	1st quarter 2016
Interest income	4,026	3,305
Interest expenses	-15,737	-12,942
Other financial result	-17	-29
Financial result	-11,728	-9,666

Interest income includes interest from customers of EUR 2,601k (comparative period: EUR 3,198k).

The other financial result includes exchange rate gains of EUR 9,179k (comparative period: EUR 26,270k) and exchange rate losses of EUR 12,963k (comparative period: EUR 20,219k). Changes in the market value of derivatives gave rise to income of EUR 25,390k (comparative period: EUR 39,331k) and expenses of EUR 21,491k (comparative period: EUR 45,660k).

Other assets and other liabilities

EUR k	31 Jan. 2016	30 April 2016
Prepayments	60,463	65,543
Tax claims – VAT and other taxes	24,005	16,806
Sundry other assets	24,297	21,769
Other assets	108,765	104,118

EUR k	31 Jan. 2016	30 April 2016
VAT and other tax liabilities	85,477	73,979
Personnel liabilities	120,897	123,129
Liabilities relating to social security/similar charges	25,280	36,864
Prepayments	11,516	12,762
Sundry liabilities	15,345	11,187
Other liabilities	258,515	257,921

Other financial assets and other financial liabilities

The table below presents the non-current financial assets:

EUR k	31 Jan. 2016	30 April 2016
Trade receivables, non-current	35	19
Other financial assets		
Available-for-sale financial assets	34,656	36,966
Loans to and receivables from associates	5,022	5,022
Other loans	32,380	34,489
Other non-current financial assets	1,063	1,068
	73,121	77,545

The table below presents the current financial assets:

EUR k	31 Jan. 2016	30 April 2016
Trade receivables	2,539,905	2,635,623
Other financial assets		
Loans to and receivables from associates or related parties	6,498	5,979
Other loans	28,702	23,580
Derivative financial instruments	8,128	1,691
Other current financial assets	124,843	129,967
	168,171	161,217

The receivables from factoring and ABS transactions as of 30 April 2016 are presented below:

EUR k	31 Jan. 2016	30 April 2016
Transferred but only partly derecognised receivables		
<i>Receivables not derecognised in accordance with IAS 39</i>		
Volume of receivables	415,163	559,189
Financial liability	380,500	488,378
<i>Continuing involvement</i>		
Volume of receivables	164,233	180,874
Continuing involvement	7,292	7,932
Financial liability	7,340	7,980
<i>Transferred and fully derecognised receivables</i>		
Volume of receivables	24,831	24,020
Retentions of title	30,620	43,082

At the reporting date financial liabilities were split between non-current and current liabilities as follows:

EUR k	31 Jan. 2016	30 April 2016
Financial liabilities (non-current)		
Liabilities to banks	1,179	879
Bonds	592,696	593,039
Loans	65	58
Other financial liabilities	10,322	10,823
	604,262	604,799

EUR k	31 Jan. 2016	30 April 2016
Financial liabilities (current)		
Liabilities to banks	115,050	195,812
Loans	126,247	128,108
Liabilities to associates and related parties	49,434	49,481
Liabilities for customer rebates and bonuses	35,766	32,688
ABS and factoring liabilities	387,840	496,358
Other financial liabilities	20,459	31,199
	734,796	933,646

In connection with the loan agreements, it was agreed to comply with certain financial covenants, all of which were met in the first quarter of 2016/17.

Liabilities to associates and related parties include current loan liabilities to partners of EUR 49,410k (31 January 2016: EUR 49,412k), resulting mainly from interest on the supplementary partner contribution.

Other financial liabilities (non-current) contain non-current derivative financial instruments of EUR 328k (31 January 2016: EUR 370k).

Other financial liabilities (current) contain current derivative financial instruments of EUR 866k (31 January 2016: EUR 398k).

Information on financial instruments

The items in the statement of financial position for financial instruments are assigned to classes and categories.

The carrying amounts for each category and class of financial assets and the fair values for each class are presented in the following table:

30 April 2016	Category pursuant to IAS 39					Carrying amount	Fair value
	Loans and receivables	Available-for-sale financial assets	Held-to-maturity financial assets	Financial assets held for trading	Outside the scope of IFRS 7		
EUR k							
Assets							
Available-for-sale financial assets	0	36,966	0	0	0	36,966	36,966
Trade receivables	2,635,642	0	0	0	0	2,635,642	2,635,642
Loans to and receivables from associates or related parties	11,001	0	0	0	0	11,001	11,001
Other loans	58,069	0	0	0	0	58,069	58,109
Derivative financial assets without hedge accounting	0	0	0	1,691	0	1,691	1,691
Other financial assets	131,035	0	0	0	0	131,035	131,129
Cash and cash equivalents	335,793	0	0	0	0	335,793	335,793

31 January 2016	Category pursuant to IAS 39					Carrying amount	Fair value
	Loans and receivables	Available-for-sale financial assets	Held-to-maturity financial assets	Financial assets held for trading	Outside the scope of IFRS 7		
EUR k							
Assets							
Available-for-sale financial assets	0	34,656	0	0	0	34,656	34,656
Trade receivables	2,539,940	0	0	0	0	2,539,940	2,539,940
Loans to and receivables from associates or related parties	11,520	0	0	0	0	11,520	11,520
Other loans	61,082	0	0	0	0	61,082	61,118
Derivative financial assets without hedge accounting	0	0	0	8,128	0	8,128	8,128
Other financial assets	125,906	0	0	0	0	125,906	125,978
Cash and cash equivalents	367,881	0	0	0	0	367,881	367,881

Available-for-sale financial assets primarily contain shares in unlisted entities. Where no fair value can be determined, they are recorded at acquisition cost. Shares in listed entities are measured at the quoted price determined as of the reporting date. For other available-for-sale financial assets, the fair value is determined using a multiplier method (revenue multiple, level 3). This uses individually derived multipliers between 0.62 and 1.2 (31 January 2016: between 0.62 and 1.2). A 10% increase in the multipliers would increase the value by EUR 4,234k (31 January 2016: EUR 4,234k); a 10% decrease in the multipliers would decrease the value by EUR 4,227k (31 January 2016: EUR 4,227k).

Derivatives are recognised at their fair values (level 2).

Due to the short-term maturities of cash and cash equivalents, trade receivables and other current financial assets, their carrying amounts generally approximate the fair values at the reporting date (level 2).

The fair value of loans to and receivables from associates or related entities, other loans, held-to-maturity financial assets and other non-current financial assets due after more than one year correspond to the net present value of the payments related to the assets based on the current interest rate parameters and yield curves (level 2).

The carrying amounts for each category and class of financial liabilities and the fair values for each class are presented in the following table:

30 April 2016	Category pursuant to IAS 39				Carrying amount	Fair value
	Other financial liabilities	Financial liabilities held for trading	No category according to IAS 39.9	Outside the scope of IFRS 7		
EUR k						
Financial liabilities						
Liabilities to banks	196,691	0	0	0	196,691	196,691
Bonds	593,039	0	0	0	593,039	645,552
Loans	128,166	0	0	0	128,166	128,166
Trade payables	2,939,877	0	0	0	2,939,877	2,939,877
Liabilities to associates and related parties	49,481	0	0	0	49,481	49,481
Liabilities and provisions for customer rebates and bonuses	32,688	0	0	0	32,688	32,688
ABS and factoring liabilities	496,358	0	0	0	496,358	496,358
Other financial liabilities	25,376	0	15,452	0	40,828	40,828
Derivative financial liabilities without hedge accounting	0	994	0	0	994	994
Derivative financial liabilities with hedge accounting	0	0	200	0	200	200

31 January 2016	Category pursuant to IAS 39					Carrying amount	Fair value
	Other financial liabilities	Financial liabilities held for trading	No category according to IAS 39.9	Outside the scope of IFRS 7			
EUR k							
Financial liabilities							
Liabilities to banks	116,229	0	0	0	116,229	116,229	
Bonds	592,696	0	0	0	592,696	617,120	
Loans	126,312	0	0	0	126,312	126,312	
Trade payables	3,047,380	0	0	0	3,047,380	3,047,380	
Liabilities to associates and related parties	49,434	0	0	0	49,434	49,434	
Liabilities and provisions for customer rebates and bonuses	35,766	0	0	0	35,766	35,766	
ABS and factoring liabilities	387,840	0	0	0	387,840	387,840	
Other financial liabilities	14,426	0	15,587	0	30,013	30,013	
Derivative financial liabilities without hedge accounting	0	768	0	0	768	768	
Derivative financial liabilities with hedge accounting	0	0	0	0	0	0	

The fair value of bonds is determined by multiplying the face value of the bond with the quoted market price at the reporting date (level 1).

Derivatives are recognised at their fair values (level 2).

Due to the short-term maturities of trade payables and other current financial liabilities, their carrying amounts generally approximate the fair values at the reporting date (level 2).

Fair value hierarchy of financial instruments

PHOENIX applies the following fair value hierarchy to define and present its financial instruments measured at fair value:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Techniques that use inputs that are not based on observable market data.

EUR k	Financial instruments measured at fair value			
	Level 1	Level 2	Level 3	Total
30 April 2016				
Available-for-sale financial assets	0	0	31,770	31,770
Derivative financial assets without hedge accounting	0	1,691	0	1,691
Derivative financial liabilities without hedge accounting	0	994	0	994
Derivative financial liabilities with hedge accounting	0	200	0	200
31 January 2016				
Available-for-sale financial assets	0	0	31,165	31,165
Derivative financial assets without hedge accounting	0	8,128	0	8,128
Derivative financial liabilities without hedge accounting	0	768	0	768
Derivative financial liabilities with hedge accounting	0	0	0	0

The fair value of available-for-sale assets measured at cost of EUR 5,196k (31 January 2016: EUR 3,491k) has not been disclosed because the fair value cannot be measured reliably.

The following table shows the reconciliation of the fair value based on level 3.

EUR k	Available-for-sale financial assets
1 February 2016	31,165
Total gains and losses recognised in accumulated other comprehensive income	0
Purchase	605
Sale of shares	0
thereof recognised in the income statement	0
30 April 2016	31,770

Contingent liabilities

As of 30 April 2016, PHOENIX recorded contingent liabilities for guarantees of EUR 95,270k (31 January 2016: EUR 89,413k).

Notes to the statement of cash flows

EUR k	31 Jan. 2016	30 April 2016
Restricted cash		
Cash and cash equivalents at the end of the period	367,881	335,793
thereof restricted		
due to security deposits	8,299	7,605
due to restrictions placed upon foreign subsidiaries	11,812	8,541

Related party disclosures

The business relationships with related parties presented in the consolidated financial statements as of 31 January 2016 remained essentially unchanged in the first three months of 2016/17.

Mannheim, 16 June 2016

The Management Board of the unlimited partner
PHOENIX Verwaltungs GmbH

Financial calendar 2016

27 June	Quarterly Report February to April 2016
20 September	Quarterly Report February to July 2016
19 December	Quarterly Report February to October 2016

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