Quarterly report February – October 2012

PHOENIX group

- Stable business developments enabled the PHOENIX group to consolidate its position in Europe as leading pharmaceuticals distributor in the first quarter
- Sales development influenced by the low growth of pharmaceutical markets and lower sales volume in Germany
- Improvement of gross profit margin from 9.06 % to 9.66 %
- New retail brand BENU successfully started in the second quarter
- Successful early refinancing in conjunction with the syndicated loan in the second quarter
- Profit for the period adjusted for transaction costs due to the refinancing (“adjusted profit for the period”) above prior year’s level

EUR k	1st nine months 2011	1st nine months 2012
Revenue	16,215,357	15,772,280
Gross profit	1,469,524	1,523,440
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	418,195	408,949
Adjusted EBITDA	439,635	426,324
Earnings before interest and taxes (EBIT)	346,080	332,187
Financial result	-106,096	-106,715
Profit before tax	239,984	225,472
Profit for the period	166,661	161,844
Adjusted profit for the period	166,661	177,318

EUR k	31 Jan 2012	31 Oct 2012
Equity	1,935,623	2,037,044
Equity ratio	26.1 %	27.5 %
Net debt	1,855,743	2,001,461

PHOENIX Pharmahandel GmbH & Co KG, Mannheim

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Interim group management report

Interim condensed consolidated financial statements

PHOENIX Pharmahandel GmbH & Co KG
Interim group management report

Business and economic environment

Development of the market

In the first nine months the economic development in Europe was still weak compared to the prior year. Germany's real GDP grew by 0.9 % on a calendar-adjusted basis in the third quarter compared to last year's third quarter. However, in the euro zone there was a decrease of 0.6 % compared to the third quarter of 2011. The economic environment was characterized by the ongoing debt crisis of public finances in various European countries.

In this difficult economic environment, the growth in the European pharmaceutical markets was overall negative. The wholesale pharmaceuticals market in Germany for the period January to October 2012 compared to the same period last year grew however by 1.3 %.

Other countries in Western Europe saw diverse market developments. In the UK, the regulations for granting new pharmacy licenses have become more restrictive as of 1 September 2012. This may result in a decreasing growth of the number of pharmacies with positive effects on existing pharmacies. On the other hand, the refund prices for certain pharmaceutical products have been reduced significantly as of 1 October 2012 affecting the market growth in October. In the Netherlands, the new remuneration policy for pharmacies starting at 1 January 2012 and price reductions continue to have a negative impact on the market development. The French market was still shaped by intense competition after the introduction of a new margin system in the beginning of the year 2012. The Italian market further declined in a difficult economic environment due to several healthcare policy measures.

In Eastern Europe the pharmaceutical markets in the Czech Republic and Bulgaria showed an increase compared with the first nine months of last year. In Hungary, state healthcare policy measures, in particular price competitions for generic products as of 1 April and 1 October, resulted in a market decline.

In Northern Europe the pharmacy markets in Norway and Finland grew, whereas the Danish and the Swedish market showed a decrease.

Acquisitions, investments and joint ventures

As in the prior year, we pursued a cautious acquisition strategy in the first nine months of the fiscal year 2012/13. In total, business combinations in the first half year led to a cash outflow of EUR 5.7m (comparative period: EUR 16.2m).

The business combinations were immaterial and primarily concerned individual pharmacies in various countries.

Changes in the advisory board

With effect of 17 September 2012 Dr. Peter Maag was appointed as a further member of the advisory board. Due to his professional experience of more than 20 years, Dr. Maag brings a particular expertise in the fields of pharmaceuticals, diagnostics and health into the PHOENIX advisory board; currently, Dr. Maag is the President & CEO of XDx, Inc. (California, USA). Mr. Rolf Glessing informed us that he will resign as member of the advisory board as of 31 December 2012.

Results of operations, net assets and financial position

Results of operations

Revenue decreased in the first nine months of 2012/13 to EUR 15,772.3m (comparative period: EUR 16,215.4m). The main reasons for this development were the overall negative growth in the European pharmaceutical markets (Q2: -2.2 %), an increase in handled volume, where only the fee income is recorded as revenue, the close-down of the wholesale activities in Poland at the end of the fiscal year 2011/12 and a decline in sales in our biggest market, Germany. Here we were aiming at a sales policy to stabilize margins in a challenging market environment and consequently had to suffer some temporary losses in sales. This could partly be compensated by increased revenue in several foreign markets. The gross profit margin has improved from 9.06 % to 9.66 %. In absolute terms the gross profit has increased by EUR 53.9m to EUR 1,523.4m.

Other operating income increased by EUR 5.4m to EUR 114.5m.

Personnel expenses rose by EUR 49.4m to EUR 801.6m. The increase in personnel expenses is mainly a result of increases in pay rates, exchange rate effects and changes in the consolidated group.

Other expenses increased by EUR 18.6m to EUR 429.2m. This is mainly due to increased transportation costs, an increase in maintenance expenses, lease and rental fees, marketing expenses and consultancy costs.

Earnings before interest, tax, depreciation and amortisation (EBITDA) declined by EUR 9.2m to EUR 408.9m. The increase in gross profit was not sufficient to cover the overall increase in expenses.

The EBITDA indicator used for comparison with our net debt (adjusted EBITDA) of EUR 426.3m was 3.0 % below the comparative period level and is determined as follows:

EUR k	1st nine months 2011	1st nine months 2012
EBITDA	418,195	408,949
Interest from customers	17,722	13,934
Factoring fees	3,718	3,441
Adjusted EBITDA	**439,635**	**426,324**

Depreciation increased by EUR 4.6m to EUR 76.8m compared to last year's first nine months. This is mainly caused by increased investments in fixed assets.

Earnings before interest and tax (EBIT) changed due to the development of EBITDA and depreciation from EUR 346.1m in the comparative period to EUR 332.2m. The EBIT margin in relation to revenue is stated at 2.11 % (comparative period: 2.13 %).

The financial result compared to prior period's result slightly changed by EUR -0.6m to EUR -106.7m. Interest expenses include the premature amortisation of transaction costs with an amount of EUR 18.4m in conjunction with the refinancing in June 2012. Adjusted for this effect, the financial result increased by EUR 17.8m compared to prior year's first nine months.

Profit before tax decreased by EUR 14.5m to EUR 225.5m due to the change in EBITDA.

The effective tax rate declined from 30.6 % to 28.2 %. This is mainly a result from a reduction in income tax rates in the UK.

Profit after tax amounts to EUR 161.8m (comparative period: EUR 166.7m). Of this, EUR 8.6m is attributable to non-controlling interests (comparative period: EUR 13.0m).

Adjusted for the premature amortisation of transaction costs, profit after tax amounts to EUR 177.3m and was 6.4 % above prior year's result of EUR 166.7m.

Net assets

The Group's total assets decreased slightly by EUR 2.4m to EUR 7,408.7m. The currency translation difference on the total assets, which is presented in the statement of changes in equity, amounts to EUR -72.7m (31 January 2012: EUR -84.9m).

Compared to 31 January 2012, non-current assets rose by EUR 76.5m to EUR 2,673.5m. The increase is mainly caused by exchange rate effects, especially due to changes in the currency rates of the British Pound, increased fixed assets under construction as well as higher deferred tax assets. Intangible assets contain goodwill with an amount of EUR 1,260.5m (31 January 2012: EUR 1,251.3m).

Inventories increased compared to 31 January 2012 by EUR 72.5m to EUR 1,767.0m. This increase is mainly due to seasonal fluctuation.

Trade receivables decreased among others due to the decline in turnover by 2.2 % to EUR 2,477.6m. Receivables of EUR 387.8m (31 January 2012: EUR 340.1m) had been sold under ABS and factoring programmes that are either not accounted for in the statement of financial position or are accounted for only to the extent of the continuing involvement.

Other current receivables and financial assets increased from EUR 148.9m as of 31 January 2012 to EUR 196.4m. The increase is mainly due to higher receivables in conjunction with ABS and factoring programmes and higher rebates and discounts.

Other current assets increased from EUR 80.9m as of 31 January 2012 to EUR 105.5m among others due to higher prepayments.

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

Financial position

Equity increased mainly due to the profit for the period as well as changes in the translation differences. This is counterbalanced by the actuarial losses relating to pension obligations.

Cash flow from operating activities came to EUR +79.6m (comparative period: EUR -97.3m). In comparison to last year there was a lower increase in working capital by EUR 148.8m which resulted in an increase in cash flow from operating activities.

Cash flow from investing activities amounted to EUR -96.4m. In the comparative period, the cash flow from investing activities amounted to EUR -67.9m. The increase is mainly due to higher investments in fixed assets and less cash received from the disposal of fixed assets.

Provisions for pensions increased from EUR 282.9m in the previous year to EUR 371.4m. This is mainly caused by actuarial losses due to a decline in the discount rates.

At 27 June 2012, the new financing of the PHOENIX group has come into force. The new credit facility consists of a term loan, presented under non-current financial liabilities, with a nominal amount of EUR 300,0m and a term of four years as well as a revolving credit facility of EUR 1,050.0m with a term of five years which will be drawn on a short-term basis as and when required. Accordingly, long-term bank liabilities decreased from EUR 651.8m as of 31 January 2012 to EUR 298.7m as of 31 October 2012. Short-term bank liabilities increased compared to 31 January 2012 by EUR 274.7m to EUR 535.5m.

Besides liabilities to banks, non-current financial liabilities include bonds of EUR 486.4m (31 January 2012: EUR 482.4m), supplementary partner contributions with an amount of EUR 123.8m (31 January 2012: EUR 123.8m) as well as finance lease liabilities with an amount of EUR 23.9m (31 January 2012: EUR 23.7m).

Besides liabilities to banks, current financial liabilities include among others liabilities from ABS and factoring agreements with an amount of EUR 251.3 Mio EUR (31 January 2012: EUR 266.2m) as well as other loans amounting to EUR 106.3m (31 January 2012: EUR 110.5m).

Trade payables decreased by EUR 110.5m to EUR 2,470.1m.

Other liabilities fell from EUR 278.1m as of 31 January 2012 to EUR 251.8m. The decrease is primarily due to lower other taxes.

The objective of financial management is to continuously improve the capital structure by reducing the gearing ratio. In the medium term, we aim to further strengthen the equity ratio by retaining profits and to achieve a ratio of net debt to EBITDA of below 3.0.

Overall the PHOENIX group was able to underline its position in the first nine months of the fiscal year 2012/13 as leading pharmaceuticals distributor in Europe and to report a stable business performance.

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 2011/12.

The risks presented there are still essentially relevant.

Forecast

For the fiscal year 2012/13, we expect a slightly decreasing development of the European pharmaceutical markets. Cost-cutting measures introduced by healthcare policymakers and uncertainty about the situation of the economy as a whole in relation to the European debt crisis are likely to curb growth on the pharmaceutical markets.

In the first nine months, revenue was 2.7 % below prior year's amount. We expect that the decline in revenue will reduce in the fourth quarter. Nevertheless, for the whole fiscal year, we expect revenue to be slightly below prior year's level.

However, at the level of adjusted EBITDA, we still expect to reach the 2011/12 level in the fiscal year 2012/13.

PHOENIX Pharmahandel GmbH & Co KG, Mannheim

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Interim condensed consolidated financial statements

Consolidated income statement for the first nine months of 2012/13

EUR k	3rd quarter 2011	3rd quarter 2012	1st nine months 2011	1st nine months 2012
Revenue	**5,337,792**	**5,253,436**	**16,215,357**	**15,772,280**
Cost of purchased goods and services	-4,850,949	-4,751,895	-14,745,833	-14,248,840
Gross profit	**486,843**	**501,541**	**1,469,524**	**1,523,440**
Other operating income	33,786	40,310	109,121	114,482
Personnel expenses	-250,778	-267,631	-752,217	-801,645
Other operating expenses	-136,668	-141,935	-410,667	-429,232
Results from associates	436	181	1,736	1,581
Result from other investments	283	50	698	323
Earnings before interest, taxes depreciation and amortisation (EBITDA)	**133,902**	**132,516**	**418,195**	**408,949**
Amortisation of intangible assets and depreciation of property, plant and equipment	-25,242	-26,300	-72,115	-76,762
Earnings before interest and taxes (EBIT)	**108,660**	**106,216**	**346,080**	**332,187**
Interest and similar income	9,592	7,995	27,044	23,085
Interest and similar expenses	-44,026	-36,495	-133,799	-130,363
Other financial result	1,272	502	659	563
Financial result	**-33,162**	**-27,998**	**-106,096**	**-106,715**
Profit before tax	**75,498**	**78,218**	**239,984**	**225,472**
Income taxes	-23,517	-20,336	-73,323	-63,628
Profit for the period	**51,981**	**57,882**	**166,661**	**161,844**
thereof attributable to non-controlling interests	4,248	3,445	13,035	8,571
thereof attributable to owners of the parent company	**47,733**	**54,437**	**153,626**	**153,273**

Consolidated statement of comprehensive income for the first nine months of 2012/13

EUR k	3rd quarter 2011	3rd quarter 2012	1st nine months 2011	1st nine months 2012
Profit for the period	**51,981**	**57,882**	**166,661**	**161,844**
Actuarial gains and losses from pension obligations	-32,656	-11,635	-101,372	-79,916
Gains/losses from changes in the fair value of available-for-sale financial assets	-2,006	-375	-3,724	-614
Currency translation differences	-12,132	-9,419	-19,211	11,604
Deferred taxes on other comprehensive income	8,729	2,989	27,097	20,941
Other comprehensive income, net of taxes	**-38,065**	**-18,440**	**-97,210**	**-47,985**
Total comprehensive income	**13,916**	**39,442**	**69,451**	**113,859**
thereof attributable to non-controlling interests	2,618	2,963	5,426	5,670
thereof attributable to owners of the parent company	**11,298**	**36,479**	**64,025**	**108,189**

Consolidated statement of financial position as of 31 October 2012

EUR k	31 Jan 2012	31 Oct 2012
Non-current assets		
Intangible assets	1,601,119	1,621,716
Property, plant and equipment	779,102	799,654
Investment property	5,326	5,890
Investments in associates	18,842	18,905
Other financial assets	64,250	64,943
Deferred tax assets	124,265	158,340
Income tax receivables	4,052	4,052
	2,596,956	**2,673,500**
Current assets		
Inventories	1,694,509	1,766,985
Trade receivables	2,533,903	2,477,606
Income tax receivables	12,643	12,608
Other receivables and other current financial assets	148,894	196,381
Other assets	80,850	105,481
Cash and cash equivalents	334,846	169,854
	4,805,645	**4,728,915**
Non-current assets classified as held for sale	8,415	6,250
Total assets	**7,411,016**	**7,408,665**

Consolidated statement of financial position as of 31 October 2012

EUR k	31 Jan 2012	31 Oct 2012
Equity		
Unlimited and limited partners' capital	1,050,000	1,050,000
Reserves	885,914	1,031,995
Other comprehensive income	-200,091	-245,175
Equity attributable to partners	**1,735,823**	**1,836,820**
Non-controlling interests	199,800	200,224
	1,935,623	**2,037,044**
Non-current liabilities		
Financial liabilities	1,285,153	938,062
Provisions for pensions and similar obligations	282,864	371,360
Deferred tax liabilities	133,633	137,541
Other non-current liabilities	6,962	7,164
	1,708,612	**1,454,127**
Current liabilities		
Financial liabilities	751,223	1,063,468
Trade payables	2,580,564	2,470,058
Other provisions	58,028	18,974
Income tax liabilities	98,773	113,130
Other liabilities	278,114	251,842
	3,766,702	**3,917,472**
Liabilities directly associated with assets classified as held for sale	79	22
Total equity and liabilities	**7,411,016**	**7,408,665**

Consolidated statement of changes in equity for the first nine months of 2012/13

EUR k	Unlimited and limited partners' capital	Reserves
1 February 2011	**1,050,000**	**674,840**
Profit for the period		153,626
Other comprehensive income		0
Total comprehensive income, net of tax	**0**	**153,626**
Capital increase/reduction		0
Changes in consolidated group		-3,382
Dividends		0
31 October 2011	**1,050,000**	**825,084**
1 February 2012	**1,050,000**	**885,914**
Profit for the period		153,273
Other comprehensive income		0
Total comprehensive income, net of tax	**0**	**153,273**
Capital increase/reduction		0
Changes in consolidated group		-6,217
Dividends		0
Other transactions with owners		-975
31 October 2012	**1,050,000**	**1,031,995**

Currency translation difference	IAS 39 Available-for-sale financial assets	Actuarial gains/losses	Equity attributable to partners	Non-controlling interests	Total equity
-83,930	**12,304**	**-65,806**	**1,587,408**	**185,001**	**1,772,409**
			153,626	13,035	166,661
-18,921	-3,637	-67,043	-89,601	-7,609	-97,210
-18,921	**-3,637**	**-67,043**	**64,025**	**5,426**	**69,451**
			0	810	810
			-3,382	2,670	-712
			0	-3,691	-3,691
-102,851	**8,667**	**-132,849**	**1,648,051**	**190,216**	**1,838,267**
-84,874	**9,879**	**-125,096**	**1,735,823**	**199,800**	**1,935,623**
			153,273	8,571	161,844
12,151	-442	-56,793	-45,084	-2,901	-47,985
12,151	**-442**	**-56,793**	**108,189**	**5,670**	**113,859**
			0	1,402	1,402
			-6,217	21	-6,196
			0	-6,669	-6,669
			-975		-975
-72,723	**9,437**	**-181,889**	**1,836,820**	**200,224**	**2,037,044**

Consolidated statement of cash flows for the first nine months of 2012/13

EUR k		31 Oct 2011	31 Oct 2012
Profit for the period		**166,661**	**161,844**
+/-	Write-downs/write-ups of fixed assets	72,115	76,762
-/+	Gain/loss from the disposal of fixed assets	-5,030	1,291
+/-	Increase/decrease in non-current provisions	2,568	-177
+/-	Other non-cash expenses/income	7,830	29,050
+	Net interest	103,449	107,973
+	Taxation	73,323	63,628
-	Interest paid	-118,287	-90,116
+	Interest received	24,172	21,534
-	Income tax paid	-54,077	-70,756
+	Dividends received	502	388
Result before changes in working capital		**273,226**	**301,421**
Changes in working capital		**-370,556**	**-221,783**
Cash inflow (+)/outflow (-) from operating activities		**-97,330**	**79,638**
-	Cash paid for the purchase of consolidated companies and business units	-16,187	-5,744
+	Cash received from the purchase of consolidated companies and business units	15,163	43
+	Cash received from disposals of fixed assets	18,385	13,124
-	Cash paid for investments in fixed assets	-85,258	-103,800
Cash inflow (+)/outflow (-) from investing activities		**-67,897**	**-96,377**

Consolidated statement of cash flows for the first nine months of 2012/13

EUR k		31 Oct 2011	31 Oct 2012
Cash available for financing activities		**-165,227**	**-16,739**
+/-	Capital contribution from non-controlling interests	810	1,302
-	Payments to minority interests (dividends)	-3,591	-5,936
-	Purchase of additional interests in subsidiaries	0	-2,755
+/-	Increase/decrease in ABS/factoring liabilities	-30,416	-17,860
+	Cash received from the issue of bonds and loans	336,368	833,102
-	Cash repayments of bonds and loans	-570,900	-955,373
+/-	Increase/decrease in finance lease liabilities	-5,596	-901
Cash inflow (+)/outflow (-) from financing activities		**-273,325**	**-148,421**
Change in cash and cash equivalents		**-438,552**	**-165,160**
Cash and cash equivalents at the beginning of the period		**578,713**	**334,846**
Exchange rate effect on cash and cash equivalents		-1,431	168
Cash and cash equivalents at the end of the period		**138,730**	**169,854**

PHOENIX Pharmahandel GmbH & Co KG, Mannheim
Notes to the interim condensed consolidated financial statements as of 31 October 2012

The company

PHOENIX Pharmahandel GmbH & Co KG, Mannheim, (“PHOENIX” or the “Group”) is a European pharmaceuticals distribution group. PHOENIX has business activities in 23 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 as of 31 October 2012 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 31 October 2012, as well as all mandatory interpretations of the International Financial Reporting Standards Interpretation Committee (IFRS IC).

The interim condensed consolidated financial statements as of 31 October 2012 of PHOENIX were released for publication by the management of PHOENIX Pharmahandel GmbH & Co KG on 4 December 2012.

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 2012. Any differences are explained below. The standard IFRS 7: Disclosures: transfer of financial assets whose application was mandatory for the first time from 1 February 2012 did not have any impact on the interim financial statements.

Business combinations in the first nine months of 2012/13

The business combinations carried out in the first three quarters of 2012/13 are explained below. Purchase accounting is performed in accordance with the acquisition method pursuant to IFRS 3 “Business Combinations”.

In fiscal 2012/13, the cumulative profit for the period of the acquirees came to EUR 560k. 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 19,786k. Assuming that the acquisition date coincides with the beginning of the reporting period for all business combinations, the accumulated profit for the period came to EUR 1,114k.

The business combinations performed in the first nine months of 2012/13 were individually immaterial and related to certain pharmacies in various countries.

The table below shows a summary of their fair values:

Fair value recognised on acquisition

EUR k	Others
Cash and cash equivalents	5,982
Equity instruments	0
Acquisition-date fair value of previously held equity interests	936
Consideration transferred	**6,918**
Intangible assets	40
Other non-current assets	812
Inventories	1,294
Trade receivables	1,786
Cash and cash equivalents	1,765
Other current assets	378
Non-current liabilities	576
Current liabilities	3,785
Net assets	**1,714**
Non-controlling interests	205
Net assets required	**1,509**
Bargain purchase	**0**
Goodwill	**5,409**

Other business combinations

In the first nine months of 2012/13, the Group acquired further pharmacies in business combinations that are individually immaterial.

The goodwill arising on those acquisitions was allocated to the cash-generating units Norway (EUR 2,318k), Switzerland (EUR 1,347k), Finland (EUR 700k), Estonia (EUR 502k), Czech Republic (EUR 322k) and Latvia (EUR 220k) and is managed in the local functional currencies (NOK, CHF, CZK, LVL and EUR).

Non-controlling interests are recognised at the share of the identifiable net assets in the acquirees.

EUR 1,347k of the goodwill recognised from business combinations is expected to be tax deductible.

Because of preliminary data, some assets and liabilities couldn't 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 3,441k (comparative period: EUR 3,718k).

Financial result

EUR k	1st nine months 2011	1st nine months 2012
Interest and similar income		
Interest income	26,171	22,048
Other financial income	873	1,037
	27,044	**23,085**
Interest and similar expenses		
Interest expenses	-129,620	-130,021
Other financial expenses	-4,179	-342
	-133,799	**-130,363**
Other financial result	**659**	**563**
Financial result	**-106,096**	**-106,715**

Interest income includes interest from customers of EUR 13,934k (comparative period: EUR 17,722k).

Interest expenses include EUR 18,433k (comparative period: EUR 0) in connection with the premature amortisation of transaction costs in conjunction with the refinancing.

The other financial result includes exchange rate gains of EUR 50,344k (comparative period: EUR 81,188k) and exchange rate losses of EUR 41,466k (comparative period: EUR 62,775k). Changes in the market value of derivatives gave rise to income of EUR 51,800k (comparative period: EUR 76,607k) and expenses of EUR 59,773k (comparative period: EUR 92,626k).

Other assets and other liabilities

EUR k	31 Jan 2012	31 Oct 2012
Prepayments	37,492	41,103
Tax claims - VAT and other taxes	9,574	11,144
Sundry assets	33,784	53,234
Other assets	**80,850**	**105,481**

EUR k	31 Jan 2012	31 Oct 2012
VAT and other tax liabilities	93,827	45,359
Personnel liabilities	106,670	119,510
Liabilities relating to social security/similar charges	17,499	25,574
Prepayments received on account	9,805	9,217
Sundry liabilities	50,313	52,182
Other liabilities	**278,114**	**251,842**

Other financial assets and other financial liabilities

The table below presents the non-current financial assets:

EUR k	31 Jan 2012	31 Oct 2012
Available-for-sale financial assets	42,402	45,190
Loans to and receivables from associates	8,490	7,280
Other loans	12,516	11,791
Other non-current financial assets	842	682
	64,250	**64,943**

The table below presents the current financial assets:

EUR k	31 Jan 2012	31 Oct 2012
Trade receivables	2,533,903	2,477,606
Other financial assets		
Held-to-maturity financial assets	59	58
Available-for-sale financial assets	35	0
Loans to and receivables from associates or related parties	3,191	3,813
Other loans	38,675	43,741
Derivative financial instruments	1,006	4,665
Other current financial assets	105,928	144,104
	148,894	**196,381**

The receivables from factoring and ABS transactions as of 31 October 2012 are presented below:

EUR k	31 Jan 2012	31 Oct 2012
Receivables not derecognised in accordance with IAS 39		
Volume of receivables	244,766	262,611
Financial liability	247,854	226,725
Receivables derecognised in accordance with IAS 39		
Volume of receivables	74,760	95,460
Continuing involvement		
Volume of receivables	265,331	292,380
Continuing involvement	17,430	23,434
Financial liability	18,370	24,575
Retentions	36,305	68,533

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

EUR k	31 Jan 2012	31 Oct 2012
Financial liabilities (non-current)		
Liabilities to banks	651,758	298,708
Bonds	482,369	486,374
Loans	575	607
Supplementary partner contribution	123,766	123,766
Other financial liabilities	26,685	28,607
	1,285,153	**938,062**

EUR k	31 Jan 2012	31 Oct 2012
Financial liabilities (current)		
Liabilities to banks	260,850	535,528
Loans	110,518	106,290
Liabilities to associates and related parties	45,619	45,835
Liabilities and provisions for customer rebates and bonuses	21,209	24,097
ABS and factoring liabilities and payables	266,224	251,300
Other financial liabilities	46,803	100,418
	751,223	**1,063,468**

Under the refinancing taken place in June 2012, the PHOENIX group signed a EUR 1.35bn syndicated facilities agreement. The long-term tranche of the facility agreement with a nominal amount of EUR 300.000k and a term of four years is presented within non-current liabilities to banks. Moreover, the PHOENIX group has access to a EUR 1.050.000k revolving credit facility with a term of five years.

In connection with the loan agreements, it was agreed to comply with certain financial covenants, all of which were comfortably met in the first half year of 2012/13.

Other financial liabilities (non-current) contain non-current derivative financial instruments of EUR 1,835k (31 January 2012: EUR 849k).

Liabilities to associates and related parties include current loan liabilities to partners of EUR 45,302k (31 January 2012: EUR 45,185k), resulting mainly from interest on the supplementary partner contribution.

Other financial liabilities (current) contain current derivative financial instruments of EUR 429k (31 January 2012: EUR 7,434k).

Commitments and contingent liabilities

Compared to 31 January 2012, commitments decreased by EUR 6,430k to EUR 487,001k. This mainly reflects the changes in volumes of goods ordered.

PHOENIX recorded contingent liabilities for warranties of EUR 124,517k (31 January 2012: EUR 121,807k).

Notes to the statement of cash flows

EUR k	31 Jan 2012	31 Oct 2012
Restricted cash		
Cash and cash equivalents at the end of the period	**334,846**	**169,854**
Thereof restricted:		
Due to security deposits	5,109	8,741
Due to restrictions placed upon foreign subsidiaries	11,185	10,827

Related party disclosures

A related entity granted a loan to PHOENIX during the period 23 August to 4 Oktober 2012 with a maximum amount of EUR 30,000k for which interest expenses of EUR 50k were paid.

Beyond that, the business relationships with related parties presented in the consolidated financial statements as of 31 January 2012 remained essentially unchanged in the first nine months of 2012/13.

Mannheim, 4 December 2012

Management of the unlimited partner
PHOENIX Verwaltungs GmbH

Financial calendar 2012/2013

27th June 2012	**Quarterly Report February to April 2012**
27th September 2012	**Quarterly Report February to July 2012**
20th December 2012	**Quarterly Report February to October 2012**

Imprint

Translation of the German version.
The German version is binding.

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The text of the annual report applies equally to both women and men. Any exclusive use of the female or male form encompasses both forms.

We deliver health.

PHOENIX group

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