



Company announcement no. 15, 2015/16
Allerød, 19 November 2015

Interim report – H1 2015/16

(1 April – 30 September 2015)

Stable like-for-like revenue – guidance unchanged and launch of new share buyback programme

Q2 2015/16 revenue was DKK 783.2 million, representing a decline of 1.2% year on year. H1 2015/16 revenue was DKK 1,609.7 million (H1 2014/15: DKK 1,619.8 million). The underlying like-for-like sales growth rate was 0.2% in Q2 2015/16.

EBITA was DKK 123.0 million in Q2 2015/16, equivalent to an EBITA margin of 15.7%, down from 15.8% in the year-earlier period.

The guidance for consolidated revenue in 2015/16 is unchanged at around DKK 3.45 billion, assuming like-for-like growth of approximately 1%. The EBITA margin is unchanged expected to be around 17.0%.

Matas generates substantial cash flows, and against that background, a DKK 125 million share buyback programme will be launched in line with Matas's capital structure policy of returning excess cash to its shareholders.

Statement by Terje List, Chief Executive Officer, in connection with the release of the interim report: *"A continuing positive trend in the sale of selective cosmetics and health products was partly offset in Q2 by a downturn in the sale of mass beauty products. We are pleased that, in spite of moderate underlying revenue growth, we were able to retain our high level of earnings. Our target is to create renewed long-term growth through development and acceleration of our key growth drivers, including Club Matas, the Matas online store and our store network. In addition, we are pleased that we are generating cash flows that enable us to launch a substantial new share buyback programme"*.

Highlights of Q2 2015/16

- Q2 2015/16 revenue was down by DKK 783.2 million, representing a 1.2% year-on-year decline. Like-for-like growth was 0.2%. The product recall of Depend GelLack had a non-recurring adverse impact on Q2 2014/15 revenue of about 1 percentage point. Combined, Q2 2015/16 revenue was adversely affected by 1.3% from the recognition of Club Matas and Club M points and a drop in sales to associated stores.
- Q2 2015/16 gross profit was DKK 366.9 million, equivalent to a gross margin of 46.8% against 47.0% in Q2 2014/15.
- EBITA was DKK 123.0 million in Q2 2015/16, equivalent to an EBITA margin of 15.7%, against 15.8% in the year-earlier period. EBITA for H1 2015/16 was DKK 260.7 million, equivalent to an EBITA margin of 16.2%, up from 15.8% in H1 2014/15.
- Profit after tax in Q2 2015/16 was DKK 71.3 million, and adjusted profit after tax net of amortisation not related to software was DKK 85.8 million (Q2 2014/15: DKK 80.1 million).
- Cash generated from operations increased to an inflow of DKK 44.0 million in Q2 2015/16 from an outflow of DKK 1.1 million in the year-earlier period. Free cash flow in Q2 2015/16 was an inflow of DKK 18.6 million (Q2 2014/15: an outflow of DKK 33.9 million).

- Net interest-bearing debt was DKK 1,627.2 million at 30 September 2015, equivalent to 2.4x LTM EBITDA before exceptional items as compared to 2.5x at the end of Q1 2015/16.
- Club Matas continued to record net membership growth in Q2 2015/16, retaining its position as the largest customer club in Denmark with a membership of almost 1.6 million.
- Matas's web shop retained its high growth rate in Q2.

Outlook for 2015/16

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

- Revenue is expected to be around DKK 3.45 billion, assuming like-for-like growth of approximately 1%.
- The EBITA margin is expected to be around 17.0%.

The Danish retail market was challenging in the second quarter of the financial year due to continuing reluctant consumer spending. The guidance for 2015/16 is based on a detailed analysis of the company's planned sales campaign activities for the remaining part of the financial year.

Conference call

Matas will host a conference call for investors and analysts on Thursday, 19 November at 10:00 a.m. The conference call and presentation will be available on our investor website: investor.en.matas.dk.

Conference call access numbers for investors and analysts:

DK	+45 32 71 16 58
UK (international)	+44 (0)20 3427 1902
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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 Q2	2014/15 Q2	2015/16 6 months	2014/15 6 months
Statement of comprehensive income				
Revenue	783.2	792.6	1,609.7	1,619.8
Gross profit	366.9	372.8	752.9	758.7
EBITDA	138.4	140.6	290.8	285.2
Operating profit	104.0	106.3	222.7	217.6
Profit before tax	93.6	89.4	206.7	181.0
Profit for the period	71.3	65.8	157.7	133.4
EBITDA	138.4	140.6	290.8	285.2
EBITA	123.0	125.3	260.7	255.6
Adjusted profit after tax	85.8	80.1	186.7	162.0
Statement of financial position				
Total assets			5,369.1	5,647.3
Total equity			2,545.4	2,510.6
Net working capital			(27.4)	(14.7)
Net interest-bearing debt			1,627.2	1,726.3
Statement of cash flows				
Cash flow from operating activities	33.5	(13.1)	222.8	159.2
Cash flow from investing activities	(14.9)	(20.8)	(26.7)	(37.0)
Free cash flow	18.6	(33.9)	196.1	122.2
Ratios				
Revenue growth	(1.2)%	1.7%	(0.6)%	2.4%
Like-for-like growth	0.2%	0.5%	0.3%	0.9%
Gross margin	46.8%	47.0%	46.8%	46.8%
EBITDA margin	17.7%	17.7%	18.1%	17.6%
EBITA margin	15.7%	15.8%	16.2%	15.8%
EBIT margin	13.3%	13.4%	13.8%	13.4%
Cash conversion	24.3%	(9.0)%	77.2%	57.4%
Earnings per share, DKK	1.77	1.62	3.93	3.28
Diluted earnings per share, DKK	1.76	1.62	3.91	3.28
Share price, end of period, DKK	125.0	135.5	125.0	135.5
Return on invested capital, pre-tax			14.3%	13.3%
Return on invested capital, pre-tax and excluding goodwill			106.4%	85.0%
Net working capital as a percentage of revenue			(0.8)%	(0.4)%
Investments as a percentage of revenue			1.7%	2.3%
Net interest-bearing debt/Adjusted EBITDA			2.4	2.7
Average number of employees	2,175	2,271	2,143	2,231

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

Management's review

Revenue in Q2 2015/16

Matas generated revenue of DKK 783.2 million in Q2 2015/16, equivalent to a year-on-year decline of 1.2%. H1 2015/16 revenue was DKK 1,609.7 million, representing a year-on-year decline of 0.6%.

Growth in sales to stores operated by the Group in both Q2 2015/16 and Q2 2014/15 (like-for-like growth) was 0.2%. 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 0.1% year on year, which was below the rate of like-for-like growth, as the effect of the closure of two stores in Sweden and two small stores in Aarhus and Aabenraa, respectively, exceeded the positive effect from acquired associated stores. The consolidation of acquired operations lifted Q2 revenue from Matas's own retail stores by approximately 0.5% year on year.

Wholesale sales to associated Matas stores and the effect of Club Matas and Club M points etc. showed a reduction of 28.7%. The downturn was especially the result of the acquisition of associated Matas stores in the interim period and the effect of the recognition of Club Matas/Club M points. Adjusted for the acquisition of stores, a minor decline was seen in wholesale sales to associated stores. The cost of Club Matas points, which is recognised as a deduction in revenue, and falling revenue from Club M due to changes to contract terms reduced revenue for the quarter by 0.8%.

The market for beauty, health and personal care products was challenging in Q2 2015/16, with sales of mass beauty products continuing to be squeezed, while sales of selective cosmetics (high-end beauty) were satisfactory. Within mass beauty products, data from A.C. Nielsen do not indicate that Matas has lost market share to supermarket competitors, but it should be noted that A.C. Nielsen data do not include parallel imports and e-commerce.

REVENUE BY SALES CHANNEL

(DKK millions)	2015/16 Q2	2014/15 Q2	Growth	2015/16 6 months	2014/15 6 months	Growth
Beauty	546.2	542.6	0.7%	1,135.5	1,131.7	0.3%
Vital	87.9	83.3	5.5%	172.0	159.6	7.7%
Material	70.4	75.3	(6.5)%	144.4	150.0	(3.7)%
MediCare	46.9	46.6	0.7%	92.9	92.4	0.6%
Other including Sweden	5.9	8.5	(30.2)%	12.0	17.4	(30.8)%
Total revenue from own retail stores	757.4	756.3	0.1%	1,556.9	1,551.1	0.4%
Sales of goods to associated stores, etc.	25.9	36.3	(28.7)%	52.9	68.7	(23.0)%
Total revenue	783.2	792.6	(1.2)%	1,609.7	1,619.8	(0.6)%

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 increased by 0.7% year on year. Sales of selective cosmetics grew by 2.1%, and it is estimated that, as a minimum, Matas retained its market position in this segment in Q2. Sales performance within mass-beauty showed a negative trend, although Matas's own-brand products improved. A.C. Nielsen market data indicate that Matas retained its share of the mass-beauty market in Q2 2015/16 as the weak performance was broadly based across the entire market covered by A.C. Nielsen.

The Beauty segment's share of total revenue from Matas's own retail stores rose in Q2 2015/16 to 72.1% from 71.6% in the year-earlier period.

The Vital Shop segment, which consists of vitamins, minerals, supplements and health foods, continued to improve, and revenue grew by 5.5% in Q2 2015/16. Focused efforts targeting this area in the stores and a positive market contributed to this sustained growth.



Revenue from the Material Shop segment, which comprises products for handling complex household issues as well as footcare, sports and other products, showed a year-on-year downturn of 6.5%. The downturn was due to lower sales of a specific product.

The MediCare segment, which offers OTC medicine and healthcare products, recorded a 0.7% year-on-year increase in revenue in Q2 2015/16. This market remained squeezed due to growing competition within sales of smoke cessation products.

The number of members of the Club Matas loyalty programme continued to grow in Q2 2015/16, and the share of revenue generated by Club Matas members is growing. 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 19 external partners. A steadily growing number of Club Matas members use Club M partners, but adjustments to the contract terms with a number of partners resulted in a year-on-year reduction in the positive revenue from Club M in Q2.

As at 30 September 2015, the Matas chain had 292 retail stores, divided into 272 own physical retail stores, one online store and 19 associated stores, which was unchanged from the end of Q1 2015/16. The number of StyleBox stores was unchanged at five plus an online store throughout Q2 2015/16.

Matas is constantly working to develop plans for increasing the long-term growth potential for the company. These efforts include increasing the relevance and extent of special offers to Club Matas members, improving the growth strategy for Matas's online store, further developing the product concept and changing the in-store design in selected stores. These plans and the expected financial effects will be made more specific and will be announced as and when they are tested and rolled out.

The continual monitoring by Matas of the competitive situation in the market comprises a number of competitors, including a relatively new store concept based on parallel imports of certain of the company's product categories, especially mass beauty products. During the quarter, Matas continued to analyse sales performance by the company's stores exposed to competition from this competitor's stores. The conclusion of the analysis is unchanged from what was indicated in the Q1 interim report, adjusted for the number of stores in the retail chain in question, i.e. a minor adverse sales impact of less than 3% in the stores affected.

Costs and operating profit

Gross profit in Q2 2015/16 was DKK 366.9 million (Q2 2014/15: DKK 372.8 million).

The gross margin for Q2 2015/16 was 46.8% (Q2 2014/15: 47.0%). The fall in gross profit in Q2 2015/16 was, thus, attributable to lower revenue and the marginal fall in the gross margin. The consolidation of acquired activities had a minor positive impact on the gross margin in Q2 2015/16. The slightly lower gross margin was primarily attributable to a slightly higher share of products sold on promotion.

Gross profit for H1 2015/16 was DKK 752.9 million (H1 2014/15: DKK 758.7 million). Gross margin was 46.8% for H1 2015/16, unchanged relative to H1 2014/15.

Other external costs were down by DKK 5.8 million relative to Q2 2014/15. Other external costs as a percentage of revenue dropped to 8.3% in Q2 2015/16 from 8.9% in the year-earlier period, which was mainly 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 2.1 million year on year in Q2 2015/16. The increase was primarily due to higher payroll costs in the stores as a result of a decline in salary reimbursements due to changes in the state reimbursement rules. Head office payroll costs remained lower year on year in Q2 2015/16, partly as a result of lower staff costs at the central warehouse facility. As a percentage of revenue, staff costs rose to 20.9% in Q2 2015/16 from 20.4% in the year-earlier period. Q2 2015/16 staff costs include DKK 0.9 million related to the company's long-term share compensation programme.

DEVELOPMENTS IN COSTS

(DKK millions)	2015/16 Q2	2014/15 Q2	Growth	2015/16 6 months	2014/15 6 months	Growth
Other external costs	65.0	70.8	(8.2)%	134.3	150.0	(10.5)%
As a percentage of revenue	8.3%	8.9%		8.3%	9.3%	(9.9)%
Staff costs	163.5	161.4	1.3%	327.8	323.5	1.3%
As a percentage of revenue	20.9%	20.4%		20.4%	20.0%	2.0%

EBITDA was DKK 138.4 million in Q2 2015/16, representing a year-on-year decline of 1.6%. This brought the EBITDA margin to 17.7%, which was unchanged from the year earlier period.

EBITDA for H1 2015/16 was DKK 290.8 million, representing a DKK 5.6 million year-on-year improvement. The EBITDA margin for H1 2015/16 was 18.1%, up from 17.6% in the year-earlier period.

EBITA was DKK 123.0 million in Q2 2015/16, equivalent to an EBITA margin of 15.7% following a year-on-year decline of DKK 2.3 million. EBITA for H1 2015/16 was DKK 260.7 million, representing a DKK 5.1 million year-on-year improvement.

EBIT was DKK 104.0 million in Q2 2015/16 and DKK 222.7 million in H1 2015/16.

DEVELOPMENTS IN EBITA

(DKK millions)	2015/16 Q2	2014/15 Q2	Growth	2015/16 6 months	2014/15 6 months	Growth
Operating profit	104.0	106.3	(2.2)%	222.7	217.6	2.3%
Amortisation of intangible assets	19.0	19.0		38.0	38.0	
EBITA	123.0	125.3	(1.8)%	260.7	255.6	2.0%
EBITA margin	15.7%	15.8%		16.2%	15.8%	

Financial items and tax

Financial expenses totalled DKK 10.4 million in Q2 2015/16, which was DKK 6.5 million lower than in the year-earlier period.

In Q2 2015/16, the fair value adjustment of an interest rate swap produced a gain of DKK 0.9 million. Net interest expenses excluding fair value adjustments were DKK 11.3 million, which represented a year-on-year decline of DKK 1.5 million.

Financial costs for H1 were DKK 16.0 million, representing a decline of DKK 20.6 million.

DEVELOPMENTS IN NET INTEREST EXPENSES

(DKK millions)	2015/16 Q2	2014/15 Q2	2015/16 6 months	2014/15 6 months
Net interest expenses	10.4	16.9	16.0	36.6
Fair value adjustment of interest rate swap	0.9	(4.1)	6.2	(13.2)
Net interest expenses	11.3	12.8	22.2	23.4

Profit for the period

The effective tax rate in Q2 2015/16 was 23.8%, equivalent to a tax expense of DKK 22.3 million. Profit for the period after tax was DKK 71.3 million, and adjusted profit after tax was DKK 85.8 million, representing a year-on-year increase of 7.1%.

Profit after tax in H1 2015/16 was DKK 157.7 million. Adjusted profit after tax was DKK 186.7 million.

Statement of financial position

Total assets stood at DKK 5,369.1 million at 30 September 2015 (30 September 2014: DKK 5,647.3 million).

Current assets totalled DKK 941.1 million, representing a year-on-year decline of DKK 196.5 million. Inventories were 10.2% lower at the end of Q2 2015/16 than at the end of Q2 2014/15 including additions from acquired operations and store openings and closings. Inventories accounted for 20.4% of the past 12 months' revenue at the end of Q2 2015/16 compared to 23.0% a year earlier and 20.6% at the end of Q1 2015/16. 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 supply to the retail stores.

Trade receivables were down by DKK 4.1 million to DKK 30.6 million. Trade payables were down by DKK 79.7 million relative to 30 September 2014, primarily as a result of lower inventories and a number of arbitrary timing differences in payments of outstanding amounts at the end of the quarter. Prepayments increased by DKK 8.4 million from 30 September 2014, partly as a result of an increase in the share of sales to Club Matas members. Such sales release Club Matas points, which are accounted for as prepayments.

Net working capital stood at minus DKK 27.4 million at 30 September 2015 (30 September 2014: minus DKK 14.7 million). Net working capital accounted for approximately minus 0.8% of revenue for the past 12 months, as compared with minus 0.4% last year.

The change in net working capital from 30 September 2014 was mainly attributable to the fall in inventories, offset by lower trade payables and the growing prepayments.

Cash and cash equivalents stood at DKK 99.8 million (30. September 2014: DKK 213.4 million), the difference mainly being due to repayment of debt of DKK 110.0 million in Q2 2015/16.

Equity stood at DKK 2,545.4 million at 30 September 2015 (30 September 2014: DKK 2,510.6 million).

Interest-bearing gross debt stood at DKK 1,727.0 million at 30 September 2015.

Net interest-bearing debt was DKK 1,627.2 million at 30 September 2015, representing a year-on-year drop by DKK 99.1 million. Net interest-bearing debt represents 2.4 times LTM EBITDA.

The Group held a total of 294,930 treasury shares at 30 September 2015. In the course of Q2 2015/16, 488,312 treasury shares, equivalent to 1.2% of the share capital, were 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 was an inflow of DKK 44.0 million in Q2 2015/16 (Q2 2014/15: an outflow of DKK 1.1 million) driven both by the increase in profit and a smaller adverse change in working capital than in Q2 2014/15. Cash generated from operations was DKK 243.5 million in H1 2015/16.

The cash flow from operating activities was an inflow of DKK 33.5 million in Q2 2015/16 (Q2 2014/15: an outflow of DKK 13.1 million).

The cash flow from investing activities was an outflow of DKK 14.9 million in Q2 2015/16, which was primarily attributable to maintenance investments in the store network and IT investments.

The free cash flow was an inflow of DKK 18.6 million in Q2 2015/16 and an inflow of DKK 196.1 million in H1 2015/16.

Return on invested capital

The return on invested capital before tax in the past 12 months was 14.3%, as compared to 13.3% 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 for 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 such 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 September 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 September 2015 and of the results of the Group's operations and cash flows for the period 1 April to 30 September 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, 19 November 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:

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

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Statement of comprehensive income

(DKK millions)	2015/16 Q2	2014/15 Q2	2015/16 6 months	2014/15 6 months
Revenue	783.2	792.6	1,609.7	1,619.8
Cost of goods sold	(416.3)	(419.8)	(856.8)	(861.1)
Gross profit	366.9	372.8	752.9	758.7
Other external costs	(65.0)	(70.8)	(134.3)	(150.0)
Staff costs	(163.5)	(161.4)	(327.8)	(323.5)
Amortisation, depreciation and impairment losses	(34.4)	(34.3)	(68.1)	(67.6)
Operating profit	104.0	106.3	222.7	217.6
Financial income	0.0	0.0	0.0	0.1
Financial expenses	(10.4)	(16.9)	(16.0)	(36.7)
Profit before tax	93.6	89.4	206.7	181.0
Tax on profit for the period	(22.3)	(23.6)	(49.0)	(47.6)
Profit for the period	71.3	65.8	157.7	133.4
Other comprehensive income				
Other comprehensive income after tax	0.0	0.0	0.0	0.0
Total comprehensive income	71.3	65.8	157.7	133.4
Earnings per share				
Earnings per share, DKK	1.77	1.62	3.93	3.28
Diluted earnings per share, DKK	1.76	1.62	3.91	3.28

Statement of cash flows

(DKK millions)	2015/16 Q2	2014/15 Q2	2015/16 6 months	2014/15 6 months
Profit before tax	93.6	89.4	206.7	181.0
Adjustment for non-cash operating items:				
Amortisation, depreciation and impairment losses	34.4	34.3	68.1	67.6
Other non-cash operating items, net	0.9	0.5	3.0	0.8
Financial income	0.0	0.0	0.0	(0.1)
Financial expenses	10.4	16.9	16.0	36.7
Cash generated from operations before changes in working capital	139.3	141.1	293.8	286.0
Changes in net working capital	(95.3)	(142.2)	(50.3)	(103.2)
Cash generated from operations	44.0	(1.1)	243.5	182.8
Interest received	0.0	0.0	0.0	0.1
Interest paid	(10.5)	(12.0)	(20.7)	(23.7)
Corporation tax paid	0.0	0.0	0.0	0.0
Cash flow from operating activities	33.5	(13.1)	222.8	159.2
Acquisition of intangible assets	(5.4)	(5.1)	(10.7)	(9.9)
Acquisition of property, plant and equipment	(9.5)	(11.1)	(15.9)	(18.4)
Acquisition of subsidiaries and operations	0.0	(4.6)	(0.1)	(8.7)
Cash flow from investing activities	(14.9)	(20.8)	(26.7)	(37.0)
Free cash flow	18.6	(33.9)	196.1	122.2
Debt raised from and settled with banks	(110.0)	175.0	119.7	175.0
Dividend paid	0.0	(223.8)	(232.0)	(223.8)
Purchase and sale of treasury shares	0.0	0.0	(25.5)	0.0
Cash flow from financing activities	(110.0)	(48.8)	(137.8)	(48.8)
Net cash flow from operating, investing and financing activities	(91.4)	(82.7)	58.3	73.4
Cash and cash equivalents, beginning of period	191.2	296.1	41.5	140.0
Cash and cash equivalents, end of period	99.8	213.4	99.8	213.4

Assets

(DKK millions)	30.09 2015	30.09 2014	31.03 2015
NON-CURRENT ASSETS			
Goodwill	3,691.0	3,689.3	3,691.0
Trademarks and trade names	472.7	546.6	509.7
Shares in co-operative property	3.9	3.9	3.9
Other intangible assets	37.0	38.9	39.4
Total intangible assets	4,204.6	4,278.7	4,244.0
Property, plant and equipment			
Land and buildings	97.8	99.9	98.7
Other fixtures and fittings, tools and equipment	55.3	54.6	53.2
Leasehold improvements	10.5	17.9	13.6
Total property, plant and equipment	163.6	172.4	165.5
Deferred tax assets	22.6	21.6	18.0
Deposits	36.3	35.7	36.2
Other securities and investments	0.9	1.3	1.3
Total other non-current assets	59.8	58.6	55.5
Total non-current assets	4,428.0	4,509.7	4,465.0
CURRENT ASSETS			
Inventories	698.3	777.4	662.1
Trade receivables	30.6	34.7	34.3
Income tax receivable	89.6	89.6	112.3
Other receivables	3.6	4.7	2.6
Deferred income	19.2	17.8	19.0
Cash and cash equivalents	99.8	213.4	41.5
Total current assets	941.1	1,137.6	871.8
TOTAL ASSETS	5,369.1	5,647.3	5,336.8

Equity and liabilities

(DKK millions)	30.09 2015	30.09 2014	31.03 2015
EQUITY			
Share capital	100.7	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	(41.7)	(10.5)	(85.7)
Retained earnings	698.8	631.6	603.2
Proposed dividend for the financial year	0.0	0.0	236.5
Total equity	2,545.4	2,510.6	2,643.5
LIABILITIES			
Deferred tax	251.5	283.5	263.9
Banks	1,727.0	1,939.1	1,560.6
Other payables	21.9	24.5	28.1
Total non-current liabilities	2,000.4	2,247.1	1,852.6
Banks	0.0	0.0	45.3
Prepayments from customers	138.4	130.0	141.2
Trade payables	505.9	585.6	499.5
Other payables	134.8	133.7	154.7
Corporation tax	44.2	40.3	0.0
Total current liabilities	823.3	889.6	840.7
Total liabilities	2,823.7	3,136.7	2,693.3
TOTAL EQUITY AND LIABILITIES	5,369.1	5,647.3	5,336.8

Statement of changes in equity

	Share capital	Share premium	Translation reserve	Treasury share reserve	Proposed dividend	Retained earnings	Total
Equity at 1 April 2015	101.9	1,787.3	0.3	(85.7)	236.5	603.2	2,643.5
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	157.7	157.7
Total comprehensive income	0.0	0.0	0.0	0.0	0.0	157.7	157.7
Transactions with owners							
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	(25.2)	0.0	0.0	(25.2)
Reduction of share capital	(1.2)	0.0	0.0	69.2	0.0	(68.0)	0.0
Share-based payment	0.0	0.0	0.0	0.0	0.0	1.4	1.4
Total transactions with owners	(1.2)	0.0	0.0	44.0	(236.5)	(62.1)	(255.8)
Equity at 30 September 2015	100.7	1,787.3	0.3	(41.7)	0.0	698.8	2,545.4

	Share capital	Share premium	Translation reserve	Treasury share reserve	Proposed dividend	Retained earnings	Total
Equity at 1 April 2014	101.9	1,787.3	0.3	(10.5)	224.3	496.6	2,599.9
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	133.4	133.4
Total comprehensive income	0.0	0.0	0.0	0.0	0.0	133.4	133.4
Transactions with owners							
Dividend paid	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
Adjustment on acquisitions	0.0	0.0	0.0	0.0	0.0	0.3	0.3
Share-based payment	0.0	0.0	0.0	0.0	0.0	0.8	0.8
Total transactions with owners	0.0	0.0	0.0	0.0	(224.3)	1.6	(222.7)
Equity at 30 September 2014	101.9	1,787.3	0.3	(10.5)	0.0	631.6	2,510.6

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 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 Q2	2015/16 Q1	2014/15 Q4	2014/15 Q3	2014/15 Q2
Statement of comprehensive income					
Revenue	783.2	826.5	772.2	1,041.3	792.6
Gross profit	366.9	386.0	355.3	481.0	372.8
EBITDA	138.4	152.4	133.6	241.7	140.6
Operating profit	104.0	118.7	100.0	208.6	106.3
Net interest expenses	(10.4)	(5.6)	(15.1)	(12.8)	(16.9)
Profit before tax	93.6	113.1	84.9	195.8	89.4
Profit for the period	71.3	86.4	63.0	143.9	65.8
Statement of financial position					
Total assets	5,369.1	5,474.4	5,336.8	5,757.8	5,647.3
Total equity	2,545.4	2,472.9	2,643.5	2,625.7	2,510.6
Net working capital	(27.4)	(122.6)	(77.4)	(99.9)	(14.7)
Net interest-bearing debt	1,627.2	1,645.1	1,564.4	1,574.2	1,726.3
Statement of cash flows					
Cash flow from operating activities	33.5	189.3	68.3	194.3	(13.1)
Cash flow from investing activities	(14.9)	(11.8)	(13.0)	(12.1)	(20.8)
Free cash flow	18.6	177.5	55.3	182.2	(33.9)
Net cash flow from operating, investing and financing activities	(91.4)	149.7	(295.2)	122.8	(82.7)
Key performance indicators					
Number of transactions (in millions)	5.5	5.6	5.5	6.6	5.7
Average basket size (in DKK)	136.0	141.4	133.9	150.0	130.4
Total retail floor space (in thousands of square metres)	50.8	50.8	51.1	51.0	51.0
Average revenue per square metre (in DKK thousands) - LTM	64.3	64.3	64.2	63.8	63.7
Like-for-like growth	0,2%	0.4%	3.7%	0.8%	0.5%
Adjusted figures					
EBITDA	138.4	152.4	133.6	241.7	140.6
Depreciation and amortisation of software	(15.4)	(14.7)	(14.7)	(14.1)	(15.3)
EBITA	123.0	137.7	118.9	227.6	125.3
Adjusted profit after tax	85.8	100.9	77.3	158.2	80.1
Gross margin	46.8%	46.7%	46.0%	46.2%	47.0%
EBITDA margin	17.7%	18.4%	17.3%	23.2%	17.7%
EBITA margin	15.7%	16.7%	15.4%	21.9%	15.8%
EBIT margin	13.3%	14.4%	13.0%	20.0%	13.4%