zooplus

3-Monthly Report 2015

Highlights of the first three months 2015

Quarterly sales growth significantly higher than in previous year – sales up 36 % at EUR 165 m (Q1 2014: +30 % at EUR 121 m)

– Earnings before taxes increased to EUR 1.6 m (Q1 2014: EUR 1.2 m)

Target for total sales increased from about EUR 700 m to at least EUR 725 m for 2015

– Unchanged profit forecast for 2015 of between EUR 8 m and EUR 12 m for earnings before taxes (EBT)

Operations of fourth logistics center in Chalon-sur-Saône started in March

– Total logistical capacity increased by around 40 %

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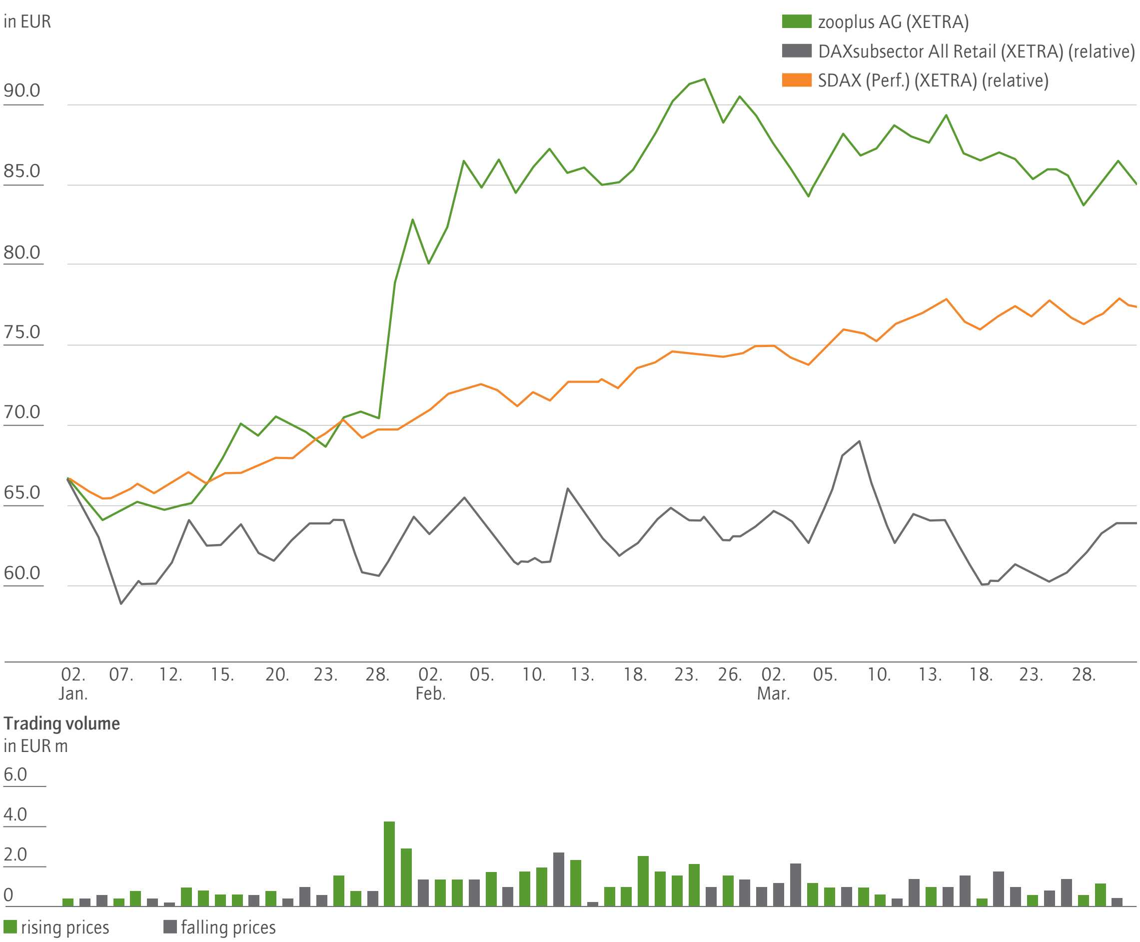
To the Shareholders

The zooplus AG share

Stock chart zooplus AG: January 2 to March 31, 2015



Overview

zooplus AG's shares were introduced to the Frankfurt Stock Exchange's Entry Standard segment on May 9, 2008. Around one and a half years later, on October 22, 2009, the company successfully moved into the Prime Standard segment (which stipulates the highest transparency and publicity standards in Germany). After continuous positive development in market capitalization and trading volumes, the zooplus AG share ascended to the SDAX on June 29, 2011.

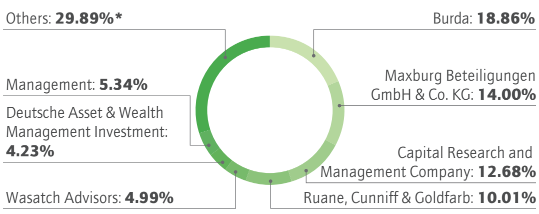
On January 2, 2015, the first trading day of the current financial year, the zooplus share closed at a price of EUR 66.70. At the end of January, the share price rose above the EUR 80 mark for the first time and during February the shares were already trading at a price of over EUR 90.00. The share price reached its high for the reporting period of EUR 91.50 on February 24. Following this rapid upward movement, the share then consolidated slightly and closed at a price of EUR 85.10 on March 31, 2015.

The zooplus share price thus rose by around 28 % in the first quarter of 2015. The market capitalization of zooplus AG exceeded half a billion euros for the first time in the first three months of 2015 and amounted to EUR 594.4 million as of March 31, 2015. Free float as defined by Deutsche Börse has increased since the beginning of 2015 to 81.14 % as of April 2, 2015.

Analysts

Institution	Analyst	Date	Recom-menda-tion	Target price (EUR)
Baader Bank	Volker Bosse	23.04.2015	Buy	125.00
Berenberg	Gunnar Cohrs	14.05.2015	Buy	120.00
Commerzbank	Andreas Riemann	23.04.2015	Hold	89.00
Deutsche Bank	Benjamin Kohnke	21.10.2014	Hold	60.00
Hauck & Aufhäuser	Christian Schwenken-becher	23.04.2015	Buy	120.00
Bankhaus Lampe	Christoph Schlienkamp	15.05.2015	Hold	100.00
montega	Tim Kruse	23.04.2015	Buy	120.00
Numis	Andrew Wade	18.11.2014	Add	76.00
Oddo Seydler Bank	Martin Decot	23.04.2015	Buy	125.00
quirin bank	Mark Josefson	28.08.2014	Buy	64.00

Shareholder structure



As of: May 15, 2015
Ownership according to published voting rights notifications
* Free float stands at 81.14 % according to Deutsche Börse's definition

Key data

WKN	511170
ISIN	DE0005111702
Ticker symbol	Z01
Trading segment	Regulated market (Prime Standard)
Type of shares	No-par value bearer shares
Share capital in EUR as of December 31, 2014	6,984,450.00
Share capital in EUR as of March 31, 2015	6,984,450.00
Number of shares as of March 31, 2015	6,984,450
Initial listing	09.05.2008
Initial issuing price*	EUR 13.00
Share price as of January 2, 2015	EUR 66.70
Share price as of March 31, 2015	EUR 85.10
Percentage change	+27.59 %
Period high	EUR 91.50
Period low	EUR 64.23

Closing prices in the Xetra trading system from Deutsche Börse AG
* This takes into account the capital increase from company resources in July 2011

Financial calendar 2015

June 11, 2015	Annual General Meeting 2015
July 22, 2015	Preliminary H1 2015 revenues
August 19, 2015	Semi-annual report 2015
October 21, 2015	Preliminary Q3 2015 revenues
November 18, 2015	9-Monthly Report Q3 2015
November 23-25, 2015	German Equity Forum

Interim Group management report

Interim Group management report of zooplus AG as of March 31, 2015

1. Business report

A. Business performance and conditions

a. Group structure and business activities

i. Divisions

zooplus AG, the parent company of the Group, was founded in Munich in 1999. The Group operates in the field of e-commerce with web-based retailing of pet supplies to private end customers. In this sector, the zooplus Group is by far the market leader in Europe in terms of sales and the active customer basis.

Its primary business objectives are sustainable growth, systematic penetration of the existing markets, and expansion of the company's online market leadership in Europe. In this context, zooplus is constantly working to expand its technological infrastructure in order to remain the state-of-the-art technology leader within its segment.

In total, zooplus offers its customers around 8,000 pet food and accessories products for dogs, cats, small animals, birds, fishes, and horses. These include everyday products such as brand-name pet food generally available at specialist stores, zooplus' own brands, and specialty items such as toys, care products, and other accessories. In addition, zooplus offers a range of free information, veterinary advice, and interactive applications such as discussion forums and blogs on its websites.

zooplus generates its sales by selling products from its central logistics centers in Hörselgau, Germany, in Tilburg, Netherlands and in Wrocław, Poland. In addition, a fourth logistics center in Chalon-sur-Saône, France, was launched in March 2015, increasing the maximum total logistics capacity to sales of around EUR 900 m. The locations of the central warehouses allow the company to ensure fast and efficient delivery and a high level of general product availability for customers throughout Europe. The products are delivered to the end customers via national and international parcel delivery service providers.

Overall, from the customers' perspective the zooplus business model is characterized by a combination of a broad product range with extremely attractive prices, and efficient goods flow processes along with simple and convenient processing.

ii. Markets

zooplus operates in 28 countries across Europe with a range of country-specific and international online shops. We estimate that the total market volume for pet supplies in Europe amounted to around EUR 25 bn (gross) in 2014. According to its own estimates, zooplus AG is the clear online market leader in terms of sales and the active customer base in the European volume markets of Germany, France, the Netherlands, Spain, and Italy as well as in Europe as a whole. The company also assumes that it is clearly the fastest-growing company in its sector.

As of the end of April 2015, zooplus operated a total of 23 localized webshops: In addition to the five volume markets mentioned above, this was also the case in the United Kingdom, Belgium, Denmark, Finland, Ireland, Croatia, Austria, Poland, Romania, Slovakia, Switzerland, Slovenia, Sweden, the Czech Republic, Hungary, Portugal, Bulgaria, and Turkey. zooplus is therefore effectively the dominant online provider across Europe by a substantial margin compared to smaller local and national competitors.

In addition, the Group operates a second brand called "bitiba". This brand is designed as a discount concept and is already launched in 11 countries.

iii. Key influencing factors

Two key influencing factors affect online retail in the field of pet supplies: the development of the general European pet supplies market and the general and sector-specific development of Internet users' online purchasing habits.

Development of the European pet supplies market

The European pet supplies market currently comprises a gross market volume of around EUR 25 bn. The volume markets of Germany, France, the United Kingdom, Spain, the Netherlands, and Italy alone account for around EUR 17 bn of this.

The primary sales channels for pet supplies in all European countries are bricks-and-mortar pet stores, garden centers, DIY stores and conventional supermarkets and discounters. The main differences between the individual bricks-and-mortar retail concepts for pet supplies are the product range and product positioning: Large-scale supermarkets and discounters generally limit themselves to a complementary product range of around 150 to 200 different items in small-scale and usually low-price pet food segments, whereas larger pet store chains offer a comprehensive product range of pet food (from entry-level prices to premium) and accessories (including toys, hygiene products, pet furniture and equipment). zooplus defines its relevant market segment as conventional specialist retail as well as related specialist product areas of the core supermarket segment.

Overall, zooplus expects the market volume to remain stable or increase slightly in the coming years. For 2015, zooplus anticipates market growth of around 2 – 3 % within Europe. Throughout Germany, for example, around a third of all households have one or more pets. zooplus assumes that this rate is also valid in all major European volume markets. The changes in the market are driven firstly by changing pet populations, and secondly by a shift in sales towards higher-value products and categories within the food and accessories segments (“premiumization”) and increasing ”humanization” of pets.

Thanks to recurring patterns of demand, particularly in the pet food segment, the pet supplies market enjoys a very low degree of seasonality. For example, around 79 % of total demand relates to pet food, resulting in a particularly stable medium-term and long-term demand structure from a Group's perspective.

Development of online retail

The development of the Internet as a distribution channel for pet supplies is of key importance to the Group. A fundamental prerequisite for European online retailing to end customers is fast and reliable Internet access for large sections of the population. This is primarily driven by the availability of a fast and reliable fixed and increasingly also mobile Internet access. zooplus offers its customers access to its websites via desktop PCs, tablets and smartphones and with its own zooplus app. As a result, the number of Internet users has risen substantially over the past few years. This in turn has led to a significant increase in general interest and activity in online retail in connection with increased use of search engines and other information platforms such as price information services and product comparison websites.

E-commerce has become an increasingly important distribution channel for retail. According to publications by the German Retail Federation (Handelsverband Deutschland), e-commerce sales in Germany amounted to around EUR 39 bn in 2014, corresponding to a year-on-year increase of 18 %. Further growth in online retail in Europe seems likely, particularly in view of the inherent advantages of online retail in comparison to existing bricks-and-mortar retail concepts with regard to the product range and shopping convenience. In addition, logistics and parcel delivery service providers are making considerable efforts to further improve the quality of delivery to end customers. This will provide additional support for the growth of the online market. Independent market observers such as Statista therefore expect online retailing to continue to grow with double-digit percentage growth rates in the upcoming years.

However, the share of products sold online in the pet supplies sector is still relatively low in comparison to other product categories and is influenced to a significant extent by the sales generated by zooplus in the European markets. Based on internal estimates, the company assumes that to date only around 5 % of the total European pet supplies market is attributable to the Internet as a distribution channel.

As the market leader, zooplus is therefore excellently positioned to take advantage from these sustainable distribution channel and retail structure shifts in the future.

iv. Competitive position

Advantages over online competitors

In general, online retail presents lower market entry barriers than bricks-and-mortar retail. zooplus therefore faces a range of mostly regional providers, such as independent pet stores with individual webshops and local delivery options, in all of its European markets. In addition, larger bricks-and-mortar retailers are also increasingly setting up infrastructure for online sales and other online retailers are extending their presence to additional countries, thereby entering into direct competition with zooplus.

In contrast to these two groups, however, zooplus' size and its market leadership in Europe mean that it has the structural capacity to derive decisive advantages from economies of scale and efficiency effects that are not available to existing smaller providers to the same extent. This structural advantage in areas such as procurement, own-brand development, logistics, technology, customer service and marketing plays a key role in the strong positioning held by zooplus in the competitive environment. In addition, the Group benefits from other relative advantages with regard to brand awareness and financial strength.

At the same time, the base of active customer accounts in Europe helps zooplus to benefit from substantial momentum in acquiring new customers by word-of-mouth recommendations from existing customers.

Advantages over bricks-and-mortar competitors

The zooplus business model is based on a lean, technologically efficient and scalable value chain combined with an outstanding shopping experience in terms of choice, price and convenience, particularly with regard to convenient home delivery.

zooplus does not operate any physical stores, but instead its four central warehouses enable it to supply customers throughout Europe with a considerably larger product range than bricks-and-mortar retailers. At the same time, the Group's centralized structure and associated efficiency advantages, combined with largely automated business processes, allow it to compensate for certain disadvantages resulting from the difference in size in comparison to larger specialist retail chains, for example with regard to product procurement. zooplus assumes that it is already the cost leader in online retailing of pet supplies.

zooplus' objective remains to consolidate and expand its online leadership while also further improving its position in the overall market comprising both online and bricks-and-mortar business. In doing so, it intends to benefit significantly from further substantial growth in online retail.

v. Group structure

As of March 31, 2015, the Group's scope of full consolidation comprises zooplus AG, Munich, and the following subsidiaries:

	Equity share	
matina GmbH, Munich	100%	(own brand business)
bitiba GmbH, Munich	100%	(secondary brand business)
zooplus services Ltd., Oxford, Great Britain	100%	(service company for Great Britain)
zooplus italia s.r.l., Genoa, Italy	100%	(service company for Italy)
zooplus polska Sp. z.o.o., Krakow, Poland	100%	(service company for Poland)
zooplus services ESP S.L., Madrid, Spain	100%	(service company for Spain)
zooplus france s.a.r.l., Strasbourg, France	100%	(service company for France)
zooplus Pet Supplies Import and Trade ltd., Istanbul, Turkey	100%	(sales company for Turkey)

The following companies are not included in the consolidated financial statements:

- the wholly owned subsidiary zooplus EE TOV, Kiev, Ukraine, founded in the second quarter of 2011, with share capital of EUR 10 thousand;
- the wholly owned subsidiary zooplus Nederland B.V., Rotterdam, Netherlands, founded in November 2012, with share capital of EUR 10 thousand;
- the wholly owned subsidiary zooplus d.o.o., Zagreb, Croatia, founded in February 2013, with share capital of EUR 3 thousand;
- the wholly owned subsidiary Tifuve GmbH, Munich, Germany, founded in May 2013, with share capital of EUR 25 thousand.

These four companies did not engage in any business activities in the financial year and are not included in the consolidated financial statements due to their lack of importance.

In the first quarter 2015 and as of March 31, 2015, zooplus AG was managed by the following Management Board members:

- Dr. Cornelius Patt, CEO (Corporate Management, overall responsibility for Business Development & System Development, IT and HR)
- Andrea Skersies (Sales & Marketing)
- Andreas Grandinger (Finance, Controlling, Legal, Investor Relations, Internal Audit)
- Jürgen Vedie (Supply Chain Management, Sourcing, Logistics, Warehousing, Distribution)

The Management Board is advised and monitored by the Supervisory Board. In the first quarter 2015 and as of March 31, 2015, this committee consisted of the following members:

- Michael Rohowski, spokesman of the management of Burda Direkt Services GmbH, Offenburg (Chairman)
- Dr. Rolf-Christian Wentz, freelance business consultant, Bonn (Deputy Chairman)
- Moritz Greve, partner and managing director of Maxburg Capital Partners GmbH, Munich
- Thomas Schmitt, President and Chief Executive Officer of AquaTerra Corporation, Mississauga, ON, Canada
- Dr. Norbert Stoeck, freelance business consultant, Munich
- Stefan Winners, Management Board member responsible for digital business at Hubert Burda Media Holding Kommanditgesellschaft, Offenburg.

b. Corporate strategy – sustainable and profitable growth throughout Europe

The Group aims to maintain and significantly expand its existing market leadership in online retailing of pet supplies in Europe and thereby substantially increase the company's medium-term and long-term profit potential. In the company's view, the Internet and online retail in Europe continue to offer excellent opportunities for growth. The Group is therefore now aiming to position itself and create the necessary structures to allow it to generate significant positive returns in the medium and long term by virtue of its critical size and market leadership.

In this context, the Group's activities focus on the following objectives:

- Defending and expanding the company's market leadership
- Expanding the customer base and further increasing customer loyalty in all major European markets
- Further penetration of existing national markets and tapping of additional markets
- Increasing its sales and contribution margin per customer per year

The top priority is to generate continued high growth as well as maintaining and continuously increasing the company's operating profitability. In view of the Group's continued excellent growth prospects throughout Europe. Management believes that this strategy continues to be the most sensitive strategy for long-term growth in the company's value over the coming quarter and year.

The objectives are managed and monitored in all areas using process-specific indicators that are regularly reviewed and can be adapted and modified in the short to medium term where necessary. In this context, the company attaches particular importance to clearly communicating its goals to its employees and the public.

zooplus' employees are a crucial factor in its success. Regular internal training courses and participation by many employees in external advanced training events have further increased the work quality and value creation potential of our workforce.

c. Technology and development

zooplus sees itself primarily as a technology-based online retail group. New and further developments of the core processes and key systems of our business model are mostly initiated and executed internally. External partners are involved if they can usefully supplement this internal expertise and implementation capacity.

Systems and highly specific software solutions developed in-house in all major business areas have made a crucial contribution to the success of zooplus AG and the zooplus Group over the past years and are currently expected to be a vital component in achieving the company's goals in the future, too. Existing in-house developments will be partly integrated and partly replaced by the future introduction of the ERP system.

Areas in which systems developed in-house play a key role include:

- Price and margin management
- Logistics management and controlling
- National and international payment processing
- Online marketing and customer acquisition
- Working capital management and procurement
- International Group controlling

B. Net assets, financial position and results of operations

a. Business performance Q1 / 2015

i. Economy and overall market

There are still risks that the effects of the euro debt crisis and exchange rate risks outside Europe may have a significant negative impact on the real economy in Europe. Furthermore, it is currently uncertain which additional risks may arise as a result of the Ukraine crisis and its knock-on effects. Although the German economy has largely managed to set itself apart from the rest of the eurozone so far, an economic downturn cannot be ruled out and this could also affect zooplus AG's business in the future. However, the management believes that the development of the sector-specific and online retail environment of zooplus AG in the respective individual markets represents a considerably more important influencing factor than the macro-economic considerations above.

ii. Performance of the zooplus Group in the reporting period

In the view of the Management Board, the zooplus Group performed well in the first three months of 2015. With regard to achievement of its targets for 2015, it is ahead of the planning for total sales and sales and in line with planning for earnings. This is mainly reflected in the year-on-year increase in sales and total sales by 36 % and 34 % respectively. The Group matched the previous year's pace of growth, with the rise in sales in the first quarter of 2015 outstripping the growth rate for the 2014 financial year of 33 %. Based on the positive business performance in the first quarter of 2015, the Management Board has raised its forecast for total sales in 2015 from around EUR 700 m to at least EUR 725 m. This would mean that sales for a financial year would also exceed EUR 700 m for the first time.

In the reporting period, zooplus continued to benefit from economies of scale and gains in efficiency in all major operating areas and matched the previous year's high levels of customer loyalty. As a result of these two effects, zooplus generated earnings before taxes (EBT) of EUR 1.6 m in the first three months of 2015 (Q1 2014: EUR 1.2 m), representing a year-on-year improvement of 25 %.

b. Results of operations

i. Development of total sales and sales

Overall, the Group's total sales increased by 34.4 % to EUR 169.8 m in the first three months of 2015 after EUR 126.3 m in the same period of the previous year. This substantiates continued positive development in business with new and existing customers, combined with further internationalization and penetration of existing markets. The Group's sales increased by 36.4 % to EUR 164.6 m in the reporting period after EUR 120.7 m in the same period of the previous year.

The share of sales generated abroad rose to 71 % after 68 % in the same period of the previous year. In particular, the consistently high level of customer loyalty and the sales retention rate for existing customers also continued to exert a positive impact on sales and total sales.

ii. Expense items

The cost of materials increased to EUR 118.5 m in the first three months of 2015 as against EUR 85.5 m in the previous year. As a result, the cost of materials ratio in relation to total sales rose to 69.8 % after 67.7 % in the same period of the previous year. Conversely, the net cost of sales margin fell from 32.3 % to 30.2 %. This was attributable to the continued fiercely competitive e-commerce environment as well as to product range and portfolio effects. The rise in the cost of materials was almost entirely offset at the level of earnings by further operational progress in the cost items.

These improvements are reflected particularly clearly in the fact that total costs for marketing, logistics, staff, payment and administration, depreciation and amortization, and interest were reduced from 31.3 % of total sales in the previous year to 29.3 % in the reporting period.

In the area of logistics, this change was partly attributable to further improvements in efficiency at the three fulfillment centers in Germany, the Netherlands and Poland. Despite a considerably higher share of international shipments, the ratio of logistics/fulfillment costs to total sales decreased to 19.9 % as against 20.9 % in the same period of the previous year. In the first quarter of 2015, zooplus also commissioned a fourth fulfillment center in Chalon-sur-Saône, France, further increasing its total logistical capacity. This enables zooplus to keep pace with its continued strong growth in terms of logistics and to serve its customers in France and Spain in particular faster and more efficiently.

In addition, expenses for customer acquisition and marketing were reduced from 1.9 % of total sales in the previous year to 1.7 % and reached a level of EUR 2.9 m in absolute terms as against EUR 2.3 m in the same period of the previous year. This positive development was facilitated in particular by specific efficiency enhancements and further optimization of the marketing approach. The pace of growth was increased in comparison to the previous year, with further expansion of both new customer business and existing customer business. The key indicator for customer loyalty remained above 90 %.

Personnel costs rose at a considerably lower rate than total sales in the first three months of 2015, resulting in a reduced personnel cost ratio of 3.4 % as against 4.3 % in the same period of the previous year. In absolute terms, personnel costs rose from EUR 5.4 m to EUR 5.8 m in the reporting period.

Payment costs amounted to EUR 1.9 m in the reporting period as against EUR 1.8 m in the same period of the previous year. As a percentage of total sales, they were down significantly year-on-year from 1.4 % to 1.1 %.

iii. Earnings development

The company generated positive earnings before taxes (EBT) of EUR 1.6 m in the first three months of 2015, representing an improvement as against the figure of EUR 1.2 m for the same period of 2014. In addition, consolidated net profit of EUR 0.9 m was generated in the first quarter of 2015, as compared to EUR 0.7 m in the same period of 2014.

This development in profits was due to economies of scale and further gains in efficiency in the operating areas, as well as continued dynamic growth combined with high customer loyalty.

c. Net asset position

Non-current assets totaled EUR 13.1 m as of March 31, 2015 as against EUR 13.6 m as of December 31, 2014. This decrease was partly due to the positive earnings performance, which led to a decline in deferred tax assets on loss carryfowards.

Current assets amounted to EUR 129.1 m as of March 31, 2015 after EUR 125.0 m as of the end of 2014. This change primarily consisted of a significant rise in cash and cash equivalents from EUR 32.0 m to EUR 38.2 m and increases in advance payments from EUR 0.5 m to EUR 3.1 m, in accounts receivable from EUR 12.1 m to EUR 14.4 m, and in derivative financial instruments from EUR 2.3 m to EUR 4.1 m. By contrast, these factors were offset by the decline in other assets from EUR 13.1 m to EUR 8.5 m and the decrease in inventories from EUR 65.0 m to EUR 60.8 m.

As of March 31, 2015, equity was higher than its level as of December 31, 2014 and amounted to EUR 88.1 m. Thus, the equity ratio as of March 31, 2015 was unchanged in comparison to the end of 2014 at 62 %.

Accounts payable increased to EUR 25.0 m as of March 31, 2015 as against EUR 23.4 m at the end of 2014. By contrast, the value of other current liabilities was unchanged at EUR 20.1 m. Tax liabilities were reduced to EUR 1.3 m as of March 31, 2015 as against EUR 2.0 m at the end of 2014 as a result of income tax payments for previous years.

As at the end of the previous year, there was no financial liabilities as of March 31, 2015. The company also still has flexible credit lines totaling EUR 28.0 m.

Total assets amounted to EUR 142.2 m as of March 31, 2015, up only slightly compared to their value as of December 31, 2014 of EUR 138.6 m. The company was therefore to continue to efficiently represent its strong growth on the balance sheet.

d. Financial position

Cash flows from operating activities amounted to EUR 7.0 m in the reporting period, as compared to EUR -0.7 m in the first three months of 2014. The operating cash flow was chiefly influenced by the positive earnings for the first three months of 2015 and the decline in inventories and other current assets. As in the previous year, cash flows from investing activities amounted to EUR -0.7 m in the first three months of 2015. Cash flows from financing activities amounted to EUR -33 k.

Overall, as a retail company zooplus is exposed to considerable volatility in figures that are relevant to the balance sheet and cash flows, such as inventories, liabilities and sales tax. This results in significantly higher natural fluctuation in these figures over the course of the year as compared to the earnings figures presented.

e. Overall statement on the financial situation

With growth in total sales of 34 % to EUR 169.8 m and a 25 % improvement in EBT from EUR 1.2 m in the previous year to EUR 1.6 m, the first three months of the 2015 financial year can be considered positive overall.

2. Report on events after the balance sheet date

Following the end of the first quarter 2015, no affairs of material importance occured which impacted on the net assets, financing position and results of operations.

3. Outlook, risks and opportunities

A. Outlook

According to the latest economic forecasts, general economic conditions are not expected to change significantly in 2015. We anticipate a slight rise in overall sales for our sector, the pet supplies business, in this period.

Irrespective of this, however we anticipate that the internet will continue to grow further in importance as a sales channel in the coming years and develop at a faster rate than the market overall. zooplus will benefit considerably from this.

Owing to the positive business performance in the first three months of 2015, the Management Board has decided to increase its forecast with regard to total sales. The forecast for total sales in the current financial year has been raised from around EUR 700 m to at least EUR 725 m. As a result, we continue to anticipate earnings before taxes (EBT) of between EUR 8 m and EUR 12 m.

The key factors in relation to the net assets, financial position and results of operations are expected to develop as follows:

- We anticipate a further increase in overall sales in all European markets in 2015 – driven by a growing number of active customers from both new and existing customer business.
- We anticipate a slight decline in the gross margin (in relation to total sales) in 2015.
- We expect the ratio of logistics/fulfillment costs to total sales to fall slightly in 2015 as a result of gains in efficiency and economies of scale.
- With regard to the acquisition of new customers, we expect marketing costs to remain stable in relation to total sales in 2015.
- We expect the equity ratio to be slightly lower than the previous year's level.
- As in the previous year, we expect to maintain our leading market position in online retailing of pet supplies.
- We expect the key figure for customer loyalty (sales retention) to be at the previous year's level.

As in the previous years, growth is the primary objective again in 2015. In addition, a sustainable increase in earnings is an important element of our strategy.

B. Risk report

The risk situation for zooplus AG has not changed significantly in comparison to the presentation in the 2014 annual report (pages 54 to 59).

C. Opportunity report

The opportunity situation for zooplus AG has not changed significantly in comparison to the presentation in the 2014 annual report (pages 60 to 61).

Consolidated interim financial statements

Consolidated balance sheet as of March 31, 2015 according to IFRS

Assets

in EUR		31.03.2015	31.12.2014
A.	NON-CURRENT ASSETS		
I.	Property, plant and equipment	934,621.37	756,365.01
II.	Intangible assets	8,949,623.93	8,588,363.83
III.	Other financial assets	47,708.71	47,708.71
IV.	Deferred tax assets	3,203,599.65	4,174,817.68
	Non-current assets, total	**13,135,553.66**	**13,567,255.23**
B.	CURRENT ASSETS		
I.	Inventories	60,782,559.42	65,030,799.69
II.	Advance payments	3,131,310.15	524,206.84
III.	Accounts receivable	14,429,034.07	12,050,649.58
IV.	Other current assets	8,479,621.64	13,114,283.83
V.	Derivative financial instruments	4,086,475.72	2,301,965.39
VI.	Cash and cash equivalents	38,168,708.80	31,966,234.96
	Current assets, total	**129,077,709.80**	**124,988,140.29**
		142,213,263.46	138,555,395.52

Equity and liabilities

in EUR		31.03.2015	31.12.2014
A.	EQUITY		
I.	Subscribed capital	6,984,450.00	6,984,450.00
II.	Capital reserves	92,163,985.55	92,011,390.94
III.	Other reserves	2,520,130.31	1,667,848.60
IV.	Profit ⁄ loss for the period and losses carried forward	-13,548,090.38	-14,471,014.94
	Equity, total	**88,120,475.48**	**86,192,674.60**
B.	**NON-CURRENT LIABILITIES**	**1,292,873.49**	**1,237,873.49**
C.	CURRENT LIABILITIES		
I.	Accounts payable	25,030,072.30	23,393,344.49
II.	Derivative financial instruments	583,777.76	0.00
III.	Other current liabilities	20,051,411.87	20,098,203.30
IV.	Tax liabilities	1,340,407.14	2,001,742.04
V.	Provisions	4,090,747.22	4,130,102.79
VI.	Deferred income	1,703,498.20	1,501,454.81
	Current liabilities, total	**52,799,914.49**	**51,124,847.43**
		142,213,263.46	138,555,395.52

Consolidated statement of comprehensive income from January 1 to March 31, 2015 according to IFRS

in EUR	Q1 2015	Q1 2014
Sales	164,644,745.15	120,681,157.97
Other income	5,134,130.35	5,628,805.29
Total sales	**169,778,875.50**	**126,309,963.26**
Cost of materials	-118,473,702.88	-85,512,199.55
Personnel costs	-5,835,524.95	-5,418,505.44
of which cash	(-5,682,930.34)	(-5,150,422.03)
of which non-cash	(-152,594.61)	(-268,083.41)
Depreciation	-187,356.65	-174,771.12
Other expenses	-43,684,607.72	-33,851,899.73
of which logistics / fulfillment	(-33,716,471.33)	(-26,374,462.91)
of which marketing	(-2,888,551.38)	(-2,344,437.84)
of which payment	(-1,892,040.63)	(-1,812,407.41)
of which other costs	(-5,187,544.38)	(-3,320,591.57)
Earnings before interest and taxes (EBIT)	**1,597,683.30**	**1,352,587.42**
Financial income	147.30	240.63
Financial expenses	-32,739.07	-104,369.18
Earnings before taxes (EBT)	**1,565,091.53**	**1,248,458.87**
Taxes on income	-642,166.97	-547,131.81
Consolidated net result	**922,924.56**	**701,327.06**
Other gains an losses (after taxes)		
Differences from currency translation	47,490.70	-6,807.49
Hedge reserve	804,791.01	42,083.73
Items subsequently reclassified to profit or loss	**852,281.71**	**35,276.24**
Comprehensive income	**1,775,206.27**	**736,603.30**
Earnings per share		
undiluted (EUR / share)	0.13	0.11
diluted (EUR / share)	0.13	0.11

Group cash flow statement from January 1 to March 31, 2015 according to IFRS

in EUR	Q1 2015	Q1 2014
Cash flows from operating activities		
Earnings before taxes	1,565,091.53	1,248,458.87
Allowances for:		
Depreciation	187,356.65	174,771.12
Non-cash personnel costs	152,594.61	268,083.41
Other non-cash business transactions or business transactions resulting in payment in a different period	47,490.70	-6,807.49
Financial expenses	32,739.07	104,369.18
Financial income	-147.30	-240.63
Changes in:		
Inventories	4,248,240.27	-6,556,342.02
Advance payments	-2,607,103.31	-2,061,310.00
Accounts receivable	-2,378,384.49	-1,537,094.27
Other current assets	4,634,662.19	3,668,972.36
Accounts payable	1,636,727.81	2,369,405.51
Other liabilities	-46,791.43	1,129,472.49
Provisions	-39,355.57	324,235.75
Non-current liabilities	55,000.00	100,000.00
Deferred income	202,043.39	45,904.06
Taxes on income paid	-733,054.67	-8,593.45
Interest received	147.30	240.63
Cash flows from operating activities	**6,957,256.75**	**-736,474.48**
Cash flows from investing activities		
Cash-outflows for property, plant and equipment / intangible assets	-722,904.94	-662,103.14
Cash flows from investing activities	**-722,904.94**	**-662,103.14**
Cash flows from financing activities		
Cash-inflows from loans	0.00	3,000,000.00
Interest paid	-32,739.07	-104,369.18
Cash flows from financing activities	**-32,739.07**	**2,895,630.82**
Influence of currency effects on cash and cash equivalents	861.10	-3,975.36
Net change of cash and cash equivalents	**6,202,473.84**	**1,493,077.84**
Cash and cash equivalents at the beginning of the period	31,966,234.96	5,646,622.19
Cash and cash equivalents at the end of the period	38,168,708.80	7,139,700.03
Composition of funds balance at the end of the period		
Cash on hand, bank deposits, checks	38,168,708.80	7,139,700.03
	38,168,708.80	**7,139,700.03**

Consolidated statement of changes in equity as of March 31, 2015 according to IFRS

in EUR	Subscribed capital	Capital reserves	Other reserves	Profit / loss for the period and losses carried forward	Total
As of January 1, 2015	**6,984,450.00**	**92,011,390.94**	**1,667,848.60**	**-14,471,014.94**	**86,192,674.60**
Increase from stock options	0.00	152,594.61	0.00	0.00	152,594.61
Currency translation differences	0.00	0.00	47,490.70	0.00	47,490.70
Net profit / loss for Q1 2015	0.00	0.00	0.00	922,924.56	922,924.56
Hedge reserve	0.00	0.00	804,791.01	0.00	804,791.01
As of March 31, 2015	**6,984,450.00**	**92,163,985.55**	**2,520,130.31**	**-13,548,090.38**	**88,120,475.48**
As of January 1, 2014	**6,101,639.00**	**50,258,477.53**	**39,503.54**	**-19,686,820.01**	**36,712,800.06**
Increase from stock options	0.00	268,083.41	0.00	0.00	268,083.41
Currency translation differences	0.00	0.00	-6,807.49	0.00	-6,807.49
Net profit / loss for Q1 2014	0.00	0.00	0.00	701,327.06	701,327.06
Hedge reserve	0.00	0.00	42,083.73	0.00	42,083.73
As of March 31, 2014	**6,101,639.00**	**50,526,560.94**	**74,779.78**	**-18,985,492.95**	**37,717,486.77**

Notes

Notes to the consolidated financial statements

Notes and explanations on the interim consolidated financial statements

Accounting principles

This three-month report as of March 31, 2015 was prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU). These consolidated financial statements comply with IAS 34 "Interim Financial Reporting".

The same accounting policies were applied as in the consolidated financial statements for the financial year ended December 31, 2014.

Fair value disclosures

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The table below shows financial instruments measured at fair value, broken down by the levels of the fair value hierarchy. The different levels are as follows:

- Level 1: Unadjusted quoted prices on active markets for identical assets and liabilities
- Level 2: Directly or indirectly observable inputs that are not allocated to Level 1
- Level 3: Unobservable inputs

The table below shows the assets and liabilities measured at fair value on March 31, 2015:

in kEUR	Level 1	Level 2	Level 3
Assets			
Derivative financial instruments as hedging instruments	0	4,086	0
Liabilities			
Derivative financial instruments as hedging instruments	0	584	0

The table below shows the assets and liabilities measured at fair value on December 31, 2014:

in kEUR	Level 1	Level 2	Level 3
Assets			
Derivative financial instruments as hedging instruments	0	2,302	0
Liabilities			
Derivative financial instruments as hedging instruments	0	0	0

There were no reclassifications within the respective levels during the reporting period. If circumstances arise that require a different classification, the relevant items are reclassified on a quarterly basis.

The fair value of financial instruments that are traded on an active market is based on the quoted market price on the reporting date. A market is considered to be active if quoted prices are easily and regularly available on a stock exchange or from a dealer, a broker, an industry group, a pricing service or a regulatory authority, and if these prices represent current and regularly occurring market transactions at arm's length conditions. For assets held by the Group, the appropriate quoted market price corresponds to the bid price offered by the buyer.

The fair value of financial instruments that are not traded on an active market (e.g. over-the-counter derivatives) is determined using a valuation technique. The fair value is thus determined on the basis of the results of a valuation technique that is based on market data to the greatest possible extent and uses company-specific data as little as possible. If all of the data required to determine the fair value are observable, the instrument is assigned to Level 2. If one or more important items of data are not based on observable market data, the instrument is assigned to Level 3.

Specific valuation techniques used to measure financial instruments include present value models based on market data applicable on the reporting date.

Additional information on financial instruments

The table below shows the carrying amounts and fair values of all financial instruments recognized in the consolidated financial statements and shows the allocation of the assets and liabilities and of parts of the balance sheet items to the measurement categories in accordance with IAS 39:

in kEUR	Measurement category	Carrying amount		Fair value	
		31.03.2015	31.12.2014	31.03.2015	31.12.2014
Financial assets					
Accounts receivable	LaR	14,429	12,051	14,429	12,051
Other financial assets	AfS	48	48	n / a	n / a
Other current assets					
of which financial instruments in accordance with IFRS 7	LaR	3,047	9,268	3,047	9,268
Derivative financial instruments	n / a	4,086	2,302	4,086	2,302
Cash and cash equivalents	LaR	38,169	31,966	38,169	31,966
Total		**59,779**	**55,635**	**59,731**	**55,587**
Financial liabilities					
Accounts payable	FLaC	25,030	23,393	25,030	23,393
Other liabilities					
of which financial liabilities in accordance with IFRS 7	FLaC	3,765	3,333	3,765	3,333
Derivative financial instruments	n / a	584	0	584	0
Total		**29,379**	**26,726**	**29,379**	**26,726**

LaR (loans and receivables)
AfS (available for sale)
FLaC (financial liability at amortized cost)

The market values of the cash in hand and cash equivalents, accounts receivable, current assets, accounts payable and other current liabilities reported as of March 31, 2015 and December 31, 2014 correspond to their carrying amounts. This is mainly due to the short terms of such instruments.

For other financial assets (interests in unconsolidated Group companies), it is not possible to use an active market or quoted prices for the measurement and the fair value cannot be determined by other means either, which is why no fair values have been disclosed here. The company does not intend to sell these instruments.

The Group's financial liabilities all represent current liabilities with a maturity of up to one year. Existing financial liabilities are repaid from operating cash flow.

Broken down by their IAS 39 measurement category, the Group's financial assets and liabilities are as follows:

in kEUR	Measurement category	Carrying amount		Fair value	
		31.03.2015	31.12.2014	31.03.2015	31.12.2014
Financial assets					
Loans and receivables	LaR	55,645	53,285	55,645	53,285
Available for sale	AfS	48	48	n / a	n / a
Financial liabilities					
Financial liability at amortized cost	FLaC	28,795	26,726	28,795	26,726

Scope of consolidation

As of March 31, 2015, the Group's scope of full consolidation comprises zooplus AG, Munich, and the following subsidiaries:

	Equity share	
matina GmbH, Munich	100 %	(own brand business)
bitiba GmbH, Munich	100 %	(secondary brand business)
zooplus services Ltd., Oxford, UK	100 %	(service company for UK)
zooplus italia s.r.l., Genoa, Italy	100 %	(service company for Italy)
zooplus polska Sp. z o.o., Krakow, Poland	100 %	(service company for Poland)
zooplus services ESP S.L., Madrid, Spain	100 %	(service company for Spain)
zooplus france S.A.R.L, Strasbourg, France	100 %	(service company for France)
zooplus Pet Supplies Import and Trade ltd., Istanbul, Turkey	100 %	(sales company for Turkey)

The following companies are not included in the consolidated financial statements:

- the wholly owned subsidiary zooplus EE TOV, Kiev, Ukraine, founded in the second quarter of 2011, with share capital of EUR 10 thousand
- the wholly owned subsidiary zooplus Nederland B.V., Rotterdam, Netherlands, founded in November 2012, with share capital of EUR 10 thousand
- the wholly owned subsidiary zooplus d.o.o., Zagreb, Croatia, founded in February 2013, with share capital of EUR 3 thousand
- the wholly owned subsidiary Tifuve GmbH, Munich, Germany, founded in May 2013, with share capital of EUR 25 thousand

These four companies did not engage in any business activities in the financial year and are not included in the consolidated financial statements due to their lack of importance.

Segment reporting

The zooplus Group operates in only one business area, the distribution and sale of pet supplies in the EU and other European states. The products sold by the company are homogeneous and cannot be sub-divided. As an online retailer, the company offers its products centrally from one location irrespective of the end customers' geographical location. Consequently, there are no geographical segments as defined in IFRS. There is also no internal reporting by segment at present. The Group therefore does not prepare segment reporting.

Earnings per share

Undiluted earnings per share are calculated as the ratio of the profit for the period attributable to holders of ordinary shares of the parent company to the weighted average number of ordinary shares outstanding during the reporting period. Consolidated net profit for the first three months of 2015 amounted to EUR 0.9 m (previous year: EUR 0.7 m). The average number of shares in the first three months of 2015 was 6,984,450, resulting in undiluted earnings per share of EUR 0.13 (previous year: EUR 0.11).

Diluted earnings per share are calculated by dividing the profit for the period attributable to holders of ordinary shares of the parent company by the weighted average number of ordinary shares outstanding during the reporting period plus share equivalents that could lead to dilution. This results in notional earnings per share of EUR 0.13 (previous year: EUR 0.11).

Information in accordance with Section 37w (5) of the WpHG

Like all of the company's regular interim reports, these interim financial statements and the interim management report have not been reviewed by an auditor.

German Corporate Governance Code

zooplus Aktiengesellschaft has issued the declaration on the German Corporate Governance Code that is required under Section 161 of the German Stock Corporation Act (Aktiengesetz) and has made this declaration available to its shareholders on its website at http://investors.zooplus.com/en/corporate-governance/corporate-governance-statement.html.

Munich, May 20, 2015

The Management Board

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The 3-Monthly report is also available in German. In case of discrepancies the German version prevails.

A digital version of this zooplus AG 3-Monthly report as well as the annual reports can be downloaded from the Investor Relations section of www.zooplus.com.

Forward-looking statements

This report contains forward-looking statements. These statements are based on current experience, estimates and projections of the management and currently available information. They are not guarantees for the realization of the future developments and results stated. The future developments and results are dependent on a wide range of factors. They encompass various risks and uncertainties, and are based upon assumptions as to future events that may not be accurate. Such factors include those discussed in the report on risks on page 13. We do not assume any obligation to update the forward-looking statements contained in this report.

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