9-MONTHS' REPORT 2009

UNITED® LABELS COMICWARE

UNITEDLABELS AG

PETER BODER
CEO

Dear **UNITED**LABELS **Shareholders,**

In Germany, the first nine months of the 2009 financial year were dominated by challenging economic conditions and upheaval within the retail landscape. „Stimulus package“, „bail-out fund“ and „short-time work“ are just some of the terms now associated with the protracted economic malaise. Over the course of this period, major corporations became engulfed in an economic maelstrom, the full repercussions of which have possibly yet to unfold.

For **UNITED**LABELS AG it was the first two quarters of the nine months now ended that proved most detrimental, with revenue contracting to € 28.1 million and earnings before interest and taxes (EBIT) standing at € -0.9 million. The third quarter, by contrast, developed along much more favourable lines.
EBIT for this period improved from € -0.1 million a year ago to € 0.6 million. At the same time, profit for the period rose to € 0.5 million (prev. year: € -0.1 million).

Over the past weeks and months we have been channelling our efforts into strengthening our textiles category, with new collections being developed and marketed in the area of babywear, swimwear, nightwear, underwear and outerwear.

Within this context, we have been focusing in particular on the Eastern European region. This market – particularly Poland – offers additional opportunities for merchandise sold under licence, and we continued to expand our customer base and secure new contracts here during the period under review.

At the beginning of September we published our new winter catalogue for specialty retailers. Comprising more than 100 pages, the catalogue presents an extensive range of both new and well-established products in a fresh and attractive design.

UNITEDLABELS also celebrated the opening of its new airport store located in the shopping arcade of Düsseldorf Airport. Travellers and visitors can choose from a range of around 2,000 products featuring the most popular and well-known cartoon characters. In total, **UNITED**LABELS now operates its very own comicware shops at the airports of Barcelona and Düsseldorf, as well as an additional store at the port-side shopping centre „Maremagnum“ in Barcelona. The local airport is also home to an FC Barcelona shop run by **UNITED**LABELS. We shall also be launching new shops in Hamburg and Malaga at the end of 2009 and the beginning of 2010 respectively.

We were encouraged by the performance of **UNITED**LABELS shares in the period under review: during the first nine months our share price rose by around 36 %. For several weeks now, our stock has positioned itself beyond the two euro mark. Despite this satisfactory performance, we are adamant that the current position by no means reflects the true potential of our stock, and we hope that our share price will continue to rise.

The coming months are likely to remain under the spell of the financial and economic crisis, all the more so as experts are predicting sluggish demand among end consumers. As yet, it is very difficult to project how soon the wider economy will recover. However, we are of the firm belief that the measures already initiated by our company will take effect as early as the beginning of next year, regardless of the challenging market conditions under which we are having to operate.

Please do continue to place your trust in us!

Peter Boder
CEO

Key Figures	Q3 2009 (€`000)	Q3 2008 (€`000)
Revenue	28,112	30,549
EBITDA*	(525)*	704*
EBIT	(900)	227
Profit before tax	(1,153)	(72)
Profit for the year	(752)	(6)
Order backlog	9,825	14,738
Earnings per share (€)	(0.18)	0.00
Number of embloyees	131	139

*incl. amortisation of usufructuary rights

Revenue and Earnings

Group revenue totalled € 28.1 million in the first nine months of 2009 (prev. year: € 30.5 million). Our failure to meet last year's nine-month figure was attributable first and foremost to the structural changes made within our UK subsidiary towards the end of 2008. While revenue generated by **UNITED**LABELS Ltd. in the UK had amounted to € 1.0 million in the same period a year ago, it slipped to just € 0.3 million in 2009. We also recorded a slight dip in revenue at our locations in Germany, Spain and Italy. This trend is likely to continue into the fourth quarter, as our Group-wide order backlog as at 30 September 2009 was € 9.8 million (prev. year: € 14.7 million).

Consolidated earnings for the period were impacted in particular by developments within the area of cost of materials. The decline in revenue within the high-margin Special Retail segment, the shift within the Key Account segment towards discount retailers as well as higher costs associated with quality assurance exerted significant pressure on profit margins. By contrast, we managed to scale back staff costs and other expenses slightly year on year.

The consolidated net loss for the first nine months was € 0.8 million (prev. year: € 0.1 million).

Segments

The Key Account segment remains at the heart of the business model developed by **UNITED**LABELS; it accounts for 71% of the Group's revenue. Revenue generated within this segment over the course of the first nine months amounted to € 20,014 thousand (prev. year: € 21,360 thousand). Segment expenses totalled € 17,461 thousand (prev. year: € 16,642 thousand). The segment result for the entire Key Account segment amounted to € 1,271 thousand (prev. year: € 2,537 thousand).

Revenues generated within the Special Retail segment totalled € 8,098 thousand in the first nine months (prev. year: € 9,188 thousand). Expenses within the Special Retail segment amounted to € 7,022 thousand (prev. year: € 7,617 thousand), while depreciation/ amortisation and write-downs totalled € 825 thousand (prev. year: € 1,022 thousand). Thus, segment profit stood at € 250 thousand (prev. year: € 548 thousand).

Administrative expenses declined from € 2,755 thousand in the first nine months of 2008 to € 2,341 thousand in the first nine months of 2009.

On this basis, primary segment reporting is as follows:

Primary reporting format – Customer segments

2009			
in € ‘000	Special Retail	Key Account	Group
Sales revenues	8,098	20,014	28,112
Segment expenses	(7,022)	(17,461)	(24,483)
Depreciation/amortisation	(825)	(1,282)	(2,107)
Segment result	**250**	**1,271**	**1,522**
Administrative expenses			(2,341)
Depreciation administration			(80)
Finance cost			(253)
Result from ordinary activities			**(1,153)**
Tax			402
Consolidated net profit/(loss)			**(751)**

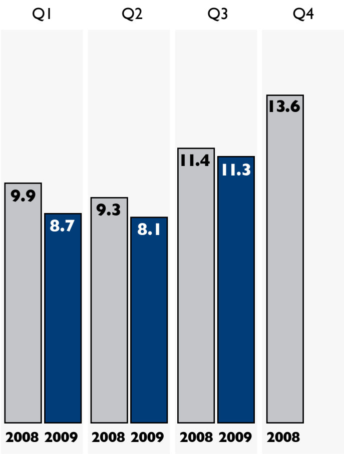
	Special Retail	Key Account	Administration	Group
Segment assets (in € ‘000)	13,844	18,282	15,343	47,469
Segment liabilities (in € ‘000)	3,825	6,963	5,870	16,658

2008

in € ‘000	Special Retail	Key Account	Group
Sales revenues	9,188	21,360	30,547
Segment expenses	(7,617)	(16,642)	(24,259)
Depreciation/amortisation	(1,022)	(2,180)	(3,203)
Segment result	**548**	**2,537**	**3,086**
Administrative expenses			(2,775)
Depreciation administration			(84)
Finance cost			(299)
Result from ordinary activities			**(73)**
Tax			66
Consolidated net profit/(loss)			**(6)**

	Special Retail	Key Account	Administration	Group
Segment assets (in € ‘000)	14,790	20,373	15,035	50,198
Segment liabilities (in € ‘000)	5,750	9,561	2,996	18,307

PAST SALES PERFORMANCE (IN € M)

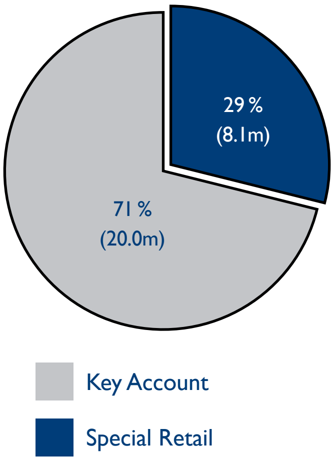


Secondary reporting format – Geographical segments (in € '000)

Sales revenues	1-9/2009	1-9/2008
Germany, Austria, Switzerland	12,092	13,780
Iberian Peninsula	7,448	8,303
France	4,335	4,589
Rest of the World	4,236	3,877
Group	28,112	30,549

Total assets	1-9/2009	1-9/2008
Germany, Austria, Switzerland	32,223	34,080
Iberian Peninsula	8,661	9,285
France	1,247	1,412
Rest of the World	5,338	5,421
Group	47,469	50,198

BREAKDOWN OF SALES IN THE FIRST 9 MONTHS 2009 FOR KEY ACCOUNTS AND SPECIAL RETAIL IN % (€)



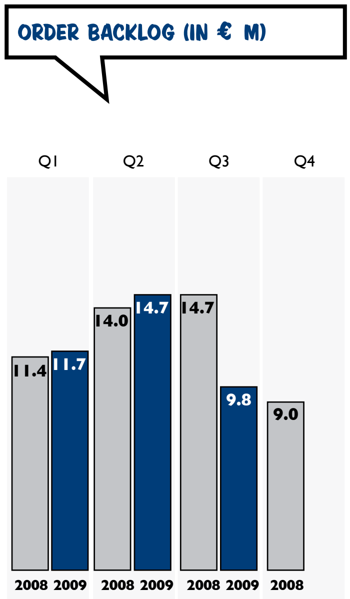
Financial Position

Owing to the prevailing economic climate, the general volume of business has contracted in recent months. This is also reflected in the decline in the balance sheet total by € 5.6 million compared with that posted at the end of the last financial year. In terms of assets, we saw major reductions in trade receivables (€ -4.3 million) and cash (€ -2.0 million). As regards capital and liabilities, the downturn was particularly evident within the area of equity (€ -1.6 million) and trade payables (€ -0.6 million). At the same time, net debt (bank borrowings less bank deposits) was scaled back by € 0.9 million, from € 4.0 million to € 3.1 million.

As a result of the contraction in the balance sheet total, in particular, the equity ratio increased to 64.9 % (31 Dec. 2008: 61.2 %). The company continues to hold 46,199 treasury shares.

Basis of preparation (IFRS/IAS) and statement of compliance

The financial statements for the quarter have been prepared in accordance with internationally accepted accounting standards, on the basis of the International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) promulgated by the International Accounting Standards Board (IASB).
In preparing the consolidated financial statements, the Management Board is required to make estimates and assumptions that affect the reported amounts of assets and liabilities/ equity as well as the amounts disclosed in the income statement. It is possible that these assumptions and estimates may not coincide with actual occurrences. Actual results may differ from forecasts if consumer behaviour or the actions of licensors or trading partners (customers, suppliers) change.
Uniform accounting policies have been applied to the quarterly financial statements. The financial statements are presented in euros.

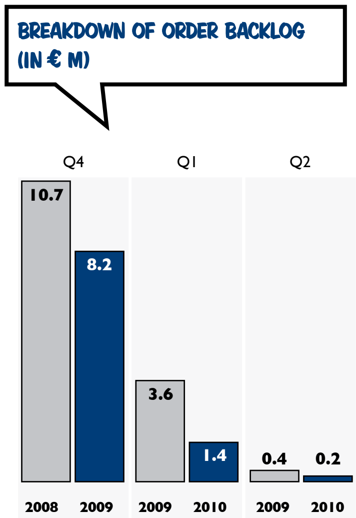


Employees

At the end of September 2009 the **UNITED**LABELS Group employed 131 (prev. year: 139) members of staff. Of these, 70 were employed in Germany, 45 in Spain, 4 in France, 5 in Belgium, 4 in the UK and 3 in Italy. In September 2008, staffing levels in the UK in particular were scaled back from 7 to 3.

Licences

As one of Europe's leading manufacturers and suppliers of cartoon-related merchandise sold under licence, **UNITED**LABELS is committed to maintaining a portfolio of the most popular licences. With this in mind, we recently added a new licence to our range: Lucky Luke. With more than 30 million comic books sold, Lucky Luke is Germany's second most successful cartoon character. „Calimero", the little black chick, is another classic licence to grace our portfolio. Other newly introduced licences include „WinX Club", „Pink Cookie" and „Mr. Men and Little Miss", which will appeal in particular to the high-spending teenage market. It goes without saying that both all-time classics and contemporary stars – such as „The Peanuts", „The Simpsons", „SpongeBob SquarePants" and „Hannah Montana" – continue to feature heavily in our extensive licence portfolio.



Stock/Investor Relations

Despite the financial and economic crisis, coupled with restrained trading on German stock exchanges, shares in **UNITED**LABELS AG gained an encouraging 36% in value from the beginning of the year to the end of the reporting period at 30 September 2009. Thus, **UNITED**LABELS shares outperformed the DAX, which grew by roughly 14 % in the same period. At + 23 %, Germany's small caps also failed to match the performance of **UNITED**LABELS stock. This clearly illustrates the enormous potential of our stock, a great deal of which as yet remains untapped. Within this context, it should be noted that our book value per share (total equity/outstanding shares) was € 7.34. What is more, for the third time in succession this year **UNITED**LABELS distributed a dividend of € 0.20 per share. In aggregate, these aspects should provide a significant incentive for investors.

On 9 November 2009, **UNITED**LABELS AG will be attending the German Equity Forum in Frankfurt. As part of this event, CEO Peter Boder will outline past and future projects, as well as answering questions from analysts, investors, shareholders and the general public.

Directors' Holdings

As at 30 September 2009, **UNITED**LABELS AG had a total of 4.2 million shares, with 46,199 shares being held by the company itself as treasury stock. At 30 September 2009, the Management Board as well as the members of the Supervisory Board of **UNITED**LABELS AG continued to hold the following shares and options: Peter Boder held 2.63 million shares; the Chairman of the Supervisory Board Dr. Jens Hausmann held no shares; the members of the Supervisory Board Prof. Dr. Helmut Roland and Michael Dehler held 10,000 and 441 shares respectively.
As at 30 September 2009, no options had been granted and no valid share option plan was in place.

Outlook

In our opinion, the financial and economic crisis is far from over. At present, no one can predict the impact that bankruptcies, short-time work and bail-out packages will have on the wider economy or on consumer spending. Against this backdrop, the fourth quarter, which is of particular importance to our business, will be dominated by uncertainties.

Last month we celebrated the opening of our new store at Düsseldorf Airport. Düsseldorf is the third-largest airport in Germany, attracting roughly 18 million travellers in 2008. It is considered one of the most modern facilities of its kind in Europe. Alongside air passengers, the airport is looking to target the wider public as potential shoppers, with attractions such as XXL Sunday Shopping, visitor tours, children's events and similar activities.
We are already operating our own **UNITED**LABELS airport shop in Barcelona. Located in the „Airside" retail area, it allows travellers to immerse themselves in the world of comics and cartoons – an experience that visitors to the new Düsseldorf store can now also enjoy. In the coming years, we plan to open additional stores at all the major European airports.
Towards the end of 2009, we will be launching a new shop in Hamburg, followed in February/March 2010 by a store in Malaga.

We also intend to expand our activities within the textiles category. This will involve new clothing collections for babies and tiny tots in particular. Alongside apparel for men and women, the range will include clothing for babies, children and teenagers – featuring the most popular cartoon and TV characters designed, produced and marketed by **UNITED**LABELS The collections are to be customised for individual retailers, thus providing them with a unique range of merchandise. Follow-up collections can be designed in the same style if required. Thanks to our in-house design department, **UNITED**LABELS can operate faster, more efficiently and more flexibly, as well as tailoring merchandise more closely to retailers' individual requirements.

Another point at the top of our agenda is Eastern Europe. **UNITED**LABELS is already well represented in these markets via local outlets operated by German retailing chains. Now, however, we have drawn on our own resources to attract new customers in Eastern Europe. Having secured initial contracts, we shall step up our efforts in this market, with a particularly strong focus on Poland.

Last year, **UNITED**LABELS acquired a 35 % interest in Montesqieu Finances SAS, Roubaix, a Group operating within the French licensed-merchandise market. As part of this transaction, we also received the option to launch a majority takeover. Within this context, **UNITED**LABELS is in a position to acquire an additional 10 % in the Montesquieu Group during the remainder of this year. The company in question has significant expertise in the area of textiles, and given our ambitions to expand within this particular segment of the market, we would clearly benefit from closer involvement. At the same time, we would gain a stronger position in the French market.

UNITEDLABELS Aktiengesellschaft, Münster
Group Income Statement (IFRS)

for the period from 1 January to 30 September 2009 (unaudited)

	01/01/2009 30/09/2009		01/01/2008 30/09/2008		01/07/2009 30/09/2009		01/07/2008 30/09/2008
	€	%	€	%	€	%	€
Sales revenues	**28,112,000.31**	**100.0%**	**30,549,419.37**	**100.0%**	**11,287,800.78**	**100.0%**	**11,360,134.68**
Cost of materials	(16,848,588.96)	(59.9%)	(17,233,705.80)	(56.4%)	(6,387,718.41)	(56.6%)	(7,009,748.76)
Amortisation of usufructuary rights	(2,691,220.18)	(9.6%)	(2,810,852.45)	(9.2%)	(1,240,217.36)	(11.0%)	(1,141,917.92)
	8,572,191.17	**30.5%**	**10,504,861.11**	**34.4%**	**3,659,865.01**	**32.4%**	**3,208,468.00**
Other operating income	285,203.14	1.0%	177,673.87	0.6%	114,569.95	1.0%	65,825.37
Staff costs	(4,631,101.44)	(15.2%)	(4,684,979.34)	(15.3%)	(1,482,934.11)	(13.1%)	(1,504,461.17)
Depreciation of property, plant and equipment, and amortisation of intangible assets (excl. amortisation of usufructuary rights)	(374,309.31)	(1.3%)	(476,113.13)	(1,6%)	(120,547.36)	(1.1%)	(153,947.27)
Other operating	(4,751,505.09)	(16.9%)	(5,293,960.39)	(17.3%)	(1,559,297.31)	(13.8%)	(1,703,385.22)
Profit from operations	**(899,521.53)**	**(3.2%)**	**227,482.13**	**0.7%**	**611,656.17**	**5.4%**	**(87,500.29)**
Finance income	20,533.33	0.1%	99,765.62	0.3%	4,016.95	0.0%	15,576.29
Result from at-equity investments	56,235.90	0.2%	0.00	0.0%	(14,402.85)	(0.1%)	0.00
Finance cost	(330,460.28)	(1.2%)	(99,255.98)	(1.3%)	(104,032.32)	(0.9%)	(74,453.46)
Net finance cost	**(253,691.05)**	**(0.9%)**	**(299,490.36)**	**(1.0%)**	**(114,418.22)**	**(1.0%)**	**(58,877.17)**
Profit before tax	**(1,153,212.57)**	**(4.1%)**	**(72,008.23)**	**(0.2%)**	**497,237.95**	**4.4%**	**(146,377.46)**
Taxes on income	401,437.94	1.4%	65,882.50	0.2%	(26,797.43)	(0.2%)	87,772.75
Consolidated net profit / (loss)	**(751,774.63)**	**(2.7%)**	**(6,125.73)**	**0.0%**	**470,440.52**	**4.2%**	**(58,604.70)**

Consolidated earnings per share		
basic	(0.18 €)	0.00 €
diluted	(0.18 €)	0.00 €
Weighted average shares outstanding		
basic	4,153,801 shares	4,153,801 shares
diluted	4,153,801 shares	4,153,801 shares

Group Statement of Changes in Equity

(unaudited)

	Subscribed capital □ '000	Capital reserves □ '000	Revenue reserves □ '000	Translation reserve □ '000	Consolidated unapp. profit □ '000	Treasury shares □ '000	Total □ '000
Balance at 31/12/2007	**4,200**	**24,385**	**2,883**	**(54)**	**1,552**	**(223)**	**32,743**
Currency translation	0	0	0	(15)	0	0	(15)
Dividend	0	0	0	0	(830)	0	(830)
Consolidated net profit Q II 2008	0	0	0	0	(6)	0	(6)
Total result of the period	0	0	0	(15)	(836)	0	(851)
Balance at 30/09/2008	**4,200**	**24,385**	**2,883**	**(69)**	**716**	**(223)**	**31,892**
Currency translation	0	0	0	(216)	0	0	(216)
Consolidated net profit 2008	0	0	0	0	774	0	774
Total result of the period	0	0	0	(216)	774	0	558
Balance at 31/12/2008	**4,200**	**24,385**	**2,883**	**(285)**	**1,490**	**(223)**	**32,450**
Currency translation	0	0	0	(57)	0	0	(57)
Dividend	0	0	0	0	(830)	0	(830)
Consolidated net profit Q III 2009	0	0	0	0	(752)	0	(752)
Total result of the period	0	0	0	(57)	(1,582)	0	(1,639)
Balance at 30/09/2009	**4,200**	**24,385**	**2,883**	**(342)**	**(92)**	**(223)**	**30,811**

UNITEDLABELS Aktiengesellschaft, Münster
Group Balance Sheet (IFRS) as at 30 September 2009

ASSETS

Assets	30/09/2009 €	31/12/2008 €
Non-current assets		
Property, plant and equipment	5,685,143.62	5,843,203.03
Intangible assets	10,582,925.91	11,112,398.05
At-equity investments	732,900.80	676,664.90
Deferred tax assets	3,927,784.70	3,492,542.80
	20,928,755.03	**21,124,808.78**
Current assets		
Inventories	9,553,751.05	9,353,570.90
Trade and other receivables	11,751,528.00	16,083,826.43
Other assets	2,279,084.57	1,503,531.95
Cash and cash equivalents	2,956,079.33	4,985,908.71
	26,540,442.95	**31,926,837.99**
Total assets	**47,469,197.98**	**53,051,646.77**

UNITEDLABELS Aktiengesellschaft, Münster
Group Balance Sheet (IFRS) as at 30 September 2009

EQUITY AND LIABILITIES

	30/09/2009 €	31/12/2008 €
Equity		
Capital and reserves attributable to the owners of the parent company		
Subscribed capital	4,200,000.00	4,200,000.00
Capital reserves	24,384,570.63	24,384,570.63
Revenue reserves	2,883,209.63	2,883,209.63
Currency translation	(342,423.51)	(285,067.46)
Consolidated unappropriated surplus	(91,320.76)	1,491,079.70
Treasury shares	(223,413.73)	(223,413.73)
Total equity	**30,810,622.26**	**32,450,378.77**
Non-current liabilities		
Provisions for pensions	912,557.00	831,557.00
Financial liabilities	3,053,208.00	3,751,747.97
Trade payables	207,800.00	575,300.00
Deferred tax liabilities	14,482.80	14,482.80
	4,188,047.80	**5,173,087.77**
Current liabilities		
Provisions	891,301.32	1,413,554.15
Current income tax liabilities	24,349.87	31,555.26
Financial liabilities	2,987,322.08	5,197,243.52
Trade and other payables	8,567,554.65	8,785,827.30
	12,470,527.92	**15,428,180.23**
Total liabilities	**16,658,575.72**	**20,601,268.00**
Total equity and liabilities	**47,469,197.98**	**53,051,646.77**

UNITEDLABELS Aktiengesellschaft, Münster
Group Cash Flow Statement (unaudited)

	09/2009 €`000	09/2008 €`000
Consolidated net profit	(752)	(6)
Depreciation of property, plant and equipment, and amortisation of intangible assets	3,066	3,287
Change in provisions	(441)	(302)
Other non-cash expenses	(491)	295
Loss on the disposal of non-current assets	0	0
Changes in inventories, trade receivables and other assets not attributable to investing or financing activities	3,357	3,018
Changes in trade payables and other liabilities not attributable to investing or financing activities	(4,169)	(3,206)
Cash flows from operating activities	**569**	**3,085**
Proceeds from the disposal of non-current assets	0	0
Payments for investments in non-current assets	(964)	(2,245)
Cash flows from investing activities	**(964)**	**(2,245)**
Proceeds from capital increase	0	0
Dividend distribution	(831)	(831)
Proceeds from financial loans	0	0
Repayment of financial loans	(746)	(788)
Cash flows from financing activities	**(1,577)**	**(1,619)**
Net cash change in cash and cash equivalents	(1,972)	(779)
Currency translation	(57)	(15)
Cash and cash equivalents at the beginning of the period	4,986	4,782
Cash and cash equivalents	**2,956**	**3,988**
Gross debt bank	6,041	5,408
Net debt bank	3,084	1,420
Composition of cash and cash equivalents:		
Cash and cash equivalents	**2,956**	**3,988**

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FINANCIAL CALENDAR

November 9
Publication of 9-Months' Report

March 2010
- Annual Press Conference
- Release of Annual Report

May 19
Annual General Meeting

If you require further information on **UNITED**LABELS or its financial results, please contact:

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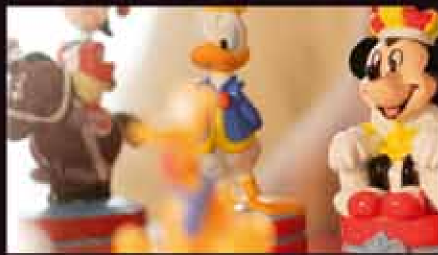













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