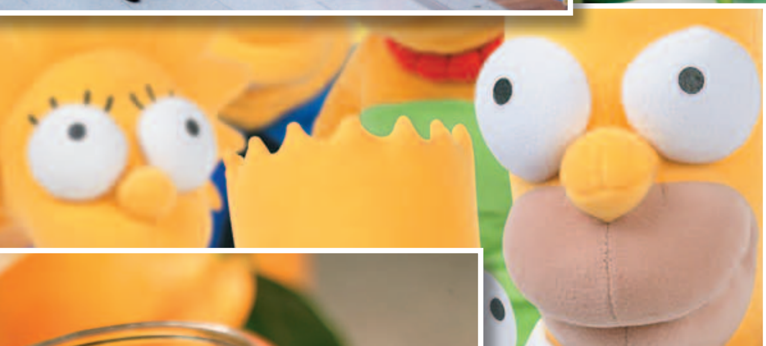
3-MONTHS' REPORT 2011

UNITED LABELS®
COMICWARE

UNITEDLABELS AG



PETER BODER
CEO

Dear Shareholders,

UNITEDLABELS continued on a path of dynamic growth as it kicked off the new financial year 2011.

In the first quarter of 2011, Group sales revenue rose by 38 % to € 13.9 million. Order backlog surged by an impressive 56 % to € 28.0 million – yet another record for the Group. Thus, at the reporting date, order backlog for all the subsequent quarters was up on last year's figure.

Revenue growth was driven primarily by expansive business in the Key Account segment, the emphasis being on the discount retail sector. As a result, the Group's profit margin contracted to 23.4 %, while its quarterly result fell to € -0.6 million.

In the majority of cases the company's foreign subsidiaries performed well in the period under review. While sales revenue expanded in Germany (+79 %), Belgium (+55 %), France (+22 %) and Spain (+3 %), the smaller Group companies in Italy (-40 %) and the United Kingdom (-97 %) were faced with a decline in business. Belgium, France and Italy posted above-par results.

The Group's solid performance is attributable to the new marketing and growth measures initiated two years ago. Our newly developed concepts rest on four pillars: extend our textiles business, expand our airport shops, press ahead with distribution in Eastern Europe and enhance our licence portfolio by adding other popular licences.

As regards the airport shops, the Group has now received the go-ahead for two company-run stores at Madrid Airport. Both shops will distribute a range of comicware merchandise developed by **UNITED**LABELS, one with an emphasis on giftware, the other with a focus on toys.

At the beginning of 2011, **UNITED**LABELS again attended the International Toy Fair in Nuremberg as well as the international giftware exhibition, Intergift, in Madrid.
Trade visitors, media representatives and invited guests from around the globe were given the opportunity to immerse themselves in a fascinating world of licensed merchandise presented by **UNITED**LABELS.

Regards,

Peter Boder
CEO

Key Figures 3-Months' report

	Q1 2011 € '000	Q1 2010 € '000	Q1 2009 € '000	Q1 2008 € '000
Revenue	13,865	10,059	8,691	9,874
EBITDA*	(350)	377	(337)	414
EBIT	(526)	253	(465)	253
Profit before tax	(764)	168	(492)	132
Profit for the year	(620)	126	(218)	96
Order backlog	27,957	17,947	11,706	11,401
Earnings per share (€)	(0.15)	0.03	(0.05)	0.02
Number of employees	154	126	131	143

*incl. amortisation of usufructuary rights

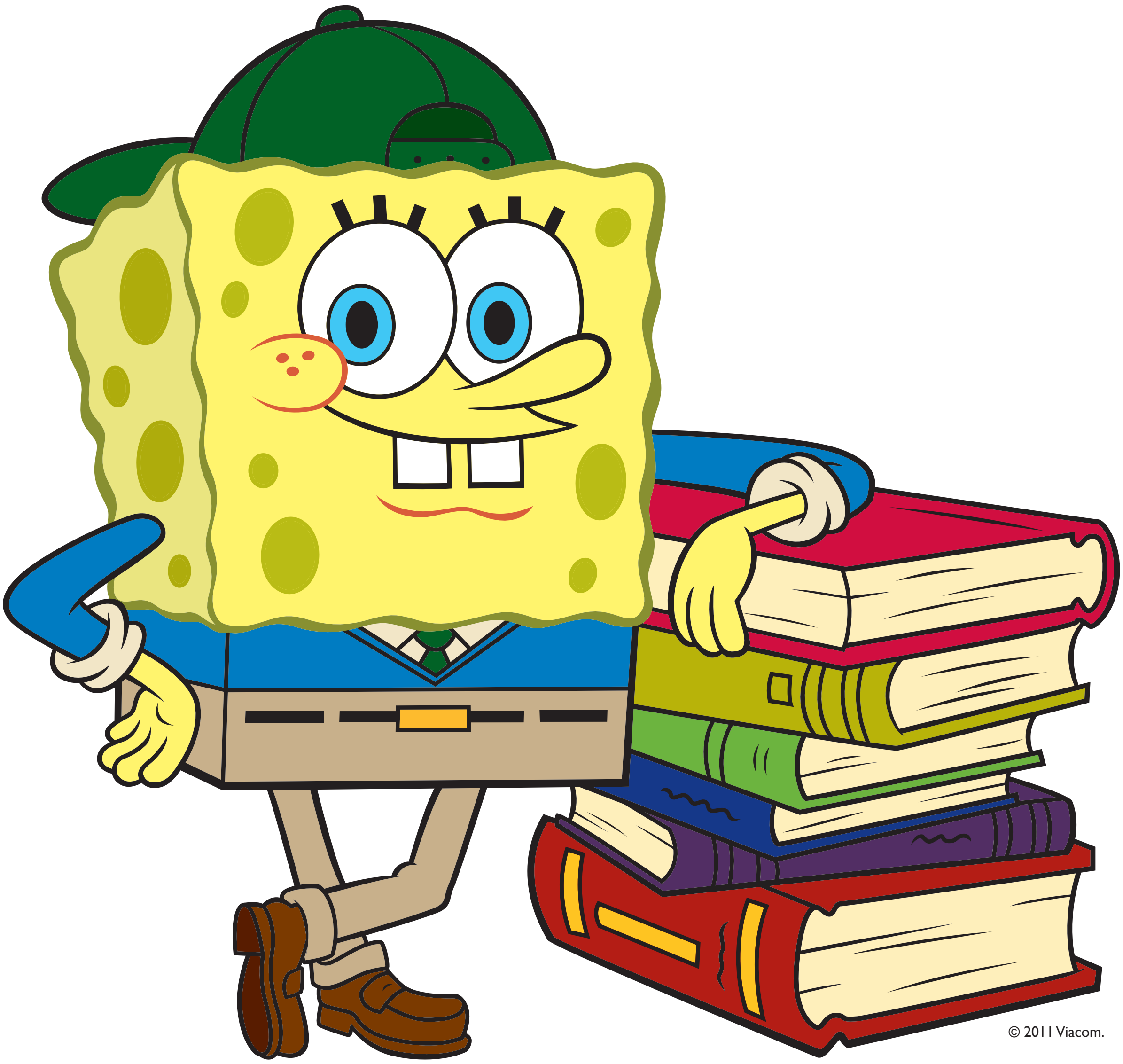
Basis of preparation (IFRS/IAS)

and statement of compliance

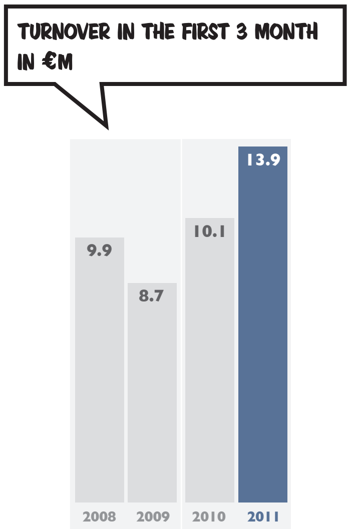
The financial statements for the quarter have been prepared in accordance with internationally accepted accounting standards, on the basis of the International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) promulgated by the International Accounting Standards Board (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.



Business review for the first quarter of 2011



Group revenue amounted to € 13.9 million (prev. year: € 10.1 million) in the first three months, which corresponds to year-on-year growth of 38 %. Growth was driven by the Key Account segment, which expanded by 96 % in Germany, 55 % in Belgium and 30 % in Spain. In absolute terms, the Key Account segment generated revenue of € 10.7 million (prev. year: € 6.1 million). This represents an increase of 74 %. Key Account sales thus accounted for 77 % of total revenue, up on last year's figure.

Business in the Special Retail segment was more subdued, and the Group was unable to maintain the significant momentum generated last year, particularly in Southern Europe, where Spain (-3 %) and Italy (-46 %) were both faced with a dip in business during the first quarter of 2011. In total, revenue from the Special Retail segment contracted by 23 %.

In the first quarter of 2011, EBIT amounted to € -0.5 million (prev. year: € 0.3 million), while consolidated profit for the period stood at € -0.6 million (prev. year: € 0.1 million). This was attributable to the shift in sales from high-margin specialty retailing to the low-margin discount sector. As a result, the Group's profit margin fell from 35.7 % to 23.4 %. By contrast, staff costs and other operating expenses declined relative to the growth achieved in sales revenue.

Due to the sluggish performance of the Special Retail units in Spain and Italy, this segment accounted for just 23 % (prev. year: 39 %) of total revenue in the first quarter of 2011. Correspondingly, the segment result of the Special Retail segment fell from € 0.3 million in the first three months of 2010 to € -0.1 million in the first quarter of 2011. This was attributable to a decline in demand for "Patito Feo" merchandise, which had prompted a surge in sales during the same period last year. **UNITED**LABELS is already working on other themes to be introduced over the course of the current financial year, with initial deliveries scheduled for the third and fourth quarter.

The Key Account segment, by contrast, generated significant growth in sales in the first three months. However, following the shift in revenue towards discount retailers, the first-quarter segment result fell from € 0.7 million in 2010 to € 0.5 million in 2011.

On this basis, segment performance was as follows:

Primary reporting format – Customer segments
(unaudited)

2011

in € '000	Special Retail	Key Account	Unallocated items	Group
Sales revenue	3,200	10,665		13,865
Segment expenses	(2,940)	(9,141)	(862)	(12,943)
Depreciation/amortisation	(364)	(1,031)	(53)	(1,448)
Segment result	**(104)**	**493**	**(915)**	**(526)**
Net finance cost				(240)
Result from at-equity investment				2
Result from ordinary activities				**(764)**
Taxes				143
Consolidated profit/loss				**(620)**

€m	Special Retail	Key Account	Adminis-tration	Group
Segment assets	15.3	20.5	14.0	49.8
Segment liabilities	3.8	7.6	10.3	21.7

2010

in € '000	Special Retail	Key Account	Unallocated items	Group
Sales revenue	3,933	6,126		10,059
Segment expenses	(3,187)	(4,754)	(716)	(8,657)
Depreciation/amortisation	(488)	(632)	(29)	(1,149)
Segment result	**258**	**740**	**(745)**	**253**
Net finance cost				(119)
Result from at-equity investment				33
Result from ordinary activities				**168**
Taxes				(42)
Consolidated profit/loss				**126**

€m	Special Retail	Key Account	Adminis-tration	Group
Segment assets	12.8	20.3	12.9	46.0
Segment liabilities	3.6	6.4	8.2	18.2

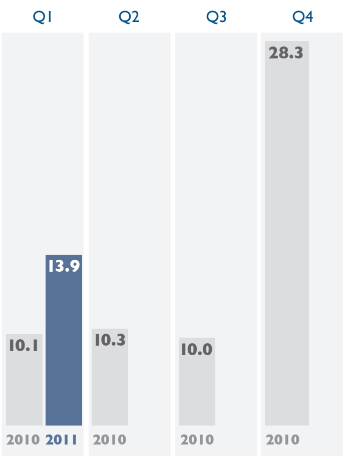
Secondary reporting format – Geographical segments (in € '000)

(unaudited)

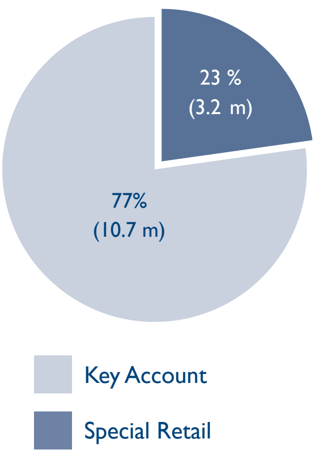
Sales revenues	2011	2010
Germany, Austria, Switzerland	5,618	3,681
Iberian Peninsula	3,109	3,013
France	1,297	1,313
Rest of the World	3,841	2,052
Group	13,865	10,059

Total assets	2011	2010
Germany, Austria, Switzerland	32,554	28,488
Iberian Peninsula	10,433	10,632
France	1,476	1,140
Rest of the World	5,320	6,030
Group	49,783	46,290

PAST SALES PERFORMANCE (IN €M)



BREAKDOWN OF SALES IN THE FIRST 3 MONTHS 2011 FOR KEY ACCOUNTS AND SPECIAL RETAIL IN % (€)



In the period under review, order backlog for the **UNITED**LABELS Group again rose sharply. Compared to the same period a year ago, order backlog increased by 56 % to another all-time high of € 28.0 million in the first quarter of 2011. Within this context, growth was mainly driven by incoming orders in Germany and Belgium as well as by the specialty retail sector in Italy.

Financial position

In terms of assets, inventories increased by 24 % compared to the figure posted at the end of the financial year 2010, up from € 8.4 million to € 10.4 million. This was the result of revenue growth and more significant levels of order backlog. Within this context, remaining inventories attributable to German operations amounted to € 6.3 million (31/12/10: € 4.0 million).
Cash and cash equivalents were used primarily for the purpose of expanding the Group's operational business. As a result, cash held in bank accounts contracted from € 5.5 million to € 2.7 million and net debt was € 5.8 million.
As at 31 March 2011, the Group's equity ratio stood at 56.4 %. The company continues to hold 46,199 no-par-value treasury shares. The book value thus stood at € 6.68 per share. Equity covered non-current assets at a rate of 141 % and liabilities at a rate of 130 %.

Staff

At the end of March 2011, the **UNITED**LABELS Group employed 154 people (prev. year: 126). In total, 56 members of staff were employed in Germany and 84 in Spain. The increase in staffing levels was attributable primarily to the launch of new airport stores over the course of last year.

Licenses

We are committed to maintaining a contemporary, up-to-date portfolio of licences in 2011. With this in mind, **UNITED**LABELS added two new licences to its portfolio: "Filly" and "Justin Bieber", the focus being on school-children, teens and young adults.
Justin Bieber, the Canadian pop and R&B entertainer, is possibly one of the world's most widely known vocalists at present.
It goes without saying that classics such as "The Peanuts", "Winnie the Pooh", "The Simpsons" and "Cars", alongside many others, will remain an integral part of our extensive portfolio.

Annual General Meeting

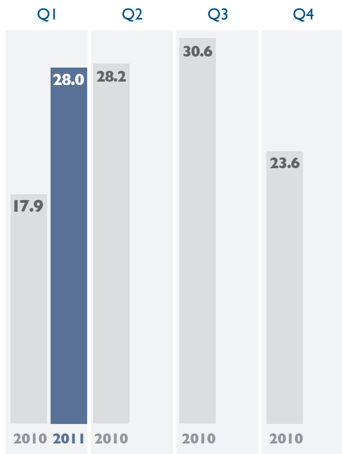
The company's eleventh Annual General Meeting takes place on 24 May 2011 at Messe und Congress Centrum Halle Münsterland. The Management Board and Supervisory Board look forward to presenting details of the Group's performance during the 2010 financial year to private shareholders, institutional investors and other invited guests and

representatives of the press.
The Annual General Meeting begins at 11 a.m., and the doors will be open as from 10 a.m.

Directors' Holdings

As at 31 March 2011, **UNITED**LABELS AG had a total of 4.2 million no-par-value shares. As at 31 March 2011, 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 M. Boder held 2.63 million shares. No shares were held by the Chairman of the Supervisory Board Dr. Jens Hausmann or by Michael Dehler, while the Supervisory Board member Prof. Dr. Helmut Roland held 10,000 shares. As at 31 March 2011, no options had been granted and no valid share option plan was in place.

ORDER BACKLOG (IN €M)



Outlook

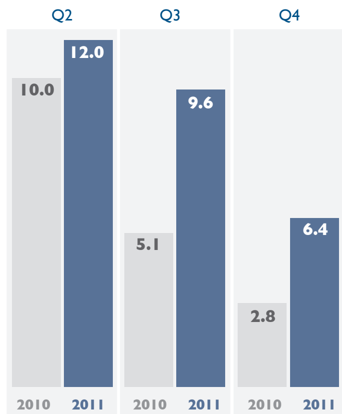
Many economists are of the opinion that Germany will have offset its crisis-induced losses by the end of 2011. At +2.0 % for 2011 and +1.5 % for 2012, the German Bundesbank has forecast steady growth for the local economy. Europe's economy is also expected to expand, with estimated growth rates set at 1.3 % for 2011 and 1.0 % for 2012.

UNITEDLABELS will be looking to accelerate its growth. Within this context, the increase in sales revenue by 38 % in the first quarter was a step in the right direction. With orders up 56 %, **UNITED**LABELS also sees itself well positioned for business in the months ahead. The company is particularly encouraged by the 38 % increase in orders achieved in the Italian specialty retail segment.

Growth is being driven by an incisive concept that is based on four pillars:

The most significant growth rates for licensed merchandise are currently being achieved in the area of clothing. Retailers operating in the discount sector have been ordering large quantities for their weekly promotional campaigns. At the same time, **UNITED**LABELS is establishing itself to an increasing extent as a supplier of trendy clothing collections to the specialty retail segment, which is generally considered to be the preserve of giftware merchandisers.

BREAKDOWN OF ORDER BACKLOG (IN €M)



Furthermore, Eastern Europe continues to have significant sales potential, and **UNITED**LABELS is committed to pursuing these opportunities on a step-by-step basis.

UNITEDLABELS operates ten airport stores and plans to add at least two more shops in 2011 at Madrid Airport.

The licence portfolio is an essential element of **UNITED**LABELS' business and is therefore enhanced on a continual basis. Alongside all the "classics" from the world of comics and cartoons, the portfolio always features fresh new licences to reinforce the company's sales.

UNITEDLABELS Aktiengesellschaft, Münster
Group Statement of Comprehensive Income (IFRS) for the period

1 January to 31 March 2011
(unaudited)

	01/01/2011 31/03/2011		01/01/2010 31/03/2010		01/01/2011 31/03/2011		01/01/2010 31/03/2010
	€	%	€	%	€	%	€
Sales revenues	**13,865,090.70**	**100.0%**	**10,058,899.96**	**100.0%**	**13,865,090.70**	**100.0%**	**10,058,899.96**
Cost of materials	(9,353,357.27)	(67.5)%	(5,438,810.15)	(54.1)%	(9,353,357.27)	(67.5)%	(5,438,810.15)
Amortisation of usufructuary rights	(1,272,543.85)	(9.2)%	(1,025,264.66)	(10.2)%	(1,272,543.85)	(9.2)%	(1,025,264.66)
	3,239,189.58	**23.4%**	**3,594,825.15**	**35.7%**	**3,239,189.58**	**23.4%**	**3,594,825.15**
Other operating income	135,720.40	1.0%	202,887.33	2.0%	135,720.40	1.0%	202,887.33
Staff costs	(1,699,553.38)	(12.3)%	(1,731,394.69)	(17.2)%	(1,699,553.38)	(12.3)%	(1,731,394.69)
Depreciation of property, plant and equipment, and amortisation of intangible assets (excl. amortisation of usufructuary rights)	(176,025.45)	(1.3)%	(123,543.59)	(1.2)%	(176,025.45)	(1.3)%	(123,543.59)
Other operating expenses	(2,025,292.84)	(14.6)%	(1,689,287.39)	(16.8)%	(2,025,292.84)	(14.6)%	(1,689,287.39)
Profit from operations	**(525,961.69)**	**(3.8)%**	**253,486.81**	**2.5%**	**(525,961.69)**	**(3.8)%**	**253,486.81**
Finance income	8,905.61	0.1%	5,930.45	0.1%	8,905.61	0.1%	5,930.45
Result from at-equity investments	2,155.05	0.0%	33,307.65	0.3%	2,155.05	0.0%	33,307.65
Finance cost	(248,602.35)	(1.8)%	(124,441.19)	(1.2)%	(248,602.35)	(1.8)%	(124,441.19)
Net finance cost	**(237,541.69)**	**(1.7)%**	**(85,203.08)**	**(0.8)%**	**(237,541.69)**	**(1.7)%**	**(85,203.08)**
Profit before tax	**(763,503.37)**	**(5.5)%**	**168,283.72**	**1.7%**	**(763,503.37)**	**(5.5)%**	**168,283.72**
Taxes on income	143,030.21	1.0%	(42,098.39)	(0.4%)	143,030.21	1.0%	(42,098.39)
Consolidated net profit / (loss)	**(620,473.16)**	**(4.5)%**	**126,185.34**	**1.3%**	**(620,473.16)**	**(4.5)%**	**126,185.34**

Consolidated earnings per share		
basic	(0.15) €	0.03 €
diluted	(0.15) €	0.03 €
Weighted average shares outstanding		
basic	4,153,801 shares	4,153,801 shares
diluted	4,153,801 shares	4,153,801 shares

UNITEDLABELS Aktiengesellschaft, Münster
Group Statement of Cash Flows

(unaudited)

	03/2011 € '000	03/2010 € '000
Consolidated profit/loss for the year	(620)	126
Interest income from financing activities	240	118
Depreciation of proberty, plant and equipment, and amortisation of intangible assets	1,449	1,149
Change in provisions	1,402	250
Other non-cash expenses	(158)	(18)
Change in inventories, trade receivables, and other assets not attributable to investing or financing activities	359	(1,182)
Change in trade payables and other liabilities not attributable to investing or financing activities	(3,231)	(1,733)
Cash flows from operating activities	**(560)**	**(1,291)**
Payments for investments in non-current assets	(490)	(302)
Cash flows from investing activities	**(490)**	**(302)**
Proceeds from bank loans	(1,423)	331
Repayment of financial loans	(76)	(228)
Interest received	9	6
Interest paid	(249)	(124)
Cash flows from financing activities	**(1,739)**	**(15)**
Net cash change in cash and cash equivalents	(2,789)	(1,607)
Currency translation	56	(37)
Cash and cash equivalents at the beginning of the period	5,468	3,694
Cash and cash equivalents	**2,735**	**2,050**
Gross debt bank	8,496	8,278
Net debt bank	5,761	6,228
Composition of cash and cash equivalents:		
Cash and cash equivalents	**2,735**	**2,050**

UNITEDLABELS Aktiengesellschaft, Münster
Group Statement of Financial Position (IFRS) as at 31 March 2011
(unaudited)

ASSETS

Assets	31/03/2011 €	31/12/2010 €
Non-current assets		
Property, plant and equipment	6,181,308.76	6,265,685.55
Intangible assets	8,764,783.44	8,164,816.00
At-equity investments	835,720.65	850,138.91
Deferred tax assets	4,169,652.74	3,997,437.74
	19,951,465.59	**19,278,078.20**
Current assets		
Inventories	10,392,003.88	8,411,756.00
Trade and other receivables	14,263,381.43	15,774,075.25
Other assets	2,441,775.46	3,270,782.57
Cash and cash equivalents	2,735,090.26	5,467,654.72
	29,832,251.03	**32,924,268.54**
Total assets	**49,783,716.62**	**52,202,346.74**

UNITEDLABELS Aktiengesellschaft, Münster
Group Statement of Financial Position (IFRS) as at 31 March 2011

(unaudited)

EQUITY AND LIABILITIES

	31/03/2011 €	31/12/2010 €
Equity		
Capital and reserves attributable to the owners of the parent company		
Issued capital	4,200,000.00	4,200,000.00
Capital reserves	19,194,174.55	19,194,174.55
Retained earnings	2,883,209.63	2,883,209.63
Currency translation	-421,915.84	-477,619.29
Consolidated unappropriated surplus	2,440,079.24	3,060,552.41
Treasury shares	-223,413.73	-223,413.73
Total equity	**28,072,133.85**	**28,636,903.57**
Non-current liabilities		
Provisions for pensions	1,116,469.99	1,070,797.00
Financial liabilities	2,772,512.73	2,909,940.73
Trade payables	237,398.00	426,398.00
Deferred tax liabilities	13,344.38	13,344.38
	4,139,725.10	**4,420,480.11**
Current liabilities		
Provisions	2,490,530.46	1,134,443.48
Current tax payable liabilities	179,924.75	178,186.96
Financial liabilities	5,723,553.32	6,882,982.94
Trade and other payables	9,177,849.13	10,949,349.68
	17,571,857.67	**19,144,963.06**
Total liabilities	**21,711,582.77**	**23,565,443.17**
Total equity and liabilities	**49,783,716.62**	**52,202,346.74**

Group Statement of Changes in Equity

(unaudited)

	Subscribed capital € '000	Capital reserves € '000	Revenue reserves € '000	Translation reserve € '000	Treasury shares € '000	Total € '000
Balance at 01/01/2010	**4,200**	**19,194**	**4,875**	**(366)**	**(223)**	**27,680**
Currency translation	0	0	0	(37)	0	(37)
Consolidated loss Q1 2010	0	0	126	0	0	126
Total comprehensive loss for the period	0	0	126	(37)	0	89
Balance at 31/03/2010	**4,200**	**19,194**	**5,001**	**(403)**	**(223)**	**27,769**
Consolidated loss 2010	0	0	1,068	0	0	1,068
Currency translation	0	0	0	(111)	0	(111)
Balance at 31/12/2010	**4,200**	**19,194**	**5,943**	**(477)**	**(223)**	**28,637**
Currency translation	0	0	0	56	0	56
Consolidated loss Q1 2011	0	0	(620)	0	0	(620)
Total comprehensive loss for the period	0	0	(620)	56	0	(564)
Balance at 31/03/2011	**4,200**	**19,194**	**5,323**	**(421)**	**(223)**	**28,072**

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FINANCIAL CALENDAR 2011

May 24
Annual General Meeting in:
"Messe und Congress
Centrum Halle Münsterland"
Albersloherweg 32
48155 Münster
Start: 11 o'clock

August
Publication of 6-Months' Report

November 21 - 23
Participance at the
German Equity Forum
in Frankfurt

November 2011
Publication of 9-Months' Report

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

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