6-MONTHS' REPORT 2011

UNITED® LABELS COMICWARE

UNITEDLABELS AG

PETER BODER
CEO

Dear Shareholders,

UNITEDLABELS AG has maintained its forward momentum. In the second quarter of 2011, Group revenue surged by 54 per cent year on year to € 15.7 million. Sales were particularly buoyant in the Key Account segment, and growth within this area is expected to remain dynamic over the coming months. Within this context, the Group's current order backlog is equivalent to € 22.1 million. What is more, earnings before interest and taxes (EBIT) for the second quarter just ended also developed well year on year, expanding from € 0.2 million to € 0.6 million. The Group's EBIT margin remained unchanged year on year at 31.6 %.

As regards the first half of 2011 as a whole, Group revenue grew to € 29.6 million, which corresponds to year-on-year growth of 46 per cent. As a result, EBIT for the first half of 2011 totalled € 0.1 million.

Our parent company in Germany significantly outpaced other Group entities over the course of the first half of 2011, with sales revenue surging from € 7.4 million a year ago to € 16.4 million after the first six months of 2011 – up 121 per cent. This was attributable to strong demand within the Key Account segment, particularly with regard to the textiles business. Displaying considerable potential, this area is to be further expanded by **UNITED**LABELS AG in the near future.

In addition, Colombine, our Belgian subsidiary again recorded significant growth over the course of the first half of 2011. It saw revenues expand by 38 per cent to € 2.7 million in total (prev. year: € 1.9 million). While France saw its sales revenue edge up (+10 per cent), our subsidiaries in Spain (-7 per cent) and Italy (-15 per cent) had to contend with a slight contraction in their business. This was due in part to flagging demand for merchandise featuring "Petito Feo", a licence that had achieved exceptional growth in Spain over the course of 2010. However, other promising licences are expected to fill this gap in the very near future. Coinciding with the local premiere of the "Cars 2" movie in July, for instance, we launched an extensive range of Cars merchandise. Among the other highly attractive licences are "Tintin", "Filly", "The Smurfs" and "Justin Bieber".

In mid-May 2011, **UNITED**LABELS AG held its 11th Annual General Meeting in Münster. More than 600 shareholders and guests attended the event. Among the resolutions passed was a dividend payment of € 0.15 per share, allowing shareholders to participate in the company's commercial success.

Elsewhere, **UNITED**LABELS AG was honoured with a very special award at the Las Vegas Licensing Show in June. In recognition of the close rapport established during our long-standing business relationship, Twentieth Century Fox presented our company with the Krusty Seal of Approval Award. In particular, Fox praised our innovative product concepts relating to the starring cast of The Simpsons as well as our successful campaigns with major retail partners. We are delighted to have received this award, the only one of its kind worldwide.

Peter Boder

Key Figures 6-Months' report

	Q2 2011 € '000	Q2 2010 € '000	Q2 2009 € '000	Q2 2008 € '000	Q2 2007 € '000
Revenue	29,636	20,310	16,824	19,189	18,728
EBITDA*	404	692	(1,257)	637	554
EBIT	58	421	(1,511)	315	197
Profit before tax	(426)	139	(1,650)	74	33
Profit for the year	(197)	93	(1,222)	52	(144)
Order backlog	22,140	28,232	14,718	14,045	18,765
Earnings per share (€)	(0.05)	0.02	(0.29)	0.01	(0.03)
Number of employees	157	125	132	139	125

*incl. amortisation of usufructuary rights

Basis of preparation (IFRS/IAS)

Statement of compliance

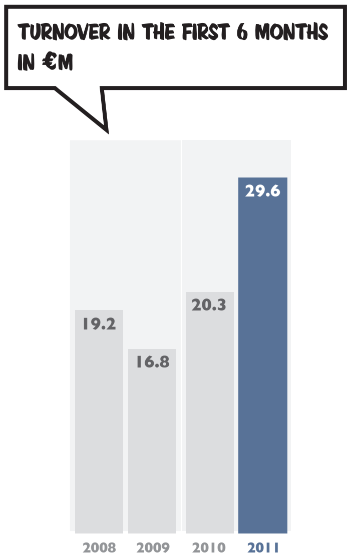
The financial statements for the quarter have been prepared in accordance with internationally accepted accounting standards, on the basis of the International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) promulgated by the International Accounting Standards Board (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 half of 2011

Overall, Group revenue was up 46 % to € 29.6 million in the first six months (prev. year: € 20.3 million), thus rising for the sixth quarter in succession.



Within this context, growth was driven by the considerable expansion of Key Account business. This segment saw its sales surge by 84 %, with Germany accounting for growth of 142 % and Belgium 38 %. This performance contrasted with that of the Special Retail segment, which was faced with an 11 % decline in its business compared to the same period a year ago. A high-impact licence had provided a significant boost to sales in 2010. As demand for these products was less pronounced in the period under review, revenue generated by the Special Retail segment in Spain and Italy declined by 8 % and 17 % respectively.

In the first half of 2011, EBIT totalled € 0.1 million (prev. year: € 0.4 million). Following EBIT of € -0.5 million in the first quarter of 2011, this represented an improvement of € 0.6 million in the second quarter alone. The consolidated loss for the period was € 0.2 million (prev. year: profit of € 0.1 million). This was attributable to higher interest expenses required for the purpose of financing the Group's expanding business.

Owing to a solid performance in the German and Belgian Key Account segment, large accounts contributed 75 % to total sales revenue (prev. year: 60 %). Correspondingly, earnings within the Key Account segment were up from € 1.4 million a year ago to € 1.9 million in the first half of 2011.

The Special Retail segment saw its earnings contract from € 0.5 million in the first six months of 2010 to € 0.0 million for the equivalent period in 2011.

Primary reporting format – Customer segments

(unaudited)

2011

in € '000	Special Retail	Key Account	Unallocated items	Group
Sales revenue	7,266	22,370		29,636
Segment expenses	(6,502)	(18,548)	(1,748)	(26,798)
Depreciation/amortisation	(749)	(1,927)	(103)	(2,780)
Segment result	**15**	**1,895**	**(1,851)**	**58**
Net finance cost				(519)
Result from at-equity investment				35
Result from ordinary activities				**(426)**
Taxes				229
Consolidated profit/loss				**(197)**

€m	Special Retail	Key Account	Adminis-tration	Group
Segment assets	18.3	23.5	13.7	55.5
Segment liabilities	3.7	7.3	13.0	24.0

2010

in € '000	Special Retail	Key Account	Unallocated items	Group
Sales revenue	8,134	12,176		20,310
Segment expenses	(6,636)	(9,707)	(1,424)	(17,767)
Depreciation/amortisation	(987)	(1,061)	(73)	(2,121)
Segment result	**511**	**1,408**	**(1,497)**	**421**
Net finance cost				(245)
Result from at-equity investment				(37)
Result from ordinary activities				**139**
Taxes				(46)
Consolidated profit/loss				**93**

€m	Special Retail	Key Account	Adminis-tration	Group
Segment assets	14.0	21.2	12.4	47.6
Segment liabilities	3.9	7.8	8.3	20.0

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

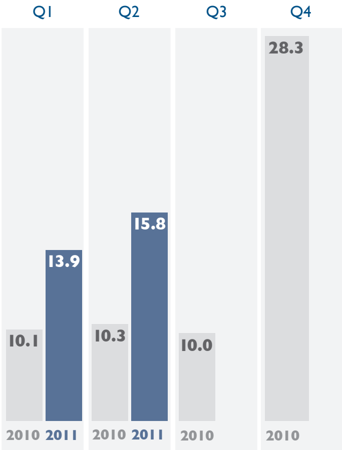
(unaudited)

Sales revenues	2011	2010
Germany, Austria, Switzerland	10,110	7,469
Iberian Peninsula	8,132	7,098
France	3,568	2,367
Rest of the World	7,826	3,376
Group	29,636	20,310

Total assets	2011	2010
Germany, Austria, Switzerland	37,111	29,278
Iberian Peninsula	10,136	10,791
France	1,325	1,103
Rest of the World	6,904	6,407
Group	55,476	47,579

As regards order backlog, the Group was unable to match the record figure achieved a year ago. At € 22.1 million, however, order backlog was the second highest recorded as at 30 June. **UNITED**LABELS AG itself accounted for the largest proportion of order backlog, equivalent to € 14.7 million, followed by **UNITED**LABELS Ibérica at € 2.4 million. While business at **UNITED**LABELS AG is dominated by key account sales, **UNITED**LABELS Ibérica focuses mainly on the specialty retail sector.

PAST SALES PERFORMANCE (IN €M)



Financial position

As a substantial consignment was scheduled for delivery to one of the Group's customers, inventories were up 65.5 % on the figure posted in December 2010 and totalled € 13.9 million at the end of the reporting period (prev. year: € 8.4 million). Within this context, remaining inventories attributable to German operations amounted to € 9.1 million (31/12/10: € 4.0 million). Goods equivalent to € 6.3 million of total inventories have already been sold as part of existing orders.

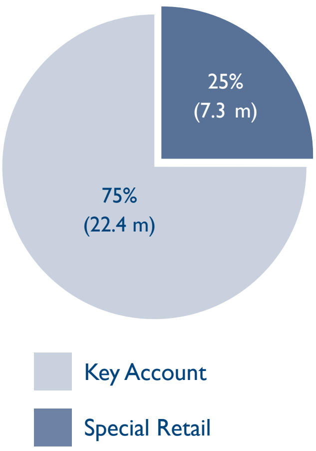
The Group managed to increase net cash from operating activities by 89 % in the period under review, up from € 1.0 million to € 1.9 million. As a result of more extensive investments in licence rights and a dividend payment in May, cash and cash equivalents fell from € 5.5 million at the end of last year to € 2.2 million as at 30 June 2011. Net debt stood at € 7.8 million (prev. year: € 5.7 million).

The equity ratio was 50.3 % as at 30 June 2011. The company continues to hold 46,199 no-par-value treasury shares. The book value per share thus stood at € 6.72. Equity covered non-current assets at a rate of 125 % and liabilities at a rate of 101 %.

Staff

At the end of June 2011, the **UNITED**LABELS Group employed 157 people (prev. year: 125). In total, 57 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 2010.

BREAKDOWN OF SALES IN THE FIRST 6 MONTHS 2011 FOR KEY ACCOUNTS AND SPECIAL RETAIL IN % (€)



Licences

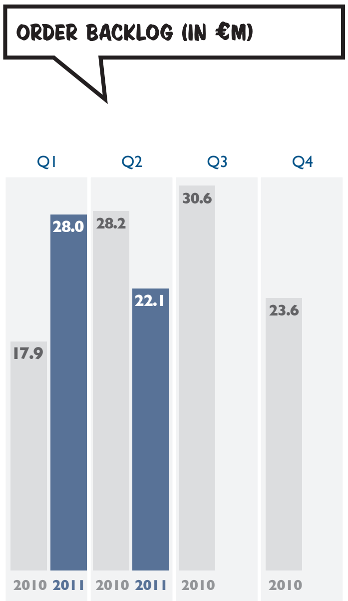
The well-known Filly unicorn series is the latest licence to be added to the company's portfolio. **UNITED**LABELS is planning to introduce an extensive product range featuring Filly, the focus being on textiles and giftware as well as home and living. Filly merchandise is to be sold in 25 countries throughout Europe. Among the other highlights is TinTin, known as "Tim und Struppi" in Germany, who will also be starring in a movie in the autumn of 2011. **UNITED**LABELS will be marketing a range of products in Germany, Austria and Switzerland to coincide with the movie premiere. Additionally, **UNITED**LABELS will be launching a new line of partyware merchandise featuring "Sesame Street", "The Simpsons" and "Peanuts". In Spain, "The Smurfs" and "Justin Bieber" are among the top licences this year. It goes without saying that **UNITED**LABELS was also quick off the mark when it came to extending its licensing agreements for successful classics such as "SpongeBob", "Peanuts" and "Looney Tunes".

Annual General Meeting

On 24 May 2011, **UNITED**LABELS AG held its 11th Annual General Meeting in Münster. With more than 600 shareholders and guests present, attendance was high once again at this year's event. CEO Peter Boder provided a detailed review of last year's business performance and outlined the company's targets and action plans for 2011. Additionally, shareholders passed a resolution put forward by the Management Board for a dividend payment of € 0.15 per share.

Directors' Holdings

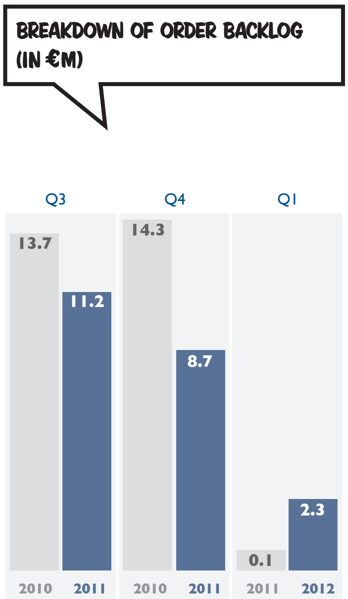
As at 30 June 2011, **UNITED**LABELS AG had a total of 4.2 million no-par-value shares. The Management Board as well as the members of the Supervisory Board of **UNITED**LABELS AG continued to hold the following shares and options as at 30 June 2011:
Peter M. Boder held 2.63 million shares. No shares 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 30 June 2011, no options had been granted and no valid share option plan was in place.



Responsibility Statement in accordance with Section 37y WpHG in conjunction with Section 37w (2) No. 3 WpHG

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Outlook



In the coming months **UNITED**LABELS AG will be looking to further strengthen its individual business units, thus extending its market position. Although the economic climate is relatively volatile due to the adverse effects of the euro crisis, **UNITED**LABELS AG sees considerable revenue and earnings potential within the Key Account segment. This is reflected in the Group's substantial order backlog of € 22.1 million. Maintaining the forward momentum of recent months, **UNITED**LABELS is confident that the in-house designed textiles collections marketed by the Group will continue to generate substantial demand.
Having secured the necessary licences at an early stage, **UNITED**LABELS AG has the advantage of being able to serve the market with popular, high-impact merchandise. Within this context, the company's licence portfolio includes particularly promising newcomers such as "Filly", "Tintin" and "Justin Bieber". **UNITED**LABELS AG will be rolling out an extensive product range to coincide with the premiere of the "Tintin" movie in October. As recently announced, **UNITED**LABELS AG will also be opening two new airport shops in Madrid in autumn – an additional **UNITED**LABELS-operated store location in Spain to complement the Ferrari and FC Barcelona shops.
Committed to reinforcing its international presence and establishing interesting business contacts, **UNITED**LABELS AG will be exhibiting at the "China Sourcing Fair – Gifts & Premiums", which takes place in Hong Kong in October 2011. In November, shareholders, analysts and other interested parties will be given the opportunity to find out more about **UNITED**LABELS AG at the German Equity Forum in Frankfurt. At this event, CEO Peter Boder will be presenting the company, its business activities and current trends.

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

1 January to 30 June 2011

(unaudited)

	01/01/2011 30/06/2011		01/01/2010 30/06/2010		01/04/2011 30/06/2011		01/04/2010 30/06/2010
	€	%	€	%	€	%	€
Sales revenues	**29,636,026.23**	**100.0%**	**20,309,878.73**	**100.0%**	**15,770,935.53**	**100.0%**	**10,250,978.77**
Cost of materials	(18,973,531.89)	(64.0)%	(11,738,704.83)	(57.8)%	(9,620,174.62)	(61.0)%	(6,299,894.68)
Amortisation of usufructuary rights	(2,434,727.78)	(8.2)%	(1,746,476.95)	(8.6)%	(1,162,183.94)	(7.4)%	(721,212.29)
	8,227,766.56	**27.8%**	**6,824,696.95**	**33.6%**	**4,988,576.98**	**31.6%**	**3,229,871.80**
Other operating income	225,011.07	0.8%	491,303.32	2.4%	89,290.67	0.6%	288,415.99
Staff costs	(3,349,042.47)	(11.3)%	(3,187,296.10)	(15.7)%	(1,649,489.09)	(10.5)%	(1,455,901.41)
Depreciation of property, plant and equipment, and amortisation of intangible assets (excl. amortisation of usufructuary rights)	(346,112.22)	(1.2)%	(270,808.88)	(1.3)%	(170,086.77)	(1.1)%	(147,265.29)
Other operating expenses	(4,700,370.50)	(15.9)%	(3,436,709.37)	(16.9)%	(2,675,077.66)	(17.0)%	(1,747,421.98)
Profit from operations	**57,252.45**	**0.2%**	**421,185.92**	**2.1%**	**583,214.13**	**3.7%**	**167,699.11**
Finance income	13,687.56	0.0%	8,420.95	0.0%	4,781.95	0.0%	2,490.49
Result from at-equity investments	34,683.30	0.1%	(36,850.05)	(0.2)%	32,528.25	0.2%	(70,157.70)
Finance cost	(532,410.19)	(1.8)%	(253,877.18)	(1.3)%	(283,807.84)	(1.8)%	(129,435.99)
Net finance cost	**(484,039.33)**	**(1.6)%**	**(282,306.28)**	**(1.4)%**	**(246,497.64)**	**(1.6)%**	**(197,103.20)**
Profit before tax	**(426,786.88)**	**(1.4)%**	**138,879.64**	**0.7%**	**336,716.49**	**2.1%**	**(29,404.09)**
Taxes on income	229,039.91	0.8%	(45,937.00)	(0.2)%	86,009.70	0.5%	(3,838.61)
Consolidated net profit / (loss)	**(197,746.97)**	**(0.7)%**	**92,942.64**	**0.5%**	**422,726.19**	**2.7%**	**(33,242.70)**

Consolidated earnings per share

basic	(0.05) €	0.02 €
diluted	(0.05) €	0.02 €
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)

	06/2011 € '000	06/2010 € '000
Consolidated profit/loss for the year	(198)	93
Interest income from financing activities	519	245
Depreciation of property, plant and equipment, intangible assets an usufructual rights	2,781	2,017
Change in provisions	618	1,098
Other non-cash expenses	(323)	7
Result from disposal of non-current assets	0	18
Change in inventories, trade receivables, and other assets not attributable to investing or financing activities	(3,561)	(2,928)
Change in trade payables and other liabilities not attributable to investing or financing activities	2,015	426
Cash flows from operating activities	**1,851**	**977**
Proceeds from the disposal of non-current assets	0	144
Payments for investments in non-current assets	(3,644)	(418)
Cash flows from investing activities	**(3,644)**	**(275)**
Proceeds from bank loans	(270)	(1,912)
Payment of dividends	(623)	0
Repayment of financial loans	(152)	(471)
Interest received	14	8
Interest paid	(532)	(254)
Cash flows from financing activities	**(1,564)**	**(2,629)**
Net change in cash and cash equivalents	(3,357)	(1,927)
Currency translation	100	(193)
Cash and cash equivalents at the beginning of the period	5,468	3,694
Cash and cash equivalents	**2,211**	**1,574**
Gross debt bank	9,987	7,224
Net debt bank	7,776	5,650
Composition of cash and cash equivalents:		
Cash and cash equivalents	**2,211**	**1,574**

UNITEDLABELS Aktiengesellschaft, Münster
Group Statement of Financial Position (IFRS) as at 30 June 2011

(unaudited)

ASSETS

Assets	30/06/2011 €	31/12/2010 €
Non-current assets		
Property, plant and equipment	6,099,842.81	6,265,685.55
Intangible assets	10,976,273.46	8,164,816.00
At-equity investments	868,248.90	850,138.91
Deferred taxes	4,302,299.70	3,997,437.74
	22,246,664.87	**19,278,078.20**
Current assets		
Inventories	13,911,139.92	8,411,756.00
Trade and other receivables	14,354,177.82	15,774,075.25
Other assets	2,752,601.08	3,270,782.57
Cash and cash equivalents	2,211,198.93	5,467,654.72
	33,229,117.76	**32,924,268.54**
Total assets	**55,475,782.63**	**52,202,346.74**

UNITEDLABELS Aktiengesellschaft, Münster
Group Statement of Financial Position (IFRS) as at 30 June 2011

(unaudited)

EQUITY AND LIABILITIES

	30/06/2011 €	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	(377,241.23)	(477,619.29)
Consolidated unappropriated surplus	2,239,735.28	3,060,552.41
Treasury shares	(223,413.73)	(223,413.73)
Total equity	**27,916,464.50**	**28,636,903.57**
Non-current liabilities		
Provisions for pensions	1,162,142.98	1,070,797.00
Financial liabilities	2,865,795.63	2,909,940.73
Trade payables	1,214,898.00	426,398.00
Deferred tax liabilities	16,911.38	13,344.38
	5,259,747.99	**4,420,480.11**
Current liabilities		
Provisions	1,661,527.73	1,134,443.48
Current tax payable	236,632.98	178,186.96
Financial liabilities	7,121,325.24	6,882,982.94
Trade and other payables	13,280,084.18	10,949,349.68
	22,299,570.14	**19,144,963.06**
Total liabilities	**27,559,318.13**	**23,565,443.17**
Total equity and liabilities	**55,475,782.63**	**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	(193)	0	(193)
Consolidated loss QII 2010	0	0	93	0	0	93
Total comprehensive income for the period	0	0	93	(193)	0	(100)
Balance at 30/06/2010	**4,200**	**19,194**	**4,968**	**(559)**	**(223)**	**27,580**
Consolidated income 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	100	0	100
Consolidated loss QII 2011	0	0	(198)	0	0	(198)
Total comprehensive loss for the period	0	0	(198)	100	0	(98)
Dividend payment	0	0	(623)	0	0	(623)
Balance at 30.06.2011	**4,200**	**19,194**	**5,122**	**(377)**	**(223)**	**27,916**

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FINANCIAL CALENDAR 2011

August
Publication of 6-Months' Report

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

November 2011
Publication of 9-Months' Report

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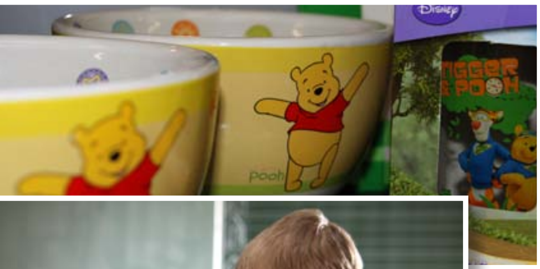





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