


9-MONTHS' REPORT 2011

UNITED® LABELS COMICWARE

UNITEDLABELS AG







PETER BODER
CEO

Dear Shareholders,

UNITEDLABELS AG succeeded in increasing Group revenue yet again over the course of the first nine months of 2011. Compared to the same period a year ago, revenue expanded by 23.5 per cent to € 43.7 million. EBITDA totalled € 0.9, while EBIT amounted to € 0.4 million. Order backlog for the current financial year stands at € 14.2 million.

Revenue generated by the **UNITED**LABELS parent company in Germany rose significantly in the first nine months of 2011, up 78 per cent year on year to € 22.6 million. This was attributable to the further expansion of the company's Key Account business. The company has intensified and extended its dealings with major retail chains in recent months, both in Germany and throughout Europe. For the coming months, too, one of the key priorities for **UNITED**LABELS AG will be to maintain its forward momentum within this area.

On a less positive note, our earnings performance is far from satisfactory. One of the principal reasons lies in the lower profit margin recorded within the Key Account segment compared to the same period a year ago. In view of this situation, we intend to focus on driving earnings growth forward over the coming months and will step up our efforts with regard to more profitable retail campaigns and products within the Key Account segment. Secondly, earnings were affected by a 12 per cent decline in revenue generated within the high-margin Special Retail segment following the discontinuation of "Patito Feo" in Spain and Italy, a licence that had produced significant revenue in the past. We will now be looking to provide fresh impetus in the specialist retail sector with products centred around the new licences "Justin Bieber", "The Smurfs" and "Tintin".

We saw a change to the Supervisory Board of **UNITED**LABELS AG: Gert-Maria Freimuth (46) was appointed to the Supervisory Board of United Labels AG in October 2011. The deputy chairman of the management board of MBB Industries AG, an investment company based in Berlin, replaces Michael Dehler. I would like to express my sincere gratitude to Mr. Dehler for his committed contribution over the years.

Peter Boder

Key Figures 9-Months' report

	Q3 2011 € '000	Q3 2010 € '000	Q3 2009 € '000	Q3 2008 € '000	Q3 2007 € '000	Q3 2006 € '000
Revenue	43,652	35,341	28,112	30,549	28,812	29,861
EBITDA*	858	1,141	(525)	704	888	726
EBIT	393	721	(900)	227	354	287
Profit before tax	(334)	167	(1,153)	(72)	84	113
Profit for the year	9	60	(752)	(6)	(163)	(164)
Order backlog	25,200	30,590	9,825	14,738	17,830	15,011
Earnings per share (€)	0.00	0.01	(0.18)	0.00	(0.04)	(0.04)
Number of employees	147	139	131	139	136	126

*incl. amortisation of usufructuary rights

Basis of preparation (IFRS/IAS)

Statement of compliance

The consolidated 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), particularly in accordance with IAS 34. Within this context, neither the interim financial statements nor the management report for the interim period have been audited.

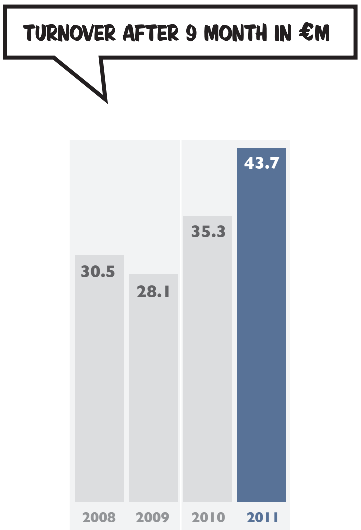
In preparing the consolidated financial statements, the Management Board is required to make estimates and assumptions that affect the reported amounts of assets and liabilities/equity as well as the amounts disclosed in the income statement. It is possible that these assumptions and estimates may not coincide with actual occurrences. Actual results may differ from forecasts if consumer behaviour or the actions of licensors or trading partners (customers, suppliers) change. There were no changes to these assumptions compared with those applied to the last annual financial statements.

The quarterly financial statements have been prepared according to uniform accounting policies; they are consistent with those policies applied to the last annual financial statements.

The financial statements are presented in euros.

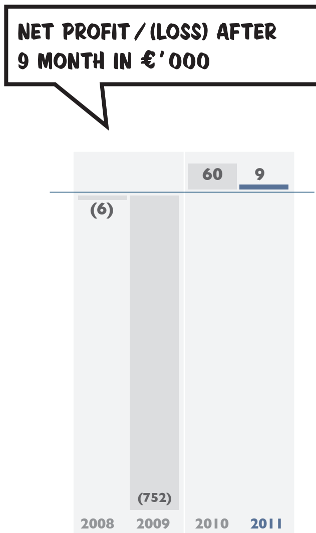
Business review for the first nine months of 2011

Overall, Group revenue increased by 23.5 per cent in the first nine months, taking the total to € 43.7 million (prev. year: € 35.3 million). The third quarter alone accounted for revenue of € 14.0 million (prev. year: € 15.0 million). Revenue growth was driven in particular by the Key Account segment in Germany, which expanded by 73 per cent. Within this context, the company supplied a large volume of merchandise for the "weekly special offers" campaigns implemented by German discount supermarket chains.



By contrast, business was more subdued within the southern European specialty retail sector, with revenue in this segment contracting by 7 per cent in the period under review. The "Patito Feo" licence, an Argentinian TV series that generated significant growth last year, was discontinued in 2011, as a result of which revenue from this licence contracted.

In the first nine months of 2011, EBIT totalled € 0.4 million (prev. year: € 0.7 million) and consolidated profit stood at € 0.0 million (prev. year: € 0.1 million). Thus, on an accumulated basis, the Group was able to offset the loss posted in the first quarter. The third quarter produced positive EBIT of € 0.3 million (prev. year: € 0.3 million). The slight year-on-year reduction in accumulated profit for the first nine months was attributable to the larger proportion of low-margin business with Key Accounts and the decline in revenue from the more profitable Special Retail segment.



Owing to the reduction in revenue generated by the Spanish and Italian Special Retail segment, the share of Special Retail in total revenue fell to 27 per cent (prev. year: 37 per cent). As a result, earnings attributable to the Special Retail segment were halved from € 1.1 million a year ago to € 0.6 million in the first nine months of 2011. However, this segment can now look forward to the fourth – its strongest – quarter, with the prospect of an improvement in its bottom-line result in the run-up to Christmas.

The Key Account segment saw its revenue surge by 45 per cent in the first nine months of 2011. Segment earnings rose to € 2.2 million (prev. year: € 2.0 million).

As at 30 September 2011, total order backlog stood at € 25.2 million (prev. year: € 30.6 million). Of this total, € 14.2 million (prev. year: € 21.6 million) is attributable to the financial year 2011. As regards the financial year 2012, the figure rose by 22 per cent, from € 9.0 million to € 11.0 million.

Primary reporting format – Customer segments

(unaudited)

2011

in € '000	Special Retail	Key Account	Unallocated items	Group
Sales revenue	11,665	31,987		43,652
Segment expenses	(10,094)	(26,986)	(2,253)	(39,333)
Depreciation/amortisation	(996)	(2,798)	(132)	(3,926)
Segment result	**575**	**2,203**	**(2,385)**	**393**
Net finance cost				(815)
Result from at-equity investment				88
Result from ordinary activities				**(335)**
Taxes				343
Consolidated profit				**9**

€m	Special Retail	Key Account	Adminis-tration	Group
Segment assets	17.3	22.0	12.6	51.9
Segment liabilities	4.2	8.9	10.7	23.8

2010

in € '000	Special Retail	Key Account	Unallocated items	Group
Sales revenue	13,234	22,107	0	35,341
Segment expenses	(10,601)	(18,241)	(2,302)	(31,144)
Depreciation/amortisation	(1,528)	(1,829)	(119)	(3,476)
Segment result	**1,105**	**2,037**	**(2,421)**	**721**
Net finance cost				(428)
Result from at-equity investment				(126)
Result from ordinary activities				**167**
Taxes				(106)
Consolidated profit				**60**

€m	Special Retail	Key Account	Adminis-tration	Group
Segment assets	16.0	24.4	13.6	54.0
Segment liabilities	4.6	10.1	11.6	26.3

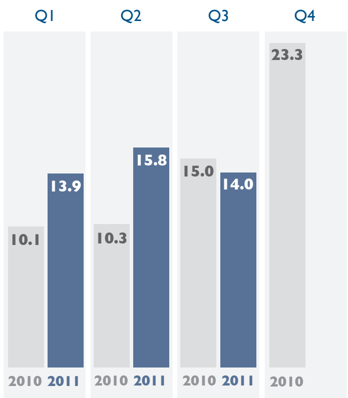
Secondary reporting format – Geographical segments (in € '000)

(unaudited)

Sales revenues	2011	2010
Germany, Austria, Switzerland	14,895	13,176
Iberian Peninsula	13,595	12,625
France	5,430	3,706
Rest of the World	9,732	5,834
Group	43,652	35,341

Total assets	2011	2010
Germany, Austria, Switzerland	34,123	33,887
Iberian Peninsula	10,242	12,530
France	1,333	1,185
Rest of the World	6,237	6,371
Group	51,935	53,973

PAST SALES PERFORMANCE (IN €M)



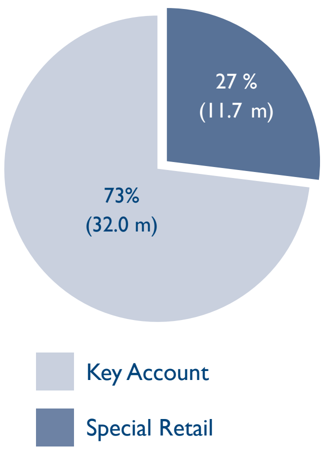
Financial position

The company extended licence agreements set to expire in the financial year 2011, as well as concluding new licence agreements. As a result, intangible assets increased by € 2.1 million. At the same time, inventories rose by € 4.8 million compared to the figure posted for the financial year 2010. Within this context, remaining inventories attributable to German operations amounted to € 8.6 million (31/12/10: € 4.0 million). This increase was due to the conscious decision to bolster the company's supply-side capabilities for the fourth quarter of 2011. Inventories equivalent to € 4.7 million (36 % of total inventories) have already been sold as part of existing orders. In aggregate, these effects led to a reduction in cash by € 4.4 million compared to 31 December 2010 and a net change in cash and cash equivalents of € 4.5 million. Borrowings from credit lines rose from € 9.8 million to € 10.5 million, and net debt stood at € 9.5 million.
As at 30 September 2011, the Group's equity ratio was 54.1 per cent. The company continues to hold 46,199 no-par-value treasury shares. The book value per share was € 6.69. Equity covered non-current assets at a rate of 131 per cent and liabilities at a rate of 118 per cent.

Staff

In total, the **UNITED**LABELS Group employed 147 people (prev. year: 139) at the end of the reporting period (30 September 2011). In total, 61 members of staff were employed in Germany and 71 in Spain. The other 15 members of staff are distributed among sites operated by **UNITED**LABELS abroad.

BREAKDOWN OF SALES IN THE FIRST 9 MONTHS 2011 FOR KEY ACCOUNTS AND SPECIAL RETAIL IN % (€)



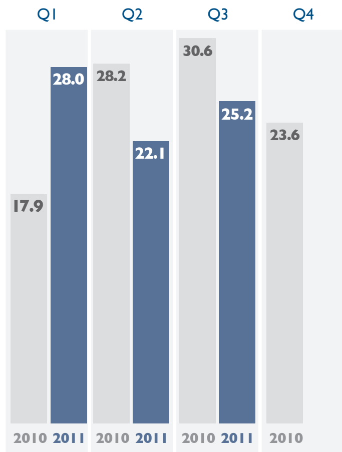
Related-party disclosure

In addition to his 62.69 % interest in **UNITED**LABELS AG, Mr. Peter Boder has a 100 % shareholding in Facility Management Münster GmbH. **UNITED**LABELS AG occupies office premises in Gildenstraße 2j, which are leased to the company by Facility Management GmbH. In 2011, the amount received was € 60 thousand (prev. year: € 60 thousand).
In 2008, a loan of € 1,218 thousand was granted by **UNITED**LABELS AG to Embassy SAS, a subsidiary of Montesquieu Finances SAS, in which the company holds an ownership interest of 45 %. After scheduled principal repayments, the loan amounted to € 210 thousand at the end of the reporting period. In the 2009 financial year, **UNITED**LABELS AG granted a loan of € 545 thousand to Montesquieu Finances SAS, the outstanding amount of which was € 373 thousand at the end of the reporting period.

Licences and products

"Tintin", "Filly" and "Justin Bieber" have been among those licences to take centre stage in recent weeks. New product lines were designed and implemented for all three of these licences, which were added to the **UNITED**LABELS AG portfolio this year. In response to the movie premiere of "Tintin – The Secret of the Unicorn" in October 2011, demand for Tintin merchandise is particularly buoyant. Specialist retailers as well as well-known toy stockists and suppliers within the e-commerce sector have shown great interest in this product line. As further Tintin movies are to follow in the coming years, this licence is likely to become a permanent and extremely important feature within the **UNITED**LABELS portfolio. In recent months, **UNITED**LABELS AG company also refined and extended the product lines centred around well-known and lucrative classics such as The Simpsons, Peanuts, Angel Cat Sugar, Bob The Builder, The Smurfs, Pink Panther, Sesame Street, Barbapapa and Star Trek. This was in response to the surge in demand expected for these and other cartoon heavyweights during the fourth quarter of 2011.

ORDER BACKLOG (IN €M)



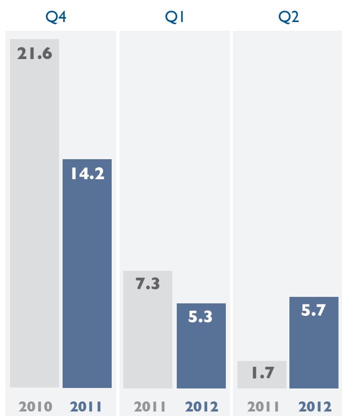
Events after the reporting period

No significant events were recorded after the reporting period.

Directors' Holdings

As at 30 September 2011, **UNITED**LABELS AG had a total of 4.2 million no-par-value shares. As at 30 September 2011, the Management Board as well as the Members of the Supervisory Board of **UNITED**LABELS AG held 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 the new Supervisory Board member Gert-Maria Freimuth. The member of the Supervisory Board Prof. Dr. Helmut Roland held 10,000 shares. As at 30 September 2011, no options had been granted and no valid share option plan was in place.

BREAKDOWN OF ORDER BACKLOG (IN €M)



Outlook

The festive season is rapidly approaching, making the fourth quarter in the run-up to Christmas the most important period of the financial year in terms of sales. Over the coming weeks, retailers will be stocking an extensive range of **UNITED**LABELS products spanning various categories.
In the months ahead, **UNITED**LABELS will be focusing in particular on improving its earnings performance, the aim being to target more profitable key accounts, step up activities in the area of "special merchandise offers" and extend the range of products associated with higher margins. Within the Special Retail segment, meanwhile, **UNITED**LABELS will be looking to secure shelf space for high-margin products featuring the high-impact licences "Tintin", "The Smurfs" and "Justin Bieber" – both in Germany and abroad.
Furthermore, the company is committed to penetrating new markets and establishing new strategic partnerships in the fourth quarter of the current year and over the course of 2012.

Annual General Meeting 2012

The 12th Annual General Meeting of **UNITED**LABELS AG is scheduled for 8 May 2012, from 10 a.m. It is to be held at the "Messe und Congress Centrum Halle Münsterland" in Münster, Germany.

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

for the period 1 January to 30 September 2011

(unaudited)

	01/01/2011 30/09/2011		01/01/2010 30/09/2010		01/07/2011 30/09/2011		01/07/2010 30/09/2010
	€	%	€	%	€	%	€
Sales revenues	**43,651,952.40**	**100.0%**	**35,340,693.90**	**100.0%**	**14,015,926.17**	**100.0%**	**15,030,815.17**
Cost of materials	(27,809,128.95)	(63.7)%	(21,726,673.18)	(61.5)%	(8,835,597.06)	(63.0)%	(9,987,968.35)
Amortisation of usufructuary rights	(3,461,075.80)	(7.9)%	(3,055,842.56)	(8.6)%	(1,026,348.01)	(7.3)%	(1,309,365.61)
	12,381,747.66	**28.4%**	**10,558,178.17**	**29.9%**	**4,153,981.09**	**29.6%**	**3,733,481.22**
Other operating income	384,355.86	0.9%	405,897.25	1.1%	159,344.79	1.1%	(85,406.07)
Staff costs	(4,890,650.69)	(11.2)%	(4,633,909.27)	(13.1)%	(1,541,608.22)	(11.0)%	(1,446,613.17)
Depreciation of property, plant and equipment, and amortisation of intangible assets (excl. amortisation of usufructuary rights)	(464,261.82)	(1.1)%	(420,140.90)	(1.2)%	(118,149.61)	(0.8)%	(149,332.02)
Other operating expenses	(7,017,756.24)	(16.1)%	(5,189,132.49)	(14.7)%	(2,317,385.75)	(16.5)%	(1,752,423.12)
Profit from operations	**393,434.76**	**0.9%**	**720,892.76**	**2.0%**	**336,182.31**	**2.4%**	**299,706.85**
Finance income	15,389.68	0.0%	11,513.86	0.0%	1,702.12	0.0%	3,092.91
Result from at-equity investments	87,912.00	0.2%	(126,324.45)	(0.4)%	53,228.70	0.4%	(89,474.40)
Finance cost	(830,832.35)	(1.9)%	(439,248.22)	(1.2)%	(298,422.16)	(2.1)%	(185,371.04)
Net finance cost	**(727,530.67)**	**(1.7)%**	**(554,058.81)**	**(1.6)%**	**(243,491.34)**	**(1.7)%**	**(271,752.53)**
Profit before tax	**(334,095.91)**	**(0.8)%**	**166,833.95**	**0.5%**	**92,690.97**	**0.7%**	**27,954.32**
Taxes on income	343,305.39	0.8%	(106,381.48)	(0.3)%	114,265.48	0.8%	(60,444.48)
Consolidated net profit / (loss)	**9,209.48**	**0.0%**	**60,452.47**	**0.2%**	**206,956.45**	**1.5%**	**(32,490.16)**
Other comprehensive income ("OCI")							
Currency translation	71,503.31		(90,558.90)		(28,874.75)		102,642.75
Other comprehensive income, total	**71,503.31**		**(90,558.90)**		**(28,874.75)**		**102,642.75**
Total comprehensive income	**80,712.79**		**(30,106.43)**		**178,081.70**		**70,152.59**
Consolidated earnings per share							
basic	0.00 €		0.01 €		0.05 €		(0.01) €
diluted	0.00 €		0.01 €		0.05 €		(0.01) €
Weighted average shares outstanding							
basic	4,153,801 shares		4,153,801 shares		4,153,801 shares		4,153,801 shares
diluted	4,153,801 shares		4,153,801 shares		4,153,801 shares		4,153,801 shares

UNITEDLABELS Aktiengesellschaft, Münster
Group Statement of Cash Flows

(unaudited)

	09/2011 € '000	09/2010 € '000
Consolidated profit for the year	9	60
Interest income from financing activities	815	428
Depreciation of property, plant and equipment, intangible assets an usufructual rights	2,899	3,476
Change in provisions	(444)	182
Other non-cash expenses	(419)	126
Result from the disposal of non-current assets	0	18
Change in inventories, trade receivables, and other assets not attributable to investing or financing activities	(1,931)	(7,823)
Change in trade payables and other liabilities not attributable to investing or financing activities	(1,053)	(3,055)
Cash flows from operating activities	**(123)**	**(477)**
Proceeds from the disposal of non-current assets	0	144
Payments for investments in non-current assets	(4,427)	(2,222)
Cash flows from investing activities	**(4,427)**	**(2,078)**
Proceeds from bank loans	1,711	2,891
Payment of dividends	(623)	0
Repayment of financial loans	(221)	(699)
Interest received	15	12
Interest paid	(831)	(439)
Cash flows from financing activities	**52**	**1,764**
Net change in cash and cash equivalents	(4,499)	(791)
Currency translation	72	(91)
Cash and cash equivalents at the beginning of the period	5,468	3,694
Cash and cash equivalents	**1,039**	**2,812**
Gross debt bank	10,534	11,247
Net debt bank	9,495	8,434
Composition of cash and cash equivalents:		
Cash and cash equivalents	**1,039**	**2,812**

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

ASSETS

Assets	30/09/2011 €	31/12/2010 €
Non-current assets		
Property, plant and equipment	6,016,264.03	6,265,685.55
Intangible assets	10,224,419.22	8,164,816.00
At-equity investments	921,477.60	850,138.91
Deferred tax assets	4,344,983.22	3,997,437.74
	21,507,144.08	**19,278,078.20**
Current assets		
Inventories	13,243,737.87	8,411,756.00
Trade receivables	14,603,364.16	15,774,075.25
Other assets	1,540,821.12	3,270,782.57
Cash and cash equivalents	1,039,484.81	5,467,654.72
	30,427,407.96	**32,924,268.54**
Total assets	**51,934,552.04**	**52,202,346.74**

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

EQUITY AND LIABILITIES

	30/09/2011 €	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	(406,115.98)	(477,619.29)
Consolidated unappropriated surplus	2,446,691.74	3,060,552.41
Treasury shares	(223,413.73)	(223,413.73)
Total equity	**28,094,546.21**	**28,636,903.57**
Non-current liabilities		
Provisions for pensions	1,207,815.97	1,070,797.00
Financial liabilities	2,787,584.73	2,909,940.73
Trade payables	880,898.00	426,398.00
Deferred tax liabilities	16,911.38	13,344.38
	4,893,210.08	**4,420,480.11**
Current liabilities		
Provisions	553,659.97	1,134,443.48
Current tax payable liabilities	98,942.29	178,186.96
Financial liabilities	7,746,605.15	6,882,982.94
Trade and other payables	10,547,588.35	10,949,349.68
	18,946,795.76	**19,144,963.06**
Total liabilities	**23,840,005.84**	**23,565,443.17**
Total equity and liabilities	**51,934,552.04**	**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**	**19,195**	**4,875**	**(366)**	**(223)**	**27,681**
Currency translation	0	0	0	(91)	0	(91)
Consolidated loss Q III 2010	0	0	60	0	0	60
Total comprehensive income for the period	0	0	60	(91)	0	(31)
Balance at 30/09/2010	**4,200**	**19,195**	**4,935**	**(457)**	**(223)**	**27,650**
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	71	0	71
Consolidated loss Q III 2011	0	0	9	0	0	9
Total comprehensive loss for the period	0	0	9	71	0	80
Dividend payment	0	0	(623)	0	0	(623)
Balance at 30/09/2011	**4,200**	**19,194**	**5,329**	**(406)**	**(223)**	**28,094**

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FINANCIAL CALENDAR 2011/2012

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

November 2011
Publication of 9-Months' Report

March 2012
Publication of annual financial statements 2011 and financial results press conference

May 2012
Publication of 3-Months' Report

May, 8th 2012
Annual General Meeting

August 2012
Publication of 6-Months' Report

November 2012
Publication of 9-Months' Report

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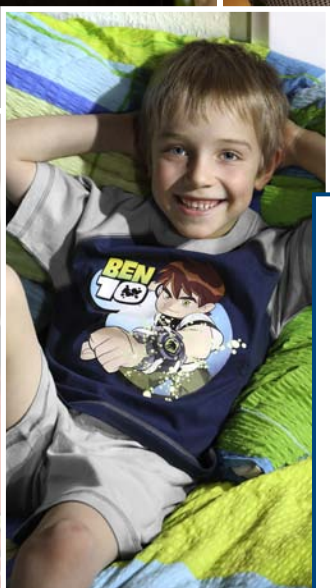


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