

3-MONTHS' REPORT 2013

UNITED LABELS COMICWARE

UNITEDLABELS AG






LETTER TO SHAREHOLDERS

PETER BODER
CEO

ALBERT HIRSCH
MEMBER OF
THE MANAGE-
MENT BOARD

Dear Shareholders,

UNITEDLABELS AG completed the first quarter of the current financial year with revenue totalling €5.7 million (prev. year: €11.5 million). The year-on-year decline in revenue is attributable to the company's decision to focus on core business fields with higher contribution margins and the associated discontinuation of revenue flows from unprofitable areas of business. Within this context, the amalgamation and restructuring of the **UNITED**LABELS sites in Italy, Belgium, France and Germany were a key factor. Additionally, sales generated in Spain fell to €2.5 million (prev. year: €3.2 million) as a result of the country's economic climate. The new e-commerce activities of **UNITED**LABELS, managed in cooperation with our most recently created subsidiary, Elfen Service GmbH, got off to a good start.

In total, earnings before interest, taxes, depreciation and amortisation (EBITDA) were in positive territory at €11 thousand. The quarterly loss was scaled back from €-0.3 million to €-0.2 million. At the same time, the cost reduction programme initiated in 2012 had a significant impact on business performance. Having implemented the full range of optimisation measures announced by the company, **UNITED**LABELS is looking to make cost savings of around €3.0 million per annum in 2013 and 2014.

In cooperation with its subsidiary Elfen Service, the company will be taking an equally focused approach to executing its projects planned within the area of B2C operations and the expansion of value creation processes. These projects are to be completed over the course of the second quarter.

Our first-quarter performance shows quite clearly that **UNITED**LABELS has succeeded in meeting the significant challenges presented in 2012. We are on the right track and are well equipped for the future.

Yours sincerely,

Peter Boder
CEO

Albert Hirsch
Member of the Management Board

Key Figures 3-Months'

	Q1 2013 (€ '000)	Q1 2012 (€ '000)
Revenue	5,663	11,451
EBITDA*	11	33
EBIT	-144	-149
Profit before tax	-247	-258
Profit for the year	-248	-299
Earnings per share (€)	-0.05	-0.07
Number of employees	119	134

*incl. amortisation of usufructuary rights

Basis of preparation (IFRS/IAS)

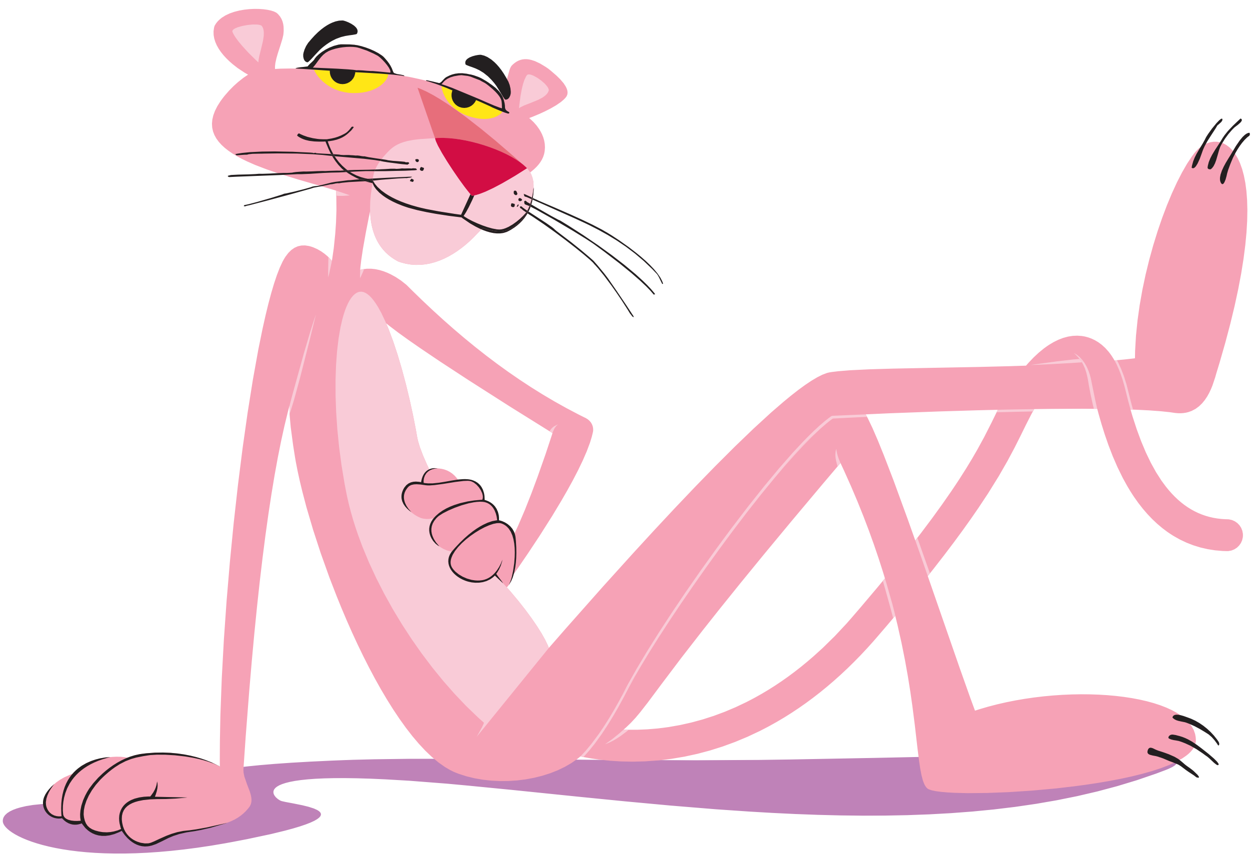
Statement of compliance

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. The changes to these assumptions compared with those applied to the last annual financial statements are outlined in the following sections of this report.

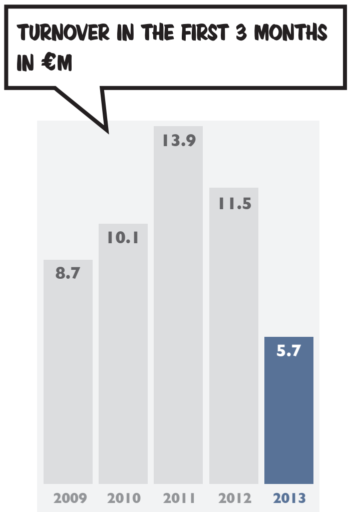
The quarterly financial statements have been prepared according to uniform accounting policies; they are consistent with those policies applied to the last annual financial statements.

The financial statements are presented in euros.



Business review for the first three months of 2013

Group revenue amounted to €5.7 million (prev. year: €11.5 million) in the first three months, which corresponds to a year-on-year decline of 50%. The downturn in sales was attributable to both the Key Account segment, at -55%, and the Special Retail segment, at -39%. In absolute terms, the Key Account segment generated revenue of €3.6 million (prev. year: €8.1 million). Key Account sales thus accounted for 64% of total revenue. Revenue generated by the Special Retail segment accounted for 36% of aggregate sales.



After the first three months of 2013, EBIT stood at €-0.1 million (prev. year: €-0.1 million); the consolidated loss for the period amounted to €-0.2 (prev. year: €-0.3 million). The decline in profit for the period is attributable primarily to lower revenue. Having said that, the contraction is within the range expected by the company.

Earnings within the Special Retail segment also declined in the period under review, down from €0.1 million in the first three months of 2012 to €-0.2 million in 2013. The Key Account segment recorded a downturn in earnings from €0.6 million to €0.3 million. In parallel, however, the result of unallocated items improved from €-0.8 million to €-0.3 million.

On this basis, segment performance was as follows:

Primary reporting format – Customer segments
(unaudited)

2013

in € '000	Special Retail	Key Account	Unallocated items	Group
Sales revenue	2,036	3,627		5,663
Segment expenses	-1,943	-2,990	-271	-5,204
Depreciation/amortisation	-281	-302	-20	-603
Segment result	**-188**	**335**	**-291**	**-144**
Net finance cost				-205
Result from at-equity investment				101
Result from ordinary activities				**-247**
Taxes				-1
Consolidated profit/loss				**-248**

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

Sales revenues	2013	2012
Germany, Austria, Switzerland	2,573	4,333
Iberian Peninsula	2,509	3,501
France	222	1,011
Rest of the World	359	2,606
Group	5,663	11,451

Total assets	2013	2012
Germany, Austria, Switzerland	19,274	33,814
Iberian Peninsula	6,755	10,186
France	143	914
Rest of the World	3,358	5,819
Group	29,530	50,733

2012

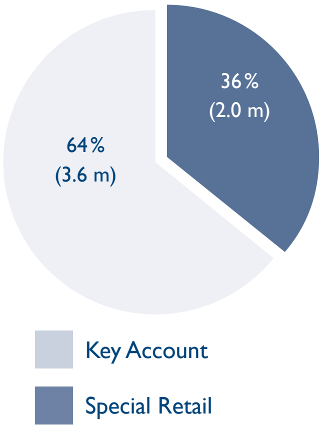
in € '000	Special Retail	Key Account	Unallocated items	Group
Sales revenue	3,332	8,119		11,451
Segment expenses	-2,936	-7,074	-745	-10,755
Depreciation/amortisation	-312	-485	-48	-846
Segment result	**84**	**560**	**-793**	**-150**
Net finance cost				-270
Result from at-equity investment				161
Result from ordinary activities				**-259**
Taxes				-41
Consolidated profit/loss				**-299**

Financial position

Property, plant and equipment fell by €0.1 million as a result of systematic amortisation/depreciation, while intangible assets rose by €0.9 million as at 31 March 2013. The latter was attributable primarily to the purchase of new licensing rights. At-equity investments increased by €0.1 million, as income attributable to the investee Open Mark United Labels GmbH was well within positive territory. Inventories continued to contract, falling by €0.5 million compared to 31 December 2012. Trade receivables fell by €1.5 million compared to 31 December 2012. This was due to the active decision taken by the company to scale back revenue with a focus on its profitable core business.

As at 31 March 2013, the Group's equity ratio stood at 20.5%. The company continues to hold 46,199 no-par-value treasury shares. The book value thus stood at €1.45 per share. Equity covered non-current assets at a rate of 32% and liabilities at a rate of 26%. Bank borrowings were reduced by €0.6 million and trade payables by €0.7 million.

BREAKDOWN OF SALES IN THE FIRST 3 MONTHS 2013 FOR KEY ACCOUNTS AND SPECIAL RETAIL IN % (€)



Related-party disclosure

In addition to his 63% 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 the first three months of 2013, the amount received was €12 thousand (prev. year: €23 thousand). In 2011, a lease agreement was signed with Facility Management GmbH for the use of facility roof surfaces to operate photovoltaic systems; the amount payable under this agreement at the end of the year amounts to €5 thousand.

On 24 July a so-called "procédure de sauvegarde", i.e. a debtor safeguard procedure under French law, was initiated in respect of the French entity Embassy SAS, in which **UNITED**LABELS AG holds an indirect interest of 45% via Groupe Montesquieu.

Therefore, the carrying amounts of all loans and receivables towards the French-based entities Embassy SAS and Montesquieu Finances SAS were adjusted in full by both **UNITED**LABELS AG and the **UNITED**LABELS Group in the previous financial year. Current operations are being maintained, with due amounts having to be paid in advance. Revenue associated with this business totalled €109 thousand in the first quarter of 2013.

Staff

At the end of March 2013, the **UNITED**LABELS Group employed 126 (prev. year: 140) members of staff. In total, 53 members of staff were employed in Germany and 60 in Spain.

Licences

The portfolio of **UNITED**LABELS AG currently encompasses 40 merchandise licences, all of which are in high demand. Among the new licences are "Mia and me", "Turtles", who are celebrating their comeback this year, "The Lord of the Rings" as well as "Mike der Ritter". The licence agreements for classics such as "Simpsons", "Bob the Builder" and "Thomas the Tank Engine" were extended. New product lines are currently being developed or manufactured from these and other licence themes.

Annual General Meeting of Shareholders

The 13th Annual General Meeting of **UNITED**LABELS AG has been scheduled for Thursday, 23 May 2013, at 11 a.m. at Halle Münsterland in Münster.

Events after the reporting period

On 30 April the "procédure de sauvegarde", a debtor safeguard procedure under French law, in respect of the French entity Embassy SAS, in which **UNITED**LABELS AG holds an indirect interest of 45% via Groupe Montesquieu, came to an end. Insolvency proceedings governed by French law have now commenced. The insolvency administrator has been given until 25 June to find a buyer for the aforementioned entity.

Directors' Holdings

As at 31 March 2013, **UNITED**LABELS AG had a total of 4.2 million no-par-value shares. As at 31 March 2013, the Management Board as well as the members of the Supervisory Board of **UNITED**LABELS AG held the following shares and options:

Peter Boder, CEO, held 63% of the shares. Management Board member Albert Hirsch as well as the Chairman of the Supervisory Board Gert-Maria Freimuth each held less than 1% of the shares. Supervisory Board members Frank Rohmann and Otte E. Umbach held no shares. As at 31 March 2013, no options had been granted and no valid share option plan was in place.

Outlook

In order to ensure that **UNITED**LABELS can continue to position itself favourably within the European sales region and capture an additional share of the market against the backdrop of a sluggish economy, the focus for the current financial year will again be centred on safe, high-quality products tailored to consumer demand.Additionally, our aim is to expand the company's customer base in the Key Account segment in particular, with the express purpose of maintaining a low level of dependence on specific customers.

In response to the exceptional factors influencing business performance in the last financial year, **UNITED**LABELS initiated stringent optimisation measures that are to bring about cost savings of €3.0 million per annum in 2013 and 2014. Our latest quarterly results already bear testimony to the success of this programme. These cuts are necessary so that **UNITED**LABELS AG can return to profitable growth in the near future.

In addition to concentrating on large-account business relating to textile products that generate higher margins, expanding the area of NOS giftware in Germany and abroad and optimising its airport shops, **UNITED**LABELS will be looking to expand its new e-commerce business via its newly established subsidiary Elfen Service GmbH.

After fast-track planning and development, the new internet platform Elfen.de was launched in October 2012. This unique service combines the business interests of manufacturers, retailers and licence, media and brand partners as well as end-consumers and brings them together within an online environment. The new online shop already offers around 100,000 items supplied by more than 90 manufacturers of branded goods. This is complemented by the complete range of products supplied by the parent company within the specialty retail category. Therefore, the platform offers consumers an extensive, high-impact portfolio of merchandise with cooperation partners from various segments of the market. Further fundamental projects within this area are to be implemented in the second quarter of 2013.

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

1 January to 31 March 2013

(unaudited)

	01/01/2013 31/03/2013		01/01/2012 31/03/2012		01/01/2013 31/03/2013		01/01/2012 31/03/2012
	€	%	€	%	€	%	€
Sales revenues	**5,663,058.15**	**100.0%**	**11,450,738.36**	**100.0%**	**5,663,058.15**	**100.0%**	**11,450,738.36**
Cost of materials	-3,296,353.49	-58.2%	-7,638,255.05	-66.7%	-3,296,353.49	-58.2%	-7,638,255.05
Amortisantion of usufructuary rights	-447,726.52	-7.9%	-662,854.77	-5.8%	-447,726.52	-7.9%	-662,854.77
	1,918,978.14	**33.9%**	**3,149,628.54**	**27.5%**	**1,918,978.14**	**33.9%**	**3,149,628.54**
Other operating income	414,409.44	7.3%	114,144.84	1.0%	414,409.44	-7.3%	114,144.84
Staff costs	-1,285,592.85	-22.7%	-1,556,269.20	-13.6%	-1,285,592.85	-22.7%	-1,556,269.20
Depreciation of property plant and equipment and amortisation of intangible assets (excl. amortisation of usufructuary rights)	-155,201.85	-2.7%	-182,328.83	-1.6%	-155,201.85	-2.7%	-182,328.83
Other operating expenses	-1,036,696.76	-18.3%	-1,675,118.44	-14.6%	-1,036,696.76	-18.3%	-1,675,118.44
Profit from operations	**-144,103.88**	**-2.5%**	**-149,943.09**	**-1.3%**	**-144,103.88**	**-2.5%**	**-149,943.09**
Finance income	816.06	0.0%	25,681.45	0.2%	816.06	0.0%	25,681.45
Result from at-equity investments	101,242.04	1.8%	161,412.80	1.4%	101,242.04	1.8%	161,412.80
Finance cost	-205,390.82	-3.6%	-295,988.80	-2.6%	-205,390.82	-3.6%	-295,988.80
Net finance cost	**-103,332.72**	**-1.8%**	**-108,894.55**	**-1.0%**	**-103,332.72**	**-1.8%**	**-108,894.55**
Profit before tax	**-247,436.60**	**-4.4%**	**-258,837.64**	**-2.3%**	**-247,436.60**	**-4.4%**	**-258,837.64**
Taxes on income	-772.57	0.0%	-40,519.07	-0.4%	-772.57	0.0%	-40,519.07
Consolidated net profit / (loss)	**-248,209.17**	**-4.4%**	**-299,356.71**	**-2.6%**	**-248,209.17**	**-4.4%**	**-299,356.71**
Loss for the period attributable to owners of parent	-208,012.58	-3.7%	-687,026.98	-2.6%	-208,012.58	-3.7%	-687,026.98
Loss for the period attributable to non-controlling interests	-40,196.60	-0.7%	-16,945.94	0.0%	-40,196.60	-0.7%	-16,945.94
Other comprehensive income							
Currency translation	111,783.93		-13,630.70		111,783.93		-13,630.70
Other comprehensive income. total	111,783.93		-13,630.70		111,783.93		-13,630.70
Total comprehensive income	**-136,425.24**		**-312,987.41**		**-136,425.24**		**-312,987.41**

Consolidated earnings per share				
basic	-0.05 €	-0.07 €	-0.05 €	-0.07 €
diluted	-0.05 €	-0.07 €	-0.05 €	-0.07 €
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)

	03.2013 T€	03.2012 T€
Consolidated loss for the year	-248	-299
Interest income from financing activities	205	270
Amortisation of usufructuary rights	448	663
Depreciation of property. plant and equipment. intangible assets an usufructual rights	155	182
Change in provisions	-171	-364
Other non-cash expenses	-583	-121
Change in inventories. trade receivables. and other assets not attributable to investing or financing activities	1,740	2,070
Change in trade payables and other liabilities not attributable to investing or financing activities	-734	-2.957
Payments for tax on profit	-68	0
Cash flows from operating activities	**744**	**-556**
Payments for investments in non-current assets	-944	-331
Cash flows from investing activities	**-944**	**-331**
Proceeds from the disposal of non-controlling interests in fully consolidated entities	0	10
Proceeds from bank loans	-530	279
Repayment of financial loans	-61	-92
Interest received	1	26
Interest paid	-205	-296
Cash flows from financing activities	**-795**	**-73**
Net change in cash and cash equivalents	-996	-960
Currency translation	112	-14
Cash and cash equivalents at the beginning of the period	1,640	1,570
Cash and cash equivalents	**756**	**596**
Gross debt bank	9,774	10,458
Net debt bank	9,018	9,862
Composition of cash and cash equivalents:		
Cash and cash equivalents	**756**	**596**

UNITEDLABELS Aktiengesellschaft, Münster
Group Statement of Financial Position (IFRS) as at 31 March 2013
(unaudited)

ASSETS

Assets	31/03/2013 €	31/12/2012 €
Non-current assets		
Property. plant and equipment	5,446,913.91	5,560,402.24
Intangible assets	9,721,207.35	8,821,348.18
At-equity investments	113,361.66	15,846.95
Other assets	1,100,598.25	1,100,598.25
Deferred taxes	2,473,848.45	2,473,848.45
	18,855,929.61	**17,972,044.07**
Current assets		
Inventories	4,279,885.81	4,759,531.57
Trade and other receivables	4,801,366.93	6,279,629.67
Other assets	836,808.66	619,271.03
Cash and cash equivalents	755,809.47	1,640,002.04
	10,673,870.88	**13,298,434.31**
Total assets	**29,529,800.49**	**31,270,478.38**

UNITEDLABELS Aktiengesellschaft, Münster
Group Statement of Financial Position (IFRS) as at 31 March 2013

(unaudited)

EQUITY AND LIABILITIES

Equity	31/03/2013 €	31/12/2012 €
Capital and reserves attributable to the owners of the parent company		
Issued capital	4,200,000.00	4,200,000.00
Capital reserves	3,352,705.65	3,352,705.65
Retained earnings	2,883,209.63	2,883,209.63
Currency translation	-459,631.60	-571,415.53
Consolidated unappropriated surplus	-3,557,658.92	-3,309,449.74
Treasury shares	-223,413.73	-223,413.73
Equity attributable to owners of parent	**6,195,211.03**	**6,331,636.28**
Non-controlling interests	-142,961.80	-102,765.20
Total equity	**6,052,249.23**	**6,228,871.08**
Non-current liabilities		
Provisions for pensions	1,357,496.00	1,357,496.00
Financial liabilities	2,465,411.20	2,465,411.20
Provisions	763,260.62	979,667.62
Trade payables	2,781,562.08	2,781,562.08
Deferred tax liabilities	53.43	53.43
	7,367,783.33	**7,584,190.33**
Current liabilities		
Provisions	292,091.87	247,110.61
Current tax payable	11,276.02	79,744.53
Financial liabilities	7,308,795.33	7,899,440.48
Trade and other payables	8,497,604.71	9,231,121.35
	16,109,767.94	**17,457,416.98**
Total liabilities	**23,477,551.27**	**25,041,607.31**
Total equity and liabilities	**29,529,800.49**	**31,270,478.38**

Group Statement of Changes in Equity

(unaudited)

	Subscribed capital € '000	Capital reserves € '000	Revenue reserves € '000	Translation reserve € '000	Treasury shares € '000	Equity attributable to owners of parent € '000	Reconciling item for non-controlling interests € '000	Total € '000
Balance at 01/01/2012	**4,200**	**19,194**	**5,860**	**-507**	**-223**	**28,524**	**0**	**28,524**
Correction	0	0	-3,589	0	0	-3,589	0	-3,589
Balance at 01/01/2012 changed	**4,200**	**19,194**	**2,271**	**-507**	**-223**	**24,935**	**0**	**24,935**
Currency translation	0	0	0	-14	0	-14	0	-14
Consolidated loss Q I 2012	0	0	-299	0	0	-299	0	-299
Total comprehensive income for the period	0	0	-299	-14	0	-313	0	-313
Balance at 31/03/2012 changed	**4,200**	**19,194**	**1,972**	**-521**	**-223**	**24,622**	**0**	**24,622**
Consolidated loss 2012	0	0	-18,540	0	0	-18,540	-112	-18,652
Currency translation	0	0	0	-64	0	-64	0	-64
Total comprehensive income 2012	0	0	-18,540	-64	0	-18,604	-112	-18,716
Compensation paid by dissolution/ with drawal from reserves	0	-15,841	15,841	0	0	0	0	0
Transaktions with owners								
Sale of minority shares	0	0	1	0	0	1	9	10
Balance at 31/12/2012	**4,200**	**3,353**	**-427**	**-571**	**-223**	**6,332**	**-103**	**6,229**
Currency translation	0	0	0	112	0	112	0	112
Consolidated loss Q1 2013	0	0	-249	0	0	-249	-40	-289
Total comprehensive loss for the period	0	0	-249	112	0	-137	-40	-177
Balance at 31/03/2013	**4,200**	**3,353**	**-676**	**-459**	**-223**	**6,195**	**-143**	**6,052**

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FINANCIAL CALENDAR 2013

May, 23rd 2013
Annual General Meeting

August 2013
Publication of 3-Months' Report

November 2013
Participance at the
German Equity Forum
in Frankfurt

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

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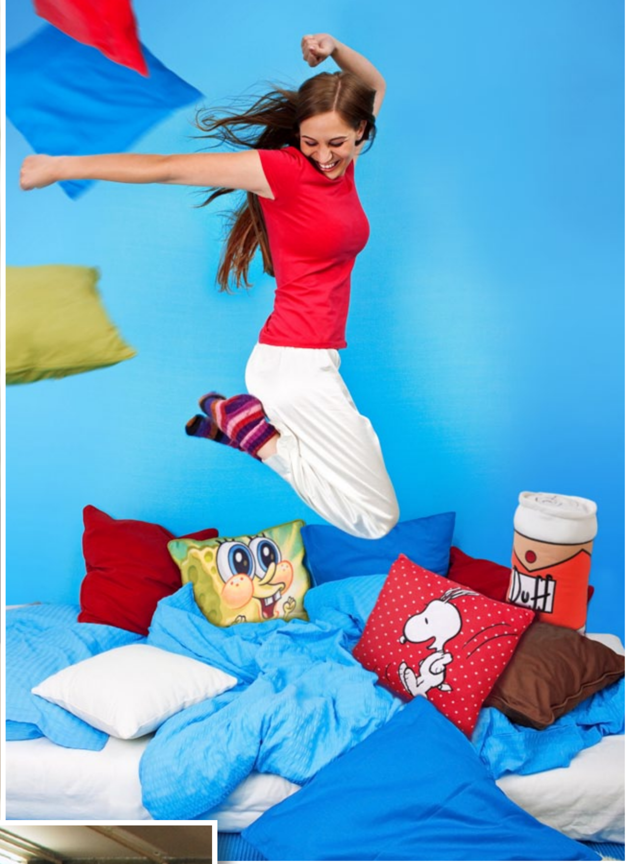





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