

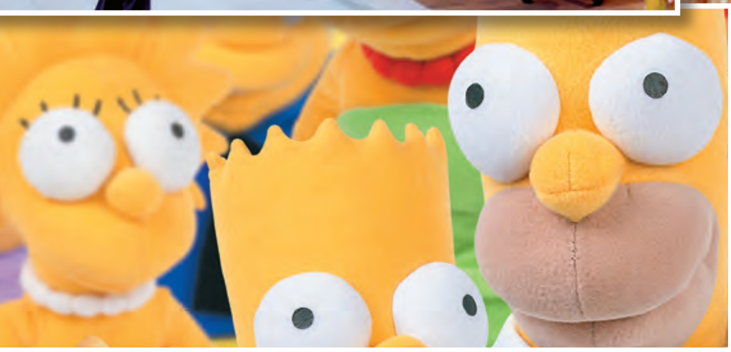
6-MONTHS' REPORT 2013

UNITED LABELS COMICWARE

UNITEDLABELS AG








LETTER TO SHAREHOLDERS

PETER BODER
CEO

ALBERT HIRSCH
MEMBER OF THE MANAGEMENT BOARD

Dear Shareholders,

It was around a year ago that we first reported on the situation at our investee in France as well as the associated changes and restructuring efforts within our Group as a whole and in some parts of our subsidiaries.

The ensuing months were extremely eventful, and together with our management team we pursued a programme of optimising and streamlining our business model and, in particular, our licence portfolio. Additionally, we drew up a number of extensive cost-reduction measures, which were subsequently implemented within the Group.

As early as last year, we charted a route for a "new" and improved business concept, focusing primarily on more profitable, higher-quality textile products tailored to the key account market, in addition to expanding our NOS giftware range. In parallel to these efforts, we have also been positioning ourselves in such a way as to penetrate the B2C market within the context of our NextGen strategy, an approach that has already been outlined on previous occasions. This includes maintaining and expanding our seven airport shops and refining the e-commerce area of business launched in 2012 via our Elfen Service subsidiary.

Having focused on our core business fields with higher contribution margins, we generated Group sales revenue of €13.9 million in the first half of the current financial year. This was down 44.2% on the previous year's figure. However, with Group EBIT standing at -€0.1 million, we are within the range targeted and significantly up on last year's figure of -€8.4 million, which had been heavily impacted by various impairment charges and provisions.

On the whole, our performance in the first half of the year has been encouraging, and we are very optimistic that the changes and optimisations being made will have a visibly positive effect on our business model.
Our restructuring measures and related efforts have consumed a great deal of energy and will continue to do so in the weeks ahead. It is with this in mind that I would like to thank our staff in particular for the tremendous commitment and effort shown throughout this process as well as for their determination to pursue the changes we envisage. At the same time, I would like to take the opportunity to thank you, our trusted shareholders, for your support and assistance.

Yours sincerely,

Peter Boder
CEO

Albert Hirsch
Member of the Management Board

Key Figures 6-Months' report

	6M 2013 (€ '000)	6M 2012 (€ '000)
Revenue	13,949	24,986
EBITDA*	196	-8,021
EBIT	-122	-8,423
Profit before tax	-322	-12,731
Profit for the year	-327	-14,381
Earnings per share (€)	-0.06	-3.46
Number of employees	121	131

*incl. amortisation of usufructuary rights

Basis of preparation (IFRS/IAS)

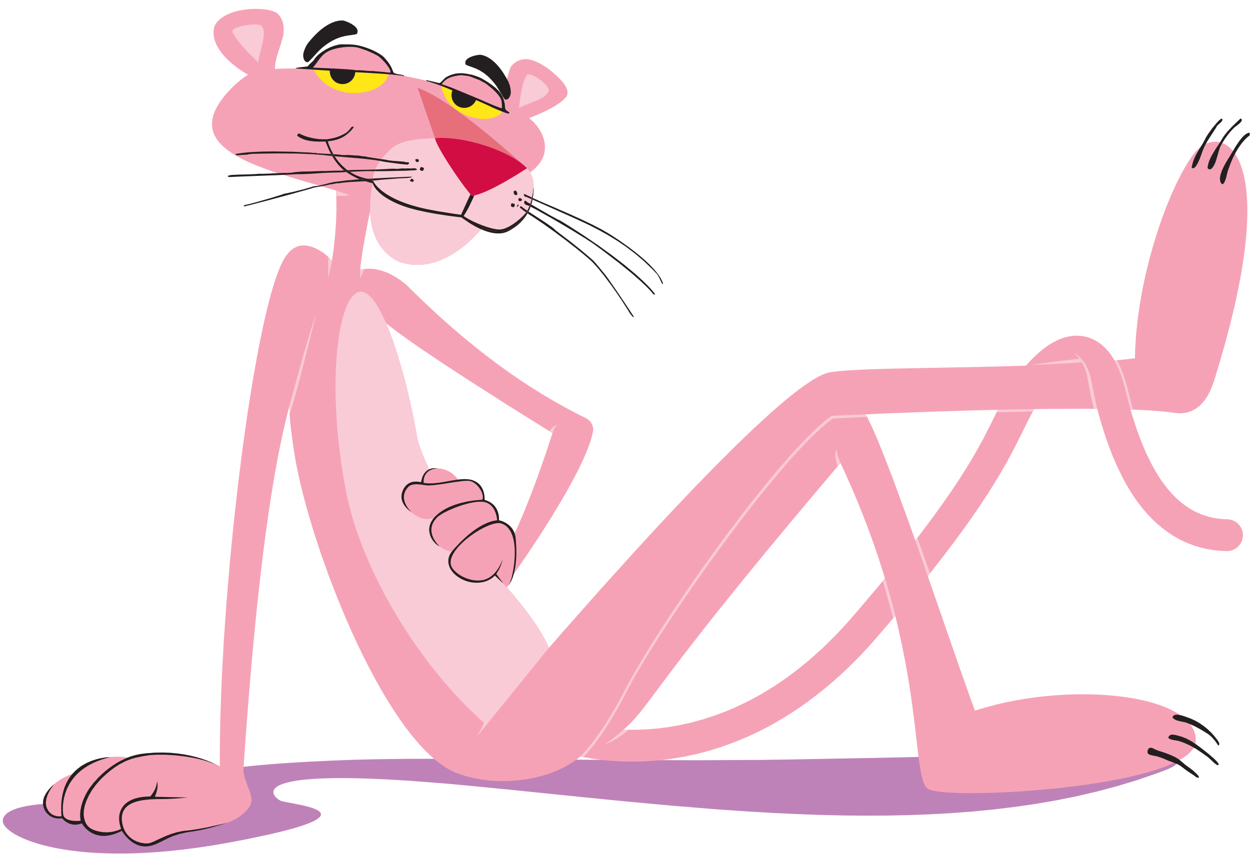
Statement of compliance

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 largely consistent with those policies applied to the last annual financial statements.

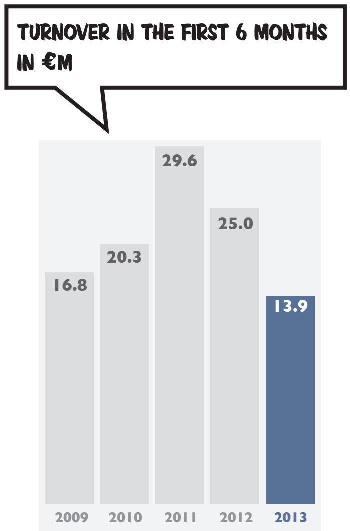
The financial statements are presented in euros.



Business review for the first half of 2013

Group revenue totalled €13.9 million (prev. year: €25.0 million) in the first six months, down 44% on the figure posted for the same period a year ago. The contraction in business was attributable primarily to the Key Account segment in Germany, which saw sales fall by 57%. In absolute terms, the Key Account segment generated revenue of €7.4 million (prev. year: €17.3 million). Key Account sales thus accounted for 53% of total revenue.

Business in the Special Retail segment also contracted in the period under review. However, at -15% the downturn was much less pronounced. In total, revenue generated by the Special Retail segment accounted for 47% of aggregate sales. The decline in revenue within these two segments is attributable to the company's focus on more profitable areas of business and the concomitant adjustment of its organisational structures and processes.



The loss before interest and taxes stood at €0.1 million in the first half of 2013 (prev. year: loss of €8.4 million) and the consolidated loss for the period was €0.3 million (prev. year: loss of €14.4 million). It should be noted that the prior-year figures were impacted by exceptional charges. Elfen Service GmbH, which is currently in the start-up phase, contributed EBIT of -€0.4 million in the financial year to date.

Earnings within the Special Retail segment improved from -€0.1 million in the first half of 2012 to €0.2 million in 2013. Alongside earnings attributable to e-commerce, the Special Retail segment also includes earnings generated by the airport shops.

The Key Account segment also saw its result move into positive territory. While this segment had posted a loss of €5.7 million in the previous year due to exceptional charges, it recorded earnings of €0.4 million in the period under review. This is mainly the result of a stronger focus on products associated with higher profit margins.

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	6,501	7,448		13,949
Segment expenses	-5,650	-6,647	-658	-12,955
Depreciation/amortisation	-619	-420	-77	-1,116
Segment result	**232**	**381**	**-735**	**-122**
Net finance cost				-462
Result from at-equity investment				262
Result from ordinary activities				**-322**
Taxes				-5
Consolidated profit/loss				**-327**

€ m	Special Retail	Key Account	Administration	Group
Segment assets	**9.0**	**12.0**	**9.8**	**30.8**
Segment liabilities	**4.3**	**9.9**	**13.6**	**27.8**

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

Sales revenues	2013	2012
Germany. Austria. Switzerland	4,213	8,039
Iberian Peninsula	6,470	7,998
France	703	2,073
Rest of the World	2,563	6,876
Group	13,949	24,986

Total assets	2013	2012
Germany. Austria. Switzerland	20,089	22,162
Iberian Peninsula	7,386	10,104
France	168	444
Rest of the World	3,126	6,192
Group	30,769	38,902

2012

in € '000	Special Retail	Key Account	Unallocated items	Group
Sales revenue	7,675	17,311		24,986
Segment expenses	-7,059	-20,335	-2,504	-29,989
Depreciation/amortisation	-711	-2,686	-115	-3,512
Segment result	**-95**	**-5,710**	**-2,619**	**-8,424**
Net finance cost				-4,304
Result from at-equity investment				-3
Result from ordinary activities				**-12,731**
Taxes				-1,650
Consolidated loss				**-14,381**

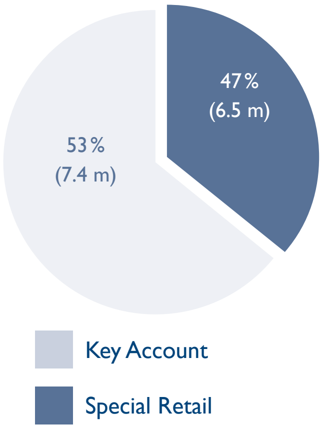
€ m	Special Retail	Key Account	Administration	Group
Segment assets	**13.5**	**16.1**	**9.3**	**38.9**
Segment liabilities	**5.8**	**14.2**	**11.2**	**31.2**

Financial position

Owing to systematic depreciation, the carrying amount of property, plant and equipment was reduced by €0.1 million, while intangible assets rose by €1.0 million as at 30 June 2013. The latter was due to investments in new or extended licence rights as well as capital expenditure relating to the e-commerce business and airport shops. In the period under review, investments accounted for at equity rose by €0.3 million due to a positive operating result posted by Open Mark United Labels GmbH, in which the company holds a 50% interest. Inventories were scaled back by a further €0.4 million compared to 31 December 2012. The most significant inventories are held by United Labels AG (€2.0 million) and United Labels Ibérica (€2.4 million).

In line with the reduced volume of business, trade receivables contracted by €0.7 million.
As at 30 June 2013, the Group's equity ratio stood at 19.6% (prev. year: 20.1%). The company continues to hold 46,199 no-par-value treasury shares. Thus, the book value per share stood at €1.45. Equity covered non-current assets at a rate of 31% and liabilities at a rate of 24%.

BREAKDOWN OF SALES IN THE FIRST 6 MONTHS 2013 FOR KEY ACCOUNTS AND SPECIAL RETAIL IN % (€)



Related-party disclosure

In addition to his 63% interest in UNITEDLABELS AG, Mr. Peter Boder has a 100% shareholding in Facility Management Münster GmbH. UNITEDLABELS AG occupies office premises in Gildenstraße 2j, which are leased to the company by Facility Management GmbH. In the first half of 2013, the amount received was €21 thousand (prev. year: €39 thousand). Rent payable in respect of these premises had been reduced by half at the beginning of 2013. 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.

The carrying amounts of all loans and receivables towards the French-based entity Montesquieu Finances SAS, in which the company holds a 45% interest, were adjusted by both UNITEDLABELS AG and the UNITEDLABELS Group. On the basis of contractual obligations, the company engaged in business dealings with the subsidiary of the aforementioned entity, Embassy SAS, totalling €193 thousand in the period under review. At the date of preparing the financial statements, an amount of €74 thousand was as yet unpaid. Embassy SAS has been in liquidation since 25 June 2013.

Other business relationships exist between the company and Open Mark United Labels GmbH, in which the company holds a 50% interest. This entity received goods and services from UNITEDLABELS AG totalling €1,383 thousand.

The UNITEDLABELS Group uses available liquidity for the purpose of minimising interest payments throughout the Group. In addition, internal supply relations exist between the individual entities. At the reporting date, loans to subsidiaries amounted to €5,276 thousand in total (prev. year: €4,168 thousand), while current receivables stood at €4,026 thousand (prev. year: €4,454 thousand). These amounts were eliminated as part of the consolidation of debts.

Staff

At the end of June 2013, the UNITEDLABELS Group employed 121 members of staff (prev. year: 131). In total, 47 members of staff were employed in Germany and 59 in Spain. While Elfen Service GmbH saw an increase in its headcount (+3), the workforce at other companies was scaled back (United Labels AG -6 and United Labels Ibérica -9); these changes were made in line with plans.

Annual General Meeting

The company's 13th Annual General Meeting took place on 23 May 2013 at Messe und Congress Centrum Halle Münsterland. The Management Board and Supervisory Board welcomed more than 400 private shareholders, institutional investors and other invited guests and representatives of the press to the event. The focus of this year's AGM was on presenting the Group's performance during the 2012 financial year and outlining future projects of UNITEDLABELS AG.

Events after the reporting period

There were no significant events to report subsequent to the end of the first half of the 2013 financial year.

Directors' Holdings

As at 30 June 2013, UNITEDLABELS AG had a total of 4.2 million no-par-value shares. As at 30 June 2013, the Management Board as well as the members of the Supervisory Board of UNITEDLABELS AG held the following shares and options:

Peter Boder, CEO, held approx. 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. In May, Supervisory Board member Frank Rohmann acquired 10,000 shares in the company. He had informed the company of this transaction as part of a Directors' Dealings notification. No shares were held by Otto E. Umbach. As at 30 June 2013, 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

Committed to an optimised business model with more lucrative licences, United Labels is focusing on business dealings that are associated with higher margins. This goes hand in hand with more stringent cost management covering all expense categories and companies. Maintaining a high level of transparency, the company is working in close cooperation with all relevant business partners (customers, suppliers, licensors and banks) for the purpose of meeting these objectives.

Within this context, the company is determined to expand its B2C business by pursuing e-commerce activities and pressing ahead with the platform operated by Elfen Service GmbH. Other areas of potential growth include the company's airport shops, which have already moved beyond the break-even point. In the core fields of business currently operated by the company – the sale of merchandise relating to cartoons/comics within the Special Retail and Key Account segments, future growth will be managed in accordance with the company's policy on profitability and earnings. In the first half of 2013, the company succeeded in taking its first step in this direction. Both areas recorded positive segment results. At the same time, measures aimed at cost streamlining will continue. Having completed all HR-related measures as planned, the company is now ready to focus on its medium-term targets. This will include the final closure of subsidiaries in the United Kingdom and Poland, for example, while two entities in Belgium are to be merged. The French entity Embassy, in which the company holds a 45% interest, has already been fully liquidated and will thus no longer constitute a burden.

The company will now be looking ahead to preparations and follow-up activities relating to the important Christmas trading period for its specialty retail and B2C business, which looks set to deliver additional impetus for the year as a whole.

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

1 January to 30 June 2013

(unaudited)

	01.01.2013 30.06.2013		01.01.2012 30.06.2012		01.04.2013 30.06.2013		01.04.2012 30.06.2012
	€	%	€	%	€	%	€
Sales revenues	**13,948,575.17**	**100.0%**	**24,986,285.98**	**100.0%**	**8,285,517.02**	**100.0%**	**13,535,547.62**
Cost of materials	-8,731,851.46	-62.6%	-19,500,474.14	-78.0%	-5,435,497.97	-65.6%	-11,862,219.09
Amortisantion of usufructuary rights	-698,243.33	-5.0%	-3,109,622.74	-12.4%	-250,516.81	-3.0%	-2,446,767.97
	4,518,480.39	**32.4%**	**2,376,189.09**	**9.5%**	**2,599,502.25**	**31.4%**	**-773,439.45**
Other operating income	390,849.63	2.8%	255,270.01	1.0%	-23,559.81	-0.3%	141,125.17
Staff costs	-2,451,742.70	-17.6%	-3,094,908.02	-12.4%	-1,166,149.85	-14.1%	-1,538,638.82
Depreciation of property plant and equipment and amortisation of intangible assets (excl. amortisation of usufructuary rights)	-317,667.36	-2.3%	-402,844.14	-1.6%	-162,465.51	-2.0%	-220,515.31
Other operating expenses	-2,261,924.29	-16.2%	-7,557,605.81	-30.2%	-1,225,227.52	-14.8%	-5,882,487.37
Profit from operations	**-122,004.33**	**-0.9%**	**-8,423,898.86**	**-33.7%**	**22,099.55**	**0.3%**	**-8,273,955.78**
Finance income	1,305.72	0.0%	51,309.76	0.2%	489.66	0.0%	25,628.31
Result from at-equity investments	262,234.85	1.9%	-3,210.61	0.0%	160,992.82	1.9%	-164,623.41
Finance cost	-463,157.62	-3.3%	-4,355,318.07	-17.4%	-257,766.80	-3.1%	-4,059,329.27
Net finance cost	**-199,617.05**	**-1.4%**	**-4,307,218.92**	**-17.2%**	**-96,284.33**	**-1.2%**	**-4,198,324.37**
Profit before tax	**-321,621.38**	**-2.3%**	**-12,731,117.79**	**-51.0%**	**-74,184.78**	**-0.9%**	**-12,472,280.14**
Taxes on income	-5,279.30	0.0%	-1,649,811.87	-6.6%	-4,506.73	-0.1%	-1,609,292.80
Consolidated net profit / (loss)	**-326,900.68**	**-2.3%**	**-14,380,929.66**	**-57.6%**	**-78,691.50**	**-0.9%**	**-14,081,572.94**
Loss for the period attributable to owners of parent	-246,589.70	-1.8%	-14,348,501.91	-57.6%	-38,577.13	-0.3%	-14,066,091.14
Loss for the period attributable to non-controlling interests	-80,310.97	-0.6%	-32,427.74	0.0%	-40,114.38	-0.3%	-15,481.80
Other comprehensive income							
Currency translation	111,840.95		-75,056.13		57.02		-61,425.43
Other comprehensive income. total	111,840.95		-75,056.13		57.02		-61,425.43
Total comprehensive income	**-215,059.73**		**-14,455,985.79**		**-78,634.48**		**-14,142,998.37**

Consolidated earnings per share				
basic	-0.06 €	-3.45 €	-0.01 €	-3.39 €
diluted	-0.06 €	-3.45 €	-0.01 €	-3.39 €
Weighted average shares outstanding				
basic	4,153,801 Stück	4,153,801 Stück	4,153,801 Stück	4,153,801 Stück
diluted	4,153,801 Stück	4,153,801 Stück	4,153,801 Stück	4,153,801 Stück

UNITEDLABELS Aktiengesellschaft, Münster
Group Statement of Cash Flows
(unaudited)

	06.2013 000'€	06.2012 000'€
Consolidated loss for the year	-327	-14,381
Interest income from financing activities	462	493
Amortisation of usufructuary rights	698	3,109
Depreciation of property. plant and equipment. intangible assets an usufructual rights	318	403
Change in provisions	-626	483
Other non-cash expenses	-953	6,025
Change in inventories. trade receivables. and other assets not attributable to investing or financing activities	584	7,295
Change in trade payables and other liabilities not attributable to investing or financing activities	1,075	187
Payments for tax on profit	-68	0
Cash flows from operating activities	**1,163**	**3,618**
Payments for investments in non-current assets	-1,496	-2,580
Cash flows from investing activities	**-1,496**	**-2,580**
Proceeds from the disposal of non-controlling interests in fully consolidated entities	0	10
Proceeds from bank loans	-362	-740
Repayment of financial loans	-78	-137
Interest received	1	51
Interest paid	-463	-548
Cash flows from financing activities	**-902**	**-1,364**
Net change in cash and cash equivalents	-1,236	-326
Currency translation	112	-75
Cash and cash equivalents at the beginning of the period	1,640	1,570
Cash and cash equivalents	**516**	**1,169**
Gross debt bank	9,697	9,379
Net debt bank	9,181	8,211
Composition of cash and cash equivalents:		
Cash and cash equivalents	**516**	**1,168**

UNITEDLABELS Aktiengesellschaft, Münster
Group Statement of Financial Position (IFRS) as at 30 June 2013
(unaudited)

ASSETS

Assets	30.06.2013 €	31.12.2012 €
Non-current assets		
Property. plant and equipment	5,502,047.20	5,560,402.24
Intangible assets	9,829,681.36	8,821,348.18
At-equity investments	274,354.47	15,846.95
Other assets	1,100,598.25	1,100,598.25
Deferred taxes	2,471,461.51	2,473,848.45
	19,178,142.79	**17,972,044.07**
Current assets		
Inventories	4,372,709.38	4,759,531.57
Trade and other receivables	5,533,037.84	6,279,629.67
Other assets	1,168,873.78	619,271.03
Cash and cash equivalents	516,038.17	1,640,002.04
	11,590,659.18	**13,298,434.31**
Total assets	**30,768,801.97**	**31,270,478.38**

UNITEDLABELS Aktiengesellschaft, Münster
Group Statement of Financial Position (IFRS) as at 30 June 2013

(unaudited)

EQUITY AND LIABILITIES

Equity	30.06.2013 €	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	-459,574.58	-571,415.53
Consolidated unappropriated surplus	-3,556,039.44	-3,309,449.74
Treasury shares	-223,413.73	-223,413.73
Equity attributable to owners of parent	**6,196,887.53**	**6,331,636.28**
Non-controlling interests	-183,076.17	-102,765.20
Total equity	**6,013,811.36**	**6,228,871.08**
Non-current liabilities		
Provisions for pensions	1,357,496.00	1,357,496.00
Financial liabilities	2,465,411.20	2,543,190.32
Provisions	600,667.62	979,667.62
Trade payables	3,066,562.08	2,781,562.08
Deferred tax liabilities	1,152.18	53.43
	7,491,289.08	**7,661,969.45**
Current liabilities		
Provisions	0.00	247,110.61
Current tax payable	11,276.02	79,744.53
Financial liabilities	7,231,324.59	7,821,661.36
Trade and other payables	10,021,100.93	9,231,121.35
	17,263,701.55	**17,379,637.85**
Total liabilities	**24,754,990.63**	**25,041,607.31**
Total equity and liabilities	**30,768,801.97**	**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 changed	**4,200**	**19,194**	**2,271**	**-507**	**-223**	**24,935**	**0**	**24,935**
Currency translation	0	0	0	-75	0	-75	0	-75
Consolidated loss Q II 2012	0	0	-14,066	0	0	-14,066	-15	-14,081
Total comprehensive income for the period	0	0	-14,349	-75	0	-14,424	-32	-14,456
Balance at 30/06/2012	**4,200**	**19,194**	**-12,078**	**-582**	**-223**	**10,511**	**-32**	**10,479**
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 Q II 2013	0	0	-75	0	0	-75	-40	-115
Total comprehensive loss for the period	0	0	-247	112	0	-135	-80	-215
Balance at 30/06/2013	**4,200**	**3,353**	**-674**	**-459**	**-223**	**6,197**	**-183**	**6,014**

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FINANCIAL CALENDAR 2013

November 2013
Participance at the
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