



9-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 generated consolidated sales revenue of €20.8 million (prev. year: €34.3 million) in the first nine months of the current financial year. The year-on-year decline in revenue is a result of the company's conscious decision to focus on core business fields with higher contribution margins and the associated discontinuation of revenue flows from unprofitable areas of business. Sales revenue is divided in almost equal parts between the Special Retail segment (€10.2 million) and the Key Account segment (€10.6 million).

At €-0.2 million, the Group's operating profit (EBITDA) is much improved on last year's result (€-10.5 million). The net loss for the period was also scaled back significantly from €-16.6 million to €-1.2 million, thus illustrating the success of the Group's ongoing streamlining programme and measures to optimise all areas of business.

Looking ahead to business in the run-up to Christmas, which is considered one of the most important periods of the season in terms of revenue flow, our order backlog stands at €11.7 million (prev. year: €3.8 million), of which €9.0 million is attributable to the current financial year.

We are now back on track after the exceptional events of 2012 and greatly appreciate your ongoing support of our company.

Yours sincerely,

Peter Boder
CEO

Albert Hirsch
Member of the Management Board

Key Figures 9-Months' report

	9M 2013 (€ '000)	9M 2012 (€ '000)	9M 2011 (€ '000)	9M 2010 (€ '000)	9M 2009 (€ '000)
Revenue	20,752	34,279	43,652	35,341	28,112
EBITDA*	-180	-9,992	149	1,141	-525
EBIT	-668	-10,532	-315	721	-900
Profit before tax	-1,165	-14,993	-1,043	167	-1,153
Consolidated loss for the year	-1,171	-16,643	256	60	-752
Order backlog	11,654	3,790	25,200	30,590	9,825
Earnings per share (€)	-0.25	-4.01	0.06	0.01	-0.18
Number of employees	121	128	147	139	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.



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Business review for the first nine months of 2013

In the first nine months of 2013, Group revenue amounted to €20.8 million (prev. year: €34.3 million), down 39% 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 53%. In absolute terms, the Key Account segment generated revenue of €10.6 million (prev. year: €22.5 million). Key Account sales thus accounted for 51% of total revenue.

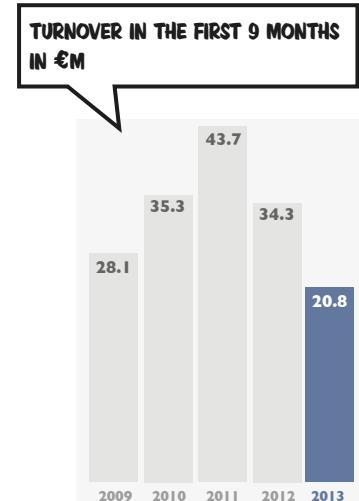
At -14%, the downturn in revenue seen within the Special Retail segment was much less pronounced. In total, revenue generated by the Special Retail segment accounted for 49% of aggregate sales. The decline in revenue within these two segments is attributable to the company's focus on more profitable areas of business and the concomitant adjustment of its organisational structures and processes.

EBIT amounted to €-0.7 million (prev. year: €-10.5 million) in the first nine months of 2013, while profit for the period (after taxes) totalled €-1.2 million (prev. year: €-16.6 million). It should be noted that the prior-year figures had been impacted by exceptional charges. Elfen Service GmbH, which is currently in the start-up phase, contributed EBIT of -€0.7 million in the financial year to date.

Earnings within the Special Retail segment improved in the period under review, up from €-0.4 million in the first nine months of 2012 to €0.3 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 €-6.9 million in the previous year due to exceptional charges, it recorded earnings of €0.1 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:



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Primary reporting format – Customer segments (unaudited)

2013

in € '000	Special	Retail	Key Account	Unallocated items	Group
Sales revenue	10,152	10,600			20,752
Segment expenses	-9,016	-9,473		-1,009	-19,498
Depreciation/amortisation	-871	-994		-58	-1,922
Segment result	265	133		-1,067	-668
Net finance cost					-735
Result from at-equity investment					238
Result from ordinary activities					-1,165
Taxes					-5
Consolidated profit/loss					-1,170
€ m	Special	Retail	Key Account	Administration	Group
Segment assets	10.4	12.7	8.9	32.0	
Segment liabilities	4.0	9.1	9.2	22.3	

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

Sales revenues	2013	2012	Total assets	2013	2012
Germany, Austria, Switzerland	5,908	11,073	Germany, Austria, Switzerland	20,588	23,706
Iberian Peninsula	10,453	11,770	Iberian Peninsula	7,925	8,319
France	830	2,562	France	188	564
Rest of the World	3,561	8,874	Rest of the World	3,287	4,875
Group	20,752	34,279	Group	31,988	37,464

2012

in € '000	Special Retail	Key Account	Unallocated items	Group
Sales revenue	11,799	22,480		34,279
Segment expenses	-11,237	-25,829	-3,008	-40,074
Depreciation/amortisation	-992	-3,595	-150	-4,737
Segment result	-430	-6,944	-3,158	-10,532
Net finance cost				-4,560
Result from at-equity investment				99
Result from ordinary activities				-14,993
Taxes				-1,650
Consolidated loss				-16,643
€ m	Special Retail	Key Account	Administration	Group
Segment assets	11.8	15.3	10.3	37.4
Segment liabilities	5.7	14.1	12.2	32.0

Financial position

Owing to systematic depreciation, the carrying amount of property, plant and equipment was reduced by €0.2 million, while intangible assets rose by €0.9 million as at 30 September 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. Compared to 31 December 2012, inventories rose by €1.7 million due to deliveries scheduled for the fourth quarter. The most significant inventories are held by UNITEDLABELS AG (€4.1 million) and United Labels Ibérica (€2.4 million).

In line with the reduced volume of business, trade receivables contracted by €1.3 million to €4.9 million.

As at 30 September 2013, the Group's equity ratio stood at 16% (prev. year: 20%). The company continues to hold 46,199 no-par-value treasury shares. The book value thus stood at €1.23 per share. Equity covered non-current assets at a rate of 27% and liabilities at a rate of 19%.

BREAKDOWN OF SALES IN THE FIRST 9 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 nine months of 2013, the amount received was €31 thousand (prev. year: €71 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 €59 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 €1,296 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 €3,376 thousand in total (prev. year: €4,168 thousand), while current receivables stood at €4,027 thousand (prev. year: €5,032 thousand). These amounts were eliminated as part of the consolidation of debts.

Staff

At the end of September 2013, the **UNITEDLABELS** Group employed 121 people (prev. year: 128). In total, 47 members of staff were employed in Germany and 60 in Spain. While Elfen Service GmbH saw an increase in its headcount (+4), the workforce at other companies was scaled back (**UNITEDLABELS AG** -9 and United Labels Ibérica -1); these changes were made in line with plans.

Events after the reporting period

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

Directors' Holdings

As at 30 September 2013, **UNITEDLABELS AG** had a total of 4.2 million no-par-value shares. As at 30 September 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 September 2013, no options had been granted and no valid share option plan was in place.

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 moved beyond the break-even point several months ago. 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. At the same time, measures aimed at cost streamlining will continue.

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 – given our order backlog – looks set to produce forward momentum for the year as a whole.

This impetus comes not only from extremely popular classics such as Peanuts, Hello Kitty and The Simpsons but also from new licences like The Turtles, Filly and Mia and Me – highlights for the 2013 Christmas season.

9-MONTHS' REPORT

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

I January to 30 September 2013

(unaudited)

	01.01.2013 30.09.2013	€	%	01.01.2012 30.09.2012	€	%	01.07.2013 30.09.2013	€	%	01.07.2012 30.09.2012	€
Sales revenues	20,752,486.62	100.0%		34,278,931.72	100.0%		6,803,911.45	100.0%		9,292,645.75	
Cost of materials	-12,922,388.90	-62.3%		-26,640,764.29	-77.7%		-4,190,537.44	-61.6%		-7,140,290.14	
Amortisation of usufructuary rights	-1,430,933.45	-6.9%		-4,195,837.70	-12.2%		-732,690.12	-10.8%		-1,086,214.96	
	6,399,164.28	30.8%		3,442,329.74	10.0%		1,880,683.89	27.6%		1,066,140.65	
Other operating income	738,575.87	3.6%		583,500.15	1.7%		347,726.24	5.1%		328,230.14	
Staff costs	-3,565,649.19	-17.2%		-4,586,586.44	-13.4%		-1,113,906.49	-16.4%		-1,491,678.42	
Depreciation of property plant and equipment and amortisation of intangible assets (excl. amortisation of usufructuary rights)	-487,884.12	-2.4%		-539,696.61	-1.6%		-170,216.76	-2.5%		-180,178.64	
Other operating expenses	-3,751,998.77	-18.1%		-9,431,742.84	-27.5%		-1,490,074.48	-21.9%		-1,874,137.04	
Profit from operations	-667,791.93	-3.2%		-10,532,196.00	-30.7%		-545,787.60	-8.0%		-2,151,623.31	
Finance income	1,915.58	0.0%		51,324.64	0.1%		609.86	0.0%		14.88	
Result from at-equity investments	238,012.79	1.1%		99,074.28	0.3%		-24,222.07	-0.4%		102,284.89	
Finance cost	-737,337.49	-3.6%		-4,610,837.19	-13.5%		-274,179.87	-4.0%		-255,519.12	
Net finance cost	-497,409.12	-2.4%		-4,460,438.27	-13.0%		-297,792.07	-4.4%		-153,219.35	
Profit before tax	-1,165,201.05	-5.6%		-14,992,634.28	-43.7%		-843,579.67	-12.4%		-2,304,842.66	
Taxes on income	-5,477.57	0.0%		-1,650,347.87	-4.8%		-198.27	0.0%		-536.00	
Consolidated net profit / (loss)	-1,170,678.62	-5.6%		-16,642,982.15	-48.6%		-843,777.95	-12.4%		-2,305,378.66	
Loss for the period attributable to owners of parent	-1,038,915.23	-5.0%		-16,585,280.92	-48.6%		-792,325.53	-3.8%		-2,280,105.18	
Loss for the period attributable to non-controlling interests	-131,763.39	-0.6%		-57,701.22	0.0%		-51,452.41	-0.2%		-25,273.48	
Other comprehensive income											
Currency translation	111,746.83			-102,916.22			-37.10			-89,285.52	
Other comprehensive income, total	111,746.83			-102,916.22			-37.10			-89,285.52	
Total comprehensive income	-1,058,931.79			-16,745,898.37			-843,815.05			-2,394,664.18	

Consolidated earnings per share								
basic	-0.25 €		-4.01 €		-0.19 €		-0.56 €	
diluted	-0.25 €		-4.01 €		-0.19 €		-0.56 €	
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)

	09.2013 € '000	09.2012 € '000
Consolidated loss for the year	-1,171	-16,643
Interest income from financing activities	735	752
Amortisation of usufructuary rights	1,431	4,196
Depreciation of property, plant and equipment, intangible assets and usufructuary rights	488	540
Change in provisions	-1,043	445
Other non-cash expenses	-284	4,235
Change in inventories, trade receivables, and other assets not attributable to investing or financing activities	-1,279	9,086
Change in trade payables and other liabilities not attributable to investing or financing activities	2,952	-93
Payments for tax on profit	-68	0
Cash flows from operating activities	1,761	2,517
Payments for investments in non-current assets	-1,889	-2,292
Cash flows from investing activities	-1,889	-2,292
Proceeds from the disposal of non-controlling interests in fully consolidated entities	0	10
Proceeds from bank loans	-636	491
Repayment of financial loans	-151	-199
Interest received	2	51
Interest paid	-737	-803
Cash flows from financing activities	-1,522	-449
Net change in cash and cash equivalents	-1,650	-224
Currency translation	112	-103
Cash and cash equivalents at the beginning of the period	1,640	1,570
Cash and cash equivalents	102	1,242
Gross debt bank	10,135	10,549
Net debt bank	10,034	9,307
Composition of cash and cash equivalents:		
Cash and cash equivalents	102	1,242

UNITEDLABELS Aktiengesellschaft, Münster

Group Statement of Financial Position (IFRS) as at 30 September 2013 (unaudited)

ASSETS

Assets	30.09.2013 €	31.12.2012 €
Non-current assets		
Property, plant and equipment	5,387,776.74	5,560,402.24
Intangible assets	9,689,061.65	8,821,348.18
At-equity investments	300,132.41	15,846.95
Other assets	1,100,598.25	1,100,598.25
Deferred taxes	2,471,461.51	2,473,848.45
	18,949,030.55	17,972,044.07
Current assets		
Inventories	6,462,737.44	4,759,531.57
Trade and other receivables	4,938,473.42	6,279,629.67
Other assets	1,536,208.97	619,271.03
Cash and cash equivalents	101,590.96	1,640,002.04
	13,039,010.80	13,298,434.31
Total assets	31,988,041.35	31,270,478.38

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

EQUITY AND LIABILITIES

Equity	30.09.2013 €	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	-459,668.70	-571,415.53
Consolidated unappropriated surplus	-4,348,364.98	-3,309,449.74
Treasury shares	-223,413.73	-223,413.73
Equity attributable to owners of parent	5,404,467.87	6,331,636.28
Non-controlling interests	-234,528.59	-102,765.20
Total equity	5,169,939.28	6,228,871.08
Non-current liabilities		
Provisions for pensions	1,357,496.00	1,357,496.00
Financial liabilities	2,391,799.20	2,543,190.32
Provisions	300,667.62	979,667.62
Trade payables	3,041,562.08	2,781,562.08
Deferred tax liabilities	1,152.18	53.43
	7,092,677.08	7,661,969.45
Current liabilities		
Provisions	47,558.13	247,110.61
Current tax payable	11,276.02	79,744.53
Financial liabilities	7,743,342.32	7,821,661.36
Trade and other payables	11,923,248.52	9,231,121.35
	19,725,425.00	17,379,637.85
Total liabilities	26,818,102.08	25,041,607.31
Total equity and liabilities	31,988,041.35	31,270,478.38

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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	-103	0	-103	0	-103
Consolidated loss Q II 2012	0	0	-2,306	0	0	-2,306	-26	-2,332
Total comprehensive income for the period	0	0	-16,585	-103	0	-16,688	-58	-16,746
Balance at 30/09/2012	4,200	19,194	-14,314	-610	-223	8,247	-58	8,189
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 withdrawal from reserves	0	-15,841	15,841	0	0	0	0	0
Transactions 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	-792	0	0	-792	-51	-843
Total comprehensive loss for the period	0	0	-1,039	112	0	-927	-132	-1,059
Balance at 30/09/2013	4,200	3,353	-1,466	-459	-223	5,405	-235	5,170



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FINANCIAL CALENDAR 2014

March 2014

Publication of annual financial statements 2013

May 2014

Publication of 3-Months' Report

May, 22nd 2014

Annual General Meeting

August 2014

Publication of 6-Months' Report

November 2014

Publication of 3-Months' Report

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