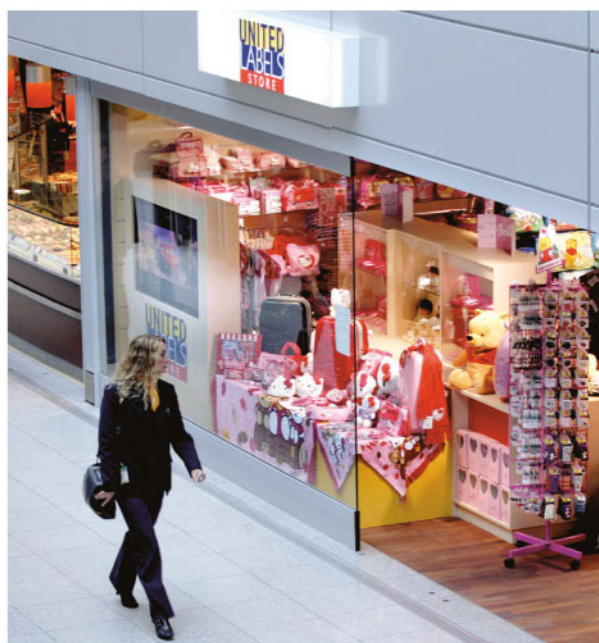




3-MONTH' REPORT 2014

UNITED LABELS[®] COMICWARE UNITEDLABELS AG



LETTER TO SHAREHOLDERS



PETER BODER
CEO



ALBERT HIRSCH
MEMBER OF THE
MANAGEMENT BOARD

Dear Shareholders,

UNITEDLABELS AG with significant growth in first quarter of 2014.

UNITEDLABELS AG managed to lift its consolidated revenue by 17% year on year in the first quarter of 2014, taking the figure to €6.6 million (prev. year: €5.7 million). Order backlog was up by as much as 66% at €10.6 million. At the end of the reporting period, order backlog for all the subsequent quarters of the current financial year was up on last year's figure. Thus, at the beginning of the current 2014 financial year, United Labels AG managed to return to its pattern of growth.

Both of the company's segments contributed to revenue growth. While the Key Account segment expanded by 11%, revenue generated from sales within the Special Retail segment increased by as much as 29%.

The sales performance of the key entities within the Group was also in positive territory. Revenue growth was particularly strong for the company's subsidiary in Spain at +25%, the parent company in Germany at +19% and the B2C e-commerce specialist Elfen Service GmbH at +108%.

This forward momentum was attributable to measures introduced in the form of new marketing and growth concepts as well as the decision to centralise sales for Central and Northern Europe in Germany. It was also driven by the ongoing refinement of the company's portfolio of high-impact licences.

The number of airport shops – in Barcelona, Madrid and Düsseldorf – remained unchanged at six. Here, too, the Group succeeded in lifting its revenue compared to the previous year.

These measures continue to be underpinned by a policy of strict cost management as part of the business reengineering programme that is aimed at improving profitability at Group level.

At €-351 thousand (prev. year: €-144 thousand), EBIT was within the range expected for the first quarter.

Operating from this favourable platform for 2014, we will be looking to increase total revenue by 10 to 20% in the current financial year.

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-Month' report (€ '000)	Q1 2014	Q1 2013	Q1 2012
Revenue	6,650	5,663	11,451
EBITDA*	-178	11	33
EBIT	-352	144	-149
Consolidated loss	-517	-248	-299
Profit per share (€)	-0.11	-0.05	-0.07
Shareprice per end of period (€)	1.59	1.10	3.17
Market caoitalization	6.678	4.620	13.314
Staff member	114	126	134
Revenue per staff member	58	45	82

*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.



THE SIMPSONS™ & © 2014 FOX

Business review for the first 3 months of 2014

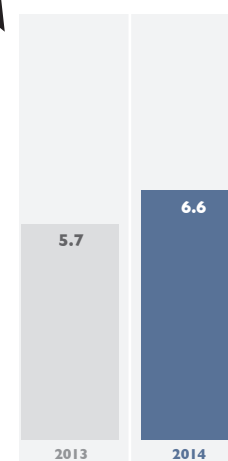
Group revenue totalled €6.6 million in the first three months of 2014 (prev. year: €5.7 million), which corresponds to a year-on-year increase of 17%. The upturn in sales was attributable to both the Key Account segment, at +11%, and the Special Retail segment, at +29%. In absolute terms, the Key Account segment generated revenue of €4.0 million (prev. year: €3.6 million). Key Account sales thus accounted for 60% of total revenue. Revenue generated by the Special Retail segment accounted for 40% of aggregate sales. In absolute terms, this segment saw its revenue increase from €2.0 million in 2013 to €2.6 million in 2014.

After the first three months of 2014, EBIT amounted to €-0.4 million (prev. year: €-0.1 million) and the Group loss after taxes was €0.5 million (prev. year: €0.2 million). The decline in earnings is attributable primarily to a reduction in the gross profit margin and a downturn in other income. The latter had been substantially higher a year ago due to the reversal of provisions, which had a positive impact on other income. Having said that, both EBIT and the Group loss were in line with expectations.

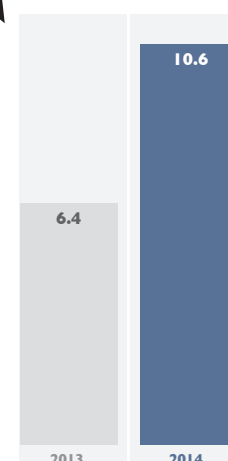
As in the previous year, earnings in the Special Retail segment was just within negative territory at €-0.2 million after the first three months. The Key Account segment recorded a downturn in earnings from €0.3 million to €0.2 million.

Group order backlog increased at 31 March 2014 in comparison to the previous year about 66%, coming from €6.4 million to €10.6 million. The existing order backlog will be delivered with €4.8 million (prev. year: €3.7 million) in the second quarter with €2.0 million (prev. year: €0.9 million) in the third quarter with €3.9 million (prev. year: €1.7 million) in the fourth quarter 2014 with €3.9 million (prev. year: €1.7 million).

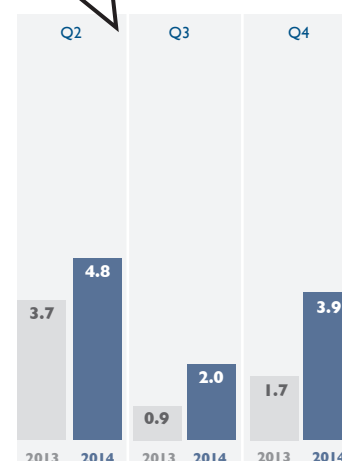
TURNOVER IN THE FIRST 3 MONTHS
IN €M



TOTAL ORDER BACKLOG IN €M



BREAKDOWN OF ORDER BACKLOG
(IN €M)



3-MONTHS' REPORT

Primary reporting format – Customer segments (unaudited)

2014

in € '000	Special Retail	Key Account	Unallocated items	Group
Sales revenue	2,632	4,018		6,650
Segment expenses	-2,633	-3,586	-386	-6,605
Depreciation/amortisation	-179	-189	-29	-397
Segment result	-180	243	-415	-352
Net finance cost				-230
Result from at-equity investment				65
Result from ordinary activities				-517
Taxes				0
Consolidated loss				-517
	Special Retail	Key Account	Managemant	Group
Segment Assets (in €m)	7.5	10.2	10.8	28.5
Segment Liabilities (in €m)	3.2	6.8	14.3	24.3

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

Sales revenues	2014	2013	Total assets	2014	2013
Germany, Austria, Switzerland	2,332	2,573	Germany, Austria, Switzerland	17,822	19,274
Iberian Peninsula	3,158	2,509	Iberian Peninsula	7,277	6,755
France	224	222	France	154	143
Rest of the World	935	359	Rest of the World	3,216	3,358
Group	6,650	5,663	Group	28,469	29,530

2014

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 loss				-248
	Special Retail	Key Account	Management	Group
Segment Assets (in €m)	8.6	10.7	10.2	29.5
Segment Liabilities (in €m)	3.4	6.7	13.4	23.5

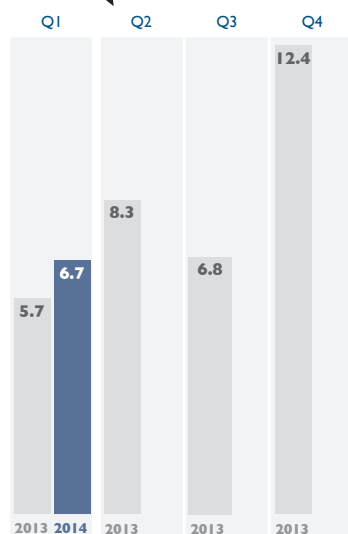
Financial position

Property, plant and equipment were down by €0.1 million as a result of systematic depreciation; the same applied to intangible assets. 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 fell by €0.5 million compared to the figure recorded as at 31 December 2013. Trade receivables fell by €0.7 million compared to 31 December 2013. This was due to the larger proportion of receivables covered by factoring.

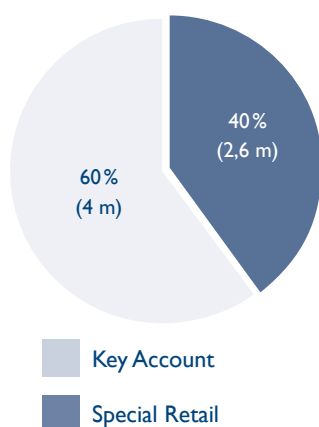
As at 31 March 2014, the Group's equity ratio stood at 16.2%. The company continues to hold 46,199 no-par-value treasury shares. The book value thus stood at €1.01 per share. Equity covered non-current assets at a rate of 21% and liabilities at a rate of 17%. Bank borrowings were scaled back by €0.3 million and trade payables by €1.3 million.

3-MONTHS' REPORT

PAST SALES PERFORMANCE (IN €M)



BREAKDOWN OF SALES IN THE FIRST 3 MONTHS 2014 FOR KEY ACCOUNTS AND SPECIAL RETAIL IN % (€)



Related-party disclosure

In addition to his 63% interest in **UNITEDLABELS AG**, Peter Boder has a 100% shareholding in Facility Management Münster GmbH. **UNITEDLABELS AG** occupies office premises in Gildenstraße 2j, which are leased to it by Facility Management GmbH. In the first three months of 2013, the amount received was €12 thousand (prev. year: €12 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. As regards capitalised but as yet unamortised licence fees of around €425 thousand relating to a licensor, Mr. Boder has issued a guarantee in favour of **UNITEDLABELS AG** to offset any losses if the licence agreements were not to be extended beyond 31 December 2013. To date, these agreements have not been extended. Additionally, Mr. Boder has granted the company a long-term loan of €500 thousand. This loan bears interest of 5% p.a. and ends on 31 December 2016.

Other business relationships exist between the company and Open Mark United Labels GmbH, in which the company holds a 50% interest and a liability of €1,004 thousand. Open Mark United Labels GmbH received goods and services from **UNITEDLABELS AG** (€1,027 thousand). In parallel, it supplied goods and services to **UNITEDLABELS AG** (€670 thousand).

Internal supply relations exist between the individual entities of the Group. At the end of the reporting period, loans to subsidiaries amounted to €4,184 thousand in total, while current receivables stood at €3,865 thousand. These amounts were eliminated as part of the consolidation of debts.

Employees

At the end of March 2014, the **UNITEDLABELS** Group employed 114 members of staff (prev. year: 126). In total, 58 members of staff were employed in Germany and 56 in Spain.

Licences

The portfolio of **UNITEDLABELS AG** currently encompasses 40 merchandise licences, all of which are in high demand. In this context, the company benefits from its long-standing partnerships with major licensors such as Peanuts, Warner Bros. and 20th Century Fox. They are committed to reinforcing the cross-border reach of their characters – and thus ultimately also the comicware merchandise sold by our company – through marketing campaigns, movies, TV series, theme parks and DVDs. The portfolio includes the very latest movie characters as well as well-known classics such as Snoopy and the Simpsons. Thus, we are able to serve all age groups from babies to adults. Our retail partners are offered cross-product and cross-licence campaigns tailored precisely to their requirements and designed for high-impact sales.

Annual General Meeting of Shareholders

UNITEDLABELS' 10th Annual General Meeting will be held on 19 August 2014 at the "Messe und Congress Centrum Halle Münsterland" in Münster. The company's Management Board and Supervisory Board look forward to answering questions from private and institutional investors as well as from other guests and media representatives on its performance during the 2013 financial year. The Annual General Meeting gets under way at 11 am, with the doors opening from 10 am.

Events after the reporting period

On 17 April an agreement in principle was reached in respect of claims made by a licensor and was ratified by the company. The licensor has yet to ratify the agreement but has already confirmed that such ratification will be forthcoming.

There are no other significant events to report subsequent to the end of the quarter under review.

Directors' Holdings

As at 31 March 2014, **UNITEDLABELS 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 **UNITEDLABELS AG** held the following shares and options:

Peter Boder, CEO, held 63% of the shares. Management Board member Albert Hirsch as well as Supervisory Board members Gert-Maria Freimuth and Frank Rohmann each held less than 1% of the shares. No shares were held by Supervisory Board member Otto E. Umbach. As at 31 March 2014, no options had been granted and no valid share option plan was in place.

Outlook

The key strategy component of the optimised business model adopted by **UNITEDLABELS AG** is focused on lucrative licences as well as business activities targeted at high-margin products and customers. 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. 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 second half of the year and the 2014 Christmas season.

UNITEDLABELS Aktiengesellschaft, Münster

Group Statement of Comprehensive Income (IFRS) for the period

1 January to 31 March 2014

(unaudited)

	01/01/2014 31/03/2014		01/01/2013 31/03/2013		01/01/2014 31/03/2014		01/01/2013 31/03/2013	
	€	%	€	%	€	%	€	
Sales revenues	6,649,637.79	100.0%	5,663,058.15	100.0%	6,649,637.79	100.0%	5,663,058.15	
Cost of materials	-4,436,105.20	-66.7%	-3,296,353.49	-58.2%	-4,436,105.20	-66.7%	-3,296,353.49	
Amortisation of usufructuary rights	-222,347.46	-3.3%	-447,726.52	-7.9%	-222,347.46	-3.3%	-447,726.52	
	1,991,185.14	29.9%	1,918,978.14	33.9%	1,991,185.14	29.9%	1,918,978.14	
Other operating income	57,183.73	0.9%	414,409.44	7.3%	57,183.73	0.9%	414,409.44	
Staff costs	-1,084,825.49	-16.3%	-1,285,592.85	-22.7%	-1,084,825.49	-16.3%	-1,285,592.85	
Depreciation of property plant and equipment and amortisation of intangible assets (excl. amortisation of usufructuary rights)	-174,246.51	-2.6%	-155,201.85	-2.7%	-174,246.51	-2.6%	-155,201.85	
Other operating expenses	-1,141,267.09	-17.2%	-1,036,696.76	-18.3%	-1,141,267.09	-17.2%	-1,036,696.76	
Profit from operations	-351,970.22	-5.3%	-144,103.88	-2.5%	-351,970.22	-5.3%	-144,103.88	
Finance income	1,259.29	0.0%	816.06	0.0%	1,259.29	0.0%	816.06	
Result from at-equity investments	64,889.80	1.0%	101,242.04	1.8%	64,889.80	1.0%	101,242.04	
Finance cost	-230,707.05	-3.5%	-205,390.82	-3.6%	-230,707.05	-3.5%	-205,390.82	
Net finance cost	-164,557.96	-2.5%	-103,332.72	-1.8%	-164,557.96	-2.5%	-103,332.72	
Profit before tax	-516,528.19	-7.8%	-247,436.60	-4.4%	-516,528.19	-7.8%	-247,436.60	
Taxes on income	-345.96	0.0%	-772.57	0.0%	-345.96	0.0%	-772.57	
Consolidated net profit / (loss)	-516,874.15	-7.8%	-248,209.17	-4.4%	-516,874.15	-7.8%	-248,209.17	
Loss for the period attributable to owners of parent	-463,552.74	-7.0%	-208,012.58	-4.4%	-463,552.74	-7.0%	-208,012.58	
Loss for the period attributable to non-controlling interests	-53,321.40	-0.8%	-40,196.60	0.0%	-53,321.40	-0.8%	-40,196.60	
Other comprehensive income								
Currency translation	11.33		111,783.93		11.33		111,783.93	
Other comprehensive income. total	11.33		111,783.93		11.33		111,783.93	
Total comprehensive income	-516,862.82		-136,425.24		-516,862.82		-136,425.24	

Consolidated earnings per share

basic	-0.11 €	-0.05 €	-0.11 €	-0.05 €
diluted	-0.11 €	-0.05 €	-0.11 €	-0.05 €

Weihgted average shares outstanding

basic	4,153,801 pcs.	4,153,801 pcs.	4,153,801 pcs.	4,153,801 pcs.
diluted	4,153,801 pcs.	4,153,801 pcs.	4,153,801 pcs.	4,153,801 pcs.

UNITEDLABELS Aktiengesellschaft, Münster

Group Statement of Cash Flows

(unaudited)

	03/2014 T€	03/2013 T€
Consolidated loss for the year	-517	-248
Interest income from financing activities	229	205
Amortisation of usufructuary rights	222	448
Depreciation of property, plant and equipment, intangible assets and usufructual rights	174	155
Change in provisions	46	-171
Other non-cash expenses	-65	-583
Change in inventories, trade receivables, and other assets not attributable to investing or financing activities	2.011	1.740
Change in trade payables and other liabilities not attributable to investing or financing activities	-1.284	-734
Payments for tax on profit	-7	-68
Cash flows from operating activities	810	744
Payments for investments in non-current assets	-74	-944
Cashflow aus der Investitionstätigkeit	-74	-944
Proceeds from bank loans	-210	-530
Repayment of financial loans	-104	-61
Interest received	1	1
Interest paid	-231	-205
Cash flows from financing activities	-544	-795
Net change in cash and cash equivalents	192	-995
Currency translation	0	112
Cash and cash equivalents at the beginning of the period	290	1.640
Cash and cash equivalents	482	756
Gross debt bank	9,543	9,774
Net debt bank	9,061	9,018
Composition of cash and cash equivalents:		
Cash and cash equivalents	482	756

UNITEDLABELS Aktiengesellschaft, Münster

Group Statement of Financial Position (IFRS) as at 31 March 2014

(unaudited)

ASSETS

Assets	31/03/2014 €	31/12/2013 €
Non-current assets		
Property, plant and equipment	5,137,584.47	5,255,733.53
Intangible assets	9,061,764.79	9,199,027.93
At-equity investments	131,835.89	66,946.09
Other assets	1,214,102.96	1,214,102.96
Deferred taxes	4,312,915.88	4,312,915.88
	19,858,203.98	20,048,726.39
Current assets		
Inventories	2,986,425.10	3,449,512.87
Trade and other receivables	3,998,631.15	4,694,614.99
Other assets	1,143,489.21	1,995,602.46
Cash and cash equivalents	482,421.34	290,408.78
	8,610,966.81	10,430,139.11
Total assets	28,469,170.79	30,478,865.49

UNITEDLABELS Aktiengesellschaft, Münster

Group Statement of Financial Position (IFRS) as at 31 March 2014

(unaudited)

EQUITY AND LIABILITIES

Equity	31/03/2014 €	31/12/2013 €
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	2,256,260.16	2,256,260.16
Currency translation	-571,615.91	-571,627.24
Consolidated unappropriated surplus	-4,415,965.38	-3,952,413.44
Treasury shares	-223,413.73	-223,413.73
Equity attributable to owners of parent	4,597,970.79	5,061,511.40
Non-controlling interests	-360,641.43	-307,320.03
Total equity	4,237,329.36	4,754,191.37
Non-current liabilities		
Provisions for pensions	2,500,566.48	2,476,713.00
Financial liabilities	2,142,571.79	2,279,999.79
Provisions	0.00	0.00
Trade payables	3,441,906.00	3,251,906.00
Deferred tax liabilities	2,860.03	2,860.03
	8,087,904.30	8,011,478.82
Current liabilities		
Provisions	45,598.33	0.00
Current tax payable	8,692.76	15,507.48
Financial liabilities	7,400,692.56	7,534,541.14
Trade and other payables	8,688,953.49	10,163,146.68
	16,143,937.14	17,713,195.31
Total liabilities	24,231,841.44	25,724,674.13
Total equity and liabilities	28,469,170.79	30,478,865.49

Group Statement of Changes in Equity

(unaudited)

	Subscribed capital € '000	Capital reserves € '000	Revenue reserves € '000	Consolida- ted unap- propriated loss € '000	Treasury shares € '000	Equity attributable to owners of parent € '000	Reconciling item for non- controlling interests € '000	Total equity € '000
Balance at 31/12/2012	4.200	3.353	2.110	-3.310	-223	5.559	-103	5.456
Consolidated loss Q1 2013	0	0	0	-208	0	-208	-40	-248
Other gains and losses								
Currency translation	0	0	0	0	0	112	0	112
Total comprehensive income for the period	0	0	0	-208	0	-96	-40	-136
Balance 31/03/2013	4.200	3.353	2.110	-3.518	-223	5.463	-143	5.320
Consolidated loss 2013	0	0	0	-643	0	-643	-204	-847
Other gains and losses								
Currency translation	0	0	0	0	0	-1	0	-1
Actuarial gains and losses	0	0	215	0	0	215	0	215
Deferred taxes	0	0	-69	0	0	-69	1	-68
Total comprehensive income 2013	0	0	146	-643	0	-498	-204	-702
Balance 31/12/2013	4.200	3.353	2.256	-3.953	-223	5.061	-307	4.754
Consolidated loss Q1 2014	0	0	0	-464	0	-464	-53	-517
Other gains and losses								
Currency translation	0	0	0	0	0	0	0	0
Total comprehensive income for the period	0	0	0	-464	0	-464	-53	-517
Balance 31/03/2014	4.200	3.353	2.256	-4.417	-223	4.597	-360	4.237

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FINANCIAL CALENDAR 2014

August, 19th 2014
Annual General Meeting

August 2014
Publication of 6-Months' Report

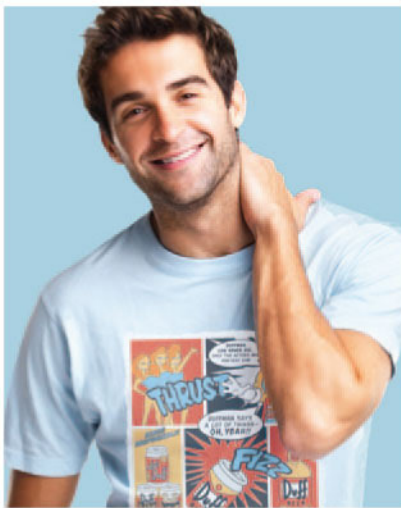
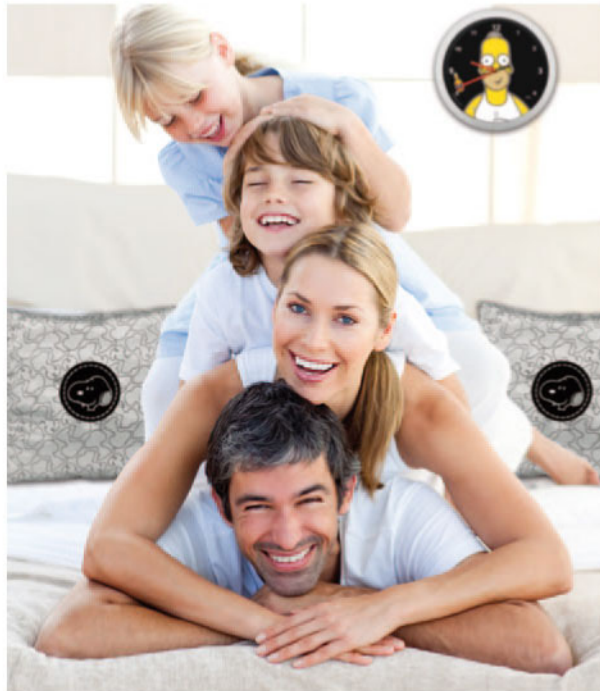
November 2014
Publication of 9-Months' Report

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