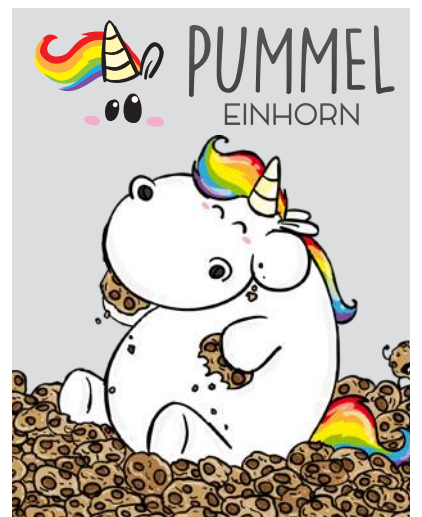




3-MONTH' REPORT 2017

UNITED[®] LABELS COMICWARE UNITEDLABELS AG





PETER BODER
CEO

Dear Shareholders,

Having recently published our annual report for the 2016 financial year just ended, we now have the pleasure of reporting on our company's solid performance in the first three months of 2017.

UNITEDLABELS AG recorded Group revenue of €7.0 million (prev. year: €9.3 million) in the first three months of 2017. Benefiting from growth in high-margin Special Retail sales together with a contraction in Key Account business, earnings before interest, taxes, depreciation and amortisation (EBITDA) rose to €0.7 million (prev. year: €0.5 million). Earnings before interest and taxes (EBIT) increased to €0.5 million (prev. year: €0.3 million). Post-tax profit for the Group improved to €0.2 million in the period under review (prev. year: €0.1 million).

Order backlog at the end of the quarter was €6.4 million at Group level and mainly includes orders within the Key Account segment; orders attributable to the Special Retail segment are serviced primarily from stock and merchandise within this area can be dispatched shortly after orders have been placed by customers.

In Germany, in particular, business within the Special Retail segment received a significant boost from sales relating to "Diddl" and "Pummeleinhorn" merchandise. In this segment, the company added more than 500 retailers to its customer base in the first quarter, as a result of which the total number of retail outlets stocking the company's merchandise is now in excess of 900. Alongside a number of individual stores, the company also managed to attract several retail chains specialising in books, giftware and toys. Retailers are offered a steady stream of new products relating to both collections, supported by extensive social media campaigns. The company also plans to distribute licensed merchandise within these two areas in Austria and Switzerland. As **UNITEDLABELS AG** has acquired licence rights for all EU states, it will be looking to expand its business further in this field in the very near future.

In addition to operating a b2b shop for retail partners, the company sells "Diddlmaus" merchandise to end consumers via the proprietary online store "diddl-shopping.de", while "Pummeleinhorn" products are marketed through "Elfen.de".

As regards the company's airport shops, we are planning to open an additional FC Barcelona Store at Madrid Airport in October 2017. This will take the total to four FC Barcelona Fan Stores at airports in Barcelona and Madrid.

Overall, the growth target for Group revenue in the 2017 financial year stands at 2% - 7%. Based on current projections, EBIT is expected to lie between €1.7 million and €2.7 million in 2017.

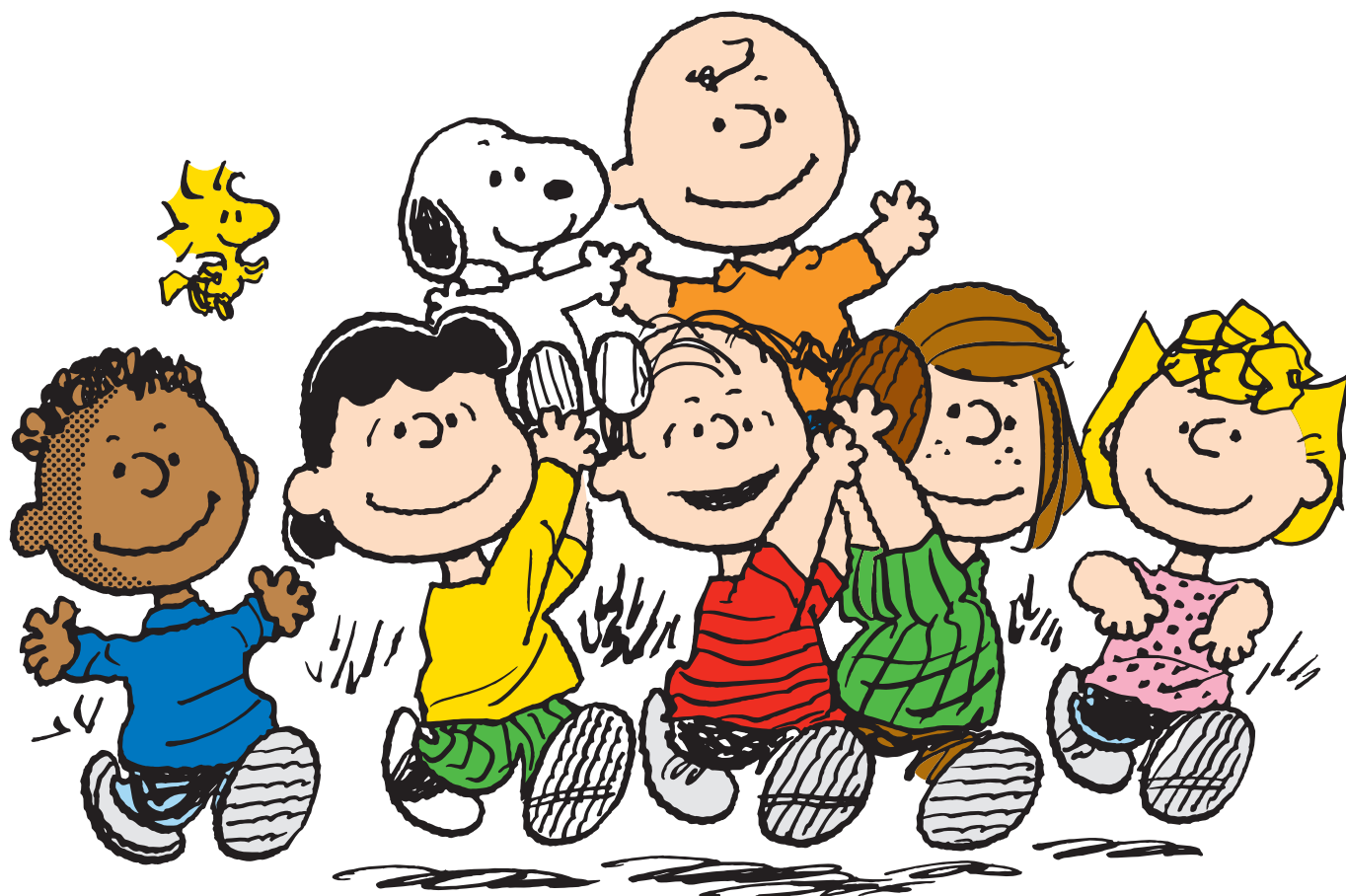
Our thanks go to our business partners and above all to you, our valued shareholders, for the trust placed in us.

A handwritten signature in dark ink, appearing to read 'P. Boder', written in a cursive style.

Peter Boder
CEO

Key Figures 3-Month' report (€ '000)	Q1 2017	Q1 2016	Q1 2015
Revenue	7,049	9,344	7,745
EBITDA*	658	503	91
EBIT	487	332	-108
Profit before tax	188	62	-388
Consolidated profit/loss	177	58	-377
Shareprice per end of period (€)	2,94	4,34	1,51
Market capitalization	18,497	27,342	9,500
Profit per share (€)	0.03	0.01	-0.07
Staff member	93	100	99
Revenue per staff member	76	93	78

*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 three months of 2017

Group revenue amounted to €7.0 million in the first three months (prev. year: €9,3 million). While revenue attributable to the Key Account segment was scaled back (-43.4%), the company succeeded in lifting its sales in the high-margin area of Special Retail (+14.3%).

EBITDA (operating profit) rose to €0.7 million in the first three months (prev. year: €0.5 million), while Group profit after taxes increased to €0.2 million (prev. year: €0.1 million).

Earnings generated in the Special Retail segment (which includes business attributable to specialist retailers, e-commerce and the airport shops) rose to €0.4 million, up from €0.2 million in the same period a year ago.

Earnings in the Key Account segment totalled €0.5 million (prev. year: €0.5 million). General administrative expenses remained stable at €0.4 million.

On this basis, segment performance was as follows:



3-MONTHS' REPORT

Primary reporting format – Customer segments

(unaudited)

2017

in € '000	Special Retail	Key Account	Unallocated items	Group
Sales revenue	3,490	3,559		7,049
Segment expenses	-2,894	-2,721	-375	-5,990
Depreciation/amortisation	-230	-326	-16	-572
Segment result	366	512	-391	487
Finance income				1
Finance cost				-300
Result from ordinary activities				188
Taxes				-11
Consolidated profit				177
	Special Retail	Key Account	Unallocated items	Group
Segment Assets (in €m)	7,7	9,5	8,6	25,8
Segment Liabilities (in €m)	2,6	5,7	16,8	25,1

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

(unaudited)

Sales revenues	2017	2016	Total assets	2017	2016
Germany, Austria, Switzerland	2,440	2,659	Germany, Austria, Switzerland	14,415	16,045
Iberian Peninsula	3,871	4,440	Iberian Peninsula	7,351	6,950
France	6	645	France	54	165
Rest of the World	732	1,600	Rest of the World	3,961	4,027
Group	7,049	9,344	Group	25,781	27,187

2016

in € '000	Special Retail	Key Account	Unallocated items	Group
Sales revenue	3,054	6,290		9,344
Segment expenses	-2,629	-5,443	-399	-8,471
Depreciation/amortisation	-192	-342	-7	-541
Segment result	233	505	-406	332
Finance income				22
Finance cost				-292
Result from ordinary activities				62
Taxes				-3
Consolidated profit				58
	Special Retail	Key Account	Unallocated items	Group
Segment Assets (in €m)	7.5	10.6	9.1	27.2
Segment Liabilities (in €m)	3.4	8.1	13.1	24.6

Financial position

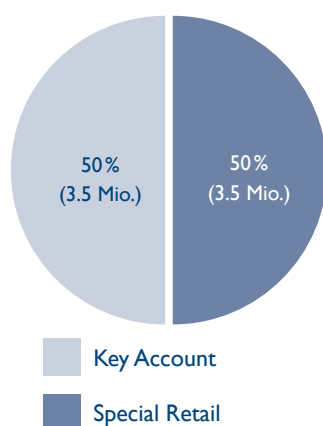
Property, plant and equipment declined slightly by €3 thousand. Intangible assets fell by €128 thousand due to amortization/write-downs.

Inventories were up by €172 thousand compared to December 31, 2016, taking the figure to €5,184 thousand. In this context, the most significant inventories are held by United Labels AG (€2.0 million) and United Labels Ibérica (€3.1 million) as well as Elfen Service GmbH (€0.1 million).

Due to the higher proportion of business covered by factoring and shorter payment periods within the Special Retail segment, trade receivables fell by €0.7 million to €2.6 million.

The equity ratio rose to 2.8% as at 31 March 2017 (31 Dec. 2016: 2.1%). The parent company's equity ratio stood at 22%. The Group's book value per share thus stood at €0.12. Equity covered non-current assets at a rate of 5% and liabilities at a rate of 3%. Provisions for pensions were increased as scheduled, while non-current financial liabilities were scaled back as planned. Current liabilities fell by €556 thousand compared to 31 December 2016.

BREAKDOWN OF SALES IN THE FIRST 3 MONTHS 2016 FOR KEY ACCOUNTS AND SPECIAL RETAIL IN % (€)



Related-party disclosure

In addition to his 40.8% interest (unchanged) in **UNITEDLABELS AG**, as at 31 March 2017 Peter Boder had 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 2017, the amount received was €19 thousand (prev. year: €21 thousand). A lease agreement continues to exist with Facility Management Münster GmbH covering the use of facility roof surfaces for photovoltaic systems. Mr. Boder has granted two personal loans to the United Labels Group. Borrowings from these loans amounted to €2,403 thousand in total at the end of the reporting period. Mr. Boder also rents out the building in Gildenstr. 6 to United Labels Aktiengesellschaft. In the first three months, costs associated with this lease arrangement stood at €48 thousand (prev. year: €48).

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 end of the reporting period, loans to subsidiaries amounted to €519 thousand (prev. year: €519 thousand), while current receivables stood at €8,295 thousand (prev. year: €4,896 thousand). These amounts were eliminated as part of the consolidation of debts.

Employees

At the end of March 2017, the **UNITEDLABELS** Group employed 93 members of staff (prev. year: 100). In total, 44 members of staff were employed in Germany and 49 in Spain.

Events after the reporting period

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

Directors' Holdings

As at 31 March 2017, **UNITEDLABELS AG** had a total of 6.3 million no-par-value shares. As at 31 March 2017, 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 40.8% of the shares. As at 31 March 2017, no options had been granted and no valid share option plan was in place.

Outlook

Committed to an optimised business model with a more lucrative portfolio of licences, **UNITEDLABELS AG** is focusing on business dealings that are associated with higher margins. The objective of **UNITEDLABELS AG** and its subsidiaries is to remain as a leading producer and marketer of comicware in Europe. With this objective in mind, the company has taken a multi-channel approach focusing on distribution through specialist retailers and wholesalers as well as direct sales to consumers through airport shops and its own B2B and B2C Internet outlets. In this way, **UNITEDLABELS** is able to reach much of Europe and thereby market its various products. The company's stated aim is to continue to pursue this strategy, thereby raising profitability levels by a substantial margin.

The emphasis in 2017 is on specialty retailing. In Germany, business within this area has already received a significant boost from sales relating to "Diddl" and "Pummeleinhorn" merchandise. In this segment, the company added more than 500 retailers to its customer base in the first quarter, as a result of which the total number of retail outlets stocking the company's merchandise is now in excess of 900. Alongside a number of individual stores, the company also managed to attract several retail chains specialising in books, giftware and toys. Retailers are offered a steady stream of new products relating to both collections, supported by extensive social media campaigns. The company also plans to distribute licensed merchandise within these two areas in Austria and Switzerland. As United Labels AG has acquired licence rights for all EU states, it will be looking to expand its business further in this field in the very near future.

In the core fields of business currently operated by the company – the B2B marketing of merchandise within the Special Retail and Key Account segments – future growth will be managed in accordance with the company's policy on profitability and earnings. Expansion of the company's customer base in Germany and Europe as well as the additional targeted expansion of business-to-consumer (B2C) activities via the company's e-commerce channel and Elfen Service GmbH have been identified as future areas of growth. In addition to operating a b2b shop for retail partners, the company sells "Diddlmaus" merchandise to end consumers via the proprietary online store "diddl-shopping.de", while "Pummeleinhorn" products are marketed through "Elfen.de".

As regards the company's airport shops, we are planning to open an additional FC Barcelona Store at Madrid Airport in October 2017. This will take the total to four FC Barcelona Fan Stores at airports in Barcelona and Madrid.

Looking ahead to the current 2017 financial year, the company anticipates that sales revenue will grow at a rate of between 2% and 7% year on year, while EBIT is expected to be between €1.7 million and €2.7 million.

UNITEDLABELS Aktiengesellschaft, Muenster

Group Statement of Comprehensive Income (IFRS) for the period

1 January to 31 March 2017

(unaudited)

	01.01.2017 31.03.2017		01.01.2016 31.03.2016		01.01.2017 31.03.2017		01.01.2016 31.03.2016	
	€	%	€	%	€	%	€	
Sales revenues	7,049,293.06	100.0%	9,343,819.17	100.0%	7,049,293.06	100.0%	9,343,819.17	
Cost of materials	-4,055,294.46	-57.5%	-6,502,348.99	-69.6%	-4,055,294.46	-57.5%	-6,502,348.99	
Amortisation of usufructuary rights	-401,219.66	-5.7%	-370,151.49	-4.0%	-401,219.66	-5.7%	-370,151.49	
	2,592,778.94	36.8%	2,471,318.69	26.4%	2,592,778.94	26.4%	2,471,318.69	
Other operating income	32,844.17	0.5%	229,731.07	2.5%	32,844.17	0.5%	229,731.07	
Staff costs	-974,035.03	-12.8%	-1,045,520.43	-11.2%	-974,035.03	-13.8%	-1,045,520.43	
Depreciation of property plant and equipment and amortisation of intangible assets (excl. amortisation of usufructuary rights)	-170,998.71	-2.4%	-170,680.10	-1.8%	-170,998.71	-2.4%	-170,680.10	
Other operating expenses	-993,981.02	-14.1%	-1,152,754.34	-12.3%	-993,981.02	-14.1%	-1,152,754.4	
Profit from operations	486,608.35	6.9%	332,094.89	3.6%	486,608.35	6.9%	332,094.89	
Finance income	862.65	0.0%	21,818.97	0.2%	862.65	0.0%	21,818.97	
Finance cost	-299,946.96	-4.3%	-292,239.43	-3.1%	-299,946.96	-4.3%	-292,239.43	
Net finance cost	-299,084.31	-4.2%	-270,420.46	-2.9%	-299,084.31	-4.2%	-270,420.46	
Profit before tax	187,524.04	-2.7%	61,674.43	0.7%	187,524.04	2.7%	61,674.43	
Taxes on income	-10,906.96	-0.2%	-3,285.58	0.0%	-10,906.96	-0.2%	-3,285.58	
Consolidated net profit / (loss)	176,617.08	2.5%	58,388.85	0.6%	176,617.08	2.5%	58,388.85	
Loss for the period attributable to owners of parent	175,587.93	2.5%	77,445.77	0.8%	175,587.93	2.5%	77,445.77	
Loss for the period attributable to non-controlling interests	1,029.16	0.0%	-19,056.92	-0.2%	1,029.16	0.0%	-19,056.92	
Other comprehensive income („OCI“):								
not to reclassify result:								
Actuarial gains and losses	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	
To reclassify result:								
Exchange difference on translating foreign operations	-37.81	0.0%	0.00	0.0%	-37.81	0.0%	0.00	
Total other comprehensive income	-37.81	0.0%	0.00	0.0%	-37.81	0.0%	0.00	
Total comprehensive income	176,579.27	2.5%	58,388.85	0.6%	176,579.27	2.5%	58,388.85	
Loss attributable to owners	175,550.12	2.5%	77,445.77	0.8%	175,550.12	2.5%	77,445.77	
Loss attributable to non-controlling interests	1,029.16	0.0%	-19,056.92	-0.2%	1,029.16	0.0%	-19,056.92	

Consolidated earnings per share

basic	+0.03 €	+0.01 €	+0.03 €	+0.01 €
diluted	+0.03 €	+0.01 €	+0.03 €	+0.01 €
Weighted average shares outstanding				
basic	6,300,000 pcs.	6,300,000 pcs.	6,300,000 pcs.	6,300,000 pcs.
diluted	6,300,000 pcs.	6,300,000 pcs.	6,300,000 pcs.	6,300,000 pcs.

UNITEDLABELS Aktiengesellschaft, Muenster

Group Statement of Cash Flows

(unaudited)

	03.2017 € '000	03.2016 € '000
Consolidated profit	177	58
Interest income from financing activities	299	270
Amortisation of license rights	401	370
Amortisation of intangible assets	52	65
Depreciation of property, plant and equipment	119	106
Change in provisions	134	-29
Other non-cash expenses	-27	-226
Change in inventories, trade receivables, and other assets not attributable to investing or financing activities	-143	528
Change in trade payables and other liabilities not attributable to investing or financing activities	-893	-948
Payments for tax on profit	-6	-40
Cash flows from operating activities	113	155
Payments for investments in non-current assets	-175	-144
Cash flows from investing activities	-175	-144
Proceeds from bank loans	273	181
Repayments of short-term loans	50	0
Repayment of financial loans	-76	-76
Interest received	1	22
Interest paid	-300	-292
Cash flows from financing activities	-53	-166
Net change in cash and cash equivalents	-114	-155
Cash and cash equivalents at the beginning of the period	914	1,311
Cash and cash equivalents	800	1,156
Gross debt bank	11,164	9,132
Net debt bank	10,364	7,976
Composition of cash and cash equivalents:		
Cash and cash equivalents	800	1,156

UNITEDLABELS Aktiengesellschaft, Muenster
Group Statement of Financial Position (IFRS) as at 31 March 2017

(unaudited)

ASSETS

Assets	31.03.2017 €	31.12.2016 €
Non-current assets		
Property, plant and equipment	3,671,841.58	3,675,105.67
Intangible assets	8,658,381.08	8,785,926.14
Other assets	1,626,216.27	1,626,216.27
Deferred taxes	1,928,064.43	1,940,170.12
	15,884,503.36	16,027,418.20
Current assets		
Inventories	5,183,850.68	5,011,532.29
Trade and other receivables	2,620,511.22	3,325,889.47
Other assets	1,292,157.20	902,086.53
Cash and cash equivalents	799,821.57	914,379.98
	9,896,340.67	10,153,888.27
Total assets	25,780,844.03	26,181,306.47

UNITEDLABELS Aktiengesellschaft, Muenster

Group Statement of Financial Position (IFRS) as at 31 March 2017

(unaudited)

EQUITY AND LIABILITIES

Equity	31.03.2017 €	31.12.2016 €
Capital and reserves attributable to the owners of the parent company		
Issued capital	6,300,000.00	6,300,000.00
Capital reserves	0.00	0.00
Retained earnings	1,319,680.84	1,319,680.84
Currency translation	-570,218.43	-570,180.62
Consolidated unappropriated surplus	-5,743,800.03	-5,919,387.96
Equity attributable to owners of parent	1,305,662.38	1,130,112.26
Non-controlling interests	-573,179.54	-574,208.70
Total equity	732,482.84	555,903.56
Non-current liabilities		
Provisions for pensions	2,193,563.00	2,162,894.00
Provisions	0.00	0.00
Financial liabilities	1,693,885.43	1,770,201.43
Trade payables	4,276,036.80	4,403,610.23
Deferred tax liabilities	65,446.36	80,373.66
	8,228,931.59	8,417,079.32
Current liabilities		
Provisions	122,750.16	19,198.91
Current tax payable	5,220.00	5,220.00
Financial liabilities	9,469,663.54	9,196,767.47
Trade and other payables	7,221,795.90	7,987,137.21
	16,819,429.60	17,208,323.59
Total liabilities	25,048,361.19	25,625,402.91
Total equity and liabilities	25,780,844.03	26,181,306.47

Group Statement of Changes in Equity

(unaudited)

	Subscribed capital € '000	Capital reserves € '000	Revenue reserves € '000	Consolida- ted unap- propriated loss € '000	Balancing item for currency translation € '000	Equity attributable to owners of parent € '000	Reconciling item for non- controlling interest € '000	Total equity € '000
Balance at 31.12.2015	6,300	0	1,541	-4,190	-571	3,080	-528	2,552
Consolidated profit Q1 2016	0	0	0	77	0	77	-19	58
Other gains and losses								
Currency translation	0	0	0	0	0	0	0	0
Total comprehensive income for the period	0	0	0	77	0	77	-19	58
Balance at 31.03.2016	6,300	0	1,541	-4,113	-571	3,157	-547	2,610
Consolidated loss 2016	0	0	0	-1,729	0	-1,729	-47	-1,776
Other gains and losses								
Currency translation	0	0	0	0	1	1	0	1
Actuarial gains and losses	0	0	-325	0	0	-325	0	-325
Deferred taxes	0	0	104	0	0	104	0	104
Total result in 2016	60	0	-221	-1,729	1	-1,949	-47	-1,996
Withdrawal from the revenue reserves to offset losses	0	0	0	0	0	0	0	0
Withdrawal from the capital reserve to offset losses	0	0	0	0	0	0	0	0
Balance at 31.12.2016	6,300	0	1,320	-5,919	-570	1,131	-575	556
Consolidated profit Q1 2017	0	0	0	176	0	176	1	176
Other gains and losses								
Currency translation	0	0	0	0	0	0	0	0
Total comprehensive income for the period	0	0	0	176	0	176	1	176
Balance at 31.03.2017	6,300	0	1,320	-5,743	-570	1,307	-574	732

**UNITEDLABELS AG**

Gildenstraße 6
48157 Münster
Deutschland
phone: +49 (0) 251 - 3 22 10
fax: +49 (0) 251 - 3 22 19 99
info@unitedlabels.com
www.unitedlabels.com

**UNITEDLABELS Ibérica S.A.**

Av. de la Generalitat 29E
Pol. Ind. Font Santa
08970 Sant Joan Despi
Barcelona, Spain
phone: +34 (0) 93 - 4 77 13 63
fax: +34 (0) 93 - 4 77 32 60
info@unitedlabels.es

**UNITEDLABELS Comicware Ltd.**

BLK B 10/F
Alexandra Industrial Building
27 Wing Hong Street
Lai Chi Kok
Hongkong
info-hk@unitedlabels.com

**Elfen Service GmbH**

Gildenstraße 6
48157 Münster
Deutschland
phone: +49 (0) 251 - 162 100 - 0
fax: +49 (0) 251 - 162 100 - 69
info@elfen.de

**House of Trends europe GmbH**

Gildenstraße 6
48157 Münster
Deutschland
phone: +49 (0) 251 - 3 22 10
fax: +49 (0) 251 - 3 22 19 99
info@houseoftrends.com

FINANCIAL CALENDAR 2016

22nd August 2017
Annual General Meeting

August 2017
Publication of 6-Months'
Report

November 2017
Publication of 9-Months'
Report

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

+49 (0) 251 - 32 21 - 0
+49 (0) 251 - 32 21 - 999

investorrelations@unitedlabels.com



UNITEDLABELS AG
 Gildenstraße 6
 48157 Münster
 Deutschland
 phone: +49 (0) 251 - 3 22 10
 fax: +49 (0) 251 - 3 22 19 99
 info@unitedlabels.com
 www.unitedlabels.com

**UNITED
 LABELS
 COMICWARE**