Group Interim Report for the first six months of 2012

Uzin Utz AG increased both sales and profit during the first half-year of 2012

Private residential construction industry reports an increase of approximately 5%

Germany's building contractors see no cause for anxiety

Uzin Utz AG

The Uzin Utz Group also recorded solid development during the second quarter of 2012. In comparison with the same period last year, the company can report growth in both sales and profit. We can look back on sales growth in almost all our German companies. The US company was also able once more to increase sales considerably.

» These developments reflect the company's strength. A wide range of high quality products, close proximity to our customers as well as a strong company culture have all contributed to this success. Additional pre-requisites such as sustainability, protection of the environment and an ecological focus make us ideally equipped to face up to both present and future challenges.

Interim Report

General environment

Anxieties about recession and inflation dominated the markets in the Euro area in the first half of 2012. This is due above all to the deepening of the government debt crisis in Greece and to considerable economic uncertainties in Italy, Spain, Ireland and Portugal. Due to the Euro crisis, the currency union's financial stability rests on very shaky foundations and the instability of the market environment is having a negative effect on the trust of both investors and consumers.

» The very strong start to the year in Germany – contrary to the negative trend in other European countries – was followed by a noticeably slow down of the economic development towards the middle of the year, due on the one hand to the European debt crisis but on the other hand also to the cooling of the whole international economy.

» According to the ifo-Institute's Index of Business Confidence, companies are considerably more reserved in their assessment of both their current situation and the prospects for the coming months.

Industry development

Germany's building contractors see no cause for anxiety however. According to information provided by the German Statistical Office, orders received by the building industry increased by 5.7 per cent during the last few months of the first half-year.

» Private residential construction recorded an increase of approximately 5 per cent during the first six months and the signs remain positive. The industry presents a picture of a continued increase in the number of orders received and of building permits issued.

» According to a questionnaire carried out by the German building industry, companies are now operating at the limit of their capacity, representing the highest usage of plant and machinery since German reunification.

Significant events during the reporting period

Uzin Tyro AG, Buochs, Switzerland, a subsidiary of Uzin Utz Group, Ulm, Germany, took over the „Flooring" division of Collano Adhesives AG, Sempach-Station, Switzerland on 1 February 2012.

Consolidation group

During the reporting period, there were no changes in the basis of consolidation.

Income, asset and financial situation

All previous year's figures in brackets

Income situation

The Uzin Utz Group also continued to be successful in the second quarter.

» Turnover was increased to around € 102.7 million, after € 98.1 million in the same period in the previous year. This represents a rise of 4.6%.
» Especially in Germany, the USA and Switzerland, we were able to achieve clear turnover growth.
» On the German market a turnover of € 47.3 million was achieved after € 44.7 million in the comparable period last year.
» Foreign sales rose from € 53.4 million to € 55.3 million and are hereby, with a proportion of 53.9% (54.4) of total sales.
» Profitable growth, under the aspect of sustainability, is still the objective for our long-term strategy.
» Percentage materials usage within the Group decreased from 43.7% to 43.2%. In absolute terms, material costs rose from € 43.3 million to € 44.2 million.
» Other operating expenses went down from € 22.4 million in the previous year's period to € 21.9 million in the first half of this year.
» The average number of employees rose compared to the previous year, from 900 to 940. 32 young people are being trained. On average, 395 employees (390) work abroad, 545 (510) in Germany.
» Percentage personnel costs rose from 25.6 to 26.9%. In absolute terms, personnel costs increased from € 25.1 million to € 27.6 million.
» Profit before depreciation, interest and tax* was increased from € 9.5 million to € 9.7 million.
» Pre-tax* profit rose to € 5.6 million after € 5.5 million in the previous year.
» The net income is € 3.8 million (3.7).

* taxes on income and other taxes

Asset situation

For purposes of better comparability, all previous year comparisons refer to the balance sheet as at 30.06.2011.

» The balance sheet total increased from € 180.0 million by € 2.7 million, amounting to € 182.7 million.

» The share of group capital assets climbed from 54.2% to 57.0%. The remaining assets therefore make up 43.0% of the balance sheet total.

» Receivables from customers fell from € 34.7 million to € 32.4 million.

» Stocks on hand decreased from € 29.2 million to € 28.4 million.

» Except for the investment properties, the complete assets continue to represent operationally necessary values.

» The liquid assets declined from € 12.8 million to € 10.7 million.

Financial situation

The equity capital rose from € 77.3 million to € 98.3 million, therefore making up 53.8% of the balance sheet total (42.9). The deviation results primarily from the increase of capital in the course of 2011.

» Short-term liabilities to banks decreased by € 8.8 million to € 22.6 million (31.4).

» The share of short-term liabilities in the balance sheet total fell from 30.2% to 24.3%.

» Trade payables declined from € 8.6 million to € 8.4 million.

» The provisions for pensions and similar obligations decreased to 1.8 million after € 2.4 million in the previous year.

» The total current provisions rose by 0.1 million to 10.3 million.

Outlook

In spite of the debt crisis, the first half of the financial year 2012 developed successfully for Uzin Utz AG. Demand for our products increased again compared with the positive results achieved in the previous year.

» Due to the debt crisis, there are however considerable signs that this dynamism will weaken.

» Uzin Utz AG is also conscious of this development.

» Based on these current market developments as well as our planning, however, we continue to aim for the record sales and profit figures achieved in 2011.

» The main reasons for this optimism are consistent cost management coupled with an attractive and varied portfolio accompanied by continued efforts to improve sustainability.

Group Income Statement *

	June 30, 2012	June 30, 2011
Sales revenues	**102,673**	**98,146**
Changes in inventory of finished and unfinished goods	-304	847
Total output	**102,370**	**98,993**
Other operating income	1,076	1,267
Costs of material	44,195	43,271
Personnel expenses	27,589	25,125
Depreciation/amortisation on tangible and intangible assets	3,223	2,947
Other operating expenses	21,926	22,378
Operating income	**6,512**	**6,539**
revenues from investments in associates (equity method)	1	23
Financial result	-962	-1,103
Result from ordinary activities	**5,552**	**5,459**
Taxes on income	1,430	1,379
other taxes	319	315
Net income for the year	**3,802**	**3,766**
Minority interests in profit	-1	-16
Consolidated net income for the year	**3,801**	**3,750**

	June 30, 2012	June 30, 2011
Earnings per share (in EUR)	0.75	0.88
average number of employees (incl. trainees)	940	900

* according to IFRS, in TEUR, unaudited

Balance Sheet of Uzin Utz Group *

Assets	June 30, 2012	Dec 31, 2011	June 30, 2011
Intangible assets			
Tangible assets	34,119	32,484	32,252
At equity subsidary	65,390	62,846	61,158
Other Non- current financial assets	623	636	562
Investment Properties	751	787	595
Income tax receivables	3,319	3,278	3,047
Deferred tax assets	544	541	651
Other non-current assets	1,728	1,913	1,863
Non- current assets	848	26	56
Inventories	**107,322**	**102,511**	**100,183**
Trade receivables	28,362	27,926	29,188
Income tax receivables	32,396	23,319	34,721
Other current assets	441	300	346
Cash and Cash equivalents	3,503	4,028	2,778
Current assets	10,726	15,499	12,770
Balance sheet total	**75,428**	**71,071**	**79,804**
	182,749	**173,583**	**179,987**

Liabilities			
Subscribed capital	15,133	15,133	12,805
Capital reserve	26,827	26,827	13,678
Revenue reserve	56,199	55,733	50,913
Minority interests	196	134	-52
Own shares	-89	-89	-89
Total equity	**98,267**	**97,738**	**77,255**
Provisions for pensions and other similar obligations	1,785	1,697	2,435
Due to credit institutions long-term	27,505	31,615	36,106
Deferred tax liabilities	10,426	10,249	9,442
Other non-current liabilities	433	416	353
Non-current liabilities	**40,150**	**43,977**	**48,337**
Reserves	10,268	5,538	10,160
Due to credit institutions short-term	22,610	13,590	31,381
Advances received	76	71	1
Trade payables	8,414	7,184	8,565
Income tax liabilities	108	549	593
Other short-term liabilities	2,857	4,937	3,696
Current liabilities	**44,333**	**31,868**	**54,395**
Balance sheet total	**182,749**	**173,583**	**179,987**

* according to IFRS, in TEUR, unaudited

Consolidated cash flow statement *

Consolidated cash flow statement	June 30, 2012	June 30, 2011
Net profit for the year	**3,802**	**3,766**
+/- Depreciation and amortisation of fixed assets	3,223	2,947
+/- Change in provisions	4,818	2,835
+/- other non-cash expense and income items	9	-128
-/+ Gain/loss on disposal of non-current assets	-21	-18
+/- Change in current assets (inventories, receivables)	-9,295	-10,516
+/- Change in liabilities	-1,224	-1,189
Cashflow from operating activities	**1,312**	**-2,303**
+/- Proceeds from disposal of tangible assets/ Investments in tangible assets	-5,311	-4,329
+/- Proceeds from disposal of intangible assets/ Investments in intangible assets	-2,280	574
+/- Proceeds from disposal of financial assets/ Investments in financial assets	37	-8
+/- sale of consolidated companies/ Change from acquisition	0	-941
Cashflow from investing activities	**-7,554**	**-4,705**
- Payments to shareholders and minorities	-3,779	-4,263
+/- Proceeds to the issue of bonds/ Repayment of bonds	-2,315	1,000
Cashflow from financing activities	**-6,094**	**-3,263**
+/- Payment-related change in cash and cash equivalents	-12,336	-10,271
+/- Exchange-rate-related and other changes in cash and cash equivalents	337	54
+ Cash and cash equivalents at beginning of the period	11,692	4,794
Cash and cash equivalents at the end of the period	**-307**	**-5,423**
Cash and cash equivalents		
Cash and cash equivalents	10,726	12,770
short-term liabilities due to credit institutions	-11,033	-18,193
Cash and cash equivalents	**-307**	**-5,423**

Statement of changes in equity *

Statement of changes in equity	Subscribed capital	Capital reserve	Retained earnings	
			Group net incomel	Translation differences
January 01, 2011	**12,805**	**13,624**	**53,218**	**2,122**
Exchange rate-related differences	0	0	-38	280
Market valuations for cash flow hedges	0	0	0	0
Other changes	0	0	-20	0
Net income directly regognised in equity	**0**	**0**	**-58**	**280**
Net profit of the year	0	0	3,750	0
Total recognised income and expenses	**0**	**0**	**3,692**	**280**
Own shares	0	54	0	0
Dividends payed	0	0	-4,263	0
Changes in basis of consolidation	0	0	0	0
June 30, 2011	**12,805**	**13,678**	**52,648**	**2,402**
January 01, 2012	**15,133**	**26,827**	**57,849**	**2,054**
Exchange rate-related differences	0	0	-60	517
Market valuations for cash flow hedges	0	0	0	0
Other changes	0	0	-37	0
Net income directly regognised in equity	**0**	**0**	**-97**	**517**
Net profit of the year	0	0	3,801	0
Total recognised income and expenses	**0**	**0**	**3,703**	**517**
Increase of capital	0	0	0	0
Own shares	0	0	0	0
Dividends payed	0	0	-3,779	0
June 30, 2012	**15,133**	**26,827**	**57,773**	**2,571**

* according to IFRS, in TEUR, unaudited

Reserve on own shares	Other transactions	Sum	Minority interests	Total Equity
-235	**-4,229**	**77,306**	**-164**	**77,142**
0	0	**242**	15	**257**
0	92	**92**	0	**92**
0	0	**-20**	-25	**-45**
0	**92**	**314**	**-10**	**304**
0	0	**3,750**	16	**3,766**
0	**92**	**4,063**	**6**	**4,069**
146	0	**200**	0	**200**
0	0	**-4,263**	0	**-4,263**
0	0	**0**	106	**106**
-89	**-4,137**	**77,307**	**-52**	**77,255**
-89	**-4,170**	**97,604**	**134**	**97,738**
0	0	**457**	6	**463**
0	25	**25**	0	**25**
0	0	**-37**	-26	**-63**
0	**25**	**445**	**-20**	**425**
0	0	**3,801**	1	**3,802**
0	**25**	**4,246**	**-19**	**4,227**
0	0	**0**	81	**81**
0	0	**0**	0	**0**
0	0	**-3,779**	0	**-3,779**
-89	**-4,145**	**98,071**	**196**	**98,267**

Segment Reporting *

Segment Reporting	Germany				Western Europe	
	Installation systems		Surface care and enhancement			
	2012	**2011**	**2012**	**2011**	**2012**	**2011**
External sales	45,619	44,000	7,902	7,341	19,511	17,946
Intercompany sales	15,157	13,459	2,625	2,600	5,342	5,704
Total sales	**60,776**	**57,459**	**10,527**	**9,941**	**24,853**	**23,650**
Segment Profit (EBIT)	**1,969**	**2,015**	**614**	**515**	**2,225**	**2,164**

Reconciliation *

Reconciliation of the total segments' profit to profit before taxes is as follows:

Reconciliation of the total segments profit	**June 30, 2012**	**June 30, 2011**
Total segments profit	**6.445**	**6.764**
Total segments profit, non operating segments	-1	0
Eliminations	68	-225
Group-EBIT	**6.512**	**6.539**
Equity method results	1	23
Interest and similar income	53	68
Interest and similar expenses	1.014	1.171
Group-EBT	**5.552**	**5.459**

* according to IFRS, in TEUR, unaudited

South-/Eastern Europe		all other segments		Reconciliation		Total group	
2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
5,299	5,677	24,343	23,182	0	0	102,673	98,146
351	430	691	872	-24,166	-23,065	0	0
5,650	**6,107**	**25,034**	**24,054**	**-24,166**	**-23,065**	**102,673**	**98,146**
186	**471**	**1,450**	**1,599**	**67**	**-225**	**6,512**	**6,539**

Notes to the Six-Monthly Statement

Financial reporting and valuation methods

This interim financial statement was prepared in accordance with the IAS 34 »Interim Financial Reporting« regulations. The interim financial statement as per June 30, 2012 and the comparative figures from the previous year were prepared by way of applying the financial reporting and valuation methods of the Group financial statement for 2011. A description of these principals is published in detail in the notes to the Group financial statement for 2011. They are also available on the internet at www.uzin-utz.com in the field Investor Relations / Financial Reports.

» The Group interim financial statements are not subject to any kind of review by auditors.

» The preparation of the interim report in thousands of euros may, due to additions, give rise to rounding differences because the calculations for individual items are based on figures in euros.

Cash flow statement

The cash flow statement was prepared in accordance with IAS 7 by way of application of the indirect method for the cash flow from operating activities on the basis of the net profit. The cash flow statement is divided into three areas: operating, investing and financing activities.

Segment reporting

The segment reporting is in accordance with the IFRS 8 Operating Segments.

» The segments are shown according to their internal organisation and reporting structure and the legal units, although these were summarised taking into account regional areas of responsibility.

» The segment result is shown as the result before taxes (taxes on income and other taxes) and interest.

Appropriation of profits

The proposal to distribute part of the 2011 balance sheet total in the sum of 13,910,188.70 euro was approved at the Annual General Meeting held on May 15, 2012. This distribution corresponds to a dividend of 0.75 euro per individual share certificate (in total 3,783,239.25 euro) on the share capital of 15,132,957.00 euro.

Earnings per share

Earnings per share have been determined on the basis of the Group result after taxes and the weighted average number of shares issued. The undiluted result per share is identical to the diluted result per share.

Contingent liabilities and other financial obligationsn

Compared with December 31, 2011, the other financial obligations have largely remained unchanged.

Related party relationships

There were no significant changes compared with December 31, 2011.

Significant events of the first half-year

Uzin Tyro AG, Buochs, Switzerland, a subsidiary of Uzin Utz Group, Ulm, Germany, took over the „Flooring“ division of Collano Adhesives AG, Sempach-Station, Switzerland on 1 February 2012. For almost 80 years, the Uzin Tyro AG has been active in the Swiss market and develops and distributes construction chemical product systems for the installation of floor coverings of all kinds. The long-term objective is to gain additional market share in the Swiss flooring and wood flooring market.

» Collano Adhesives AG focuses the development and marketing of specialty adhesives for industrial and commercial applications. The „Flooring“ division has been hived for strategic reasons and sold to Uzin Tyro AG. Manufacturer of the Collano flooring assortment under Uzin Tyro is still the Collano Services AG.

» The acquisition of the Flooring division of Collano Adhesives AG has complemented the product portfolio of Uzin Tyro AG. In this way the customer will be offered comprehensive flooring expertise, especially in wood flooring installation.

» The purchase price allocation has been made with inconclusive knowledge as, among other things, valuations are still outstanding and therefore the figure has a preliminary character in accordance with IAS 3.62 ff.. Accordingly, the assumed current market values of the purchase price allocation can be adjusted within a year of the takeover date.

» A relative determination of the division result is due to the legal and organizational integration of the unit at reasonable cost is not possible.

Significant events after the end of the first half-year

There were no significant events following the conclusion of the first six months of 2012.

Assurance by the statutory representatives

To the best of our knowledge, we hereby assure that the accounting principles that apply to the interim reporting of the Group interim financial statement give a true and fair view of the Group's net assets, financial position, results of operations and cash flows, and in the Group interim report the business development is stated such that it reflects the actual circumstances and the key opportunities and risks of the Group's likely development in the remaining financial year.

Disclaimer

This report contains forward-looking statements that reflect management's current views with respect to future events. Such statements are subject to risks and uncertainties that are beyond Uzin Utz AG's ability to control or estimate precisely. Actual results may be materially different from those expressed or implied by these statements. Uzin Utz AG does not intend or assume any obligation to update any forward-looking statements to reflect events or circumstances after the date of these materials.

Ulm, August 2012
Uzin Utz Aktiengesellschaft

Board of Directors

Dr. H. Werner Utz　　　　Thomas Müllerschön

Frankness is our command:
You are invited for the dialogue.

Uzin Utz AG

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