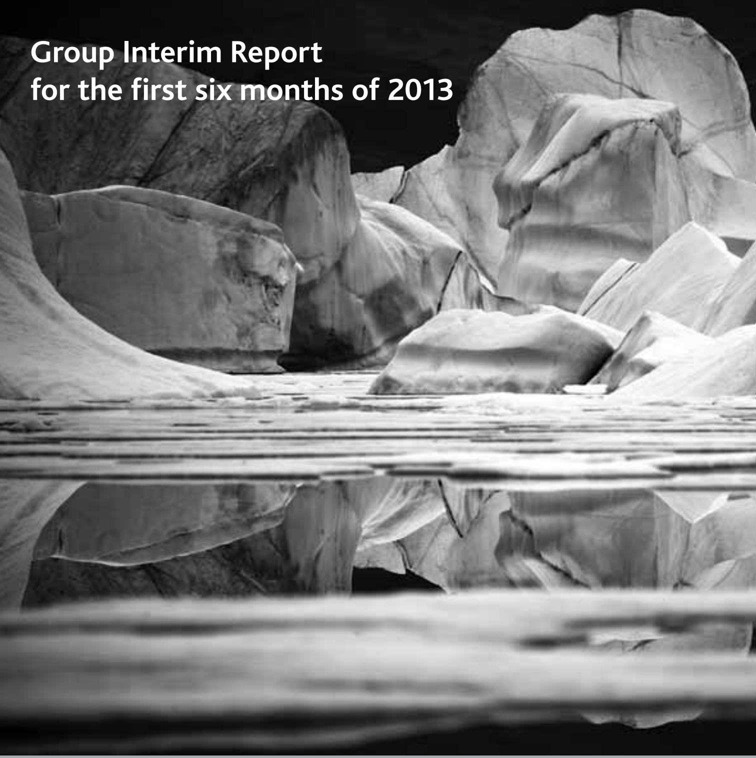
Group Interim Report for the first six months of 2013



Uzin Utz AG increases its turnover by about 1.8 million EUR compared with the previous year.

Construction companies continue to suffer from bad weather

The outlook 2013 as a whole remains positive

Ifo-Institut reckons with an economic revival

Uzin Utz AG

The business of the Uzin Utz Group has demonstrated stable growth in the second quarter of 2013 as well. Compared to the second quarter in the previous year, the Company has managed to achieve turnover growth of about 1.8 million EUR in spite of difficult weather conditions. The Uzin Utz Group has managed to increase its turnover not only in the German market, but also in its foreign markets.

» The strengths of the business are reflected in these developments: it is supported by having a wide range of high-quality products, especially close customer proximity to its customers plus a strong corporate culture. With the other foundation pillars of the business being sustainability, environmental protection and an ecological outlook, we are in an excellent position to confront both our current challenges, as well as future ones, and underpin future growth.

Interim Situational Report

Background conditions

The overall economic situation has improved again in the 2nd quarter of the year. Dominated by making a very good subdued start at the beginning of the year due to the weather, the German economy gathered some momentum once more from April to June 2013. However, the frosty weather conditions persisting into the second quarter put a brake on the recovery of the economic situation in the first half-year.

» In the first quarter of the year the actual gross domestic product in the Eurozone dropped by 0.3%. It was chiefly private consumption in Germany which shored up economic growth in Germany.

» In the second quarter of 2013 the GDP in the Eurozone increased by 0.3% compared with the first quarter and this means that it is just 0.7% lower than the comparable figure for the previous year.

» The manufacturing industries managed to record a growth in production of 2.8% in the second quarter. In the building trade the process of making good turnover figures following the long winter and persistently difficult working conditions has resulted in an increase of 3.9%.

» The ifo-business climate index in Germany was 105.9 percentage points in June and consequently this represented an improvement of 0.8 percentage points compared with June in the previous year.

» In spite of the stabilising tendency of the uncertainty in the financial markets, to date they have not had any perceptible beneficial impact on the real economy.

» Overall it may be assumed that the moderate improvement in the global economy will continue.

Building trade development

The need to make good the building work that could not be done due to adverse weather conditions has, as forecast, had a beneficial impact on the trade. The shortfalls in the early months of the year were compensated in April. The relatively high level of economic growth in the main construction trades in May was deflated by the drop in expectations.

» In the first months of the year there were scarcely any price movements in the raw materials markets. Uzin Utz AG managed to benefit from cheaper resin prices as a result of blanket orders. It was the transition over to the use of alternative energy sources and the increase in wages that were responsible for price increases where they did incur.

» Against the background of the general conditions and the persistent impact of sustained catch-up effects at the beginning of the year, the forecasts for the building trade are optimistic.

Income, asset and financial situation

All previous year's figures in brackets

Income situation

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

» Turnover increased to around € 104.5 million, after € 102.7 million in the same period of the previous year. This represents a plus of 1.7%.

» Especially in China, New Zealand, the USA and the Netherlands, we were able to achieve clear turnover growth.

» In the German market a turnover of € 47.8 million was achieved after € 47.3 million in the comparable period last year.

» Foreign sales rose from € 55.3 million to € 56.7 million and are hereby, with a proportion of 54.2% (53.9) of total sales.

» Percentage materials usage within the Group decreased slightly from 43.2% to 43.1%. In absolute terms, material costs rose from € 44.2 million to € 44.9 million.

» Other operating expenses went up from € 21.9 million in the same period of the previous year to € 23.0 million in the first half of this year.

» The average number of employees rose compared to the previous year, from 920 to 935. 36 young people are being trained. On average, 405 employees (395) work abroad, 530 (525) in Germany.

» Percentage personnel costs rose from 26.9 to 27.6%. In absolute terms, personnel costs increased from € 27.6 million to € 28.9 million.

» Profit before depreciation, interest and tax* increased from € 9.7 million to € 10.0 million.

» Pre-tax* profit fell from € 5.6 million to € 4.9 million in comparison to the previous year.

» The net income is € 3.4 million (3.8).

* taxes on income and other taxes

Asset situation

For purposes of better comparability, all previous year comparisons refer to the balance sheet as at June 30, 2012.

» The balance sheet total increased from € 182.7 million by € 11.2 million, amounting to € 194.0 million.

» The share of group capital assets climbed from 57.0% to 58.5%. The remaining assets therefore make up 41.5% of the balance sheet total.

» Receivables from customers rose from € 32.4 million to € 32.8 million.

» Stocks on hand climbed from € 28.4 million to € 28.7 million.

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

» The liquid assets rose from € 10.7 million to € 12.5 million.

Financial situation

The equity capital rose from € 98.3 million to € 102.4 million, therefore making up 52.8% of the balance sheet total (53.8). The margin is still exceeding the industry average.

» Short-term liabilities to banks increased by € 6.7 million to € 29.3 million (22.6).

» Trade payables climbed from € 8.4 million to € 9.2 million.

» The share of short-term liabilities in the balance sheet total rose from 24.3% to 26.0%.

» The provisions for pensions and similar obligations decreased to € 1.7 million after € 1.8 million in the previous year.

» The total current provisions declined by 1.3 million to 9.0 million.

Outlook

The first half of the financial year 2013 was successful for Uzin Utz AG in spite of the impact of the debt crisis still being perceptible and the adverse weather conditions at the beginning of the year. Although, in comparison to the previous year, there were two less working days in the first half of the financial year 2013, Uzin Utz AG managed to increase its turnover by as much as 1.8 million EUR. In comparison with the figures for the previous year, there has been an increase in the demand for our products.

» Investment was stepped up in staff and fixed assets to cater for our ambitious growth targets. Consequently, the costs for staff and depreciation have increased not only in percentage terms, but also in absolute figures.

» As a result of this, Uzin Utz is looking towards the end of the year with confidence and continues to assume that turnover and profits for 2013 will increase.

» Systematic cost management coupled with an appealing and manifold product portfolio, together with our constant great efforts in dealing with the consideration of sustainability serve as a guarantee for success.

Group Income Statement *

Group Income Statement	June 30, 2013	June 30, 2012
Sales revenues	**104,469**	**102,673**
Changes in inventory of finished and unfinished goods	-411	-304
Total output	**104,058**	**102,370**
Other operating income	2,692	1,076
Costs of material	44,886	44,195
Personnel expenses	28,864	27,589
Depreciation/amortisation on tangible and intangible assets	4,545	3,223
Other operating expenses	22,950	21,926
Operating incom	**5,504**	**6,512**
Revenues from investments in associates (equity method)	55	1
Financial result	-676	-962
Result from ordinary activities	**4,883**	**5,552**
Taxes on income	1,200	1,430
Other taxes	307	319
Net income for the year	**3,376**	**3,802**
Minority interests in profit	-16	-1
Consolidated net income for the year	**3,360**	**3,801**

	June 30, 2013	June 30, 2012
Earnings per share (in EUR)	0.67	0.75
average number of employees (incl. trainees)	971	952

* according to IFRS, in TEUR, unaudited

Balance Sheet Of Uzin Utz Group *

Assets	June 30, 2013	Dec 31, 2012	June 30, 2012
Intangible assets	32,975	33,828	34,119
Tangible assets	74,796	69,780	65,390
At equity subsidary	953	607	623
Other non-current financial assets	1,240	1,959	751
Investment Properties	3,456	3,521	3,319
Income tax receivables	448	436	544
Deferred tax assets	1,519	1,368	1,728
Other non-current assets	161	621	848
Non-current assets	**115,548**	**112,120**	**107,322**
Inventories	28,748	28,394	28,362
Trade receivables	32,842	21,442	32,396
Income tax receivables	1,350	830	441
Other current assets	2,977	5,476	3,503
Cash and Cash equivalents	12,509	9,857	10,726
Current assets	**78,425**	**65,999**	**75,428**
Balance sheet total	**193,972**	**178,120**	**182,749**

Liabilities			
Subscribed capital	15,133	15,133	15,133
Capital reserve	26,827	26,827	26,827
Revenue reserve	60,561	62,031	56,199
Minority interests	-33	153	196
Own shares	-89	-89	-89
Total equity	**102,400**	**104,056**	**98,267**
Provisions for pensions and other similar obligations	1,694	1,689	1,785
Due to credit institutions long-term	29,021	26,919	27,505
Deferred tax liabilities	10,091	10,163	10,426
Other non-current liabilities	412	409	433
Non-current liabilities	**41,218**	**39,180**	**40,150**
Reserves	9,016	5,935	10,268
Due to credit institutions short-term	29,344	14,245	22,610
Advances received	9	45	76
Trade payables	9,166	8,523	8,414
Income tax liabilities	896	655	108
Other short-term liabilities	1,925	5,481	2,857
Current liabilities	**50,355**	**34,883**	**44,333**
Balance sheet total	**193,972**	**178,120**	**182,749**

* according to IFRS, in TEUR, unaudited

Consolidated cash flow statement *

Consolidated cash flow statement	June 30, 2013	June 30, 2012
Net profit for the year	**3,376**	**3,802**
+/- Depreciation and amortisation of fixed assets	4,545	3,223
+/- Change in provisions	3,086	4,818
+/- other non-cash expense and income items	-25	9
-/+ Gain/loss on disposal of non-current assets	8	-21
+/- Change in current assets (inventories, receivables)	-9,962	-9,295
+/- Change in liabilities	-2,599	-1,224
Cashflow from operating activities	**-1,571**	**1,312**
+/- Proceeds from disposal of tangible assets/ Investments in tangible assets	-7,685	-5,311
+/- Proceeds from disposal of intangible assets/ Investments in intangible assets	78	-2,280
+/- Proceeds from disposal of financial assets/ Investments in financial assets	-748	37
Cashflow from investing activities	**-8,354**	**-7,554**
- Payments to shareholders and minorities	-4,031	-3,779
+/- Proceeds to the issue of bond/ Repayment of bonds	5,569	-2,315
Cashflow from financing activities	**1,538**	**-6,094**
+/- Payment-related change in cash and cash equivalents	-8,387	-12,336
+/- Exchange-rate-related and other changes in cash and cash equivalents	-592	337
+ Cash and cash equivalents at beginning of the period	5,940	11,692
Cash and cash equivalents at the end of the period	**-3,039**	**-307**
Cash and cash equivalents		
Cash and cash equivalents	12,509	10,726
short-term liabilities due to credit institutions	-15,548	-11,033
Cash and cash equivalents	**-3,039**	**-307**

* according to IFRS, in TEUR, unaudited

Statement of changes in equity *

Statement of changes in equity	Subscribed capital	Capital reserve	Retained earnings	
			Group net incomel	Translation differences
Balance as of 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 recognized in equity	**0**	**0**	**-97**	**517**
Net profit of the year	0	0	3,801	0
Total recognized 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
Balance as of June 30, 2012	**15,133**	**26,827**	**57,773**	**2,571**
Balance as of January 01, 2013	**15,133**	**26,827**	**63,411**	**2,708**
Exchange rate-related differences	0	0	-86	-749
Market valuations for cash flow hedges	0	0	0	0
Other changes	0	0	-27	0
Net Income directly recognized in equity	**0**	**0**	**-113**	**-749**
Net profit of the year	0	0	3,360	0
Total recognized Income and Expenses	**0**	**0**	**3,247**	**-749**
Own shares	0	0	0	0
Dividends payed	0	0	0	0
Changes in basis of consolidation	0	0	-4,031	0
Balance as of June 30, 2013	**15,133**	**26,827**	**62,627**	**1,959**

* according to IFRS, in TEUR, unaudited

Reserve on own shares	Other transactions	Sum	Minority interests	Total Equity
-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**
-89	**-4,088**	**103,902**	**153**	**104,056**
0	0	**-835**	-175	**-1,010**
0	63	**63**	0	**63**
0	0	**-27**	-28	**-55**
0	**63**	**-799**	**-202**	**-1,002**
0	0	**3,360**	16	**3,376**
0	**63**	**2,561**	**-186**	**2,375**
0	0	**0**	81	**0**
0	0	**0**	0	**0**
0	0	**-4,031**	0	**-4,031**
-89	**-4,025**	**102,432**	**-33**	**102,400**

Segment Reporting *

Segment Reporting	Germany				Western Europe	
	Installation systems		Surface care and enhancement			
	2013	**2012**	**2013**	**2012**	**2013**	**2012**
External sales	46,510	45,619	7,175	7,902	20,904	19,511
Intercompany sales	14,914	15,157	3,310	2,625	5,524	5,342
Total sales	**61,424**	**60,776**	**10,485**	**10,527**	**26,427**	**24,853**
Segment Profit (EBIT)	**1,466**	**1,969**	**614**	**614**	**2,107**	**2,225**

Reconciliation *

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

Reconciliation of the total segments profit	June 30, 2013	June 30, 2012
Total segments profit	**5,532**	**6,445**
Total segments profit, non operating segments	0	-1
Eliminations	-27	68
Group-EBIT	**5,505**	**6,512**
Equity method results	55	1
Interest and similar income	51	53
Interest and similar expenses	728	1,014
Group-EBT	**4,883**	**5,552**

* according to IFRS, in TEUR, unaudited

South-/Eastern Europe		all other segments		Reconciliation		Total group	
2013	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
5,436	5,299	24,444	24,343	0	0	104,469	102,673
391	351	1,353	691	-25,492	-24,166	0	0
5,827	**5,650**	**25,797**	**25,034**	**-25,492**	**-24,166**	**104,469**	**102,673**
151	**186**	**1,195**	**1,450**	**-27**	**67**	**5,505**	**6,512**

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, 2013 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 2012. A description of these principals is published in detail in the notes to the Group financial statement for 2012. 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.

Consolidation Group

On 1 January 2013 Uzin Utz AG acquired the remaining 50% of the shares of the Unihem Group, Slovenia. From the date, the Unihem Group is fully consolidated.

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 * and interest.

Appropriation of profits

The proposal to distribute part of the 2012 balance sheet total in the sum of 14,891,164.80 Euro was approved at the Annual General Meeting held on May 14, 2013. This distribution corresponds to a dividend of 0.80 Euro per individual share certificate (in total 4,035,455.20 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 obligations

Compared with December 31, 2012, the other financial obligations have largely remained unchanged.

Related party relationships

There were no significant changes compared with December 31, 2012.

Important occurrences in the period under review

Sales and purchase options were entered into with the seller for the remaining 50% of shares in connection with the purchase in 2008 of 50% of the shares of the Unihem Group, Slovenia. Notwithstanding the original option agreement, the parties to the contract have reached an agreement on the remaining shares being taken on January 1, 2013.
» The Unihem Group was included in the scope of consolidation for the first time by being fully consolidated on January 1, 2013.
» The (provisional) present values to be ascribed to the identifiable fixed assets and debts of the Unihem Group apply at the point in time at which the remaining shares were purchased (100% shown):
» The „fair Value“ calculation was made on the basis of knowledge not yet finalised and is therefore provisional in accordance with IFRS 3.62. Consequently, the present values quantified for the calculation on a provisional basis may yet be adjusted within a year from the calculation being handed over.
» The Unihem Group earned a turnover from external sales amounting to about 2.1 million EUR in the first half of 2013. The acquisition underlines the strategic direction taken by Uzin Utz AG, its commitment to building up its position in international markets. At the same time the restructuring of the South-East region into a single unit makes it possible to exploit synergetic potential throughout the region.
» On January 1, 2013 Uzin Utz AG acquired the remaining 19.6% of the shares of Løkken AS in Skien and since then it has held 100% of the shares of the Norwegian subsidiary. The states in northern Euro-

* taxes on income and other taxes

Corporate acquisition acquired assets and debts*	2013
Assets	
Tangible assets	215
Financial assets	213
Intangible assets	572
Cash and Cash equivalents	364
Trade receivables	2,407
Inventories	689
Other receivables	114
	4,574
Debts	
Trade payables	675
Deferred tax liabilities	95
Long-term liabilities to credit institutions	850
Other liabilities	207
	1,827
Total of the identifiable net assets at fair value	2,747
Goodwill/Badwill	-213
Purchase price	**2,535**

pe have been successful in avoiding the economic crisis and in 2012 Norway was able to demonstrate an impressive growth in GDP of 3%. The purchase of the remaining shares enables us to take advantage of the opportunities offered by this economic growth.

» The remaining shares of the Chinese subsidiary in Shanghai, Uzin Utz Construction Materials Co. Ltd., were also purchased. The share purchase was entered in the commercial register on February 19, 2013.

» The term of office of the members of the supervisory board at Uzin Utz AG ended at the shareholders' meeting held on May 14, 2013.

» Mr Frank W. Dreisörner, Mr Paul Hermann Bauder and Dr Rainer Kögel (Chairman) were elected as members of the supervisory board at the shareholders' meeting on May 14, 2013 for the period of time up until the end of the shareholders' meeting making a decision on the approval of the directors' acts for the year 2017.

Significant events after the end of the first half-year:
There were no significant events following the conclusion of the first six months of 2013.

* according to IFRS, in TEUR, unaudited

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 2013
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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