

A large, red, L-shaped graphic element on the left side of the slide, with a white cutout in the center. The top horizontal bar has a diagonal cut on its right end, and the vertical bar has a diagonal cut on its bottom end.

# Company Presentation

Deufol AG

May 2011

# Agenda

**1 Profile / Strategy**

**2 Financials**

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**3 Appendix**

## Profile

**Deufol is a flexible, intelligent, innovative solution provider around packaging services.**

- Service solutions for all industry sectors with focus on automotive, consumer and industrial goods
- Worldwide leadership in consumer goods packaging, independent from packaging supplies
- European leadership in export packaging
- Inhouse IT expertise: Continuous innovative software development with customer specific adaptations
- Premium customers with leadership in their sectors

### **Deufol Service Portfolio:**

- Automated Packaging
- Promotional & Display Packaging
- Export & Industrial Goods Packaging
- Gift Cards & Data Management
- Supplementary Services

# Profile

## Automated Packaging

- High-speed transfer lines, semi automatic machines
- Total packaging solution (custom & innovative design, 3-D image renderings & custom prototyping, machinery innovation, packaging material, custom tooling etc.)
- Batteries, pens, windshield wipers, home products etc.
- Paperboard packaging, shrink packaging, skin packaging, thermoforming, clamshells, blisters, trays



# Profile

## Promotional & Display Packaging

- Manual packaging for display building
- Transfer from high-speed lines to secondary packaging
- Highly skilled teams
- Strong experience in display assembling
- Flexible reaction on promotional peaks (space & resources)
- IT based



# Profile

## Export & Industrial Goods Packaging

- Strong IT expertise to meet individual customer requirements
- International experience
- Special packaging techniques
- Plant moves, beverage filling machines, textile machines, turbines, generators etc.



# Profile

## Gift Cards & Data Management

- Automated activation of multipacks
- Card personalization (encoding) with magnetic strip and scratch off
- Labeling
- Data management (single source activation)
- Pre-paid card business
- Product innovation (replacement of plastics)



# Profile

## Supplementary Services

- Warehousing, Logistics, Transport Management
- Inhouse-Outsourcing
- Picking / Customization
- Material supply, production supply, after production services
- Highly Automated Warehouse Management
- Strong IT expertise to fulfill individual customer requirements





## Profile

Deufol is a global player and operates all over the world with international projects and a network of subsidiaries.

- International network of 76 Deufol operations in 9 countries
- Every operation center offers the complete portfolio of Deufol services
- Cross-border learning and international know-how transfer
- Deufol is a global partner to worldwide market leaders



### Total of 76 Operations around the world:

▪ Germany:	56
▪ Belgium:	5
▪ Italy:	4
▪ Czech Republic:	3
▪ USA:	2
▪ Austria:	2
▪ Slovakia:	2
▪ France:	1
▪ China:	1

## Deufol's Strategy – Mid-term objectives

Deufol generates fruitful and long lasting partnerships and drives the customers strategy.

- Extend the business with existing customers
  - Extend the scope of services
  - Geographical expansion
- Sign up new customers
- Strategic acquisitions

Deufol as No. 1 partner for packaging solutions and related services worldwide:

- Global presence
- Annual revenue growth > 7 %
- EBIT margin > 5 %



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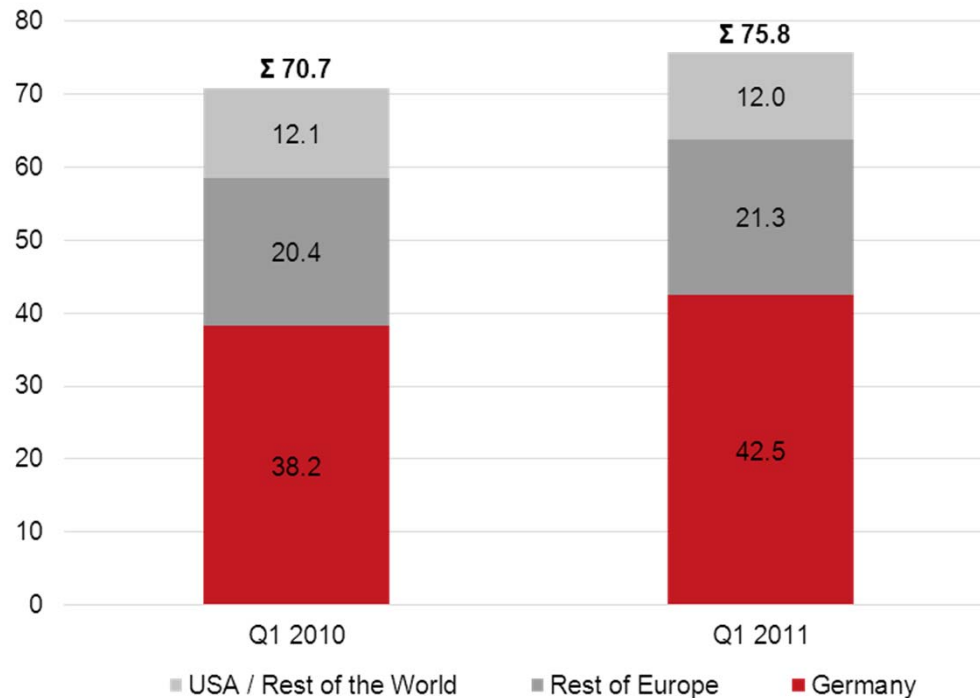
## Overview Q1 2011

- Revenues up by 7.0% to €75.8 million (adjusted + 6.0%)
- Earnings burdened by several factors (e.g. higher commodity prices and start-up costs for new operations)
- EBITDA €4.0 million (prior year: €4.4 million)
- EBIT €1.7 million (prior year: €2.2 million)
- Financial result €-0.9 after €-1.0 million in Q1 2010
- Net earnings of €0.1 million (prior year: €0.6 million)
- Operating cash flow increased (€2.5 after €1.3 million in Q1 2010)
- Net financial liabilities slightly increased (€50.8 after €49.3 million at the end of 2010)

# Sales split by region

Sales growth of 7.0%

Sales (€m) \*



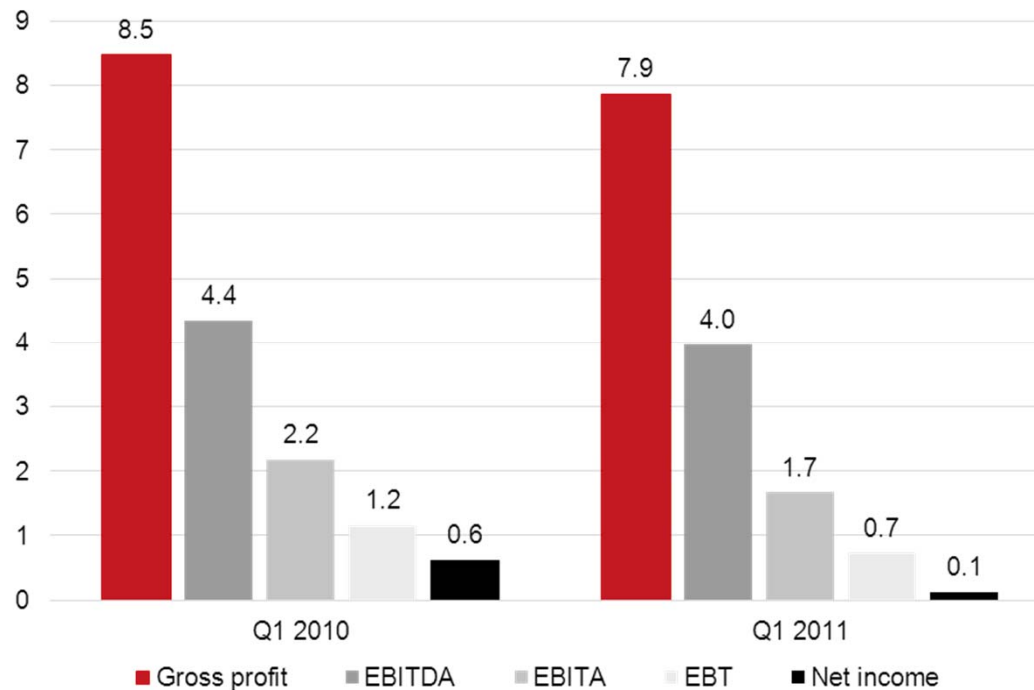
- „Germany“ increased strongly (11.2%)
- „Rest of Europe“ increased (4.3%)
- „USA / Rest of the World“ down 1.8%; currency adjusted -3.0%

\*Sales figures without holding

# Earnings development

## Earnings burdened by higher prices for raw material

Earnings development (€m)

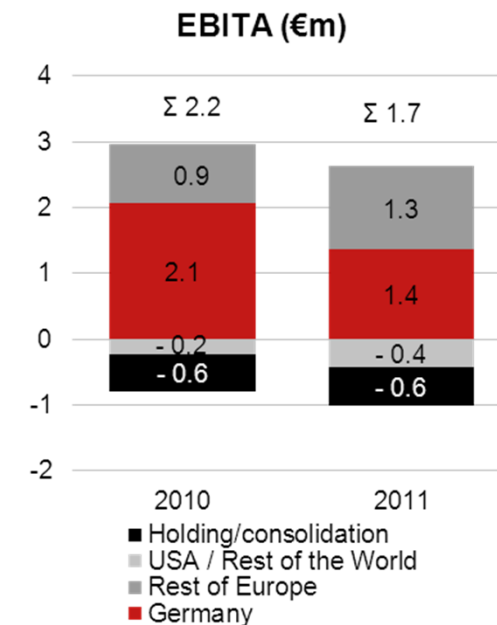


- Lower earnings due to three effects:
  - Higher commodities (wood) and material prices of at least €0.5 million
  - Start-up losses for the new operation in Roverbella (Italy) of €0.2 million
  - Additional expenditure for expanding the gift card business in the US (€0.1 million)

## EBITA split by segment

### Earnings burdened by several factors

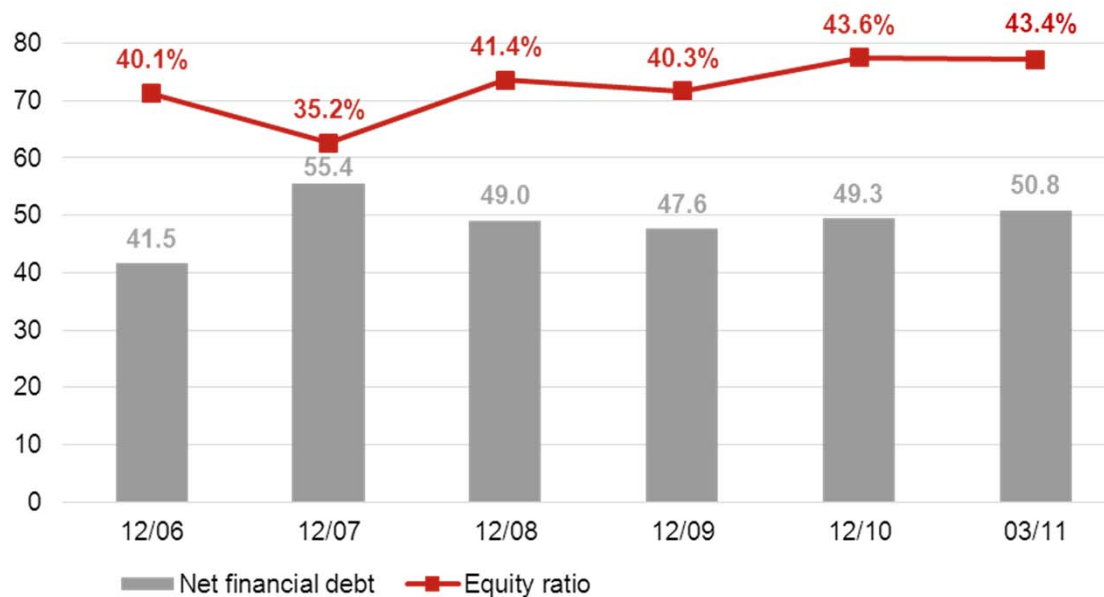
- „Germany“ down 34.0%, due to higher timber prices; we are in talks with our customers, that if commodity prices remain high, to pass on gradually these higher purchasing costs
- „Rest of Europe“ up 39.7% despite start-up costs in Roverbella, driven by strong development in Belgium
- „USA / Rest of the World“ decreased from €-0.2 up to €-0.4 million, due to lower packaging volumes and additional expenditure for expanding the gift card business in the US (€ 0.1 million)
- Holding €-0.6 million (prior year: €-0.6 million)



# Well-balanced liability side

## Comfortable equity base

Net financial liabilities (€m) and equity ratio (%)



- Deufol Group is currently financed in a decentralized form; most financing is provided by bilateral bank loans and syndicated borrowing facilities
- Net financial liabilities slightly increased in Q1 2011 up to € 50.8 million (€ 1.2 million additional debt from the acquisition of Wolfsberger GmbH)
- Equity ratio higher (43.4% after 43.6% at the end of 2010); equity € 99.0 million
- Equity per share stands at € 2.25

\* 2007 – 2010 includes payments for acquisitions of € 40 million



## Plan 2011

- Planned revenues 2011 between €310 and €325 million
- Planned Group-EBITA 2011 between €12 and €14 million
- Investments of around €5 to 6 million are expected

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## Financial calendar 2011

<b>April 7, 2011</b>	<b>Annual report 2010</b> Conference call
<b>May 12, 2011</b>	<b>Interim report I/2011, January 1 – March 31</b> Conference call
<b>June 29, 2011</b>	<b>Annual General Meeting</b> Town Hall, Hofheim, Germany
<b>August 11, 2011</b>	<b>Interim report II/2011, April 1 – June 30</b> Conference call
<b>November 10, 2011</b>	<b>Interim report III/2011, July 1 – September 30</b> Conference call

## Management Board of Deufol AG

### **Andreas Bargende (CEO)**

1993 to 2002 at KPMG; Lawyer and since 2000, Partner in the area of Financial Advisory Services / Corporate Restructuring; joined Deufol 09/2002 as COO; since 06/2009 Chief Executive Officer;

Responsibilities: Legal Affairs, Investment Management and Key Accounting



### **Tammo Fey (CFO)**

Since the Company's founding in 1998 Director of Accounting and Controlling; also executive position in various subsidiaries of the Deufol Group, appointed Chief Financial Officer in February 2006;

Responsibilities: Finance and Controlling



### **Detlef W. Hübner**

1979 Managing Partner of Dönne + Hellwig GmbH;  
1998 Founding of D.Logistics AG;

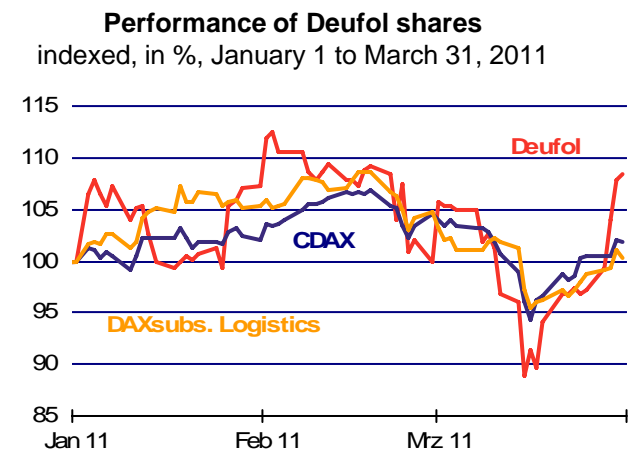
Responsibilities: Investor & Public Relations, Personnel and Risk Management



## The Deufol share

Price at March 31, 2011	€ 1.65
High / Low (1 year)	€ 1.84 / € 1.13
Market capitalization	approx. € 72.2 million
Reuters / Bloomberg	LOIG.DE / LOI GR
ISIN	DE0005101505
Number of shares (as of March 31, 2011)	43,773,665
Shareholder structure	see table
Stock category	Bearer shares
Market segment	Regulated Market (Prime Standard)
Indices	CDAX, DAXsector Transp. & Log., Classic All Share, Prime All Share
Designated Sponsor	ICF Kursmakler AG
Analyst coverage	Nils Machemehl (BHF-Bank), Roland Rapelius (Hauck & Aufhäuser),
Daily trading vol. (Ø 2010)	58,360

Shareholder structure (as of March 31, 2011)		
	number	per cent
Detlef W. Hübner	23,160,832	52.91
Andreas Bargende (CEO)	58,000	0.13
Tammo Fey (CFO)	15,000	0.03
Other shareholders	20,539,833	46.93
<b>Subscribed capital</b>	<b>43,773,665</b>	<b>100.00</b>



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## Financials: Income statement

in €thousand	Q1 2011	Q1 2010	2010	2009	2008	2007
Sales	75,750	70,804	307,132	290,053	336,748	337,737
EBITDA	3,972	4,352	20,031	16,238	24,011	20,767
EBITA	1,671	2,181	10,640	6,421	14,562	12,252
EBIT	1,671	2,181	10,640	3,810	14,562	12,252
EBT	731	1,162	6,305	(380)	9,911	7,868
Taxes on income	(500)	(408)	(2,998)	1,124	2,458	(3,959)
Income	231	754	3,307	744	12,369	3,909
thereof noncontrolling interests	107	127	380	375	884	1,151
thereof equity holders of parent	124	627	2,927	369	11,485	2,758
Earnings per share (€)	0.003	0.014	0.067	0.008	0.257	0.065
Dividend per share (€)	-	-	0.03	0	0.07	0

## Financials: Asset structure

in €thousands	Q1 2011	Q1 2010	2010	2009	2008	2007
Current assets	78,068	82,573	76,746	81,496	80,288	88,653
Noncurrent assets	149,308	153,735	150,136	154,520	159,128	148,463
Balance sheet total	227,376	236,308	226,882	236,016	239,416	237,116
Current liabilities	80,194	87,732	83,184	87,277	76,773	84,134
Noncurrent liabilities	48,599	52,135	44,722	53,612	63,612	69,712
Equity	98,583	96,441	98,976	95,127	99,031	83,270
Equity ratio (%)	43.4	40.8	43.6	40.3	41.4	35.1
Financial liabilities	77,793	80,514	78,186	78,817	76,119	79,305
Working capital	34,521	31,951	34,645	28,167	35,041	30,807

## Cash flow / Investments / Liquidity

in €thousands	Q1 2011	Q1 2010	2010	2009	2008	2007
Cash flow from operating activities	2,462	1,345	19,924	15,060	15,663	16,025
Cash flow from investment activities	(329)	121	(6,419)	(2,806)	(464)	(24,831)
Cash flow from financing activities	(3,430)	(44)	(11,546)	(9,499)	(15,678)	9,798
Investment in property, plant and equipment	1,491	1,023	8,128	6,689	7,197	5,243
Investment in other intangible assets	9	19	241	454	1,747	180
Cash and cash equivalents	15,628	16,275	16,811	14,853	12,143	12,708
Net financial liabilities	50,749	48,205	49,290	47,524	48,950	55,391



## Financials: Ratios

	Q1 2011	Q1 2010	2010	2009	2008	2007
Investment ratio (%) <sup>1)</sup>	2.0	1.4	2.6	2.3	2.1	1.6
Operating cash flow / investments (%) <sup>2)</sup>	164.1	129.1	238.1	210.8	175.1	295.5
Interest cover <sup>3)</sup>	1.4	1.7	1.9	1.2	2.2	2.1
Asset cover ratio II (%) <sup>4)</sup>	117.5	117.7	114.4	117.8	121.0	118.0
Current ratio (%) <sup>5)</sup>	97.3	94.1	92.3	93.4	104.6	105.4
Financial liabilities / equity (%) <sup>6)</sup>	86.6	91.9	86.7	91.1	80.4	94.8
Net financial liabilities / EBITDA <sup>7)</sup>	2.2	2.9	2.5	2.9	2.0	2.7

- 1) Ratio of investments on property, plant and equipment to revenue
- 2) Net cash provided by operating activities / (investments on property, plant and equipment + other intangible assets)
- 3) (EBITA + finance income) / finance costs
- 4) (Equity + noncurrent liabilities) / fixed assets (property, plant & equipment + intangible assets + financial assets)
- 5) (Cash and cash equivalents + current receivables + inventories) / current liabilities
- 6) Financial liabilities / (Equity – deferred tax assets + deferred tax liabilities)
- 7) (Financial liabilities - financial receivables - cash and cash equivalents) / EBITDA; per Q1 trailing 12 months

## Segment data: Germany\*

in €thousand	Q1 2011	Q1 2010
Sales	42,474	38,190
EBITDA	2,385	2,883
EBITA	1,363	2,067
EBT	1,101	1,829
Assets	97,674	93,488
Financial liabilities	29,986	27,994
Other debt	48,081	45,356
Investments	440	444

\* figures without holding company

## Segment data: Rest of Europe

in €thousand	Q1 2011	Q1 2010
Sales	21,258	20,378
EBITDA	1,971	1,647
EBITA	1,262	903
EBT	1,266	895
Assets	71,296	70.440
Financial liabilities	25,708	25,147
Other debt	19,041	16,451
Investments	312	444

## Segment data: USA / Rest of the World

in €thousand	Q1 2011	Q1 2010
Sales	11,949	12,162
EBITDA	136	284
EBITA	243	(234)
EBT	(425)	(970)
Assets	29,421	34,932
Financial liabilities	37,079	38,631
Other debt	6,845	7,832
Investments	668	149

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Many factors could cause the actual results to be materially different from those that may be expressed or implied by such statements.

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