



REMOVING LIMITS.

SEMI-ANNUAL REPORT # 2016

Overview of the Deufol Group

Figures in € thousand	6M 2016	6M 2015
Results of Operations		
Total sales	161,933	152,088
Germany	88,827	83,770
Rest of the World	73,106	68,318
Ratio of foreign sales (%)	45.1	44.9
EBITDA	8,718	8,782
EBITA = EBIT	5,292	5,049
EBT	4,008	3,412
Income tax income (expenses)	(716)	(799)
Result for the period	3,292	2,613
thereof noncontrolling interests	105	299
thereof shareholders of the parent company	3,187	2,314
Earnings per share (EPS), (€)	0.073	0.053
Assets structure		
Noncurrent assets	136,278	138,690
Current assets	85,513	82,124
Balance sheet total	221,791	220,814
Equity	104,820	101,134
Liabilities	116,971	119,680
Equity ratio (%)	47.3	45.8
Net financial liabilities	42,410	42,266
Cash flow/investments		
Cash flow from operating activities	2,671	(617)
Cash flow from investing activities	(3,149)	(2,305)
Cash flow from financing activities	(6,189)	(2,964)
Investments in property, plant and equipment	3,605	2,560
Employees		
Employees (as of Jun. 30)	2,746	2,660

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Deufol in the First Six Months of 2016

Sales and Income Trend

Total sales in the first six months of 2016 were at €161.9 million 6.4% or €9.8 million higher than in the same period in the previous year. There were no changes to the consolidated group in 2016. Since the US dollar's exchange rate against the euro changed only minimally in 2015 by comparison with the first six months of the year (change of less than 1%), the increase in sales is exclusively based on organic growth. In Germany (including the holding company) sales amounted to €88.8 million (previous year: €83.8 million). The change in sales reflects the increased volume of business activities as well as new customers, particularly in northern and western Germany. In the Rest of Europe, Deufol realized sales in the amount of €34.2 million (previous year: €33.7 million). Sales growth was achieved here, in particular, in Italy and Slovakia. In the USA/Rest of the World segment, sales rose to €38.9 million (previous year: €34.6 million). Business activities here remain highly stable.

The operating result (EBITA) amounted to €5.3 million and was thus almost 5% higher than the previous year's figure of €5.0 million. The individual segments developed as follows in the first six months of the year: In Germany, EBITA amounts to €3.8 million, compared to a figure in the previous year of €2.2 million. In the Rest of Europe EBITA amounted to €1.7 million, compared to €1.4 million in the previous year. The USA/Rest of the World segment realized a result of €1.9 million (previous year: €2.0 million). The EBITA of Deufol SE (the holding company) fell to –€2.1 million, compared to –€0.6 million in the previous year. The earnings trend mainly reflects provisions in the personnel segment, which are generally reclassified to operating companies upon realization.

Changes to the Administrative Board

During the first six months of 2016, an Administrative Board member – Dr. Helmut Görling – voluntarily resigned from the Administrative Board. We are deeply indebted to Dr. Helmut Görling; however, he will continue to provide the Company with the benefit of his expertise. The Administrative Board proposed the replacement member Marc Hübner and, as a new member, Mr. Holger Bürskens to replace Dr. Helmut Görling. The Annual General Meeting held on July 30, 2016 adopted this proposal and elected Marc Hübner and Holger Bürskens as members of the Administrative Board with a clear majority of the votes cast.

Outlook – Planning Confirmed

Deufol SE confirms its planning figures published for fiscal year 2016 in its 2015 annual financial report. These envisage sales of between €320 million and €335 million and an operating result (EBITDA) of between €14.5 million and €16.5 million.

Economic Outline Conditions

Global Economic Trend is Solid, but with Weak Momentum

According to the summer economic analysis from the Kiel Institute for the World Economy, world economic growth recovered at the start of 2016. However, the underlying momentum remains weak. While the global gross domestic product was weaker in the final quarter of 2015 especially, in the spring of 2016 the global economy once again picked up. While the global gross domestic product figure only grew by 0.6 % in the first quarter of the current year, the business climate has improved considerably and, not least, commodities prices have picked up. The advanced economies have achieved further positive but moderate growth levels. In the emerging markets, the economic cycle appears to have bottomed out. The further trend remains to be seen.

Gradual Upturn in the Eurozone

According to the Kiel Institute, at the start of 2016 the Eurozone's economic recovery once again picked up slightly. In the first quarter of 2016, the economy grew by 0.6 %. However, over the remainder of the year economic momentum will likely be limited, since one area of the currency region continues to face stubborn structural problems. While unemployment remains high, it will decline to 10.1 % by the end of the year. It would thus be significantly below its peak level of 12.1 % registered in 2013.

German Growth Remains on Track

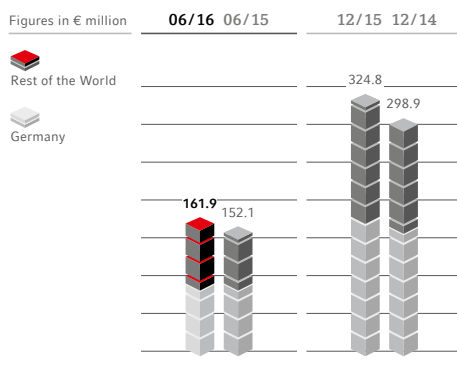
According to the Kiel Institute, the upturn in Germany is set to continue. In the first quarter, gross domestic product growth picked up considerably and amounted to 0.7 %, compared to levels of 0.3 % in the third and fourth quarters of 2015. However, this high growth rate was shaped by one-off factors such as the mild weather and the additional expenditure associated with the influx of refugees. A slightly calmer pace should thus be expected for the remainder of the year. Companies remain confident.

In the current year, private and public consumption growth is at roughly the same levels seen in the second half of 2015. In this context, the growth trend for investments is set to pick up. The strong consumer and investment trends remain supported by the favorable development of the labor market as well as the highly advantageous financing terms. German exports are gradually getting back on an even keel, following a weak second half of 2015. In particular, German exports to China have recovered over the last two quarters.

Results of Operations

Results of Operations, Financial and Asset Position

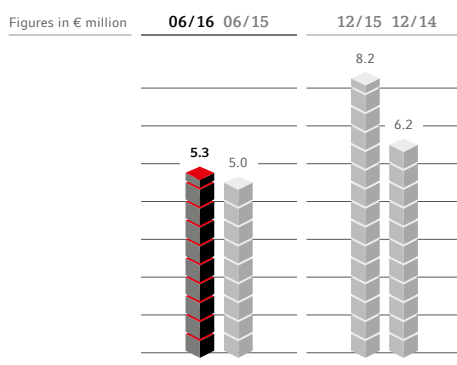
Sales



Sales Trend

Total sales in the first six months of 2016 were at €161.9 million 6.4 % higher than in the same period in the previous year. There have not been any changes to the consolidated group. The US dollar's exchange rate against the euro is virtually unchanged on the previous year (change of less than 1 %). In Germany (including the holding company) sales amounted to €88.8 million (previous year: €83.8 million). In the Rest of Europe, Deufol realized sales in the amount of €34.2 million (previous year: €33.7 million). In the USA/Rest of the World segment, sales rose to €38.9 million (previous year: €34.6 million). With a 54.9 % share of Group sales, the proportion accounted for by Germany decreased by 0.2 percentage points on the previous year. The share of sales realized elsewhere in Europe decreased, from 22.2 % to 21.1 %, and the USA's share increased by 1.3 percentage points to 24.0 %.

EBITA



Income Development

Earnings before interest, taxes, depreciation and amortization (EBITDA) were €8.7 million in the first half of the year (previous year: €8.8 million). The EBITDA margin was 5.4 % (previous year: 5.8 %). Depreciation of property, plant and equipment and amortization of other intangible assets decreased slightly (€3.4 million, compared to €3.6 million in the previous year).

The operating result (EBITA) amounted to €5.3 million and was thus almost 5 % higher than the previous year's figure of €5.0 million.

The individual segments developed as follows in the first six months of the year: In Germany, EBITA amounts to €3.8 million, compared to a figure in the previous year of €2.2 million. In the Rest of Europe EBITA amounted to €1.7 million, compared to €1.4 million in the previous year. The USA/Rest of the World segment realized a result of €1.9 million (previous year: €2.0 million). The EBITA of Deufol SE (the holding company) fell to –€2.1 million, compared to –€0.6 million in the previous year.

Financial results increased by comparison with the first six months in 2015 from –€1.7 million to –€1.3 million. Financial expenses in particular have decreased due to lower interest rates.

Earnings before taxes (EBT) in the first six months of the year were €4.0 million (previous year: €3.4 million). After income tax expenses (€0.7 million), the result for the period amounts to €3.3 million, compared to €2.6 million in the first half of 2015. After deduction of the profit shares of noncontrolling interests (€0.1 million), a net gain of €3.2 million (previous year: €2.3 million) is attributable to the shareholders of Deufol SE. Earnings per share in the first six months were €0.073 (previous year: €0.053).

Financial Position

Assets Position

Cash Flow and Investments

In the first six months, the cash flow from operating activities amounted to €2.7 million and was thus significantly higher than the level in the previous year (–€0.6 million).

The cash flow from investing activities was negative at –€3.1 million (previous year: –€2.3 million). Outflows of funds resulted here from payments for the purchase of assets (–4.0 million). Inflows of funds mainly resulted from interest received (+€0.2 million) and the decrease in financial receivables (+€0.7 million).

The cash flow from financing activities was negative at –€6.2 million (previous year: –3.0 million). Outflows mainly resulted from interest paid (–1.3 million) and the repayment of bank loans (–3.5 million).

Cash decreased in relation to the end of the year by €6.6 million to €7.7 million.

Financing

Various financing groups exist within the Deufol Group. In Germany, as of the reporting date Deufol has a variable-interest syndicated financing arrangement with a volume of €49 million and a term ending October 2019. For this financing arrangement, in 2015 the Group commenced negotiations over the extension and expansion of its lines of credit. These negotiations were successfully completed in January 2016. Further significant financing arrangements exist in the USA (mainly operating credit line), Belgium (mainly real estate and plant and equipment) and Italy (mainly operating credit line).

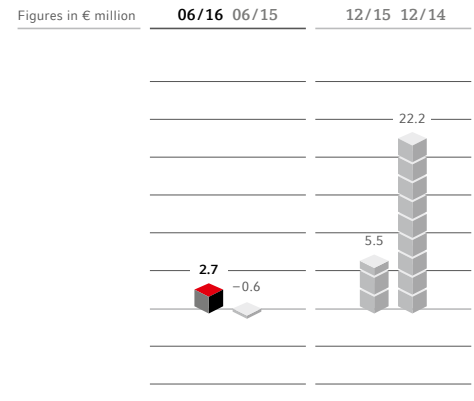
The financial liabilities of the Deufol Group decreased in the first six months of the fiscal year by €4.2 million to €54.0 million. As cash and financial receivables simultaneously decreased (–€7.3 million) net financial liabilities rose by €3.0 million, from €39.4 million at the end of the year to €42.4 million.

Slight Decrease in Balance Sheet Total

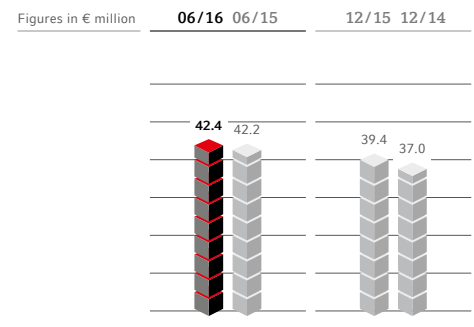
The balance sheet total as of June 30, 2016 is at €221.8 million 1.2% below the level as of the end of the previous year (€224.6 million). For the noncurrent assets, the largest changes were in financial receivables (–€0.7 million to €2.4 million) and financial assets accounted for using the equity method (–0.2 million to €3.7 million). The other noncurrent assets realized only marginal changes. In the current assets segment, trade accounts receivable (+€4.4 million to €48.9 million) and other receivables (+0.7 to €14.6 million) increased. Cash decreased (–6.6 million to €7.7 million). The other current assets realized only marginal changes.

On the liabilities side, equity (including noncontrolling interests) in the first six months of 2016 increased on balance by €2.4 million to €104.8 million. This was mainly due to the result for the period (€3.3 million) as well as gains from currency translation (–€0.3 million). With a slightly lower balance sheet total, the equity ratio was at 47.3% higher than at the end of the previous year (45.8%). The liabilities decreased on balance by €5.2 million to €117.0 million. This was mainly due to the decline in financial liabilities. As of June 30, 2016, trade payables were €1.5 million lower than as of December 31, 2015.

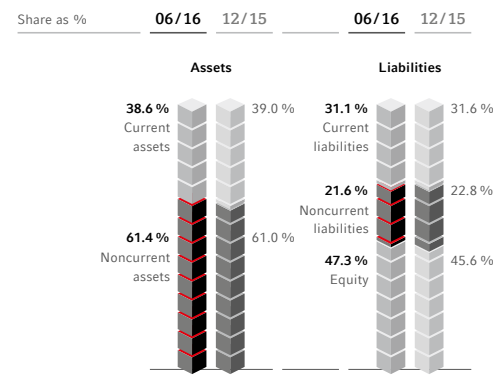
Cash flow from operating activities



Net financial liabilities



Balance sheet structure



Employees**Development in the Segments****Employees**

Deufol Group	06/2016	12/2015
Germany	1,664	1,561
Share (%)	60.6	58.8
Rest of Europe	512	520
Share (%)	18.7	19.6
USA/Rest of the World	503	511
Share (%)	18.3	19.2
Holding company	67	65
Share (%)	2.4	2.4
Total	2,746	2,657

Germany

Figures in € thousand	06/2016	06/2015
Sales	101,624	94,669
Consolidated sales	88,419	83,404
EBITA = EBIT	3,764	2,202
EBITA margin (%)	4.3	2.6
EBT	2,750	1,492

Rest of Europe

Figures in € thousand	06/2016	06/2015
Sales	41,891	40,631
Consolidated sales	34,202	33,733
EBITA = EBIT	1,749	1,364
EBITA margin (%)	5.1	4.0
EBT	1,753	1,247

USA/Rest of the World

Figures in € thousand	06/2016	06/2015
Sales	38,972	34,584
Consolidated sales	38,904	34,584
EBITA = EBIT	1,910	2,032
EBITA margin (%)	4.91	5.9
EBT	555	793

Employees**Slight Increase in Number of Employees**

On June 30, 2016 the Deufol Group had 2,746 employees worldwide. This is 89 employees or 3.3 % more than at the end of last year. As of June 30, 2016, the Group had 1,731 employees in Germany and the holding company (63.0 %) and 1,015 employees (37.0 %) elsewhere. Most of the new hirings were in Germany (+105 employees). As well as the positive business situation, this reflects the fact that the Deufol Group has continued to replace temporary workers with its own employees. The number of employees was almost unchanged in the Rest of Europe segment, in the USA/Rest of the World and in the holding company.

Development in the Segments

The primary reporting format is based on geographical regions and consists of the segments "Germany", "Rest of Europe" and "USA/Rest of the World".

After six months, sales in Germany amounted to € 88.4 million (previous year: € 83.4 million). This segment is therefore now contributing 54.6 % to Group sales (previous year: 54.8 %). The change in sales reflects the positive trend for business activities, particularly in northern and western Germany.

The operating result (EBITA) in Germany after six months of the year amounted to € 3.8 million (previous year: € 2.2 million).

In the Rest of Europe, consolidated sales amounted to € 34.2 million after the first six months of the year (previous year: € 33.7 million). This segment is therefore now contributing 21.1 % to Group sales (compared to 22.2 % in the first half of 2015). Sales growth has resulted from new customer business in Italy as well as expanded business relationships in Slovakia.

After the first six months of the year, the operating result (EBITA) in the Rest of Europe amounted to € 1.7 million (previous year: € 1.4 million).

In the USA/Rest of the World segment, after six months of the year consolidated sales were at € 38.9 million 12.4 % higher than in the previous year. The US dollar's exchange rate against the euro has not changed significantly in 2016 by comparison with the previous year. This segment thus represents 24.0 % of Group sales (compared to 22.7 % in the first six months of 2015).

The operating result (EBITA) after six months of the year amounted to € 1.9 million (previous year: € 2.0 million). The business trend in the USA in the Automated Packaging segment remains highly positive.

In view of its structure and its tasks, the holding company only realizes marginal external sales (€ 0.4 million for the first six months of 2016). In the first half of 2016, the EBITA figure changed from – € 0.6 million to – € 2.1 million by comparison with the same period in the previous year. This earnings trend mainly reflects provisions in the personnel segment, which are generally reclassified to operating companies upon realization.

Outlook

Global Economy Gradually Picking Up

In the view of the Kiel Institute for the World Economy, global output should continue to improve but there is not yet any sign of an underlying global economic trend which is significantly stronger than in the previous two years. Global output growth in 2016 will at 3.1 % be scarcely higher than in the previous year and will also remain moderate in 2017, at 3.5 %.

Global trade will likewise remain muted. For 2016 and 2017, the researchers predict growth rates of 2.5 % and 3.5 % respectively.

Europe: Economy Gaining Momentum

The Kiel Institute expects the economic trend to pick up in Europe. The indicators suggest that the growth in output will continue over the summer. The economic trend continues to be boosted by the exchange rate-related improvement in the international competitiveness of producers in the Eurozone. The Kiel Institute expects the Eurozone's economy to grow by 1.7 % this year and by 1.9 % next year.

Economic Upturn Continues in Germany

The Kiel Institute expects growth of 1.9 % for 2016 as a whole and of 2.1 % for 2017. The German economy remains buoyant. The trend for private consumption continues to be favorable, even if the growth rate will not be quite as strong as in previous quarters, since temporary stimulus factors such as the influx of refugees will gradually weaken. The upturn in the volume of investment is visibly strengthening. In the coming year this should even serve as the key stimulus for the economy, partly helped by outline monetary conditions which remain favorable. Exports are holding their own in an international environment which remains difficult, and they will receive additional stimulus through the euro's devaluation. Having been clearly subdued due to the fall in the price of oil, inflation is likely to rise and should amount to 0.5 % in the current year and to almost 1.6 % in the coming year.

Company-Specific Outlook

Risks and Opportunities

The risks and opportunities described in the Report on Expected Developments and the Risk Report contained in the Group management report for the 2015 annual financial statements remain applicable.

Outlook – Planning Confirmed

Deufol SE confirms its planning figures published for fiscal year 2014 in its 2015 annual financial report. These envisage sales of between €320 million and €335 million and an operating result (EBITDA) of between €14.5 million and €16.5 million.



Consolidated Income Statement

Figures in € thousand	Jan. 1, 2016– Jun. 30, 2016	Jan. 1, 2015– Jun. 30, 2015	Note/Page
Sales	161,933	152,088	01/013
Other own work capitalized	557	325	
Inventory changes	86	517	
Other operating income	1,900	2,218	
Overall operating performance	164,476	155,148	
Cost of materials	(73,481)	(71,238)	
Personnel costs	(54,561)	(50,489)	
Depreciation, amortization and impairment	(3,426)	(3,733)	
Other operating expenses	(27,716)	(24,639)	
Profit (loss) from operations (EBIT)	5,292	5,049	
Financial income	176	193	
Finance costs	(1,247)	(1,667)	
Income (loss) from investments accounted for using the equity method	(213)	(163)	
Profit (loss) before taxes (EBT)	4,008	3,412	
Income taxes	(716)	(799)	
Result for the period	3,292	2,613	
thereof share of profits held by noncontrolling interests	(105)	299	
thereof share of profits held by shareholders in the parent company	3,187	2,314	
Earnings per share			
in €			
Basic and diluted earnings per share, based on the income (loss) attributable to common shareholders of Deufol SE	0,073	0,053	02/013

Consolidated Statement of Comprehensive Income

Figures in € thousand	Jan. 1, 2016– Jun. 30, 2016	Jan. 1, 2015– Jun. 30, 2015	Note/Page
Result for the period	3,292	2,613	
Other comprehensive income	(256)	1,173	
Items which may be reclassified to the income statement in future			
Income (loss) from currency translation, after taxes	(256)	1,173	
Income (loss) from cash flow hedges, after taxes	0	0	
Comprehensive income after taxes	3,036	3,786	
thereof noncontrolling interests	105	299	
thereof shareholders in the parent company	2,931	3,487	



Consolidated Balance Sheet

Assets		Jun. 30, 2016	Dec. 31, 2015	Note/Page
Figures in € thousand				
Noncurrent assets		136,278	137,072	
Property, plant and equipment		45,739	45,471	
Investment property		133	161	
Goodwill		68,676	68,677	
Other intangible assets		4,335	4,371	
Investments accounted for using the equity method		3,726	3,939	
Financial receivables		2,396	3,084	
Other financial assets		51	59	
Other receivables and other assets		2,405	2,405	
Deferred tax assets		8,817	8,905	
Current assets		85,513	87,537	
Inventories		12,085	12,573	
Trade receivables		48,866	44,537	
Other receivables and other assets		14,552	13,920	
Tax receivables		863	729	
Financial receivables		1,481	1,445	
Cash and cash equivalents		7,666	14,333	
Total assets		221,791	224,609	
Equity and liabilities				
Figures in € thousand		Jun. 30, 2016	Dec. 31, 2015	Note/Page
Equity		104,820	102,394	03/014
Equity attributable to the shareholders of Deufol SE		104,254	101,860	
Subscribed capital	43,774			
Capital repayment	(813)			
Subscribed capital		42,961	43,774	
Capital reserves		107,240	107,240	
Retained earnings	10,000			
Capital repayment	277			
Retained earnings		10,277	0	
Profit brought forward		(57,218)	(50,404)	
Other comprehensive income		994	1,250	
Noncontrolling equity interests		566	534	
Noncurrent liabilities		47,939	51,179	
Financial liabilities		37,845	44,182	04/014
Provisions for pensions		4,655	4,763	
Other liabilities		1,215	1,413	
Deferred tax liabilities		674	821	
Current liabilities		69,032	71,036	
Trade payables		35,707	37,178	
Financial liabilities		12,558	14,042	04/014
Other liabilities		16,703	15,775	
Tax liabilities		1,958	1,853	
Other provisions		2,106	2,188	
Total equity and liabilities		221,791	224,609	



Consolidated Cash Flow Statement

Figures in € thousand	Jan. 1, 2016– Jun. 30, 2016	Jan. 1, 2015– Jun. 30, 2015	Note/Page
Income (loss) from operations (EBIT) from continuing operations	5,292	5,049	
Adjustments to reconcile net income (loss) to cash flow from operating activities			
Depreciation, amortization and impairment	3,427	3,733	
(Gain) loss from disposal of fixed assets	58	(93)	
Taxes paid	(842)	(560)	
Changes in assets and liabilities from operating activities			
Decrease (increase) in trade accounts receivable	(4,329)	(6,961)	
Decrease (increase) in inventories	488	202	
Decrease (increase) in other receivables and other assets	(632)	(1,929)	
Increase (decrease) in trade accounts payable	(1,471)	(2,639)	
Increase (decrease) in other liabilities	912	3,551	
Increase (decrease) in provisions	92	(728)	
Decrease (increase) in other operating assets/liabilities	(324)	(242)	
Cash flow from operating activities	2,671	(617)	05/014
Purchase of intangible assets and property, plant and equipment	(3,982)	(3,215)	
Proceeds from the sale of intangible assets and property, plant and equipment	5	251	
Net change in financial receivables	652	466	
Interest received	176	193	
Cash flow from investing activities	(3,149)	(2,305)	05/014
Addition (extinction) of amounts due to banks	(3,491)	(1,546)	
Addition (extinction) of other financial liabilities	(791)	423	
Payments for the purchase of treasury stock	(545)	0	
Dividend paid to noncontrolling interests	(73)	0	
Interest paid	(1,289)	(1,841)	
Cash flow from financing activities	(6,189)	(2,964)	05/014
Change in cash and cash equivalents	(6,667)	(5,886)	
Cash and cash equivalents at the beginning of the period	14,333	16,003	
Cash and cash equivalents at the end of the period	7,666	10,117	

Consolidated Statement of Changes in Equity

	Subscribed capital	Capital reserves	Retained earnings	Profit brought forward	Cumulative translation adjustment	Equity attributable to the shareholders of Deufol SE	Noncontrolling equity interests	Total equity
Figures in € thousand								
Balance at Jan. 1, 2015	43,774	107,420	0	(53,772)	(234)	97,058	290	97,348
Result for the period	—	—	—	2,314	—	2,314	299	2,613
Other comprehensive income	—	—	—	—	1,173	1,173	—	1,173
Deferred taxes for valuation changes recognized directly in equity	—	—	—	—	—	—	—	0
Comprehensive income	—	—	—	2,314	1,173	3,487	299	3,487
Dividends	—	—	—	—	—	—	—	—
Balance at Jun. 30, 2015	43,774	107,420	0	(51,408)	939	100,545	589	101,134
Balance at Jan. 1, 2016	43,774	107,240	0	(50,404)	1,250	101,860	534	102,394
Result for the period	—	—	—	3,187	—	—	105	3,292
Other comprehensive income	—	—	—	—	(256)	—	—	(256)
Deferred taxes for valuation changes recognized directly in equity	—	—	—	—	—	—	—	—
Comprehensive income	—	—	—	3,187	(256)	2,931	105	3,036
Allocation to retained earnings	—	—	10,000	(10,000)	—	—	—	—
Purchase of treasury stock	(813)	—	277	—	—	(536)	—	(536)
Dividends	—	—	—	—	—	—	(73)	(73)
Balance at Jun. 30, 2016	42,961	107,240	10,277	(57,218)	1,003	104,254	566	104,820

Notes to the Consolidated Interim Financial Statements

General Accounting and Valuation Methods



These consolidated financial statements for the interim report – which have not been audited or verified by an auditor – describe the business activities of Deufol SE and its subsidiaries (the “Group”). The statements were produced in accordance with IFRS (“International Financial Reporting Standards”). All IFRSs (IFRSs, IASs, IFRICs, SICs) as adopted by the European Union and effective as of the balance sheet date were applied.

In principle, the balancing and valuation methods used are those for the last consolidated financial statements as of the end of the fiscal year. A detailed description of these methods is provided in our annual report for the year 2015. In addition, IAS 34 “Interim Financial Statements” was applied.

New Accounting Standards



The first-time application of the new standards and applications which are mandatory from fiscal year 2016 had no effect on the recognition and measurement of assets and liabilities.

Currency Translation



In accordance with IAS 21, the financial statements of the foreign subsidiaries included in the group financial statements whose functional currency is not the Euro were converted into the group currency Euro on the balance sheet cut-off date on the basis of the functional-currency concept. The conversion was in accordance with the modified-closing-rate method.

The exchange rates for the translation of currencies that are not part of the European Monetary Union changed as follows:

Foreign currency	Middle rate as of the balance sheet date		Average rate of exchange	
	Jun. 30, 2016	Dec. 31, 2015	6M 2016	6M 2015
pro €				
US dollar	1.1102	1.0887	1.1155	1.1159
Czech crown	27.131	27.023	27.0393	27.5042
Singapore dollar	1.4957	1.5417	1.5402	1.5059
Renminbi	7.3755	7.0608	7.2937	6.9411

Scope of Consolidation



All significant subsidiaries over which Deufol SE has legal or effective control are included in the consolidated financial statements.

The consolidated group is as follows:

in units	Dec. 31, 2015	Additions	Disposals	Jun. 30, 2016
Consolidated subsidiaries	34	0	0	34
thereof in Germany	19	0	0	19
thereof abroad	15	0	0	15
Companies valued using the equity method	8	0	0	8
thereof in Germany	5	0	0	5
thereof abroad	3	0	0	3
Total	42	0	0	42

01 Sales



In respect of further comments on the sales, we refer to the segment reporting.

02 Earnings per Share



Income	Jan. 1, 2016– Jun. 30, 2016	Jan. 1, 2015– Jun. 30, 2015
Figures in € thousand		
Result attributable to the holders of Deufol SE common stock	3,187	2,314
Shares in circulation		
in units		
Weighted average number of shares	43,773,665	43,773,655
Earnings per share		
Figures in €		
Basic and diluted earnings per share, based on the income (loss) attributable to common shareholders of Deufol SE	0.073	0.053

03 Equity

In the first six months of 2016, the change in subscribed capital resulted due to the acquisition of treasury stock with a nominal value of € 813 thousand. In accordance with the resolution passed by the Annual General Meeting on June 30, 2016, in the first half of 2016 € 10,000 thousand was transferred from Deufol SE's net income for the year to other profit reserves.

04 Financial Liabilities

Under the existing German syndicated loan agreement, the Deufol Group is obliged to comply with minimum and maximum limits for firmly defined financial covenants.

As of March 31, 2016 and June 30, 2016, the Deufol Group complied with all of the financial covenants under its loan agreement.

05 Cash Flow Statement

The cash flow statement shows the origin and appropriation of the money flows in the first six months of fiscal years 2015 and 2016. It is of key significance for an assessment of the financial position of the Deufol Group.

The cash funds shown in the cash flow statement correspond to the balance sheet item "Cash and cash equivalents".

The cash flow from operating activities has been adjusted for changes to the scope of consolidation and in the first six months of 2016 amounted to € 2,671 thousand.

The outflow of funds from investing activities amounted to € 3,149 thousand and includes the cash flows from the purchase and sale of property, plant and equipment, the purchase and sale of intangible assets, the change in financial receivables as well as interest received.

The outflow of funds from financing activities amounted to € 6.189 thousand and reflects the net changes in financial liabilities and equity plus interest paid.

The cash and cash equivalents balance decreased by € 6,667 thousand.

Dividend

Deufol SE did not distribute any dividend in the first six months of 2016.

Contingencies

There were no significant changes in the contingencies in relation to December 31, 2015.

**Significant Events after the
Balance Sheet Date**

No material events occurred after the balance sheet date for which a reporting obligation is applicable pursuant to IAS 10.

Segment Information



The segment reporting is prepared in accordance with the provisions of IFRS 8 (Operating Segments).

Its primary reporting format is based on geographical regions which are grouped for the purpose of corporate management. As the segment result – used for assessment of the business success of the respective segments – the management has calculated the result for the period before taxes, financial income, financial expenses, shares of profits of companies accounted for using the equity method and amortization/impairment of goodwill (EBITA). The Deufol Group has the following segments for which reporting requirements apply:

- Germany
- Rest of Europe
- USA/Rest of the World

The holding company covers the Group's administrative activities and, in addition to Group management functions, includes support functions such as sales, purchasing, controlling, financial accounting, personnel, legal and corporate communications.

The operating result (EBITA) for the business units is separately monitored by the management in order to make decisions on the allocation of resources and to determine the units' performance. The segments' development is mainly measured with reference to the operating result. As the Deufol Group has a decentralized organizational structure, financial expenses and income can be allocated to the individual business segments.

The prices charged between the business segments are determined on the basis of the arm's length principle.

Supplementary Disclosures

Disclosures Concerning the Executive Bodies



Administrative Board

Dr. Helmut Görling resigned from the Administrative Board on April 30, 2016. Mr. Marc Hübner, previously a replacement member, and Mr. Holger Bürskens were elected to the Administrative Board at the Annual General Meeting held on June 30, 2016.

Relationships with Related Parties



With regard to the transactions with related parties, there was no significant change in relation to the previous annual financial statements.

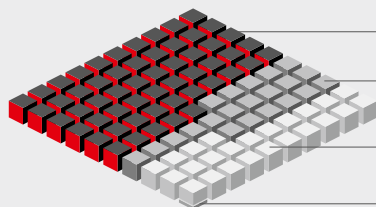
Segment Information
by Region (Primary
Reporting Format)

Figures in € thousand	Germany	Rest of Europe	USA/Rest of the World	Holding company	Elimination	Group
6M 2016						
External sales	88,419	34,202	38,904	408	0	161,933
Internal sales	13,205	7,689	68	7,280	(28,242)	0
Total sales	101,624	41,891	38,972	7,688	(28,242)	161,933
EBITA = EBIT	3,764	1,749	1,910	(2,121)	(10)	5,292
Financial income	494	186	65	1,933	(2,502)	176
Finance costs	(1,472)	(203)	(1,248)	(826)	2,502	(1,247)
Income (loss) from associates	(36)	21	(172)	(26)	0	(213)
EBT	2,750	1,753	555	(1,040)	(10)	4,008
Taxes						(716)
Result for the period						3,292
Assets	82,050	61,036	50,265	250,663	(231,903)	212,111
thereof investments accounted for using the equity method						
Non-allocated assets						9,680
Total assets						221,791
Financial liabilities	32,047	10,265	46,649	35,039	(70,047)	53,953
Other debt	37,364	23,739	12,086	25,038	(37,841)	60,386
Non-allocated debt						2,632
Total liabilities						116,971
Depreciation, amortization and impairment	1,352	894	789	391	0	3,426
Investments	1,587	1,845	91	588	0	4,111

External sales by region

Figures in %

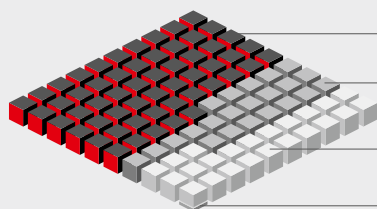
	6M 2016
Germany	54.60
Rest of Europe	21.12
USA/Rest of the World	24.02
Holding company	0.26



Angaben in Tsd. €	Germany	Rest of Europe	USA/Rest of the World	Holding company	Elimination	Group
6M 2015						
External sales	83,404	33,733	34,584	367	0	152,088
Internal sales	11,265	6,898	0	7,110	(25,273)	0
Total sales	94,669	40,631	34,584	7,477	(25,273)	152,088
EBIT	2,202	1,364	2,032	(602)	53	5,049
Financial income	221	200	65	1,561	(1,854)	193
Finance costs	(944)	(265)	(1,263)	(1,049)	1,854	(1,667)
Income (loss) from associates	13	(52)	(41)	(83)	0	(163)
EBT	1,492	1,247	793	(173)	53	3,412
Taxes						(799)
Result for the period						3,103
Assets	92,475	60,823	51,601	253,792	(247,560)	211,131
thereof investments accounted for using the equity method						
Non-allocated assets						9,683
Total assets						220,814
Financial liabilities	33,947	11,644	48,540	34,364	(70,708)	57,787
Other debt	47,793	24,419	14,199	28,882	(55,584)	59,218
Non-allocated debt						2,185
Total liabilities						119,680
Depreciation, amortization and impairment	1,614	980	817	322	0	3,733
Investments	2,307	529	130	249	0	3,215

External sales by region

Figures in %







	6M 2015
Germany	54.84
Rest of Europe	22.18
USA/Rest of the World	22.74
Holding company	0.24

Additional Information

Financial Calendar

29. April	2016	Annual Financial Statements 2015
30. Juni	2016	Annual General Meeting 2016
12. August	2016	Semi-Annual Financial Report 2016

Symbolerläuterung

-  Basis of Preparation
-  Scope of Consolidation
-  Consolidated Income Statement Disclosures
-  Consolidated Balance Sheet Disclosures
-  Consolidated Cash Flow Statement Disclosures
-  Other Disclosures
-  Segment Information
-  Supplementary Disclosures

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