Q2 2012

PACK-AGING. NEXT LEVEL.

DEUFOL

SEMI-ANNUAL FINANCIAL REPORT

Key Figures for the Deufol Group

figures in € thousand	Q2 2012	Q2 2011	6M 2012	6M 2011
Results of operations				
Revenue (total)	78,552	76,956	157,959	152,084
Germany	43,188	43,303	89,180	85,846
Rest of the World	35,364	33,653	68,779	66,238
International revenue ratio (%)	45.02	43.73	43.54	43.55
EBITDA	3,265	5,442	6,922	9,410
EBIT	1,077	3,242	2,514	5,074
EBT	(21)	2,284	792	3,176
Income tax income (expenses)	(803)	(952)	(1,148)	(1,452)
Income (loss) from continuing operations	(824)	1,332	(656)	1,724
Income (loss) from discontinued operation	(278)	(272)	(292)	(433)
Profit (loss) for the period	(1,102)	1,060	(948)	1,291
of which noncontrolling interests	133	166	212	273
of which shareholders of the parent company	(1,235)	894	(1,160)	1,018
Earnings per share (€)	(0.028)	0.020	(0.026)	0.023
Balance sheet				
Noncurrent assets	146,607	147,247	146,607	147,247
Current assets	81,576	78,495	81,576	78,495
Balance sheet total	228,183	225,742	228,183	225,742
Equity	97,831	98,011	97,831	98,011
Liabilities	130,352	127,731	130,352	127,731
Equity ratio (%)	42.87	43.42	42.87	43.42
Net financial liabilities	59,179	51,616	59,179	51,616
Cash flow / investments				
Cash flow from operating activities	(62)	1,911	5,668	4,373
Cash flow from investing activities	(1,412)	731	(2,195)	402
Cash flow from financing activities	110	(3,884)	(4,862)	(7,314)
Investments in property, plant and equipment	1,378	1,409	4,709	2,899
Employees				
Employees (as of June 30)	2,770	2,789	2,770	2,789

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Deufol in the First Six Months of 2012

Sales and Income Trend

Total sales in the first six months of 2012 were at € 158.0 million 3.9 % higher than in the same period in the previous year. In Germany, at € 89.0 million, sales were 3.9 % higher than in the previous year. In the Rest of Europe, sales declined by 6.2 % to € 40.5 million. In the USA/Rest of the World, sales were significantly higher than in the previous year, at € 28.3 million, a rise of 22.7 %.

The operating result (EBITA) adjusted by one-off expenses amounted to € 5.16 million and thus exceeded the previous year's figure of € 5.07 million. The one-off expenses of € 2.65 million arose predominantly in connection with the € 26 million action for damages against former managers of the Company. But included are also costs associated with the conversion into a European public limited company (SE) and for the introduction of registered shares. In the first half of 2012, the unadjusted EBITA amounted to € 2.51 million. Including a one-off effect in Belgium in the second quarter of 2011 (release of liabilities to employees in the amount of € 0.78 million), the comparative operating basis amounted to € 4.29 million. Hence, the comparative operating result is around 20.3 % above the previous year.

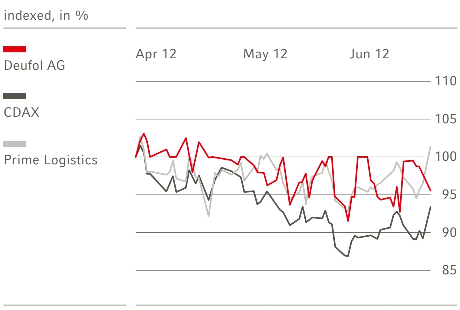
Lawsuit Against Former Managers

On April 4, 2012, the Executive and Supervisory Boards of Deufol AG, Hofheim, filed charges against persons including the former managing director of the subsidiary Deufol Tailleur GmbH and the former CEO of Deufol AG. In June, the charges were extended to include additional former managers. In the period from 2006 to 2011, the above persons are suspected of having acted in business dealings to the detriment of the Deufol Group. The total damages asserted in the civil action currently amount to approx. € 26 million. In this context, the forenamed one-off expenses arose in respect of investigations, courts and reorganization.

Outlook

The plan for the 2012 fiscal year anticipated sales between € 315 million and € 330 million and an operating result (EBITA) between € 12 million and € 14 million. Deufol AG has confirmed the plan in terms of sales and expects EBITA adjusted by one-off expenses to be in the forecast range. One-off expenses of up to € 4.5 million are expected for this year.

The Deufol share in the second quarter



Stock Markets Slump in Second Quarter

The Deufol share has stood up relatively well in a market environment for shares whose overall trajectory has been downward on balance. In the second quarter, the share moved in a corridor between € 0.840 and € 0.989. It reached its highest closing price at € 0.980 on April 3, and marked its lowest at € 0.869 on June 5. The Deufol share closed the second quarter at a price of € 0.918. Relative to the end of the first quarter of 2012, this corresponds to a decline of 3.4 %.

The sector index of logistics stocks quoted in the Prime Standard (DAXsubsector Logistics) rose by 1.3 % in the second quarter and the multiple-sector CDAX – on which Deufol is listed – lost 7.1 %.

Economic Outline Conditions

Wobbly Global Economy

According to the summer forecast of the Kiel Institute for the World Economy, the global economy expanded pretty slightly in spring 2012. Following a 2.3 % increase in global gross domestic product in the last quarter of 2011, the 3.1 % growth rate in the first quarter of 2012 was still lagging behind the medium-term trend of 4 %. Monthly indicators show that the global economy has recently lost momentum; the Kiel Institute's global economic activity indicator which is based on sentiment indicators provided by 41 countries is pointing towards a renewed decline in economic expansion in the second quarter.

Varying Economic Trends in the Eurozone

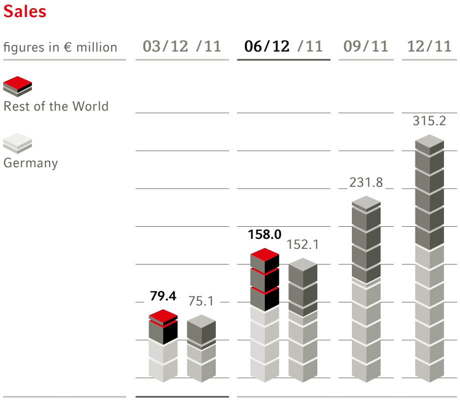
According to the Kiel Institute, the Eurozone's economy remains weak. Total economic output stagnated in the first quarter 2012 after the gross domestic product had declined at a current annual rate of 1.2 % in the previous quarter. Investment activities slumped once again while private consumption stabilized and the current account balance increased substantially thanks to a significant upsurge in exports. A technical recession which, according to the generally accepted definition, occurs when the gross domestic product declines for two successive quarters was avoided due to the fact that overall economic output in Germany grew substantially at 2.1 %.

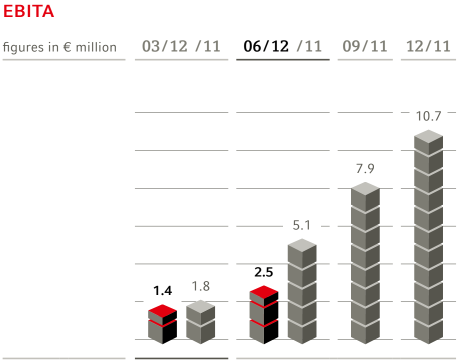
In the Eurozone ex Germany, economic output declined by 0.7 %. The differences between the individual countries were substantial. The recession in Italy, the Netherlands and Spain continued while economic output in France stagnated. In contrast, the gross domestic product increased, in some cases significantly, in Germany, Finland, Austria, Slovakia and Slovenia.

German Economy's Vigorous Start to the New Year

According to the Kiel Institute's analysis, the German economy had a vigorous start to the new year. In the first quarter, the gross domestic product increased significantly at a current annual rate of 2.1 %. In the final quarter of the previous year, production had still been in decline. The increase was mainly carried by the turnaround in exports. Despite the recession, exports went up considerably in a number of European countries. With imports stagnating at the same time, the contribution towards economic expansion made by foreign trade was substantial. Domestic utilization, in contrast, even declined. Construction investments contracted, mainly due to a decline in public construction. Due to continuous insecurity, companies held back on plant and equipment investments. In contrast, private consumption recovered, boosted by a substantial increase in disposable income.

Results of Operations, Financial and Asset Position





Sales in the First Six Months up 3.9 %

Total sales in the second quarter of 2012 were at € 78.6 million 2.1 % above the same period in the previous year. In Germany, at € 43.1 million, sales remained largely unchanged compared to the previous year's quarter (€ 43.2 million). In the Rest of Europe, sales declined by 6.6 % to € 20.5 million. In the USA/Rest of the World, sales were significantly higher than in the previous year, at € 14.9 million, a rise of 26.8 %.

Total sales in the first six months of 2012 were at € 158.0 million 3.9 % higher than in the same period in the previous year. Adjusted for the 10 % average appreciation of the US dollar versus the euro, this growth amounts to 2.0 %. With a 56.5 % share of Group sales, the proportion accounted for by Germany remained stable compared to the previous year. The share of sales realized elsewhere in Europe decreased, from 28.4 % to 25.6 %, and the USA's share of sales fell by 2.6 percentage points to 17.9 %.

Result Affected by One-Off Expenses

The operating result (EBITA) adjusted by one-off expenses amounted to € 5.16 million and thus exceeded the previous year's figure of € 5.07 million. One-off expenses of € 2.65 million arose predominantly in connection with the € 26 million action for damages against former managers of the Company. But included are also costs associated with the conversion into a European public limited company (SE) and for the introduction of registered shares. In the first half of 2012, the unadjusted EBITA amounted to € 2.51 million. Including a one-off effect in Belgium in the second quarter of 2011 (release of liabilities to employees in the amount of € 0.78 million), the comparative operating basis amounted to € 4.29 million. Hence, the comparative operating result is around 20.3 % above the previous year.

The individual segments performed as follows in the first six months: In Germany, we recorded a welcome increase in EBITA from € 2.67 million to € 3.89 million. This development reflects initial success for the reorganization and integration measures launched by the Company. In the Rest of Europe, EBITA declined by 34.1 % to € 2.36 million, mainly due to the discontinuance of the one-off effect in Belgium (see above). The USA/Rest of the World segment realized a result of € 0.16 million (previous year: € 0.18 million). This reflected expenses associated with the expansion of capacity in the Data Packaging division. The EBITA loss of Deufol AG (Holding), were most of the one-off expenses occurred, was € 3.87 million (previous year: € 1.35 million) as a consequence of the one-off expenses.

Financial results increased on the same six months in the previous year from –€ 1.90 million to –€ 1.72 million. This is attributable to lower financial expenses. Financial income also decreased slightly while the share of earnings accounted for by associates largely remained at the previous year's level.

Earnings before taxes (EBT) in the first half year were € 0.79 million (previous year: € 3.18 million). After income tax expenses (€ 1.45 million), the result from continuing operations is –€ 0.66 million, compared to € 1.72 million in the first six months of 2011.

The discontinued operation "Carton Business" in the USA led to a loss of € 0.29 million (previous year: –€ 0.43 million). The loss consists of a current loss of € 0.04 million and the final measurement of the pension commitment (–€ 0.25 million). This means a result for the period of –€ 0.95 million (previous year: € 1.29 million).

After deduction of the profit shares of noncontrolling interests (€ 0.21 million), there is a net loss of € 1.16 million (previous year: profit of € 1.02 million) attributable to the shareholders of Deufol AG. Earnings per share in the first six months were −€ 0.028 (previous year: € 0.023).

Net Cash and Investments

In the first six months, the cash flow provided by operating activities amounted to € 5.67 million and was thus significantly higher than the level in the previous year (€ 4.37 million).

The net cash used in investing activities was negative at −€ 2.2 million (previous year: +€ 0.40 million). Outflows of funds resulted here from payments for the purchase of assets (−€ 3.54 million). Inflows of funds resulted from the decrease in financial receivables (+€ 0.69 million), interest received (+€ 0.61 million) and proceeds from the sale of assets (+€ 0.05 million).

The net cash used in financing activities was negative at −€ 4.86 million (previous year: −€ 7.31 million). Outflows resulted from the decrease in amounts owed to banks (−€ 0.67 million), interest paid (−€ 2.78 million) and the decrease in other financial liabilities (−€ 1.39 million). Cash decreased in relation to the end of the year by € 1.39 million to € 10.0 million.

Slight Decrease in Financial Liabilities

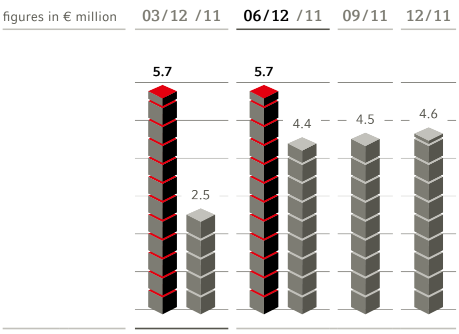
The financial liabilities of the Deufol Group decreased in the first six months of the fiscal year by € 0.8 million to € 78.8 million. As cash and financial receivables simultaneously decreased (−€ 2.1 million), the net financial liabilities rose by € 1.3 million, from € 57.9 million at the end of the year to € 59.2 million.

Slightly Lower Balance Sheet Total

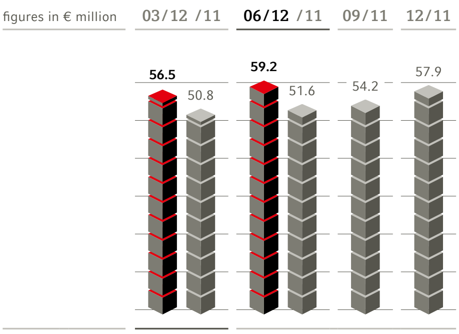
At € 228.2 million, the balance sheet total as of June 30, 2012 is 2.2 % below the level at the end of the previous year (€ 233.4 million). In the noncurrent assets segment, property, plant and equipment (+1.4 to € 49.6 million), financial receivables (−0.5 to € 7.8 million) and intangible assets (−0.5 to € 2.3 million) recorded the most significant changes. The other noncurrent assets realized only marginal changes. For the current assets, the largest decrease was in the trade accounts receivable (−6.3 to € 42.8 million) and cash (−1.4 to € 10.0 million). The other assets increased (+1.4 to € 10.1 million). The other current assets realized only marginal changes.

On the liabilities side, equity (including noncontrolling interests) in the first six months of 2012 fell on balance by € 0.7 million to € 97.8 million. This was due to the loss for the period (−€ 1.2 million). The other comprehensive income (+€ 0.5 million) had a positive effect. Noncontrolling interests rose slightly (+0.2 to € 1.4 million). With a lower balance sheet total, the equity ratio increased from 42.1 % to 42.9 %. Liabilities decreased on balance by € 4.7 million to € 130.4 million.

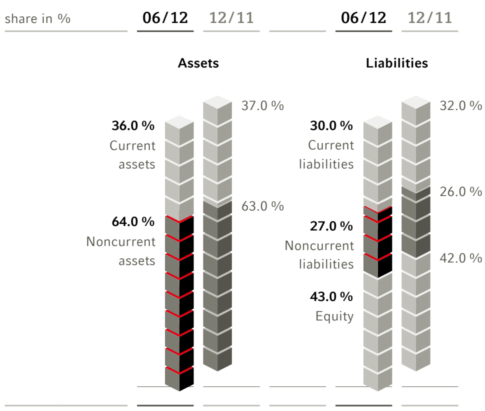
Net cash provided by operating activities



Net financial liabilities



Balance sheet structure



Employees

Deufol Group	06/2012	12/2011
Germany	1,557	1,610
Share (%)	56.2	58.5
Rest of Europe	682	690
Share (%)	24.6	24.3
USA/Rest of the World	514	463
Share (%)	18.6	16.9
Holding company	17	9
Share (%)	0.6	0.3
Total	2,770	2,772

Employees

Number of Employees Remains Stable in the First Six Months

On June 30, 2012, the Deufol Group had 2,770 employees worldwide. The number of employees thus remained largely unchanged compared to the previous year (2,772). Most of the new hirings took place in the USA (+51 employees) where the business volume went up considerably. In the Rest of Europe, the workforce fell by eight employees and in Germany by 53.

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”.

Germany

figures in € thousand	Q2 2012	Q2 2011	6M 2012	6M 2011
Sales	48,622	49,650	100,335	99,175
Consolidated sales	43,109	43,226	89,027	85,700
EBITA	1,354	1,307	3,887	2,670
EBITA margin (%)	3.1	3.0	4.4	3.1
EBTA	962	973	3,450	2,074

At € 43.1 million, consolidated sales in Germany in the second quarter of 2012 were slightly lower than in the previous year (€ 43.2 million). Sales in the first half of the year amounting to € 89.0 million were 3.9 % higher than in the previous year. This segment is therefore contributing 56.4 % to Group sales as in the previous year.

The operating result (EBITA) in the second quarter increased slightly to € 1.35 million (previous year: € 1.30 million). At € 3.89 million, the cumulative EBITA in the first half of the year was substantially higher than in the previous year (€ 2.70 million).

This increase is primarily attributable to stronger results for “Export & Industrial Packaging”. As well as the increase in sales, this also reflects initial success for the reorganization and integration measures as well as the central purchasing system which has now been established. At the same time, the situation on the purchasing markets for wood has eased slightly.

Rest of Europe

figures in € thousand	Q2 2012	Q2 2011	6M 2012	6M 2011
Sales	22,485	23,853	44,719	47,121
Consolidated sales	20,462	21,899	40,468	43,157
EBITA	1,344	2,321	2,360	3,583
EBITA margin (%)	6.6	10.6	5.8	8.3
EBTA	1,352	2,339	2,356	3,605

In the Rest of Europe, consolidated sales in the second quarter were at € 20.4 million 6.6 % lower than in the same period in the previous year. For the first six months, at € 40.5 million sales were below the previous year (–6.2 %). This segment is therefore contributing 25.6 % to Group sales (compared to 28.4 % in the first half of 2011). However, this sales trend was unevenly distributed among the Group's regions, with – 6.3 % in Belgium, – 17.0 % in Italy and + 14.1 % in the Slovakia / Czech Republic / Austria region.

The second-quarter operating result (EBITA) amounted to € 1.35 million following € 2.32 million in the previous year. The cumulative EBITA in the first half of the year amounted to € 2.36 million compared to € 3.58 million in the previous year. This decline is predominantly due to the discontinuance of the 2011 one-off effect (release of liabilities to employees in the amount of € 0.78 million) and lower packaging volumes at our Belgian locations.

USA / Rest of the World

figures in € thousand	Q2 2012	Q2 2011	6M 2012	6M 2011
Sales	14,902	11,754	28,311	23,081
Consolidated sales	14,902	11,754	28,311	23,081
EBITA	488	446	159	182
EBITA margin (%)	3.3	3.8	0.6	0.8
EBTA	(138)	(220)	(1,021)	(1,139)

In the USA / Rest of the World segment, consolidated sales in the second quarter were significantly higher than in the previous year, at € 14.9 million, a rise of 26.8 %. For the first six months, at € 28.3 million sales were higher than in the previous year (22,7 %). If one takes into consideration the US dollar's upward revaluation against the euro of 10 % on average, the increase amounts to 10.3 %. Aside from the successful expansion of the gift card business, growth was also driven by our new operations in Charlotte und Suzhou. This segment thus represents 17.9 % of Group sales (compared to 15.2 % in the first half of 2011).

The second-quarter operating result (EBITA) amounted to € 0.49 million (previous year: € 0.45 million). The cumulative EBITA in the first half of 2012 is positive at € 0.16 million compared to € 0.18 million in the previous year; including the discontinued operation, a loss of € 0.25 million had arisen in the previous year. Production capacities increased considerably in the course of the significant expansion of the gift card business in the first half of the year, leading to expectations of a substantial contribution to earnings from the USA in the second half of the year.

Outlook

Global Economy: Expansion Remains Fragile

According to the Kiel Institute, the global economic indicators have deteriorated of late, predicting a further loss of momentum in the summer months. The further outlook crucially depends on the development of the sovereign debt crisis in the Eurozone and the associated impact on demand and financial markets.

The Kiel Institute has based its forecast on the assumption that the tension on the financial markets associated with the Eurozone debt crisis will slowly decline. Under these conditions, the global expansion may once again pick up speed in the course of the year. By then, factors that had a detrimental effect in the past few months may have faded.

All in all, in the current year, the Kiel Institute for the World Economy expects a 3.4 % increase in global output. For 2013, economists predict a 3.8 % increase in global gross domestic product.

Eurozone: Sluggish Economy

According to the Kiel Institute, the Eurozone economy will remain sluggish throughout the summer months. Both the European Commission's Economic Sentiment Indicator and the Kiel Institute's Business Confidence Indicator are at a low level irrespective of a slight increase at the beginning of the year. The fragile situation of the Spanish banking sector, which escalated further in the last few weeks, has had a detrimental effect. Combined with the ambiguous political situation following the Greek elections, this has led to a further intensification of the debt crisis. Economic divergence in the Eurozone is expected to increase in the forecast period. The decline in total economic output in Greece and Portugal is expected to be rather substantial this year. Aside from this, the Spanish and Italian economies are set to contract significantly as austerity measures give out strong negative impulses.

In countries which swiftly regained momentum after the big recession (especially Germany, Finland, Austria), with only minor structural adjustment processes hampering the recovery, the economy will take a much more positive trend. If the sovereign debt crisis will indeed improve gradually as expected, the economy should revive steadily.

This year, the economists anticipate a 0.4 % decline in the total Eurozone gross domestic product and a 0.9 % increase in 2013.

Germany: Debt Crisis Hampers Growth

Following the German economy's lively start into the year, the Kiel Institute for the World Economy expects dynamics to slow in the further course of the year. This is due to the negative effects of the festering debt crisis in some Eurozone countries which affect the business climate and hamper domestic buoyant forces through a virtual investment freeze. Nevertheless, prospects of a substantial increase in output have not really changed. Extremely low interest rates in Germany provide a strong impetus. Unless the Eurozone situation explodes, low interest rates are set to take on a more important role in the second half of the forecast period. Companies will once again invest in plant and equipment and capacity expansion will gain ground in a climate of increasing capacity utilization. Residential construction is receiving a boost from extremely low interest on mortgages while positive labor market prospects are shoring up private consumption. Exports will speed up to some degree, not least due to signs of recovery among Germany's trading partners. With imports growing faster, foreign trade will put a slight brake on expansion in the further course of the year as well as in 2013.

All in all, in 2012 the economic research institutes predict that the country's gross domestic product (GDP) will grow by 0.9 %. For 2013, the institutes expect a rise in GDP of 1.7 %.

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 2011 annual financial statements remain applicable.

Outlook

The plan for the 2012 fiscal year anticipated sales between € 315 million and € 330 million and an operating result (EBITA) between € 12 million and € 14 million. Deufol AG has confirmed the plan in terms of sales and expects EBITA adjusted by one-off expenses to be in the forecast range. One-off expenses of up to € 4.5 million are expected for this year.

Consolidated Income Statement (IFRS)

figures in € thousand	Apr. 1, 2012 – Jun. 30, 2012	Apr. 1, 2011 – Jun. 30, 2011 adjusted*	Jan. 1, 2012 – Jun. 30, 2012	Jan. 1, 2011 – Jun. 30, 2011 adjusted*	Note/Page
Sales	**78,552**	76,956	**157,959**	152,084	01/015
Cost of sales	(70,633)	(67,824)	(140,900)	(134,889)	
Gross profit	**7,919**	9,132	**17,059**	17,195	
Selling expenses	(1,355)	(1,277)	(2,779)	(2,682)	
General and administrative expenses	(6,660)	(5,004)	12,806	(9,861)	
Other operating income	1,138	1,027	1,603	1,412	
Other operating expenses	35	(636)	(563)	(990)	
Profit from operations (EBIT)	**1,077**	3,242	**2,514**	5,074	
Financial income	295	340	619	694	
Finance costs	(1,595)	(1,416)	(2,609)	(2,855)	
Share of profit of associates	202	118	268	263	
Earnings before taxes (EBT) from continuing operations	**(21)**	2,284	**792**	3,176	
Income taxes	(803)	(952)	(1,448)	(1,452)	
Income from continuing operations	**(824)**	1,332	**(656)**	1,724	
Loss from discontinued operation (net of tax)	(278)	(272)	(292)	(433)	02/15
Income for the period	**(1,102)**	1,060	**(948)**	1,291	
of which income attributable to noncontrolling interests	133	166	212	273	
of which income attributable to equity holders of parent	**(1,235)**	894	**(1,160)**	1,018	

Earnings per share

in €					
Basic and diluted earnings per share, based on the profit (loss) attributable to common shareholders of Deufol AG	(0.028)	0.020	(0.026)	0.023	03/016
Basic and diluted earnings per share, based on the profit (loss) from continuing operations attributable to common shareholders of Deufol AG	(0.022)	0.027	(0.020)	0.033	03/016

*Concerning the adjustment of the previous year's figures, see the explanation on page 015.

Consolidated Statement of Comprehensive Income

figures in € thousand	Apr. 1, 2012 – Jun. 30, 2012	Apr. 1, 2011 – Jun. 30, 2011	Jan. 1, 2012 – Jun. 30, 2012	Jan. 1, 2011 – Jun. 30, 2011	Note/Page
Income for the period	**(1,102)**	1,060	**(948)**	1,291	
Other recognized income and expense	**776**	(173)	**473**	(775)	
Exchange rate differences on translation of foreign operations					
Before tax	718	(210)	371	(973)	
Tax	0	0	0	0	
After tax	718	(210)	371	(973)	
Gain (loss) on cash flow hedges					
Before tax	82	52	145	280	
Tax	(24)	(15)	(43)	(82)	
After tax	58	37	102	198	
Total comprehensive income after tax	**(326)**	887	**(475)**	516	
of which attributable to noncontrolling interests	133	166	212	273	
of which attributable to equity holders of parent	(459)	721	(687)	243	

Consolidated Balance Sheet (IFRS)

Assets figures in € thousand	Jun. 30, 2012	Dec. 31, 2011	Note/Page
Noncurrent assets	**146,607**	146,660	
Property, plant and equipment	49,550	48,155	
Investment property	356	383	
Goodwill	68,613	68,612	
Other intangible assets	2,259	2,778	
At-equity-method-accounted investments	3,062	2,794	
Financial receivables	7,823	8,339	
Other financial assets	248	248	
Other receivables and other assets	3,899	4,237	
Deferred tax assets	10,797	11,114	
Current assets	**81,576**	86,689	
Inventories	13,340	12,276	
Trade receivables	42,769	49,037	
Other receivables and other assets	10,102	8,664	
Tax receivables	1,516	1,356	
Financial receivables	1,779	1,953	
Cash and cash equivalents	10,027	11,416	
Assets classified as held for disposal	2,043	1,987	
Total assets	**228,183**	233,349	

Equity and Liabilities figures in € thousand	Jun. 30, 2012	Dec. 31, 2011	Note/Page
Equity	**97,831**	98,336	04/016
Equity attributable to equity holders of Deufol AG	96,392	97,079	
Subscribed Capital	43,774	43,774	
Capital reserves	107,240	107,240	
Retained earnings (accumulated losses)	(53,591)	(52,431)	
Other recognized income and expense	(1,031)	(1,504)	
Equity attributable to noncontrolling interests	1,439	1,257	
Noncurrent liabilities	**61,439**	59,361	
Financial liabilities	51,965	49,308	
Provisions for pensions	4,167	3,885	
Other provisions	113	420	
Other liabilities	2,774	3,105	
Deferred tax liabilities	2,420	2,643	
Current liabilities	**68,913**	75,652	
Trade payables	25,688	28,971	
Financial liabilities	26,843	30,312	
Other liabilities	12,692	13,519	
Tax liabilities	2,437	1,673	
Other provisions	1,253	1,177	
Total equity and liabilities	**228,183**	233,349	

Consolidated Cash Flow Statement

figures in € thousand	Apr. 1, 2012 – Jun. 30, 2012	Apr. 1, 2011 – Jun. 30, 2011	Jan. 1, 2012 – Jun. 30, 2012	Jan. 1, 2011 – Jun. 30, 2011	Note/Page
Income (loss) from operations (EBIT) from continuing operations	1,077	3,242	2,514	5,074	
Income (loss) from discontinued operation	(278)	(272)	(292)	(433)	
Adjustments to reconcile income (loss) to cash flows from operating activities					
Depreciation and amortization charges	2,176	2,334	4,408	4,635	
(Gain) loss from disposal of property, plant and equipment	10	(370)	(41)	(429)	
Other noncash expenses (revenue)	(608)	(1,131)	(748)	(1,213)	
Changes in assets and liabilities from operating activities					
Change in trade accounts receivable	424	(834)	6,268	(2,330)	
Change in inventories	(1,169)	(146)	(1,064)	(333)	
Change in other receivables and other assets	(1,291)	(858)	(1,089)	(1,505)	
Change in trade accounts payable	493	(332)	(3,283)	686	
Change in other liabilities	(604)	562	(831)	338	
Change in accrued expenses	(282)	(300)	(301)	(341)	
Change in other operating assets/liabilities (net)	(11)	16	126	224	
Net cash provided by (used in) operating activities	**(62)**	1,911	**5,668**	4,373	05/016
Purchase of intangible assets and property, plant and equipment	(1,907)	(1,446)	(3,543)	(2,812)	
Proceeds from the sale of intangible assets and property, plant and equipment	(2)	1,305	51	1,475	
Purchase of subsidiaries	0	0	0	(150)	
Net change in financial receivables	208	537	690	1,206	
Interest received	289	335	607	683	
Net cash provided by (used in) investing activities	**(1,412)**	731	**(2,195)**	402	05/016
Net change in borrowings	1,341	3,944	(667)	(1,535)	
Addition (extinction) of other financial liabilities	(24)	(4,856)	(1,390)	(1,287)	
Interest paid	(1,192)	(1,513)	(2,775)	(3,011)	
Dividends paid	0	(1,313)	0	(1,313)	
Dividends paid to noncontrolling interests	(15)	(146)	(30)	(168)	
Net cash provided by (used in) financing activities	**110**	(3,884)	**(4,862)**	(7,314)	05/016
Effect of exchange rate changes and changes in the scope of consolidation on cash and cash equivalents	0	0	0	114	
Change in cash and cash equivalents	**(1,364)**	(1,242)	**(1,389)**	(2,425)	
Cash and cash equivalents at the beginning of the period	11,391	15,628	11,416	16,811	
Cash and cash equivalents at the end of the period	10,027	14,386	10,027	14,386	

Consolidated Statement of Changes in Equity

figures in € thousand	Subscribed Capital	Capital reserves	Accumulated losses	Other comprehensive income (expense): Cumulative translation adjustment	Other comprehensive income (expense): Reserve for cash flow hedges	Equity attributable to equity holders of Deufol AG	Equity attributable to noncontrolling interests	**Total equity**
Balance at Dec. 31, 2010	**43,774**	**107,240**	**(51,207)**	**(1,461)**	**(541)**	**97,805**	**1,171**	**98,976**
Income (loss)	—	—	1,018	—	—	1,018	273	1,291
Changes recognized directly in equity	—	—	—	(973)	280	(693)	—	(693)
Deferred taxes for valuation changes recognized directly in equity	—	—	—	—	(82)	(82)	—	(82)
Total recognized income and expense	—	—	**1,018**	**(973)**	**198**	**243**	**273**	**516**
Dividends	—	—	(1,313)	—	—	(1,313)	(168)	(1,481)
Balance at Jun. 30, 2011	**43,774**	**107,240**	**(51,502)**	**(2,434)**	**(343)**	**96,735**	**1,276**	**98,011**
Balance at Dec. 31, 2011	**43,774**	**107,240**	**(52,431)**	**(1,208)**	**(296)**	**97,079**	**1,257**	**98,336**
Income (loss)	—	—	(1,160)	—	—	(1,160)	212	(948)
Changes recognized directly in equity	—	—	—	371	145	516	—	516
Deferred taxes for valuation changes recognized directly in equity	—	—	—	—	(43)	(43)	—	(43)
Total recognized income and expense	—	—	(1,160)	371	102	(687)	212	(475)
Dividends	—	—	—	—	—	—	(30)	(30)
Balance at Jun. 30, 2012	**43,774**	**107,240**	**(53,591)**	**(837)**	**(194)**	**96,392**	**1,439**	**97,831**

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 AG 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 2011. 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 2012 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	
per €	Jun. 30, 2012	Dec. 31, 2011	6M 2012	6M 2011
US dollar	1.2590	1.2939	1.2968	1.4031
Czech crown	25.6400	25.7870	25.1685	24.3478
Renminbi	8.0011	8.1588	8.1918	9.1755

Scope of Consolidation

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

The consolidated group is as follows:

figures in € thousand	Dec. 31, 2011	Additions	Disposals	Jun. 30, 2012
Consolidated subsidiaries	37	0	0	37
thereof in Germany	23	0	0	23
thereof abroad	14	0	0	14
Companies valued using the equity method	4	0	0	4
thereof in Germany	3	0	0	3
thereof abroad	1	0	0	1
Total	41	0	0	**41**

01 Sales

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

02 Income (Loss) from Discontinued Operation

Within the framework of its portfolio optimization, in the past fiscal year Deufol Sunman Inc. wound up its "Carton Business", i. e. production of carton packaging. This is classifiable as a discontinued operation in accordance with IFRS 5. Accordingly, in the period under review all income and expenses for this operation are reported separately in the income statement under "Income (loss) from discontinued operation (net of tax)". The previous year's figures have been adjusted accordingly.

The position "Income (loss) from discontinued operation (net of tax)" in the consolidated income statement is made up as follows:

figures in € thousand	Apr. 1, 2012 – Jun. 30, 2012	Apr. 1, 2011 – Jun. 30, 2011	Jan. 1, 2012 – Jun. 30, 2012	Jan. 1, 2011 – Jun. 30, 2011
Income from operating activities	(180)	716	36	1,371
Expenses for operating activities	156	(988)	(74)	1,804
Expenses from the recognition of a liability in relation to a pension fund	(254)	—	(254)	—
Income (loss) from discontinued operation (before tax)	**(278)**	**(272)**	**(292)**	**(433)**
Taxes	0	0	0	0
Income (loss) from discontinued operation (net of tax)	**(278)**	**(272)**	**(292)**	**(433)**
Earnings per share from discontinued operation (€)	**(0.006)**	**(0.006)**	**(0.007)**	**(0.010)**

03 Earnings per Share

Income

figures in € thousand	Apr. 1, 2012 – Jun. 30, 2012	Apr. 1, 2011 – Jun. 30, 2011	Jan. 1, 2012 – Jun. 30, 2012	Jan. 1, 2011 – Jun. 30, 2011
Result attributable to the holders of Deufol AG common stock	(1,235)	894	(1,160)	1,018
from continuing operations	(957)	1,166	(868)	1,451
from discontinued operation	(278)	(272)	(292)	(433)

Shares in circulation

figures in units				
Weighted average number of shares	43,773,655	43,773,655	43,773,655	43,773,655

04 Equity

There was no change in the Subscribed Capital and in the capital reserves in the first six months of 2012.

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 2011 and 2012. 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 net cash provided by operating activities has been adjusted for changes to the scope of consolidation and in the first six months of 2012 amounted to € 5,668 thousand.

The outflow of funds from investing activities amounted to € 2,195 thousand and includes the cash flows from the purchase and sale of property, plant and equipment, the purchase of subsidiaries and the change in financial receivables as well as interest received.

The outflow of funds from financing activities amounted to € 4,862 thousand and reflects the net change in financial liabilities plus dividend and interest payments.

The cash and cash equivalents balance decreased on balance by € 1,389 thousand.

Dividend

No dividend was distributed in the first six months of 2012.

Contingencies

There were no significant changes in the contingencies in relation to December 31, 2011.

Significant Events after the Balance Sheet Date

There were no significant events after the balance sheet date.

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 key account management 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.

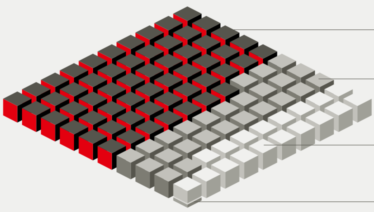
The prices charged between the business segments are determined on the basis of the standard market conditions between unrelated parties.

01 Segment Information by Region (Primary Reporting Format)

figures in € thousand	Germany	Rest of Europe	USA/Rest of the World	Holding company	Elimina-tion	**Group**
6M 2012						
External sales	89,027	40,468	28,311	153	0	157,959
Internal sales	11,308	4,251	0	525	(16,084)	0
Total sales	100,335	44,719	28,311	678	(16,084)	**157,959**
EBIT	3,887	2,360	159	(3,869)	(23)	2,514
Financial income	162	585	65	803	(996)	619
Finance costs	(850)	(606)	(1,245)	(904)	996	(2,609)
Earnings from associates	251	17	0	0	0	268
EBT	3,450	2,356	(1,021)	(3,970)	(23)	792
Taxes						(1,448)
Result for the period						**(656)**
Assets	102,123	66,423	37,986	218,246	(208,908)	215,870
of which investments accounted for using the at-equity method	3,045	17	0	0	0	3,062
Non-allocated assets						12,313
Total assets						**228,183**
Financial liabilities	22,648	19,831	48,944	39,575	(52,190)	78,808
Other debt	61,385	17,341	10,727	9,045	(51,811)	46,687
Non-allocated debt						4,857
Total liabilities						**130,352**
Depreciation, amortization and impairment	1,889	1,515	799	205	0	4,408
Investments	634	678	3,364	112	0	4,788

External sales by region

figures in %

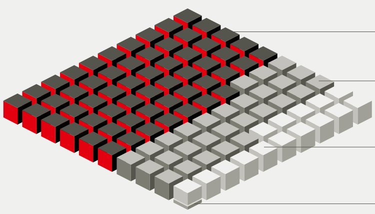


	6M 2012
Germany	56.36
Rest of Europe	25.62
USA/Rest of the World	17.92
Holding company	0.10

figures in € thousand	Germany	Rest of Europe	USA/Rest of the World	Holding company	Elimina-tion	Group
6M 2011						
External sales	85,700	43,157	23,081	146	0	152,084
Internal sales	13,475	3,964	0	760	(18,199)	0
Total sales	99,175	47,121	23,081	906	(18,199)	**152,084**
EBIT	2,670	3,583	182	(1,352)	(9)	5,074
Financial income	577	738	0	751	(1,372)	694
Finance costs	(1,436)	(716)	(1,321)	(754)	1,372	(2,855)
Earnings from associates	263	0	0	0	0	263
EBT	2,074	3,605	(1,139)	(1,355)	(9)	3,176
Taxes						(1,452)
Result for the period						**1,724**
Assets	97,909	70,966	29,000	197,200	(181,810)	213,265
of which investments accounted for using the at-equity method	2,968	0	0	0	0	2,968
Non-allocated assets						12,477
Total assets						**225,742**
Financial liabilities	29,517	25,009	37,175	22,455	(37,275)	76,881
Other debt	48,756	17,139	6,597	9,586	(35,521)	46,557
Non-allocated debt						4,293
Total liabilities						**127,731**
Depreciation, amortization and impairment	2,042	1,486	661	147	0	4,336
Investments	969	895	875	842	0	3,581

External sales by region

figures in %



	6M 2011
Germany	56.35
Rest of Europe	28.38
USA/Rest of the World	15.17
Holding company	0.10

Supplementary Disclosures

Composition of the Executive Board and the Supervisory Board

There were no changes to the members of the Executive and Supervisory Boards in the first six months of the fiscal year 2012.

Securities Held by the Organs

On June 30, 2012, the Executive Board held 23,414,632 no-par value shares. The members of the Supervisory Board do not hold any shares of Deufol AG.

The securities holdings are as follows:

Executive Board	No-par value shares at Jun. 30, 2012	No-par value shares at Dec. 31, 2011
Dr. Tillmann Blaschke	129,800	29,800
Detlef W. Hübner	23,284,832	23,160,832
Total	**23,414,632**	23,190,632

Mr. Detlef W. Hübner holds most of his shares indirectly through Lion's Place GmbH, Hofheim am Taunus.

Directors' Dealings

Transactions of the organs involving financial instruments of Deufol AG are notified promptly in accordance with the statutory regulations. An overview of transactions can be found on the website of Deufol AG (www.deufol.com) in the "Investor & Public Relations" area under the heading "The share".

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.

Responsibility Statement by the Management

"To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year."

Detlef W. Hübner

Dr. Tillmann Blaschke

Additional Information

Financial Calendar

April 20	**2012**	Annual Financial Statements 2011
May 30	**2012**	Interim Report I/2012
July 4	**2012**	Annual General Meeting
August 14	**2012**	Semi-Annual Financial Report 2012
November 13	**2012**	Interim Report III/2012

Key to Symbols

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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