

#4

INTERIM REPORT
Q1 2014 DEUFOL SE

 **DEUFOL**

Key Figures for the Deufol Group

figures in € thousand	Q1 2014	Q1 2013
Results of operations		
Revenue (total)	70,959	76,443
Germany	39,705	43,286
Rest of the World	31,254	33,157
International revenue ratio (%)	44.1	43.4
EBITDA	2,858	1,980
EBITA = EBIT	1,063	71
EBT	258	(678)
Income tax income (expenses)	(350)	(566)
Profit (loss) for the period	(92)	(1,244)
of which noncontrolling interests	(6)	22
of which shareholders of the parent company	(86)	(1,266)
Earnings per share (€)	(0.002)	(0.029)
Balance sheet		
Noncurrent assets	142,111	144,362
Current assets	69,657	78,625
Balance sheet total	211,768	222,987
Equity	95,487	95,838
Liabilities	116,281	127,149
Equity ratio (%)	45.1	43.0
Net financial liabilities	55,962	60,559
Cash flow/investments		
Cash flow from operating activities	(2,437)	(3,221)
Cash flow from investing activities	(1,597)	(628)
Cash flow from financing activities	2,180	3,130
Investments in property, plant and equipment	1,945	1,292
Employees		
Employees (as of March 31)	2,471	2,723

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Deufol in the First Quarter of 2014

Sales and Income Trend

At €71.0 million, total sales in the first quarter of 2014 were 7.2 % lower than in the same period in the previous year. Adjusted for changes to the scope of consolidation, the change amounts to -4.1 %. Also adjusted for the depreciation of the US dollar versus the euro, which averaged 3.7 %, this decline amounts to 3.4 %. In Germany (including the holding company), sales amounted to €39.7 million (previous year: €43.3 million). Around €2.5 million of this decline in the volume of sales is attributable to changes to the scope of consolidation. In the Rest of Europe, Deufol realized sales in the amount of €18.3 million (previous year: €20.6 million). In the USA/Rest of the World segment, sales rose to €13.0 million (previous year: €12.5 million).

The operating result (EBITA) amounted to €1.1 million and was thus significantly higher than the previous year's figure of €0.1 million. The results for the individual segments are not directly comparable with the previous year, due to higher intragroup transfer payments. However, for the purpose of improved comparability the adjusted results are indicated in brackets. The individual segments developed as follows in the first three months of the year: In Germany, EBITA amounts to €0.6 million (adjusted: €1.8 million), compared to a figure in the previous year of €1.7 million. In the Rest of Europe, EBITA amounted to €0.5 million (adjusted: €0.7 million), compared to €0.8 million in the previous year. The USA/Rest of the World segment realized a result of €0.2 million (adjusted: €0.3 million), compared to -€0.8 million in the previous year. The EBITA loss realized by Deufol SE (the holding company) fell to €0.2 million (adjusted: €1.7 million), compared to €1.6 million in the previous year. This was mainly due to higher intragroup transfer payments.

Change of Management – Klaus Duttiné Strengthens the Management Team

Dr. Tillmann Blaschke left the Company at the end of February this year for personal reasons. On March, 1 Klaus Duttiné (48) joined the Company as his successor as Managing Director, his responsibilities including Finance and Legal & Compliance. Mr. Duttiné is a business professional. Previously a partner at the consulting firm Ebner Stolz, he has extensive experience in both the industry and the consulting sector.

In accordance with the Company's Articles of Association, Dr. Blaschke's Administrative Board position has been transferred to the replacement member Marc Hübner.

Outlook – Planning Confirmed

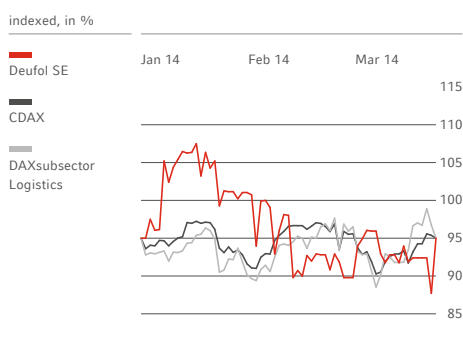
Deufol SE confirms its planning figures published for fiscal year 2014 in its 2013 annual financial report. These envisage sales of between €290 million and €310 million and an operating result (EBITDA) of between €14 million and €16 million.

Largely Stagnant Stock Market in the First Quarter

The Deufol share lost ground slightly in a stock market which generally moved sideways. In the first quarter, the share was in a corridor between €0.85 and €1.125. It reached its highest closing price at €1.08 on January 17 and marked its lowest at €0.89 at the end of the quarter. Relative to the end of the year 2013, this represents a decrease of 7.3 %.

The sector index of logistics stocks quoted in the Prime Standard (DAXsubsector Logistics) rose by 1.7 % in the first quarter and the multiple-sector CDAX – on which Deufol is listed – was almost unchanged (+0.4 %).

The Deufol share in the first quarter



Economic Outline Conditions

Improvement in the Global Economic Trend

According to the joint diagnosis issued by the leading economic research institutes, global output grew very strongly in the first few months of 2014. The advanced economies delivered much of this momentum. They have regained a lot of impetus over the past year. The USA and the United Kingdom are on the upturn, while the Eurozone's economy is slowly exiting recession. However, a series of emerging markets have struggled in the face of capital outflows and currency depreciations since last summer.

Tentative Recovery in the Eurozone

According to the research institutes' diagnosis, since the spring of 2013 the Eurozone's economic output has returned to growth, following two years of recession. This recovery is tentative but broad-based throughout the region. Besides Cyprus, only Greece and Finland are likely to remain mired in recession.

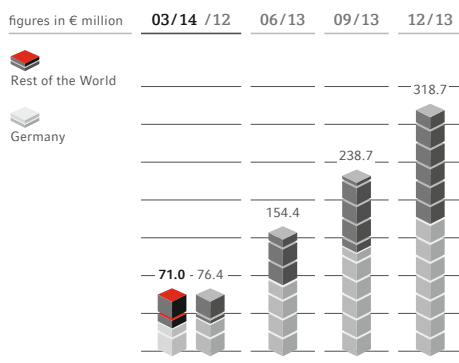
In the final quarter of 2013, the Eurozone's economy received powerful impetus in the form of foreign demand, while private domestic demand also increased. In particular, growth of gross fixed-capital investments picked up significantly. The need for replacement investments and diminishing uncertainty regarding the future of the euro are likely to have played a role here. Private consumption has picked up slightly since last spring; real incomes are no longer declining. This also reflects the fact that hardly any taxes have been increased in order to consolidate government finances, while price buoyancy is low. Consumer confidence has also picked up.

Economic Upturn in Germany

According to the research institutes' analysis, in the spring of 2014 the German economy is on the upturn. Production has been buoyant for a year now, the improvement in employment is gathering pace, and corporate and consumer sentiment has significantly picked up. Incoming orders are also on the rise. While growth in demand from the emerging markets is now less dynamic, the economy in the rest of the Eurozone (Germany's key sales market) is in recovery mode. Financing terms remain extremely favorable, and the uncertainty associated with the Eurozone crisis in particular continues to decline. In this context investment activities have gathered momentum, while construction activities have also been stimulated by the mild winter.

Results of Operations, Financial and Asset Position

Sales



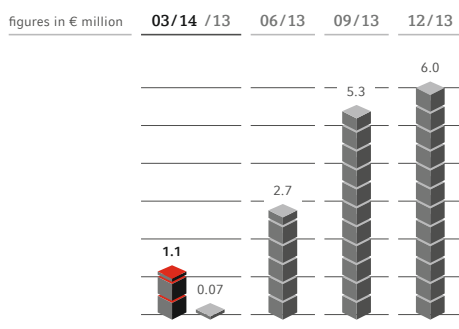
Sales Trend

At €71.0 million, total sales in the first quarter of 2014 were 7.2 % lower than in the same period in the previous year. Adjusted for changes to the scope of consolidation, the change amounts to -4.1 %. Also adjusted for the depreciation of the US dollar versus the euro which averaged 3.7 %, this decline amounts to 3.5 %.

In Germany (including the holding company), sales amounted to €39.7 million (previous year: €43.3 million). Around €2.5 million of this decline in the volume of sales is attributable to changes to the scope of consolidation. In the Rest of Europe, Deufol realized sales in the amount of €18.3 million (previous year: €20.6 million). In the USA/Rest of the World segment, sales rose to €13.0 million (previous year: €12.5 million).

With a 56.0 % share of Group sales, the proportion accounted for by Germany declined by 0.6 percentage points on the previous year. The share of sales realized elsewhere in Europe decreased, from 27.0 % to 25.7 %, and the USA's share of sales increased by 1.9 percentage points to 18.3 %.

EBITA



Income Development

Earnings before interest, taxes, depreciation and amortization (EBITDA) increased to €2.9 million in the first quarter (previous year: €2.0 million). The EBITDA margin was 4.0 % (previous year: 2.6 %). Depreciation of tangible assets and amortization of other intangible assets decreased from €1.9 million to €1.8 million.

The operating result (EBITA) amounted to €1.1 million and was thus significantly higher than the previous year's figure of €0.1 million.

The results for the individual segments are not directly comparable with the previous year, due to higher intragroup transfer payments. However, for the purpose of improved comparability the adjusted results are indicated in brackets. The individual segments developed as follows in the first three months of the year: In Germany, EBITA amounts to €0.6 million (adjusted: €1.8 million), compared to a figure in the previous year of €1.7 million. In the Rest of Europe, EBITA amounted to €0.5 million (adjusted: €0.7 million), compared to €0.8 million in the previous year. The USA/Rest of the World segment realized a result of €0.2 million (adjusted: €0.3 million), compared to -€0.8 million in the previous year. The EBITA loss realized by Deufol SE (the holding company) fell to €0.2 million (adjusted: €1.7 million), compared to €1.6 million in the previous year. This was mainly due to higher intragroup transfer payments.

The financial result decreased in relation to the first three months in 2014, from -€0.75 million to -€0.81 million. Finance costs remained largely unchanged, financial income declined, and the share of earnings accounted for by associates was higher than in the previous year.

Earnings before taxes (EBT) in the first three months of the year were €0.3 million (previous year: -€0.7 million). After income tax expenses (€0.3 million) the result for the period is -€0.1 million, compared to -€1.2 million in the first quarter of 2013.

Financial Position

Asset Position

After deduction of the loss shares of noncontrolling interests (€ 0.01 million), a net loss of € 0.1 million (previous year: – € 1.3 million) is attributable to the shareholders of Deufol SE. Earnings per share in the first three months were – € 0.002 (previous year: – € 0.029).

Net Cash and Investments

In the first three months, the cash flow provided by operating activities amounted to – € 2.4 million and was thus higher than the level in the previous year (– € 3.2 million).

The net cash used in investing activities was negative at – € 1.6 million (previous year: – € 0.6 million). Outflows of funds resulted here from payments for the purchase of assets (– € 2.2 million). Inflows of funds resulted from the decrease in financial receivables (+ € 0.4 million) and interest received (+ € 0.2 million).

The net cash used in financing activities was positive, at € 2.2 million (previous year: € 3.1 million). Outflows mainly resulted from interest paid (– € 1.2 million) and the decrease in other financial liabilities (– € 3.7 million). Inflows resulted from borrowings (€ 7.1 million). Cash decreased in relation to the end of the year by € 1.9 million, to € 3.1 million.

Financial Indebtedness

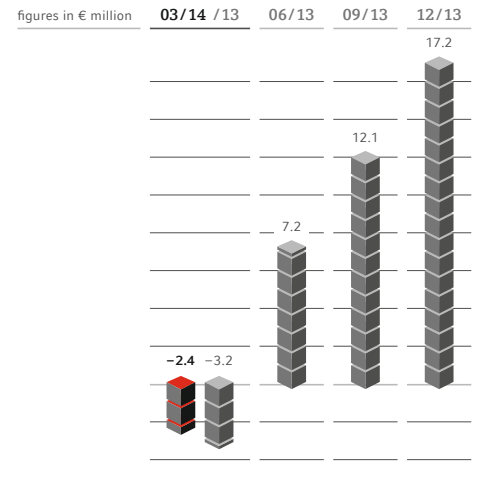
The financial liabilities of the Deufol Group increased in the first three months of the fiscal year by € 3.4 million to € 66.2 million. As cash and financial receivables simultaneously decreased (– € 2.3 million), the net financial liabilities rose somewhat more strongly, by € 5.7 million, from € 50.3 million at the end of the year to € 56.0 million.

Slight Reduction in Balance Sheet Total

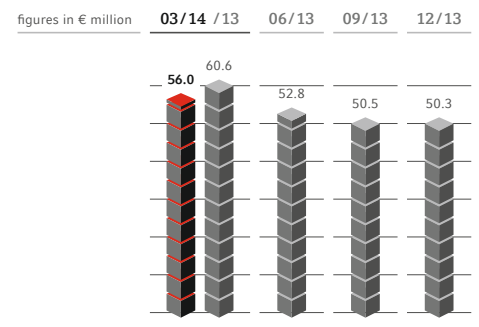
The balance sheet total as of March 31, 2014 is at € 211.8 million 0.6 % below the level for the end of the previous year (€ 213.0 million). For the noncurrent assets, the largest changes were in other receivables and other assets (– 0.3 to € 3.5 million) and financial receivables (– 0.3 to € 5.5 million). The other noncurrent assets realized only marginal changes. Of the current assets, trade receivables increased (+ 4.6 to € 41.6 million). Other assets (– 3.1 to € 10.2 million), cash and cash equivalents (– 1.9 to € 3.1 million) and inventories (– 0.7 to € 11.4 million) decreased. The other current assets realized only marginal changes.

On the liabilities side, equity (including noncontrolling interests) fell in the first three months of 2014 on balance by € 0.1 million, to € 95.5 million. This was due to the result for the period (– € 0.1 million). Other comprehensive income and noncontrolling interests were largely unchanged. With a lower balance sheet total, the equity ratio was at 45.1 % slightly higher than at the end of the previous year (44.9 %). The liabilities decreased on balance by € 1.1 million, to € 116.3 million.

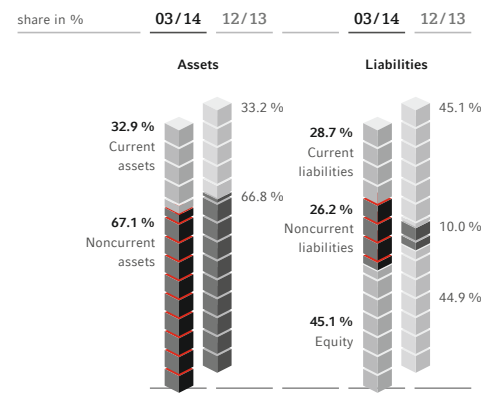
Net cash provided by operating activities



Net financial liabilities



Balance sheet structure



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

Deufol Group	03/2014	12/2013
Germany	1,385	1,376
Share (%)	56.1	55.7
Rest of Europe	583	581
Share (%)	2.6	23.5
USA/Rest of the World	438	456
Share (%)	17.7	18.5
Holding company	65	58
Share (%)	2.4	2.3
Total	2,471	2,471

Employees**Unchanged Number of Employees**

On March 31, 2014, the Deufol Group had 2,471 employees worldwide. This is exactly the same number as at the end of last year. As of March 31, 2014, the Group had 1,450 employees in Germany (58.7 %) and 1,021 employees (41.3 %) elsewhere. The number of employees has increased in Germany (+16 employees) but has decreased in the USA/Rest of the World segment (-16 employees). In the Rest of Europe, the workforce has increased slightly, by two employees.

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

in € thousand	Q1 2014	Q1 2013
Sales	42,295	49,075
Consolidated sales	38,733	42,933
EBITA	624	1,692
EBITA margin (%)	1.6	3.9
EBT	248	1,494

At €38.7 million, consolidated sales in Germany in the first quarter of 2014 were lower than in the previous year (€42.9 million). This segment is therefore now contributing 54.6 % to Group sales (previous year: 56.2 %). Around €2.5 million of this decline in sales is attributable to changes in the scope of consolidation.

The first-quarter operating result (EBITA) was at €0.6 million lower than in the previous year (€1.7 million). Adjusted for the change in intragroup transfer payments, at €1.8 million the result was marginally higher than in the previous year.

Development in the Segments

Rest of Europe

in € thousand	Q1 2014	Q1 2013
Sales	20,312	23,239
Consolidated sales	18,241	20,622
EBITA	481	801
EBITA margin (%)	2.6	3.9
EBT	476	802

In the Rest of Europe, consolidated sales in the first quarter were at € 18.2 million 11.5 % lower than in the previous year. This segment is therefore contributing 25.7 % to Group sales (compared to 27.0 % in the first quarter of 2013).

The first-quarter operating result (EBITDA) amounted to € 0.5 million, following € 0.8 million in the previous year. Adjusted for the change in intragroup transfer payments, at € 0.7 million the result was slightly lower than in the previous year.

USA/Rest of the World

in € thousand	Q1 2014	Q1 2013
Sales	13,039	12,535
Consolidated sales	13,012	12,535
EBITA	160	(787)
EBITA margin (%)	1.2	(6.3)
EBT	(399)	(1,422)

In the USA/Rest of the World segment, consolidated sales in the first quarter were higher than in the previous year, at € 13.0 million, an increase of 3.8 %. If one takes into consideration the US dollar's depreciation against the euro of 3.7 % on average, the increase amounts to 7.6 %. This segment thus represents 18.3 % of Group sales (compared to 16.4 % in the first three months of 2013).

The first-quarter operating result (EBITA) amounted to € 0.2 million (previous year: – € 0.8 million). Adjusted for the change in intragroup transfer payments, income amounted to € 0.3 million. This positive result reflects the new contract with our Automated Packaging customer.

Outlook

Moderate World Economic Growth

In their spring assessment, the economic research institutes predict that global economic output will initially rise at roughly the same rate seen in the second half of 2013. In the USA, the upturn should even gather pace slightly. The Eurozone's economy is expected to remain in recovery. This is suggested by the improving levels of consumer and corporate confidence. The burden borne by companies and private households due to the costs of debt levels is declining, asset prices are once again rising in most countries, and labor markets are stabilizing. To be sure, demand momentum will remain moderate, since the envisaged improvements in the balance sheets of banks and companies and in the asset positions of private households have not yet been realized, and private consumption will be dampened since the situation on the labor market remains difficult. The emerging markets are likely to no longer realize output growth which is quite so pronounced as the levels seen over the past few years.

All in all, in the current year the institutes envisage a 2.9 % increase in global output. For 2015, economists predict a 3.1 % increase in global gross domestic product.

Eurozone: Continuing Economic Recovery

According to the economic research institutes, the Eurozone will continue to recover in the first half of 2014. This is suggested by various sentiment indicators: Both companies and private households have a significantly rosier view of their economic outlook than just six months ago. At the start of the current year, the purchasing manager index and the economic sentiment indicator have maintained the upward trends which began in the spring of 2013. The continuing recovery trend is also supported by the level of incoming orders in the manufacturing sector, which has returned to growth in the period since last spring.

This recovery is likely to gradually gather strength over the course of 2014 and 2015. The negative effects of structural adjustments – such as the shrinkage of the construction sector in Spain – are slowly waning. In addition, monetary policy is loosening.

This year, the economists anticipate a 1.1 % rise in the total Eurozone gross domestic product and a 1.5 % increase in 2015.

Germany: Economy on the Upturn

For Germany, the economic research institutes point to continuing significant growth in output over the course of the current year. Domestic demand is the key factor. The low interest rates are continuing to stimulate housing construction investments. Public construction investments are supported by the strong financial position of many municipal authorities. Investment activities should also be strengthened this year through funding from Germany's flooding aid package. The extraordinarily positive financing terms for companies, rising levels of capacity utilization and the strong confidence which is reflected in corporate surveys also point to a further pickup in corporate investments. However, private consumption is expected to deliver the largest growth contribution for overall economic output. This will be supported by an acceleration in growth in disposable incomes and the further improvement in employment levels. On the other hand, foreign trade will fail to deliver any impetus. To be sure, foreign demand for German products will pick up slightly over the course of the year, in line with global economic momentum. However, the strong increase in plant and equipment investments, which normally involve a strong ratio of imports, will mean that imports grow more strongly than exports. All in all, for 2014 the institutes predict a 1.9 % improvement in real gross domestic product.

In 2015, the pace of growth will remain strong and the increase in domestic demand will remain particularly pronounced. However, this will suffer due to the introduction of a minimum gross hourly wage of € 8.50 throughout Germany, which is planned for January 1, 2015. Allowing for this effect, Germany's gross domestic product is likely to grow by 2.0 % in 2015.

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 2013 annual financial statements remain applicable.

Outlook – Planning Confirmed

Deufol SE confirms its planning figures published for fiscal year 2014 in its 2013 annual financial report. These envisage sales of between € 290 million and € 310 million and an operating result (EBITDA) of between € 14 million and € 16 million.


**Consolidated Income
Statement (IFRS)**

figures in € thousand	Jan. 1, 2014– Mar. 31, 2014	Jan. 1, 2013– Mar. 31, 2013	Note/Page
Sales	70,959	76,443	01/015
Cost of sales	(62,139)	(68,805)	
Gross profit	8,820	7,638	
Selling expenses	(1,113)	(1,201)	
General and administrative expenses	(8,327)	(6,403)	
Other operating income	2,114	267	
Other operating expenses	(431)	(230)	
Profit from operations (EBIT)	1,063	71	
Financial income	177	263	
Finance costs	(1,181)	(1,176)	
Share of profit of associates	199	164	
Earnings before taxes (EBT)	258	(678)	
Income taxes	(350)	(566)	
Income for the period	(92)	(1,244)	
of which income attributable to noncontrolling interests	(6)	22	
of which income attributable to equity holders of parent	(86)	(1,266)	
Earnings per share			
in €			
Basic and diluted earnings per share, based on the profit (loss) attributable to common shareholders of Deufol SE	(0.002)	(0.029)	02/015

**Consolidated Statement of
Comprehensive Income**

figures in € thousand	Jan. 1, 2014– Mar. 31, 2014	Jan. 1, 2013– Mar. 31, 2013	Note/Page
Income for the period	(92)	(1,244)	
Other recognized income and expense	41	347	
Items that may be reclassified to profit / loss			
Gain (loss) on exchange rate differences after tax	32	320	
Gain (loss) on cash flow hedges after tax	9	27	
Total comprehensive income after tax	(51)	(897)	
of which attributable to noncontrolling interests	(6)	22	
of which attributable to equity holders of parent	(45)	(919)	


**Consolidated Balance Sheet
(IFRS)**

Assets			
figures in € thousand	Mar. 31, 2014	Dec. 31, 2013	Note/Page
Noncurrent assets	142,111	142,159	
Property, plant and equipment	47,808	47,556	
Investment property	258	272	
Goodwill	68,602	68,602	
Other intangible assets	3,118	2,943	
At-equity investments	3,491	3,292	
Financial receivables	5,478	5,740	
Other financial assets	60	60	
Other receivables and other assets	3,460	3,738	
Deferred tax assets	9,836	9,956	
Current assets	69,657	70,798	
Inventories	11,417	12,156	
Trade receivables	41,617	37,054	
Other receivables and other assets	10,234	13,324	
Tax receivables	1,631	1,521	
Financial receivables	1,633	1,764	
Cash and cash equivalents	3,125	4,979	
Total assets	211,768	212,957	
Equity and Liabilities			
figures in € thousand	Mar. 31, 2014	Dec. 31, 2013	Note/Page
Equity	95,487	95,538	03/016
Equity attributable to equity holders of Deufol SE	95,140	95,185	
Subscribed Capital	43,774	43,774	
Capital reserves	107,240	107,240	
Retained earnings (accumulated losses)	(53,905)	(53,819)	
Other recognized income and expense	(1,969)	(2,010)	
Equity attributable to noncontrolling interests	347	353	
Noncurrent liabilities	55,463	21,270	
Financial liabilities	48,349	13,925	04/016
Provisions for pensions	4,046	4,083	
Other provisions	113	113	
Other liabilities	1,858	1,975	
Deferred tax liabilities	1,097	1,174	
Current liabilities	60,818	96,149	
Trade payables	28,389	31,365	
Financial liabilities	17,849	48,885	04/016
Other liabilities	11,996	13,330	
Tax liabilities	1,786	1,718	
Other provisions	798	851	
Total equity and liabilities	211,768	212,940	



Consolidated Cash Flow Statement

figures in € thousand	Jan. 1, 2014– Mar. 31, 2014	Jan. 1, 2013– Mar. 31, 2013	Note / Page
Income (loss) from operations (EBIT) from continuing operations	1,063	71	
Income (loss) from discontinued operation	0	0	
Adjustments to reconcile income (loss) to cash flows from operating activities			
Depreciation and amortization charges	1,795	1,909	
(Gain) loss from disposal of property, plant and equipment	(38)	(2)	
Other noncash expenses (revenue)	0	0	
Taxes paid	(352)	(31)	
Changes in assets and liabilities from operating activities			
Change in trade accounts receivable	-4,563	342	
Change in inventories	739	554	
Change in other receivables and other assets	3,368	(4,088)	
Change in trade accounts payable	(2,976)	(7,301)	
Change in other liabilities	(1,348)	4,966	
Change in accrued expenses	(154)	641	
Change in other operating assets / liabilities (net)	29	(282)	
Net cash provided by (used in) operating activities	(2,437)	(3,221)	05 / 016
Purchase of intangible assets and property, plant and equipment	(2,220)	(1,258)	
Proceeds from the sale of intangible assets and property, plant and equipment	53	25	
Net change in financial receivables	393	342	
Interest received	177	263	
Net cash provided by (used in) investing activities	(1,597)	(628)	05 / 016
Proceeds from (repayment of) borrowings	7,117	4,833	
Net change in other financial liabilities	(3,729)	(446)	
Interest paid	(1,208)	(1,257)	
Dividends paid to noncontrolling interests	0	0	
Net cash provided by (used in) financing activities	2,180	3,130	05 / 016
Effect of exchange-rate changes and changes in the scope of consolidation on cash and cash equivalents	0	0	
Change in cash and cash equivalents	(1,854)	(719)	
Cash and cash equivalents at the beginning of the period	4,979	7,266	
Cash and cash equivalents at the end of the period	3,125	6,547	

Consolidated Statement of Changes in Equity

	Subscribed Capital	Capital reserves	Accumulated losses	Other comprehensive income (expense)			Equity attributable to noncontrolling interests	Total equity
				Cumulative translation adjustment	Reserve for cash flow hedges	Equity attributable to equity holders of Deufol SE		
figures in € thousand								
Balance at Jan. 1, 2013 before adjustments	43,774	107,240	(54,023)	(1,386)	(122)	95,483	1,252	96,735
Effects from the first-time adoption of IAS 19R	—	—	(77)	—	—	(77)	—	(77)
Balance at Jan. 1, 2013 after adjustments	43,774	107,240	(54,100)	(1,386)	(122)	95,406	1,252	96,658
Income (loss) for the period	—	—	(1,266)	—	—	(1,266)	22	(1,244)
Other comprehensive income	—	—	—	320	38	358	—	358
Deferred taxes for valuation changes recognized directly in equity	—	—	—	—	(11)	(11)	—	(11)
Total comprehensive income (loss)	—	—	(1,266)	320	27	(1,029)	22	(897)
Dividends	—	—	—	—	—	—	—	—
Balance at Mar. 31, 2013	43,774	107,420	(55,366)	(1,066)	(95)	94,377	1,274	95,761
Balance at Jan. 1, 2014	43,774	107,420	(53,819)	(1,993)	(17)	95,185	353	95,538
Income (loss) for the period	—	—	(86)	—	—	(86)	(6)	(92)
Other comprehensive income	—	—	—	32	12	44	—	44
Deferred taxes for valuation changes recognized directly in equity	—	—	—	—	(3)	(3)	—	(3)
Total comprehensive income (loss)	—	—	(86)	32	9	(45)	(6)	(51)
Dividends	—	—	—	—	—	—	—	—
Balance at Mar. 31, 2014	43,774	107,420	(53,905)	(1,961)	(8)	95,140	347	95,487

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 2013. 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 2014 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	
	Mar. 31, 2014	Dec. 31, 2013	Q1 2014	Q1 2013
per €				
US dollar	1.3788	1.2805	1.3697	1.3204
Czech crown	27.4420	25.7400	27.4413	25.5657
Singapore dollar	1.7366	1.5900	1.7378	1.6345
Renminbi	8.5754	7.9600	8.3587	8.2193



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:

figures in units	Dec. 31, 2013	Additions	Disposals	Mar. 31, 2014
Consolidated subsidiaries	32	0	0	32
thereof in Germany	17	0	0	17
thereof abroad	15	0	0	15
Companies valued using the at-equity method	6	0	0	6
thereof in Germany	5	0	0	5
thereof abroad	1	0	0	1
Total	38	0	0	38



01 Sales

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

02 Earnings per Share

Income	Jan. 1, 2014– Mar. 31, 2014	Jan. 1, 2013– Mar. 31, 2013
figures in € thousand		
Result attributable to the holders of Deufol SE common stock	(86)	(1,266)
Shares in circulation		
figures in units		
Weighted average number of shares	43,773,655	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	(0.002)	(0.029)



03 Equity

There was no change in the Subscribed Capital and in the capital reserves in the first quarter of 2014.

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. Noncompliance with these financial covenants constitutes an "event of default". An event of default triggers a one-percentage-point increase on the currently applicable interest margin; the participating banks are also entitled to cancel all financing commitments granted to date and to immediately call in existing loans. They may waive this right by means of a waiver letter.

As of December 31, 2013, the Deufol Group had failed to comply with one of the financial covenants under its loan agreement. Insofar as they were previously reported as noncurrent, the relevant financial liabilities were reclassified as current financial liabilities on the balance sheet date; this relates to an amount of €35.5 million. In the meantime the financing banks issued a waiver letter.

On March 31, 2014, the Deufol Group failed to comply with two financial covenants under its loan agreement. The financing banks issued a waiver letter. Insofar the relevant financial liabilities were classified as noncurrent financial liabilities on March 31, 2014; this relates to an amount of €35.0 million.



05 Cash Flow Statement

The cash flow statement shows the origin and appropriation of the money flows in the first three months of the fiscal years 2013 and 2014. 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 three months of 2014 amounted to – €2,437 thousand.

The outflow of funds from investing activities amounted to €1,597 thousand and includes the cash flows from the purchase and sale of property, plant and equipment, the sale of assets and the change in financial receivables as well as interest received.

The inflow of funds from financing activities amounted to €2,180 thousand and reflects the net change in financial liabilities plus interest payments.

The cash and cash equivalents balance decreased by €1,854 thousand.



Dividend

No dividend was distributed in the first three months of 2014.

Contingencies

There were no significant changes in the contingencies in relation to December 31, 2013.

**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 at-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.

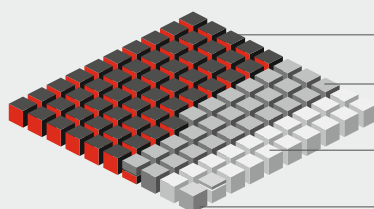
The prices charged between the business segments are determined on the basis of the arm's length principle.


 Segment Information
by Region (Primary
Reporting Format)

	Germany	Rest of Europe	USA/Rest of the World	Holding company	Elimination	Group
figures in € thousand						
3M 2014						
External sales	38,733	18,241	13,012	973	0	70,959
Internal sales	3,562	2,071	27	2,478	(8,138)	0
Total sales	42,295	20,312	13,039	3,451	(8,138)	70,959
EBIT	624	481	160	(230)	28	1,063
Financial income	234	165	27	860	(1,109)	177
Finance costs	(827)	(170)	(586)	(707)	1,109	(1,181)
Earnings from associates	217	0	0	(18)	0	199
EBT	248	476	(399)	(95)	28	258
Taxes						(350)
Result for the period						(142)
Assets	84,689	55,459	42,772	253,718	(236,337)	200,301
of which investments accounted for using the at-equity method	3,363	0	0	128	0	3,491
Non-allocated assets						11,467
Total assets						211,768
Financial liabilities	40,958	11,775	42,123	47,287	(75,945)	66,198
Other debt	33,416	18,144	9,046	27,044	(40,450)	47,200
Non-allocated debt						2,883
Total liabilities						116,281
Depreciation, amortization and impairment	759	555	353	128	0	1,795
Investments	1,439	532	109	140	0	2,220

External sales by segment

figures in %



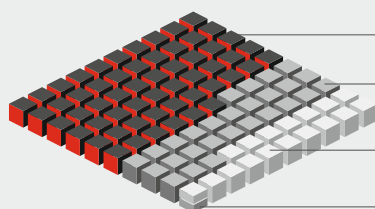
	3M 2014
Germany	54.58
Rest of Europe	25.71
USA/Rest of the World	18.34
Holding company	1.37

	Germany	Rest of Europe	USA/Rest of the World	Holding company	Elimination	Group
figures in € thousand						
3M 2013						
External sales	42,933	20,622	12,535	353	0	76,443
Internal sales	6,142	2,617	0	265	(9,024)	0
Total sales	49,075	23,239	12,535	618	(9,024)	76,443
EBIT	1,692	801	(787)	(1,595)	(40)	71
Financial income	80	251	29	626	(723)	263
Finance costs	(511)	(260)	(664)	(464)	723	(1,176)
Earnings from associates	233	9	0	(78)	0	164
EBT	1,494	802	(1,422)	(1,512)	(40)	(678)
Taxes						(566)
Result for the period						(1,244)
Assets	124,239	69,202	32,658	244,859	(259,915)	211,043
of which investments accounted for using the at-equity method	3,403	0	0	106	0	3,509
Non-allocated assets						11,944
Total assets						222,987
Financial liabilities	25,056	16,518	47,892	51,922	(65,990)	75,397
Other debt						47,991
Non-allocated debt						3,761
Total liabilities						127,149
Depreciation, amortization and impairment	845	595	379	90	0	1,909
Investments	659	165	283	189	0	1,296

External sales by segment

figures in %

3M 2013



Germany	56.16
Rest of Europe	26.98
USA/Rest of the World	16.40
Holding company	0.46



Supplementary Disclosures

Disclosures Concerning the Executive Bodies

Managing Directors

Dr. Tillmann Blaschke resigned from his position as a Managing Director of the Company at the end of February this year. Klaus Duttiné replaced him as a Managing Director with effect as of March 1.

Administrative Board

Dr. Tillmann Blaschke resigned from his position as a member of the Company's Administrative Board at the end of February this year. In accordance with the Company's Articles of Association, Dr. Blaschke's Administrative Board position has been transferred to the replacement member Marc Hübner.

Directors' Dealings

Transactions of the organs involving financial instruments of Deufol SE are notified promptly in accordance with the statutory regulations. An overview of transactions can be found on the website of Deufol SE (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.

Additional Information

Financial Calendar

April 30	2014	Annual Financial Statements 2013
May 22	2014	Interim Report I/2014
July 4	2014	Annual General Meeting 2014
August 14	2014	Semi-Annual Financial Report 2014
November 13	2014	Interim Report III/2014

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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