#4

INTERIM REPORT
Q2 2014 DEUFOL SE

DEUFOL

Key Figures for the Deufol Group

figures in € thousand	Q2 2014	Q2 2013	6M 2014	6M 2013
Results of operations				
Revenue (total)	70,491	77,976	141,450	154,419
Germany	38,024	44,619	77,730	87,905
Rest of the World	32,467	33,357	63,720	66,514
International revenue ratio (%)	46.1	42.8	45.0	43.1
EBITDA	3,777	4,584	6,635	6,564
EBITA = EBIT	1,962	2,666	3,025	2,737
EBT	1,106	1,792	1,364	1,114
Income tax income (expenses)	(444)	(622)	(794)	(1,188)
Profit (loss) for the period	662	1,170	570	(74)
of which noncontrolling interests	44	42	38	64
of which shareholders of the parent company	618	1,128	532	(138)
Earnings per share (€)	0.014	0.026	0.012	(0.003)
Balance sheet				
Noncurrent assets	141,397	142,924	141,397	142,924
Current assets	71,189	81,662	71,189	81,662
Balance sheet total	212,586	224,586	212,586	224,586
Equity	96,259	97,102	96,259	97,102
Liabilities	116,327	127,484	116,327	127,484
Equity ratio (%)	45.3	43.2	45.3	43.2
Net financial liabilities	57,930	52,822	57,930	52,822
Cash flow/investments				
Cash flow from operating activities	129	10,377	(2,308)	7,156
Cash flow from investing activities	(588)	(912)	(2,185)	(1,540)
Cash flow from financing activities	(128)	(8,136)	2,052	(5,006)
Investments in property. plant and equipment	1,046	1,680	2,991	2,972
Employees				
Employees (as of June 30)	2,518	2,718	2,518	2,718

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Deufol in the First Six Months of 2014

Sales and Income Trend

Total sales in the first six months of 2014 were at € 141.5 million 8.4 % lower than in the same period in the previous year. Adjusted for changes to the scope of consolidation, the change amounts to −5.5 %. Also adjusted for the depreciation of the US dollar versus the euro, which averaged 4.3 %, this decline amounts to 4.7 %. In Germany (including the holding company), sales amounted to € 77.7 million (previous year: € 87.9 million). Around € 4.8 million of this decline in the volume of sales is attributable to changes to the scope of consolidation. The remainder of the change in sales is attributable to the sell-off of unprofitable business. In the Rest of Europe, Deufol realized sales in the amount of € 36.5 million (previous year: € 41.2 million). In the USA / Rest of the World segment, sales rose to € 27.2 million (previous year: € 25.3 million).

The operating result (EBITA) amounted to € 3.0 million and was thus a good 10 % higher than the previous year's figure of € 2.7 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 six months of the year: In Germany, EBITA amounts to € 1.5 million (adjusted: € 2.8 million), compared to a figure in the previous year of € 3.7 million. In the Rest of Europe, EBITA amounted to € 1.1 million (adjusted: € 1.5 million), compared to € 2.1 million in the previous year. The USA / Rest of the World segment realized a result of € 0.8 million (adjusted: € 1.1 million), compared to – € 0.8 million in the previous year. The EBITA loss realized by Deufol SE (the holding company) fell to € 0.4 million (adjusted: € 2.3 million), compared to € 2.2 million in the previous year. This was mainly due to higher intragroup transfer payments.

Financing

In Germany, the existing syndicated loan agreement has been adjusted by means of an amendment. In this respect, improvements were realized in the financial covenants specified in the loan agreement. In addition, the existing financing leeway has been expanded. This includes the grant of options for an extension of the term and an increase in the financing volume.

Action for damages against former employees

Deufol SE has brought a further action against its former CEO, Andreas Bargende, for the recovery of a sum of € 2.05 million. This reflects the public prosecutor's investigations into unexplained payments in this amount made by the former managing director of Deufol West GmbH, Manfred Wagner, to Andreas Bargende and a company owned by Bargende and his family. The discovery of these previously unknown facts has also improved the prospects of success in the action for damages which is already pending, with a volume of € 26.9 million.

In the second quarter unscheduled one-off costs in the amount of € 0.4 million have resulted in connection with the public prosecutor's investigations and the action for damages.

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.

Change of Segment – Deufol Share is Now Listed in the Entry Standard

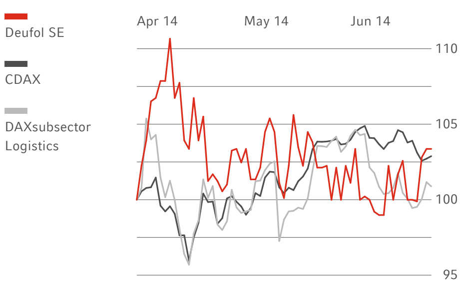
Since July 1, 2014, the shares of Deufol SE (ISIN: DE000A1R1EE6) have been traded on the Frankfurt Stock Exchange in the Entry Standard, a segment of the Open Market. This marks the completion of the change of stock market segment which was announced last November.

Slight Upward Trend on the Stock Market in the Second Quarter

The Deufol share gained a little ground in a stock market which generally moved slightly upwards. The Deufol share closed the second quarter at a price of € 0.92, with growth of 3.4 %. The sector index of logistics stocks quoted in the Prime Standard (DAXsubsector Logistics) rose by 0.9 % in the second quarter.

The Deufol share in the second quarter

indexed, in %



Economic Outline Conditions

Sluggish Global Economy

According to the summer analysis of the economic trend published by the Kiel Institute for the World Economy (IfW), in the first few months of 2014 world economic growth once again picked up. Global gross domestic growth amounted to just 2.6 %, compared to a figure of 3.6 % in the second half of 2013. In particular, this weak trend is partly attributable to the weather-related loss of output in the United States.

Output rose only moderately in the advanced economies at the start of the year. With a current annual rate of 1.5 %, gross domestic product growth in the G7 countries was slightly slower than in the two previous quarters.

Moderate Economic Recovery in the Eurozone

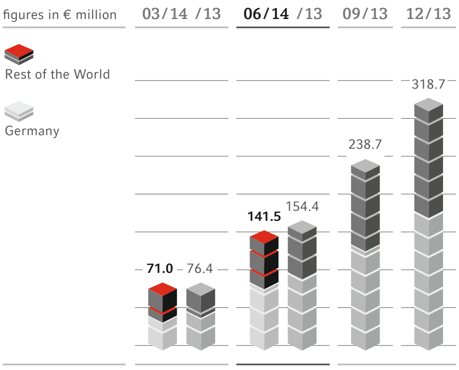
According to the Kiel Institute, the Eurozone's economic recovery will remain moderate at the start of 2014. At a current annual rate of 0.7 %, in the first quarter overall economic output once again only realized moderate growth. This was mainly attributable to the favorable trend in Germany, which registered significantly stronger economic growth than in the previous quarter, partly due to the mild winter. Elsewhere in the Eurozone, the recovery gained ground in Spain but Italy and France continued to stagnate and several countries – such as the Netherlands and Portugal – even registered significant declines in output.

Germany: Upswing Gains Ground

According to the Kiel Institute's analysis, the German economy got off to a vigorous start to the new year. In the first quarter of 2014, overall economic output rose by a current annual rate of 3.3 %. This is the highest level for three years. However, this increase largely reflects the favorable weather conditions. Half of it is attributable to the increase in construction investments. However, the basic economic trend has also strengthened. This is demonstrated by the new upswing in plant and equipment investments. Private consumer spending has also increased very significantly, buoyed by the improved situation on the labor market. On the other hand, foreign trade has not provided much in the way of impetus. Exports have increased only slightly, while the growth trend for imports has picked up considerably.

Results of Operations, Financial and Asset Position

Sales

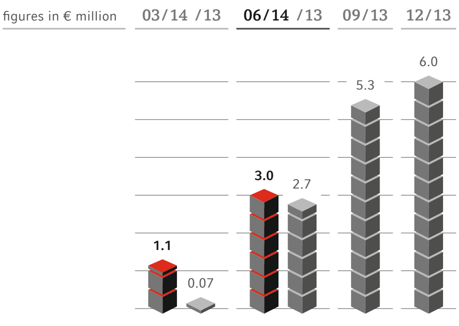


Sales Trend

At € 70.5 million, total sales in the second quarter of 2014 were 9.6 % lower than in the same period in the previous year. In Germany (including the holding company), sales amounted to € 38.0 million (previous year: € 44.6 million). Around € 2.3 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 € 14.2 million (previous year: € 12.7 million).

Total sales in the first six months of 2014 were at € 141.5 million 8.4 % lower than in the same period in the previous year. Adjusted for changes to the scope of consolidation, the change amounts to – 5.5 %. Also adjusted for the depreciation of the US dollar versus the euro, which averaged 4.3 %, this decline amounts to 4.7 %. In Germany (including the holding company), sales amounted to € 77.7 million (previous year: € 87.9 million). Around € 4.8 million of this decline in the volume of sales is attributable to changes to the scope of consolidation. The remainder of the change in sales is attributable to the sell-off of unprofitable business. In the Rest of Europe, Deufol realized sales in the amount of € 36.5 million (previous year: € 41.2 million). In the USA/Rest of the World segment, sales rose to € 27.2 million (previous year: € 25.3 million). With a 55.0 % share of Group sales, the proportion accounted for by Germany declined by 1.9 percentage points on the previous year. The share of sales realized in the Rest of Europe decreased from 26.7 % to 25.8 %, while the USA's share of sales increased by 2.8 percentage points to 19.2 %.

EBITA



Income Trend

Earnings before interest, taxes, depreciation and amortization (EBITDA) were € 6.6 million in the first half of the year (previous year: € 6.6 million). The EBITDA margin was 4.7 % (previous year: 4.3 %). Depreciation of tangible assets and amortization of other intangible assets decreased from € 3.8 million to € 3.6 million.

The operating result (EBITA) amounted to € 3.0 million and was thus a good 10 % higher than the previous year's figure of € 2.7 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 six months of the year: In Germany, EBITA amounts to € 1.5 million (adjusted: € 2.8 million), compared to a figure in the previous year of € 3.7 million. In the Rest of Europe, EBITA amounted to € 1.1 million (adjusted: € 1.5 million), compared to € 2.1 million in the previous year. The USA/Rest of the World segment realized a result of € 0.8 million (adjusted: € 1.1 million), compared to – € 0.8 million in the previous year. The EBITA loss realized by Deufol SE (the holding company) fell to € 0.4 million (adjusted: € 2.3 million), compared to € 2.2 million in the previous year. This was mainly due to higher intragroup transfer payments.

The financial result decreased in relation to the first six months in 2013, from – € 1.6 million to – € 1.7 million. Finance costs remained largely unchanged, financial income declined and the share of earnings accounted for by associates was slightly higher than in the previous year.

Earnings before taxes (EBT) in the first six months of the year were € 1.4 million (previous year: € 1.1 million). After income tax expenses (€ 0.8 million), the result for the period amounts to € 0.57 million, compared to – € 0.1 million in the first six months of 2013. After deduction of the profit shares for noncontrolling interests (€ 0.04 million), a net profit of € 0.53 million (previous year: – € 0.14 million) is attributable to the shareholders of Deufol SE. Earnings per share in the first six months were € 0.012 (previous year: – € 0.003).

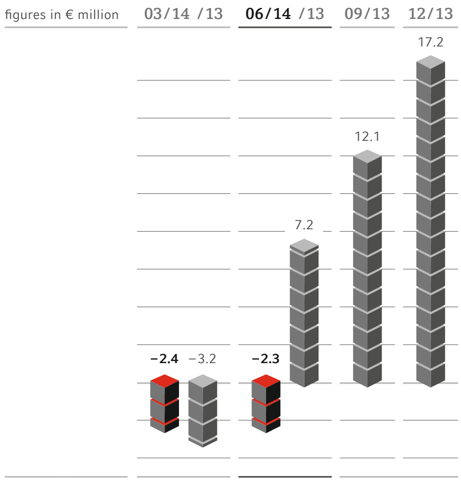
Net Cash and Investments

In the first six months, the cash flow provided by operating activities amounted to – € 2.3 million and was thus lower than the level in the previous year (€ 7.2 million).

The net cash used in investing activities was negative at – € 2.2 million (previous year: – € 1.5 million). Outflows of funds resulted here from payments for the purchase of assets (– € 3.5 million). Inflows of funds resulted from the decrease in financial receivables (+ € 0.8 million) and interest received (+ € 0.4 million).

The net cash provided by financing activities was positive at € 2.1 million (previous year: – € 5.0 million). Outflows mainly resulted from interest paid (– € 2.3 million) and the decrease in other financial liabilities (– € 1.4 million). Inflows resulted from borrowings (€ 5.7 million). Cash decreased in relation to the end of the year by € 2.4 million to € 2.5 million.

Net cash provided by operating activities

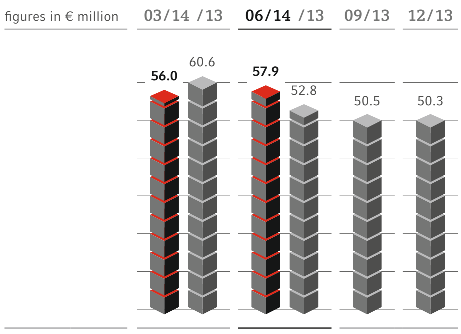


Financing

In Germany, the existing syndicated loan agreement has been adjusted by means of an amendment. In this respect, improvements were realized in the financial covenants specified in the loan agreement. In addition, the existing financing leeway has been expanded. This includes the grant of options for an extension of the term and an increase in the financing volume.

The financial liabilities of the Deufol Group increased in the first six months of the fiscal year by € 4.4 million to € 67.2 million. As cash and financial receivables simultaneously decreased (– € 3.2 million), the net financial liabilities rose somewhat more strongly, by € 7.6 million, from € 50.3 million at the end of the year to € 57.9 million.

Net financial liabilities

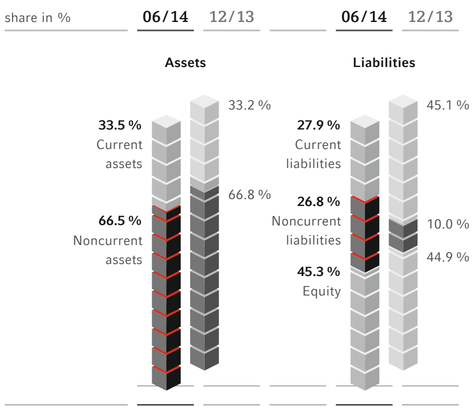


Slight Reduction in Balance Sheet Total

The balance sheet total as of June 30, 2014 is at € 212.6 million 0.2 % below the level for the end of the previous year (€ 213.0 million). In the noncurrent assets segment, the largest changes resulted for financial receivables (– 0.5 million to € 5.2 million) and for other receivables and other assets (– 0.4 to € 3.3 million). The other noncurrent assets realized only marginal changes. In the current assets segment, trade accounts receivable (+ 5.6 to € 42.6 million) and inventories (+ 1.0 to € 13.2 million) have increased. Other assets (– 3.5 to € 9.8 million) and cash (– 2.4 to € 2.5 million) have decreased. The other current assets realized only marginal changes.

On the liabilities side, equity (including noncontrolling interests) increased on balance in the first six months of 2014 by € 0.7 million to € 96.3 million. This was mainly due to the result for the period (€ 0.6 million). With a slightly lower balance sheet total, the equity ratio was at 45.3 % higher than at the end of the previous year (44.9 %). Liabilities decreased on balance by € 1.1 million to € 116.3 million.

Balance sheet structure



Employees

Deufol Group	06/2014	12/2013
Germany	1,404	1,376
Share (%)	55.8	55.7
Rest of Europe	566	581
Share (%)	22.5	23.5
USA/Rest of the World	485	456
Share (%)	19.3	18.5
Holding company	63	58
Share (%)	2.5	2.3
Total	**2,518**	2,471

Employees

Unchanged Number of Employees

On June 30, 2014, the Deufol Group had 2,518 employees worldwide. This is 1.9 % more than at the end of the previous year. As of June 30, 2014, the Group had 1,467 employees in Germany (58.3 %) and 1,051 employees (41.7 %) elsewhere. Most of the new hirings were in Germany (+33 employees). This reflects the fact that the Deufol Group has replaced a significant volume of temporary workers with its own employees. In the USA/Rest of the World segment, this figure rose due to seasonal factors (+29 employees) but declined in the Rest of Europe (–15 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

figures in € thousand	Q2 2014	Q2 2013	6M 2014	6M 2013
Sales	40,090	48,737	82,385	97,812
Consolidated sales	36,898	43,725	75,631	86,658
EBITA	837	1,979	1,461	3,671
EBITA margin (%)	2.3	4.5	1.9	4.2
EBTA	378	1,700	626	3,194

At € 36.8 million, consolidated sales in Germany in the second quarter of 2014 were lower than in the previous year (€ 43.7 million). After six months, sales amounted to € 75.6 million (previous year: € 86.7 million). This segment is therefore now contributing 53.5 % to Group sales (previous year: 56.1 %). Around € 4.8 million of this decline in sales is attributable to changes in the scope of consolidation. The remainder of the change in sales is attributable to the sell-off of unprofitable business.

The second-quarter operating result (EBITA) amounted to € 0.8 million (previous year: € 2.0 million). After six months, the cumulative EBITA amounted to € 1.5 million (previous year: € 3.7 million). Adjusted for the change in intragroup transfer payments, income amounted to € 2.8 million.

Rest of Europe

figures in € thousand	Q2 2014	Q2 2013	6M 2014	6M 2013
Sales	20,677	23,607	40,989	46,846
Consolidated sales	18,283	20,621	36,524	41,243
EBITA	635	1,247	1,116	2,048
EBITA margin (%)	3.5	6.0	3.1	5.0
EBTA	668	1,244	1,144	2,048

In the Rest of Europe, consolidated sales in the second quarter amounted to € 18.3 million (previous year: € 20.6 million) and totaled € 36.5 million after six months (previous year: € 41.2 million). This segment is therefore contributing 25.8 % to Group sales (compared to 26.7 % in the first half of 2013).

The second-quarter operating result (EBITA) amounted to € 0.6 million following € 1.3 million in the previous year. After six months, the cumulative EBITA amounted to € 1.1 million (previous year: € 2.1 million). Adjusted for the change in intragroup transfer payments, income amounted to € 1.5 million.

The changes in sales and earnings are attributable to factors including the transfer of customer capacities to Eastern Europe and also within this region.

USA / Rest of the World

figures in € thousand	Q2 2014	Q2 2013	6M 2014	6M 2013
Sales	14,258	12,826	27,297	25,360
Consolidated sales	14,184	12,737	27,196	25,271
EBITA	656	36	816	(751)
EBITA margin (%)	4.6	0.3	3.0	(3.0)
EBTA	92	(600)	(307)	(2,021)

In the USA / Rest of the World segment, consolidated sales in the second quarter were higher than in the previous year, at € 14.2 million, an increase of 11.4 %. For the first six months, at € 27.2 million, sales were higher than in the previous year (7.6 %). If one takes into consideration the US dollar's depreciation against the euro of 4.3 % on average, the increase amounts to 12.2 %. This segment thus represents 19.2 % of Group sales (compared to 16.4 % in the first six months of 2013).

The second-quarter operating result (EBITA) amounted to € 0.7 million (previous year: € 0.04 million). After six months, the cumulative EBITA amounted to € 0.8 million (previous year: – € 0.8 million). Adjusted for the change in intragroup transfer payments, income amounted to € 1.1 million. This positive result reflects the new contract with our Automated Packaging customer.

Outlook

Rising Growth Rate for the World Economy

According to the Kiel Institute for the World Economy (IfW), the indicators for the global economy point to slightly more rapid economic growth. However, the basic trend is still weak and the recovery thus remains prone to disruptions from the financial markets or the commodities markets, for instance. Developments in Ukraine continue to represent a risk for any forecast.

The Kiel Institute expects that the global economy will continue to recover in the second half of 2014 and in 2015. In particular, economic growth will be increasingly strong in the advanced economies. In contrast, the overall trend in the emerging markets will remain moderate in the forecast period.

All in all, in the current year the Kiel Institute for the World Economy expects a 3.5 % increase in global output. For 2015, economists predict gross domestic product growth of 3.9 %.

Europe: Continuing Economic Recovery

The Kiel Institute expects that the European economy will also improve, albeit to a lesser degree. In the Eurozone, especially, gross domestic product growth will pick up but will remain moderate in this year and the next, at 1.0 % and 1.7 %, respectively. With this level of growth, unemployment will not fall much. On the other hand, output should continue to pick up strongly in the United Kingdom and will rise significantly in the other EU countries.

Germany: Economy on the Upturn

According to the Kiel Institute, the basic economic growth trend in Germany has picked up noticeably over the past few quarters. Financing terms which remain extremely favorable and the improving international environment suggest that overall economic output will continue to grow significantly in the second half of the year.

Domestic demand will rise at a significantly faster rate than in previous years. Corporate investments will rise particularly strongly, due to the improved revenue forecast. In addition, there are increasing signs of a boom in the residential property sector. Private households will considerably expand their consumer spending. Imports will significantly outstrip exports on account of the strong trend for domestic demand. From a purely mathematical point of view, foreign trade is therefore providing a negative contribution to the gross domestic product trend.

For 2014, the Kiel Institute predicts gross domestic product growth of 2.0 %. The pace of the upswing will pick up again in 2015, and the country's gross domestic product should rise by 2.5 % over the course of the year as a whole.

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	Apr. 1, 2014– Jun. 30, 2014	Apr. 1, 2013– Jun. 30, 2013	Jan. 1, 2014– Jun. 30, 2014	Jan. 1, 2013– Jun. 30, 2013	Note/Page
Sales	**70,491**	77,976	**141,450**	154,419	01/015
Cost of sales	(64,243)	(68,884)	(126,382)	(137,689)	
Gross profit	**6,248**	**9,092**	**15,068**	**16,730**	
Selling expenses	(1,459)	(1,194)	(2,572)	(2,395)	
General and administrative expenses	(3,436)	(6,232)	(11,763)	(12,635)	
Other operating income	1,159	1,523	3,273	1,790	
Other operating expenses	(550)	(523)	(981)	(753)	
Profit from operations (EBIT)	**1,962**	**2,666**	**3,025**	**2,737**	
Financial income	181	253	358	516	
Finance costs	(1,072)	(1,276)	(2,253)	(2,452)	
Share of profit of associates	35	149	234	313	
Earnings before taxes (EBT)	**1,106**	**1,792**	**1,364**	**1,114**	
Income taxes	(444)	(622)	(794)	(1,188)	
Income for the period	**662**	**1,170**	**570**	**(74)**	
of which income attributable to noncontrolling interests	44	42	38	64	
of which income attributable to equity holders of parent	**618**	**1,128**	**532**	**(138)**	

Earnings per share

in €					
Basic and diluted earnings per share, based on the profit (loss) attributable to common shareholders of Deufol SE	0.014	0.026	0.012	(0.003)	02/015

Consolidated Statement of Comprehensive Income

figures in € thousand	Apr. 1, 2014– Jun. 30, 2014	Apr. 1, 2013– Jun. 30, 2013	Jan. 1, 2014– Jun. 30, 2014	Jan. 1, 2013– Jun. 30, 2013	Note/Page
Income for the period	**662**	**1,170**	**570**	**(74)**	
Other recognized income and expense	**110**	**174**	**151**	**521**	
Items that may be reclassified to profit/loss					
Gain (loss) on exchange rate differences after tax	102	148	134	468	
Gain (loss) on cash flow hedges after tax	8	26	17	53	
Total comprehensive income after tax	**772**	**1,344**	**721**	**447**	
of which attributable to noncontrolling interests	44	42	38	64	
of which attributable to equity holders of parent	728	1,302	683	383	

Consolidated Balance Sheet (IFRS)

Assets figures in € thousand	Jun. 30, 2014	Dec. 31, 2013	Note/Page
Noncurrent assets	**141,397**	**142,159**	
Property, plant and equipment	47,275	47,556	
Investment property	244	272	
Goodwill	68,602	68,602	
Other intangible assets	3,163	2,943	
At-equity investments	3,526	3,292	
Financial receivables	5,198	5,740	
Other financial assets	60	60	
Other receivables and other assets	3,341	3,738	
Deferred tax assets	9,988	9,956	
Current assets	**71,189**	**70,798**	
Inventories	13,171	12,156	
Trade receivables	42,607	37,054	
Other receivables and other assets	9,829	13,324	
Tax receivables	1,524	1,521	
Financial receivables	1,520	1,764	
Cash and cash equivalents	2,538	4,979	
Total assets	**212,586**	**212,957**	

Equity and Liabilities figures in € thousand	Jun. 30, 2014	Dec. 31, 2013	Note/Page
Equity	**96,259**	**95,538**	03/016
Equity attributable to equity holders of Deufol SE	95,868	95,185	
Subscribed Capital	43,774	43,774	
Capital reserves	107,240	107,240	
Retained earnings (accumulated losses)	(53,287)	(53,819)	
Other recognized income and expense	(1,859)	(2,010)	
Equity attributable to noncontrolling interests	391	353	
Noncurrent liabilities	**57,007**	**21,270**	
Financial liabilities	49,794	13,925	04/016
Provisions for pensions	4,092	4,083	
Other provisions	113	113	
Other liabilities	1,730	1,975	
Deferred tax liabilities	1,278	1,174	
Current liabilities	**59,320**	**96,149**	
Trade payables	27,388	31,365	
Financial liabilities	17,392	48,885	04/016
Other liabilities	12,066	13,330	
Tax liabilities	1,726	1,718	
Other provisions	748	851	
Total equity and liabilities	**212,586**	**212,957**	

Consolidated Cash Flow Statement

figures in € thousand	Apr. 1, 2014– Jun. 30, 2014	Apr. 1, 2013– Jun. 30, 2013	Jan. 1, 2014– Jun. 30, 2014	Jan. 1, 2013– Jun. 30, 2013	Note/Page
Income (loss) from operations (EBIT) from continuing operations	1,962	2,666	3,025	2,737	
Adjustments to reconcile income (loss) to cash flows from operating activities					
Depreciation and amortization charges	1,815	1,918	3,610	3,827	
(Gain) loss from disposal of property, plant and equipment	(5)	5	(43)	3	
Taxes paid	(357)	(1,352)	(709)	(1,383)	
Changes in assets and liabilities from operating activities					
Change in trade accounts receivable	(990)	(617)	(5,553)	(275)	
Change in inventories	(1,754)	(1,569)	(1,015)	(1,015)	
Change in other receivables and other assets	524	1,185	3,892	(2,903)	
Change in trade accounts payable	(1,001)	8,801	(3,977)	1,500	
Change in other liabilities	45	(1,248)	(1,303)	3,718	
Change in accrued expenses	(68)	(388)	(222)	253	
Change in other operating assets/liabilities (net)	(42)	976	(13)	694	
Net cash provided by (used in) operating activities	**129**	**10,377**	**(2,308)**	**7,156**	05/016
Purchase of intangible assets and property, plant and equipment	(1,251)	(1,804)	(3,471)	(3,062)	
Proceeds from the sale of intangible assets and property, plant and equipment	89	301	142	326	
Dividends received	0	74	0	74	
Net change in financial receivables	393	264	786	606	
Interest received	181	253	358	516	
Net cash provided by (used in) investing activities	**(588)**	**(912)**	**(2,185)**	**(1,540)**	05/016
Proceeds from (repayment of) borrowings	(1,339)	(6,009)	5,718	(1,176)	
Net change in other financial liabilities	2,370	(689)	(1,359)	(1,135)	
Interest paid	(1,099)	(1,358)	(2,307)	(2,615)	
Dividends paid to noncontrolling interests	0	(80)	0	(80)	
Net cash provided by (used in) financing activities	**(128)**	**(8,136)**	**2,052**	**(5,006)**	05/016
Effect of exchange-rate changes and changes in the scope of consolidation on cash and cash equivalents	0	0	0	0	
Change in cash and cash equivalents	**(587)**	**1,329**	**(2,441)**	**610**	
Cash and cash equivalents at the beginning of the period	3,125	6,547	4,979	7,266	
Cash and cash equivalents at the end of the period	2,538	7,876	2,538	7,876	

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 SE	Equity attributable to noncontrolling interests	**Total equity**
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	—	—	(138)	—	—	(138)	64	(74)
Other comprehensive income	—	—	—	468	75	543	—	543
Deferred taxes for valuation changes recognized directly in equity	—	—	—	—	(22)	(22)	—	(22)
Total comprehensive income (loss)	**—**	**—**	**(138)**	**468**	**53**	**383**	**64**	**447**
Dividends	—	—	—	—	—	—	(80)	(80)
Balance at Jun. 30, 2013	**43,774**	**107,420**	**(54,238)**	**(918)**	**(69)**	**95,789**	**1,236**	**97,025**
Balance at Jan. 1, 2014	**43,774**	**107,420**	**(53,819)**	**(1,993)**	**(17)**	**95,185**	**353**	**95,538**
Income (loss) for the period	—	—	532	—	—	532	38	570
Other comprehensive income	—	—	—	134	24	158	—	158
Deferred taxes for valuation changes recognized directly in equity	—	—	—	—	(7)	(7)	—	(7)
Total comprehensive income (loss)	**—**	**—**	**532**	**134**	**17**	**683**	**38**	**721**
Dividends	—	—	—	—	—	—	—	—
Balance at Jun. 30, 2014	**43,774**	**107,420**	**(53,287)**	**(1,859)**	**0**	**95,868**	**391**	**96,259**

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	
per €	**Jun. 30, 2014**	Dec. 31, 2013	**6M 2014**	6M 2013
US dollar	1.3658	1.308	1.3705	1.3135
Czech crown	27.4530	25.9490	27.4435	25.6975
Singapore dollar	1.7047	1.6545	8.4517	1.6331
Renminbi	8.4722	8.0280	1.7280	8.1294

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	Jun. 30, 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 figures in € thousand	Apr. 1, 2014–Jun. 30, 2014	Apr. 1, 2013–Jun. 30, 2013	Jan. 1, 2014–Jun. 30, 2014	Jan. 1, 2013–Jun. 30, 2013
Result attributable to the holders of Deufol SE common stock	618	1,128	532	(138)
Shares in circulation figures in units				
Weighted average number of shares	43,773,655	43,773,655	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	0.014	0.026	0.012	(0.003)

03 Equity

There was no change in the Subscribed Capital and in the capital reserves in the first six months 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. The financing banks granted a waiver letter in this respect.

As of June 30, 2014, the Deufol Group had complied with all of the financial covenants under its loan agreement. The relevant financial liabilities were therefore reported as noncurrent as of June 30, 2014; this relates to an amount of € 34.5 million. The financial covenants were adjusted within the scope of an amendment to the 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 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 six months of 2014 amounted to – € 2,308 thousand.

The outflow of funds from investing activities amounted to € 2,185 thousand and includes the cash flows from the purchase and sale of property, plant and equipment, the sale of subsidiaries and the change in financial receivables as well as interest received.

The inflow of funds from financing activities amounted to € 2,052 thousand and reflects the net change in financial liabilities plus interest payments.

The cash and cash equivalents balance decreased by € 2,441 thousand.

Dividend

No dividend was distributed in the first six 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 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.

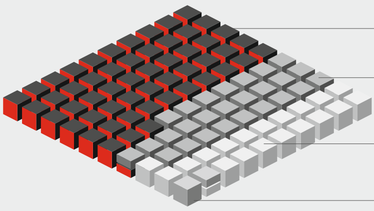
The prices charged between the business segments are determined on the basis of the arm's length principle.

Segment Information by Region (Primary Reporting Format)

figures in € thousand	Germany	Rest of Europe	USA/Rest of the World	Holding company	Elimination	Group
6M 2014						
External sales	75,631	36,524	27,196	2,099	0	141,450
Internal sales	6,754	4,465	101	5,006	(16,326)	0
Total sales	82,385	40,989	27,297	7,105	(16,326)	**141,450**
EBITA = EBIT	1,461	1,116	816	(438)	70	3,025
Financial income	521	350	63	1,845	(2,421)	358
Finance costs	(1,583)	(322)	(1,186)	(1,583)	2,421	(2,253)
Earnings from associates	227	0	0	7	0	234
EBT	626	1,144	(307)	(169)	70	1,364
Taxes						(794)
Result for the period						**570**
Assets	79,095	55,175	46,661	269,690	(249,547)	201,074
of which investments accounted for using the at-equity method	3,373	0	0	153	0	3,526
Non-allocated assets						11,512
Total assets						**212,586**
Financial liabilities	42,317	11,964	44,851	40,274	(72,220)	67,186
Other debt	26,140	17,431	10,342	49,685	(57,461)	46,137
Non-allocated debt						3,004
Total liabilities						**116,327**
Depreciation, amortization and impairment	1,518	1,129	710	253	0	3,610
Investments	1,832	953	402	301	0	3,488

External sales by segment

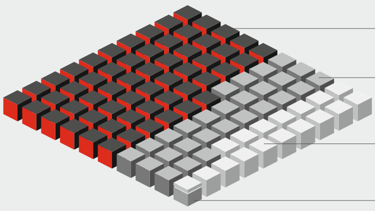
figures in %



	6M 2014
Germany	53.47
Rest of Europe	25.82
USA/Rest of the World	19.23
Holding company	1.48

figures in € thousand	Germany	Rest of Europe	USA/Rest of the World	Holding company	Elimina-tion	Group
6M 2013						
External sales	86,658	41,243	25,271	1,247		154,419
Internal sales	11,154	5,603	89	1,398	(18,244)	0
Total sales	97,812	46,846	25,360	2,645	(18,244)	**154,419**
EBIT	3,671	2,048	(751)	(2,199)	(32)	2,737
Financial income	152	486	57	1,257	(1,436)	516
Finance costs	(974)	(503)	(1,327)	(1,084)	1,436	(2,452)
Earnings from associates	345	17	0	(49)	0	313
EBT	3,194	2,048	(2,021)	(2,075)	(32)	1,114
Taxes						(1,188)
Result for the period						**(74)**
Assets	111,747	67,734	31,919	248,201	(247,353)	212,248
of which investments accounted for using the at-equity method	3,583	0	0	0	0	3,583
Non-allocated assets						12,338
Total assets						**224,586**
Financial liabilities	33,656	15,731	45,407	46,350	(72,419)	68,725
Other debt	62,115	23,203	10,301	26,904	(67,401)	55,122
Non-allocated debt						3,637
Total liabilities						**127,484**
Depreciation, amortization and impairment	1,673	1,208	764	182	0	3,827
Investments	1,748	701	358	361	0	3,168

External sales by segment



figures in %	6M 2013
Germany	56.12
Rest of Europe	26.71
USA/Rest of the World	16.36
Holding company	0.81

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, 2014.

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 substitute member Marc Hübner.

The Annual General Meeting held on July 4, 2014 appointed Mr. Peter Oberegger as a new member of the Administrative Board. He replaced Mr. Marc Hübner, who was re-elected as a substitute member.

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
Mai 22	**2014**	Interim Report I/2014
July 4	**2014**	Annual General Meeting 2014
August 14	**2014**	Semi-Annual Financial Report 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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