

REPORT FOR THE FIRST HALF-YEAR

2015

1 January to
30 June

SPECIALISTS
FOR
SURFACE
TECHNOLOGIES

SURTECO

SOCIETAS EUROPAEA

Q2

2015



SURTECO GROUP

€ 000s	1/4-30/6/ 2014	1/4-30/6/ 2015	Δ %	1/1-30/6/ 2014	1/1-30/6/ 2015	Δ %
		Q2			Q1-2	
Sales revenues	155,247	161,156	+4	315,301	327,155	+4
of which						
- Germany	43,689	44,178	+1	92,092	91,889	-
- Foreign	111,558	116,978	+5	223,209	235,266	+5
EBITDA	17,883	15,683	-12	39,638	34,574	-13
EBITDA margin in %	11.5	9.7		12.6	10.6	
EBIT	9,545	7,415	-22	21,649	17,686	-18
EBIT margin in %	6.1	4.6		6.9	5.4	
EBT	8,212	4,657	-43	17,808	16,756	-6
Consolidated net profit	6,128	3,172	-48	12,830	11,619	-9
Earnings per share in €	0.40	0.20	-50	0.83	0.75	-10
Number of shares	15,505,731	15,505,731		15,505,731	15,505,731	
		30/6/2015			30/6/2015	
Net financial debt in € 000s	153,823	140,602	-9	145,839	140,602	-4
Gearing (level of debt) in %	50	43	-7 pts.	45	43	-2 pts.
Equity ratio in %	48.5	49.0	+0.5 pts.	50.4	49.0	-1.4 pts.
Number of employees	2,652	2,739	+3	2,705	2,739	+1

DEAR SHAREHOLDERS, PARTNERS AND FRIENDS OF OUR COMPANY

MACROECONOMIC AND SECTOR-SPECIFIC FRAMEWORK CONDITIONS

GLOBAL ECONOMY GROWS BY 3.3 %

In view of the slowdown in economic growth in the USA, the International Monetary Fund (IMF) slightly reduced its projection for global economic growth in 2015 in its latest forecast in July to 3.3 % (April estimate: 3.5 %). The slower upturn in North America during the first half of the year led the experts to project an increase of only 2.1 % after their previous forecast of 2.4 %. In view of the strength of the US currency, growth in the US economy is likely to be only 2.5 % (April forecast: 3.1 %). Conversely, the eurozone continues to benefit from the weakness in the leading currency there and is able to hope for economic growth of 1.5 %. The positive trend is also revealed in the forecasts for the four biggest economies in the EU: Germany (+1.6 %), France (+1.2 %), Italy (+0.7 %) and Spain (+3.1 %).

The dynamic growth in the emerging economies and developing countries is continuing to diminish. The IMF is only forecasting an increase of 4.2 % (April forecast: 4.3 %) for this group of countries in 2015. Russia's economy (-3.4 %) is continuing to suffer massively from the consequences of the sanctions relating to the Ukraine crisis. Warning signals are increasingly coming from the Chinese economy about a cooling down in the economic situation. Nevertheless, an increase in economic output of 6.8 % is expected. Asia overall can anticipate growth of 6.6 %.

FURNITURE INDUSTRY CONTINUES TO EXPECT GROWTH OF 1.5 %

The most important group of customers for the SURTECO Group is the companies from the furniture and wood-based industry. Differing trends were emerging at the half year of 2015 for the furniture sector which did not permit a uniform trend to be identified for further development. While the business climate index and the utilization of capacity for the industry in June rose according to estimates by the Association of the German Furniture Industry (VDM), the economic study by market research institute GfK published in June highlighted a significant downward trend. Against this background, the VDM continues to endorse its forecast for sales development of the German furniture industry unchanged at 1.5 % in the year 2015. This cautious upward development is supported equally by slightly increased demand at home and abroad. Domestic demand is based on the delayed effect of the positive figures from the construction industry and higher disposable income, alongside correspondingly greater scope for financial manoeuvre. Outside Germany, positive developments are anticipated in a number of

European countries and in the USA. In China and Russia, further declines in exports are anticipated on account of the slowdown in the economy and the difficult geopolitical situation respectively.

SALES AND BUSINESS PERFORMANCE

POWERFUL GROWTH IN NORTH AMERICA AND AUSTRALIA

During the first half of 2015, sales revenues at the SURTECO Group rose by 4 % compared with the equivalent year-earlier period and reached a value of € 327.2 million (1st half year 2014: € 315.3 million). The two main factors contributing to this positive development were currency effects, in particular on account of the exchange rate between the US dollar and the euro, and slight sales growth in the local currency. Based on the euro, business in Australia therefore rose by 18 % and business on the American continent by 32 %. This more than compensated for the stagnating demand in Germany, a slight decline in business in the EU and Asia (in each case -1 %), and weak business in the rest of Europe (-16 %) owing to the conflict in Ukraine. The foreign ratio increased from 70.8 % in the previous year to 71.9 %.

STRATEGIC BUSINESS UNIT PLASTICS

The Strategic Business Unit Plastics successfully transferred its growth trajectory from the start of the business year to the second quarter and increased sales revenues by 8 % in the first half year of 2015. Business volume increased from € 114.9 million in the equivalent year-earlier

period to € 123.8 million in the first two quarters of 2015 on the back of positive currency effects and organic growth. Growth of 7 % in the most important product group of edgebandings formed the foundation stone for this result. Sales of technical extrusions (+2 %), plastic foils (+3 %) and skirtings (+18 %) also proceeded successfully. After business with the DIY product ranges continued to demonstrate a slight positive trend in the first quarter, sales eased back by 13 % in the analysis of the first half of the year. Demand in roller-shutter systems at minus 3 % fell slightly below the level of the previous year in the months of January to June 2015. Growth in the Strategic Business Unit was generated in all the relevant groups of countries with the exception of the European countries outside the EU. Accordingly, business volume in Germany and in the EU (not including Germany) went up in each case by 7 %, in Australia and in South America by 17 % and in North America by 30 % compared with the values for 2014. Sales in Asia also turned round and posted a slight increase of one percent after a weak start at the beginning of the business year. In the rest of Europe outside the EU, renewed disappointing demand in Turkey was the main factor leading to a declining business volume of 30 % in this group of countries.

STRATEGIC BUSINESS UNIT PAPER

Sales revenues of the Strategic Business Unit Paper underwent development during the second quarter of 2015 approximately in line with the level of the first three months of the current business year. Nevertheless, sales volume in the first six months rose by one percent to € 203.3 million compared with the equivalent year-earlier period. Growth in paper-based edgebandings

(+2 %), impregnates (+9 %), release papers (+8 %) and pre-impregnated and fully impregnated finish foils (+10 %) compensated for the declining business with decorative printing (-11 %). The development in decorative printing is due to the integration project for merging the decorative printing facilities at one site in Germany. This is temporarily influencing the production process but is running on schedule. Two printing presses have already been successfully relocated and are now operating at the new location.

Business in the USA for the paper segment also posted organic growth during the first half of 2015 and sales revenues increased significantly in concert with positive currency effects. In North America (USA + Canada), the business volume grew by 35 %. Domestic business eased by 5 % and this phenomenon was also evident in the rest of Europe, primarily caused by the conflict in Ukraine. Sales in Asia were 4 % below the values for the previous year. The foreign sales ratio rose from 71.7 % to 73.4 %.

EXPENSES

TEMPORARILY HIGHER PERSONNEL AND OTHER OPERATING EXPENSES DUE TO INTEGRATION PROJECT

The price of raw papers for technical applications for the Strategic Business Unit Paper continued to rise sharply in the second quarter of the business year 2015 on account of the exchange rate between the US dollar and the euro, and purchase prices of the most important raw materials for the Strategic Business Unit Plastics PVC and ABS underwent exorbitant increases. Nevertheless, the proportion of cost of materials in relation to

sales came down by 0.8 percentage points in the first half of 2015 compared with the value for the equivalent year-earlier period of 50.9 %. This was enabled by synergy effects, for example arising from in-house manufacture of printing inks and lacquer, which could be achieved from the integration of the Süddekor companies. Material expenses overall in the months from January to June of the current business year amounted to € 165.4 million, following € 164.7 million in the equivalent-year-earlier period.

The SURTECO Group increased the level of permanent staff by 3 % compared with the previous year, so as to be in a position to carry out the merger of decorative printing activities on one site in Germany as smoothly as possible and deal with the increased business volume in the plastics segment. From August 2014, the collectively agreed payscale wages and salaries were also increased by 3.5 %. As a result, personnel expenses increased overall by € 4.8 million to a total of € 82.1 million in the first half of 2015 compared with the equivalent year-earlier period. Accordingly, the personnel expense ratio amounting to 24.9 % in the first half of 2015 increased by 1 percentage point compared to the value for the previous year. Other operating expenses also underwent a significant increase, primarily on account of the integration project in the Strategic Business Unit Paper. In the first half of 2015, € 4.3 million were already incurred for this project. In this context, unplanned rationalization measures were already carried out for the production and administrative buildings, which will be beneficial for the medium-term and long-term development. Alongside higher expenses in the plastics segment caused by the increased business volume, the other operating expenses of the Group went up by € 7.8 million to € 51.7 million.

GROUP RESULTS

The total output of the SURTECO Group amounted to € 329.9 million in the first two quarters of the current business year and was 2 % above the equivalent value for the previous year. The total for all the expense items amounted to € 299.2 million in this period. Including other operating income amounting to € 3.9 million this yields an operating result (EBITDA) of € 34.6 million after € 39.6 million in the previous year. Depreciation and amortization at € 16.9 million was significantly below the level for the previous year (€ 18.0 million) and this yields EBIT of € 17.7 million (2014: € 21.6 million). Following on from € 1.8 million in the first quarter, the financial result for the months of January to June 2015 was € -0.9 million (equivalent year-earlier period: € -3.8 million). This volatility essentially originated from currency effects. Ultimately, the Group generated a pre-tax result (EBT) of € 16.8 million during the first two quarters of 2015, after € 17.8 million in the equivalent year-earlier period. After deduction of tax amounting to € 5.2 million (2014: € 5.0 million), consolidated net profit amounted to € 11.6 million (2014: € 12.8 million). Earnings per share of € 0.75 were calculated after € 0.83 in the previous year (based on an unchanged volume of 15,505,731 no-par-value shares issued).

RESULT OF THE STRATEGIC BUSINESS UNITS

The pre-tax result (EBT) of the Strategic Business Unit Plastics was € 9.8 million for the first half of 2015, which was at the level of the previous year (€ 9.7 million). The higher business volume compared with the equivalent year-earlier period was largely cancelled out by the increase in the prices of raw materials and shifts in the product mix. The EBT of the Strategic Business Unit Paper eased slightly, mainly on account of the relocation project, and reached a value of € 11.7 million (2014: € 12.4 million).

NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

The balance sheet total of the SURTECO Group at € 662.3 million on the half yearly balance sheet date was 4 % above the value on 31 December 2014 (€ 636.7 million). On the assets side, current and non-current assets increased. In particular, the increase in cash and cash equivalents contributed to the higher current assets. At € 52.9 million, this figure was € 9.8 million above the value for year-end 2014 despite the dividend payment of € 10.9 million in the first half of the year. However, trade accounts receivable increased by € 12.1 million to € 73.8 million compared with 31 December 2014. This contrasted with assets held for sale amounting to € 7.3 million, which were completely derecognized after the sale of the facility in Biscoe/USA during the first quarter. As far as non-current assets were concerned, other non-current financial assets amounting to € 8.2 million on 31 December 2014 essentially rose to

€ 13.1 million on the half-yearly balance sheet date. This primarily reflected the valuation of hedging instruments for flows of capital payments and interest for the tranche denominated in US dollars arising from the US private placement.

Current liabilities on the liabilities side rose by € 11.9 million to € 103.4 million compared with year-end 2014. Higher trade accounts payable (€ 51.9 million after € 45.4 million) and increased other current non-financial liabilities (€ 9.2 million after € 3.2 million) were responsible for this. Long-term financial liabilities essentially increased by € 5.5 million (30 June 2015: € 188.9 million) and a rise in deferred tax liabilities by € 5.3 million (€ 33.2 million on the half-yearly balance sheet date) led to an increase in non-current liabilities from € 224.0 million on 31 December 2014 to € 234.5 million on 30 June 2015. Equity increased to € 324.4 million (31 December 2014: € 321.1 million). The equity ratio at 49.0 % is therefore 1.4 percentage points below the value at year-end 2014.

The drop in the level of debt (gearing) of 43 % by two percentage points compared with 31 December 2014 and the lower net financial debt of € 140.6 million after € 145.8 million underpin the ongoing robust balance sheet structure of the SURTECO Group. The free cash flow in the reporting period amounting to € 23.4 million was significantly above the value for the previous year of € 11.1 million. This was mainly due to slightly increased cash flow from current business operations and proceeds from the sale of the plant located in Biscoe/USA.

CALCULATION OF FREE CASH FLOW

€ 000s	1/1/-30/6/ 2014	1/1/-30/6/ 2015
Cash flow from current business operations	22,059	23,739
Purchase of property, plant and equipment	-10,725	-9,433
Purchase of intangible assets	-229	-647
Proceeds from the disposal of property, plant and equipment	0	9,748
Cash flow from investment activities	-10,954	-332
Free cash flow	11,105	23,407

RESEARCH AND DEVELOPMENT

During the first six months of the business year 2015, the research and development departments of the SURTECO Group achieved further successes in optimizing the processes of existing production procedures and increased the productivity of manufacture while retaining the same quality or even improving the quality of the manufactured products. However, the demands of the market for innovations were also taken into account through the development of new products and variants. During the period under review, the Strategic Business Unit Plastics launched the plastic edging "3D Space" with an innovative lamellar visual effect. This design is not printed conventionally

on the edges. A special procedure is used to already integrate the lamellae in the extrusion process. All the desired versions can be visualized as diaphanous or coloured. The developers are particularly proud of the visual impact produced by an impressive depth effect. This is achieved using the geometric structure of the lamellae and continuously presents new facets on account of the changed angle of observation.

During the first half of 2015, the focus of research and development work in the paper segment was on further integration of production processes and standardization of the printing inks, lacquers and consumables used between the companies acquired at the end of 2013 and the existing portfolio of companies. This process involved the synthetic blending of printing inks produced in the company being successfully tested for the sites of both printing facilities. The volume of lacquers produced in-house for the production of finish foils at the Bittenwiesen site was also gradually increased.

RISK AND OPPORTUNITIES REPORT

SURTECO SE with its Strategic Business Units Plastics and Paper is exposed to a large number of risks on account of global activities and intensification of competition. The detailed description of the Risk Management System is provided in the Risk and Opportunities Report given in our Annual Report 2014.

During the months of January to June 2015, a additional risk in the damage class 3 and probability class 4 and two additional risks in the damage class 4 and probability class 4 were identified in the Strategic Business Unit Paper. No signifi-

cant changes and no risks were identified which could pose a threat to the continued existence as a going concern in the Strategic Business Unit Plastics.

The overall risk assessment in the first half 2015 led to the forecast adjustment described in the outlook.

OUTLOOK FOR THE FISCAL YEAR 2015

During the business year 2015, the company is continuing to assume a modest increase in sales revenues compared with the previous year at both segment and Group level. However, on the cost side the framework conditions underwent major change. The second quarter has seen costs for the raw materials used by both segments continuing to increase so that further negative influences are likely to impact throughout the year. Furthermore, additional expenses have been identified for the integration project of the Strategic Business Unit Paper. This means that it will no longer be possible to achieve the pretax result of slightly in excess of € 32 million forecast at the Financial Press Conference in April. Rather, the current assumption is that EBT will be below € 30 million. The value of € 22.3 million actually achieved in 2014 will consequently continue to be significantly exceeded.

Since the lion's share of additional burdens is expected from the merger of printing locations, the forecast is also being transferred to the expected earnings from the Strategic Business Unit Paper. Here it is possible to assume that the pretax result will be below the value for the previous year adjusted by restructuring costs. Assuming that the purchasing prices for plastics

do not continue to become even more expensive, the company is assuming that the forecast of a slight increase in EBT for the plastics segment can be maintained.

SURTECO SHARES

After a very good start to the year, the SURTECO share continued to give ground and price gains waned in the second quarter of 2015. The exit from the SDAX Small Cap Index in June 2015 played a major role here. On 30 June 2015, the share therefore posted a negative price performance of around seven percent compared to the price at the beginning of the year. However, it is important to note here that a dividend of € 0.70 was paid out to shareholders at the end of June and this corresponds to a dividend yield of more than three percent. The price setback led to the market capitalization of SURTECO SE, based on a total of 15,505,731 no-par-value shares, being reduced to € 343.9 million on 30 June 2015. The proportion of shares in free float remains unchanged at 45.4 % at the end of the first half of 2015.

January - June 2015

Number of shares	15,505,731
Free float in %	45.35
Price on 2/1/2015 in €	23.81
Price on 30/6/2015 in €	22.18
High in €	27.77
Low in €	22.18
Market capitalization as at 30/6/2015 in € 000s	343,917

Share price performance January - June 2015 in €



QUARTERLY FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

(SHORT VERSION)

REPORT FOR THE FIRST HALF-YEAR 2015 - SURTECO SE

Q2

SURTECO GROUP

€ 000s	Q2		Q1-2	
	1/4/-30/6/ 2014	1/4/-30/6/ 2015	1/1/-30/6/ 2014	1/1/-30/6/ 2015
Sales revenues	155,247	161,156	315,301	327,155
Changes in inventories	1,599	-1,107	5,441	877
Own work capitalized	1,085	1,431	2,543	1,873
Total output	157,931	161,480	323,285	329,905
Cost of materials	-80,012	-80,356	-164,661	-165,439
Personnel expenses	-39,093	-41,039	-77,266	-82,076
Other operating expenses	-22,122	-27,110	-43,879	-51,723
Other operating income	1,179	2,708	2,159	3,907
EBITDA	17,883	15,683	39,638	34,574
Depreciation and amortization	-8,338	-8,268	-17,989	-16,888
EBIT	9,545	7,415	21,649	17,686
Financial result	-1,333	-2,758	-3,841	-930
EBT	8,212	4,657	17,808	16,756
Income tax	-2,063	-1,480	-4,980	-5,158
Net income	6,149	3,177	12,828	11,598
Of which:				
Owners of the parent (consolidated net profit)	6,128	3,172	12,830	11,619
Non-controlling interests	21	5	-2	-21
Basic and diluted earnings per share in €	0.40	0.20	0.83	0.75
Number of shares	15,505,731	15,505,731	15,505,731	15,505,731

STATEMENT OF COMPREHENSIVE INCOME

REPORT FOR THE FIRST HALF-YEAR 2015 - SURTECO SE

Q2

SURTECO GROUP

€ 000s	Q2		Q1-2	
	1/4-30/6/ 2014	1/4-30/6/ 2015	1/1-30/6/ 2014	1/1-30/6/ 2015
Net income	6,149	3,177	12,828	11,598
Components of comprehensive income not to be reclassified to the income statement	-300	0	-300	0
Net gains/losses from hedging of net investment in a foreign operation	-160	1	-679	190
Exchange differences translation of foreign operations	458	-4,276	-4,563	1,890
Financial instruments available-for-sale	-331	-600	-613	452
Components of comprehensive income that may be reclassified to the income statement	-33	-4,875	-5,855	2,532
Other comprehensive income for the period	-333	-4,875	-6,155	2,532
Comprehensive income	5,816	-1,698	6,673	14,130
Owner of the parent (consolidated net profit)	5,795	-1,703	6,675	14,151
Non-controlling interests	21	5	-2	-21

SURTECO GROUP

€ 000s	31/12/2014	30/6/2015
ASSETS		
Cash and cash equivalents	43,060	52,917
Trade accounts receivable	61,670	73,755
Inventories	110,638	113,605
Current income tax assets	8,025	7,999
Other current non-financial assets	9,171	9,243
Other current financial assets	2,524	1,693
Assets held for sale	7,329	0
Current assets	242,417	259,212
Property, plant and equipment	237,198	238,149
Intangible assets	26,266	24,876
Goodwill	110,808	111,341
Investments accounted for using the equity method	3,545	3,743
Financial assets	21	21
Non-current income tax assets	282	282
Other non-current financial assets	8,182	13,110
Deferred taxes	7,950	11,585
Non-current assets	394,252	403,107
	636,669	662,319

SURTECO GROUP

€ 000s	31/12/2014	30/6/2015
LIABILITIES AND SHAREHOLDERS' EQUITY		
Short-term financial liabilities	5,563	4,641
Trade accounts payable	45,359	51,868
Income tax liabilities	2,968	2,946
Short-term provisions	12,052	12,696
Other current non-financial liabilities	3,220	9,169
Other current financial liabilities	22,383	22,109
Current liabilities	91,545	103,429
Long-term financial liabilities	183,336	188,878
Pensions and other personnel-related obligations	12,738	12,389
Deferred taxes	27,949	33,247
Non-current liabilities	224,023	234,514
Capital stock	15,506	15,506
Capital reserve	122,755	122,755
Retained earnings	164,050	174,158
Consolidated net profit	18,464	11,619
Capital attributable to owners of the parent	320,775	324,038
Non-controlling interests	326	338
Equity	321,101	324,376
	636,669	662,319

CONSOLIDATED CASH FLOW STATEMENT

REPORT FOR THE FIRST HALF-YEAR 2015 - SURTECO SE

Q2

SURTECO GROUP

Q1-2

€ 000s	1/1/-30/6/ 2014	1/1/-30/6/ 2015
Earnings before income tax	17,808	16,756
Reconciliation to cash flow from current business operations	13,007	12,615
Internal financing	30,815	29,371
Change in assets and liabilities (net)	-8,756	-5,632
Cash flow from current business operations	22,059	23,739
Cash flow from investment activities	-10,954	-332
Cash flow from financial activities	-24,154	-14,089
Change in cash and cash equivalents	-13,049	9,318
Cash and cash equivalents		
1 January	51,124	43,060
Effect of changes in exchange rate on cash and cash equivalents	318	539
30 June	38,393	52,917

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

REPORT FOR THE FIRST HALF-YEAR 2015 - SURTECO SE

Q2

SURTECO GROUP

€ 000s	Capital stock	Capital reserve	Retained earnings				Consolidated net profit	Non-controlling interests	Total
			Fair value measurement for financial instruments	Other comprehensive income	Currency translation adjustments	Other retained earnings			
31 December 2013	15,506	122,798	767	-726	-9,307	159,769	21,876	342	311,025
Net income	0	0	0	0	0	0	12,830	-2	12,828
Other comprehensive income	0	0	-613	-300	-5,242	0	0	0	-6,155
Comprehensive income	0	0	-613	-300	-5,242	0	12,830	-2	6,673
Dividend payout SURTECO SE	0	0	0	0	0	0	-10,079	0	-10,079
Allocation to retained earnings	0	0	0	0	0	11,820	-11,820	0	0
Changes in equity	0	0	0	0	0	11,820	-21,899	0	-10,079
30 June 2014	15,506	122,798	154	-1,026	-14,549	171,589	12,807	340	307,619
31 December 2014	15,506	122,755	495	-1,681	-6,330	171,566	18,464	326	321,101
Net income	0	0	0	0	0	0	11,619	-21	11,598
Other comprehensive income	0	0	452	0	2,046	0	0	33	2,531
Comprehensive income	0	0	452	0	2,046	0	11,619	12	14,129
Dividend payout SURTECO SE	0	0	0	0	0	0	-10,854	0	-10,854
Allocation to retained earnings	0	0	0	0	0	7,610	-7,610	0	0
Changes in equity	0	0	0	0	0	7,610	-18,464	0	-10,854
30 June 2015	15,506	122,755	947	-1,681	-4,284	179,176	11,619	338	324,376

SURTECO GROUP

BY STRATEGIC BUSINESS UNITS

Sales revenues				
€ 000s	SBU Plastics	SBU Paper	Recon- ciliation	SURTECO Group
1/1/-30/6/2015				
External sales	123,837	203,318	0	327,155
Internal sales	820	468	-1,288	0
Total sales	124,657	203,786	-1,288	327,155
1/1/-30/6/2014				
External sales	114,937	200,364	0	315,301
Internal sales	714	475	-1,189	0
Total sales	115,651	200,839	-1,189	315,301
Segment earnings (EBT)				
€ 000s	1/1/-30/6/2014		1/1/-30/6/2015	
SBU Plastics	9,745		9,757	
SBU Paper	12,446		11,713	
Reconciliation	-4,383		-4,714	
EBT	17,808		16,756	

SURTECO GROUP

BY REGIONAL MARKETS

Sales revenues SURTECO Group		
€ 000s	1/1/-30/6/2014	1/1/-30/6/2015
Germany	92,092	91,889
Rest of Europe	148,543	143,068
America	50,641	66,671
Asia, Australia, Others	24,025	25,527
	315,301	327,155

Sales revenues SBU Plastics		
€ 000s	1/1/-30/6/2014	1/1/-30/6/2015
Germany	35,366	37,827
Rest of Europe	45,436	45,160
America	16,759	21,576
Asia, Australia, Others	17,376	19,274
	114,937	123,837

Sales revenues SBU Paper		
€ 000s	1/1/-30/6/2014	1/1/-30/6/2015
Germany	56,726	54,062
Rest of Europe	103,107	97,908
America	33,882	45,095
Asia, Australia, Others	6,649	6,253
	200,364	203,318

ACCOUNTING PRINCIPLES

The consolidated financial statements of the SURTECO Group for the period ended 31 December 2014 were prepared in accordance with the regulations of the International Financial Reporting Standards (IFRS) as they were adopted by the EU, in the version valid on the closing date for the accounting period. As a matter of principle, the same accounting and valuation principles were used for the preparation of this interim report as at 30 June 2015 as in the preparation of the consolidated financial statements for the business year 2014.

The objective and purpose of interim reporting is to provide an information tool building on the consolidated financial statements and we therefore refer to the standards and interpretations applied in the valuation and accounting methods used in the preparation of the consolidated statements of the SURTECO Group for the period ending 31 December 2014 for further information. The comments included in this report also apply to the quarterly financial statements and the half-yearly financial statements for the year 2015 if no explicit reference is made to them.

The regulations of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" for abbreviated interim financial statements and the German Accounting Standard (DRS) 16 "Interim Reporting (Zwischenberichterstattung)" were applied for this interim report.

Where the standards adopted by the IASB had to be applied from 1 January 2015, they were taken into account in this interim report if they exert effects on the SURTECO Group.

The preparation of the interim report requires assumptions and estimates to be made by the management. This means that there may be devi-

ations between the values reported in the interim report and the actual values achieved.

The mandatory standards and interpretations to be applied for the first time in the business year as from 1 January 2015 were taken into account when drawing up the interim financial statements. The application of these IFRS regulations exerted no material effect on the net assets, financial position and results of the Group. Furthermore, reference is made to the explanations on the applicable standards provided in the notes to the consolidated financial statements on 31 December 2014.

The overall activities of the SURTECO Group are typically not subject to significant seasonal conditions.

The Group currency is denominated in euros (€). All amounts are specified in thousand euros (€ 000s), unless otherwise indicated.

These interim financial statements and the interim report have not been audited and they have not been subject to an audit review by an auditor.

GROUP OF CONSOLIDATED COMPANIES

As at 30 June 2015, the SURTECO Group interim consolidated financial statements include SURTECO SE and all the major companies which are material for the net assets, financial position and results of operations in which SURTECO SE holds a controlling interest.

FAIR VALUE INFORMATION FOR FINANCIAL INSTRUMENTS

The following table shows the financial instruments reported at fair value and classified according to a fair value hierarchy. The individual levels within the hierarchy are defined as follows:

(ABBREVIATED)

LEVEL 1 - Unadjusted quoted prices in active markets for identical assets and liabilities, where the entity drawing up the financial statements must have access to these active markets on the valuation date.

LEVEL 2 - Directly or indirectly observable input factors which cannot be classified under Level 1.

LEVEL 3 - Unobservable input factors.

The measurement of financial derivatives is based on the valuations of banking partners. The bankers determine the fair values on the basis of specific assumptions and valuation methods which can take account of the influence of market,

liquidity, credit and operational risks and can be derived entirely or partly from external sources (which are regarded as reliable) and market prices.

During the course of this reporting period and in the comparison period, there were no reclassifications between the measurement categories or reclassifications within the fair value hierarchy.

In the case of financial instruments which are not valued at fair values but are reported on the basis of other valuation concepts, the fair values correspond to the book values.

€ 000s	Category acc. IAS 39	FAIR VALUE / BOOK VALUE					
		31/12/2014			30/6/2015		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets from derivative financial instruments							
with hedge relationship	n.a.	0	6,065	0	0	11,576	0
without hedge relationship	FAaFV	0	0	0	0	0	0
Liabilities from derivative financial instruments							
with hedge relationship	n.a.	0	0	0	0	0	0
without hedge relationship	FLaFV	0	0	0	0	0	0

Key to abbreviations

FAaFV	Financial Assets at Fair Value through profit/loss
FLaFV	Financial Liabilities at Fair Value through profit/loss

Further information about the measurement of fair value and about financial instruments is provided in the notes to the consolidated financial statements as at 31 December 2014.

DIVIDEND FOR FISCAL 2014

The Annual General Meeting of SURTECO SE passed a resolution on 26 June 2015 to pay out a dividend for the business year 2014 amounting to € 0.70 for each no-par-value share. The payout amounted to a total of € 10,854,011.70.

REPORT ON IMPORTANT TRANSACTIONS WITH RELATED PARTIES

During the period under review, the companies of the Group undertook no business transactions with related parties that could have exerted a material influence on the net assets, financial position and results of operations of the Group.

EVENTS AFTER THE BALANCE SHEET DATE

After 30 June 2015 up to the date when this report went to press, there were no events or developments that would be likely to lead to a significant change in the recognition or valuation of individual assets or liabilities.

APPROVAL OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR PUBLICATION

The Management Board has approved this set of interim consolidated financial statements for publication as the result of the resolution of 5 August 2015.

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim consolidated 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 Group review of operations 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.

Buttenwiesen-Pfaffenhofen, 5 August 2015

The Board of Management



Dr.-Ing. Herbert Müller

Dr.-Ing. Gereon Schäfer

CALCULATION OF INDICATORS

Cost of materials ratio in %

Earnings per share in €

EBIT margin in %

EBITDA margin in %

Equity ratio in %

Gearing (debt level) in %

Market capitalization in €

Net debt in €

Personnel expense ratio in %

Working capital in €

Cost of materials/Total output

Consolidated net profit/Number of shares

EBIT/Sales revenues

EBITDA/Sales revenues

Equity/Balance sheet total

Net debt/Equity

Number of shares x Closing price on the balance sheet date

Short-term financial liabilities + Long-term financial liabilities - Cash and cash equivalents

Personnel costs/Total output

Trade accounts receivable + Inventories - Trade accounts payable

FINANCIAL CALENDAR

23 September 2015

13 November 2015

23 November 2015

29 April 2016

13 May 2016

German Corporate Conference in Munich

Nine-month report January - September 2015

German Equity Forum 2015 in Frankfurt

Annual Report 2015

Three-month report January - March 2016

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DEUTSCHE BÖRSE



PRIME STANDARD



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