SURTECO
SOCIETAS EUROPAEA

REPORT FOR THE FIRST QUARTER 2016
Q1

OVERVIEW

SURTECO GROUP

€ million
Sales revenues
of which - Germany - Foreign
EBITDA EBITDA margin in %
EBIT EBIT margin in %
EBT
Consolidated net profit
Earnings per share in €
Number of shares

Net financial debt in € million
Level of debt in %
Equity ratio in %
Number of employees

Net financial debt in € million
Level of debt in %
Equity ratio in %
Number of employees

Q1		
1/1/-31/3/ 2015	**1/1/-31/3/ 2016**	Variation in %
166.0	**170.2**	+3
47.7 118.3	**49.4** **120.8**	+4 +2
18.9 11.4	**18.9** **11.1**	-
10.3 6.2	**10.4** **6.1**	+1
12.1	**7.2**	-40
8.4	**5.3**	-37
0.54	**0.34**	-37
15,505,731	**15,505,731**	

31/3/2015	**31/3/2016**	Variation in %
133.9	**119.0**	-11
40	**35**	-5 pts.
49.3	**50.9**	+1.6 pts.
2,735	**2,708**	-1

31/12/2015	**31/3/2016**	Variation in %
126.6	**119.0**	-6
38	**35**	-3 pts.
51.0	**50.9**	-0.1 pts.
2,695	**2,708**	-

DEAR SHAREHOLDERS, PARTNERS AND FRIENDS OF OUR COMPANY

MACROECONOMIC AND SECTOR-SPECIFIC FRAMEWORK CONDITIONS

HOPE OF A SLIGHT UPTURN IN THE GLOBAL GROWTH DYNAMIC IN 2016

The global economy is defined by declining dynamic growth in China, a downturn in investments for emerging markets and developing countries, and further falls in prices for raw materials. Against this background, the International Monetary Fund (IMF) perceives increasing uncertainties for 2016 and global economic growth of 3.2 % which remains virtually unchanged compared with 2015. Within this scenario, emerging markets and developing countries can hope that an increase of 4.1 % gives economies a modest uplift compared with 2015 (+4.0 %). By comparison, the experts are projecting stable momentum for growth with +1.9 % for the developed economies. In the eurozone, the IMF anticipates modest growth of 1.5 %. Expansion of 1.5 % is also expected for Germany's economy, while only meagre growth is likely for the French (+1.1 %) and Italian (+1.0 %) economies. Spain's economy is continuing its recovery with growth of +2.6 %. The economic output of the countries in Central and Eastern Europe is projected

to rise by 3.5 %, while Russia's economy continues to be mired in a recession at minus 1.8 % in 2016. By contrast, the IMF sees potential for growth of 2.4 % in the USA, and once again this is fuelled primarily by domestic demand. A slight decline in dynamic growth in Asia is anticipated from 6.6 % in 2015 to 6.4 %, which nevertheless still represents a robust outcome. The reason for this slippage is the ongoing slowdown of economic development in China (+6.5 % after +6.9 % in the previous year).

FURNITURE INDUSTRY CAN HOPE FOR A SLIGHT INCREASE IN SALES OF 1 % FOR 2016

The furniture industry is the most important product group for SURTECO and according to the sector association for the German furniture industry (VDM), 2016 will once again see the emergence of moderately positive stimuli. After the dynamic growth of around 6 % to some € 17.4 billion in the year 2015, experts are anticipating robust dynamic growth in the furniture industry against the background of sound economic growth for this year, with an additional slight increase in sales of one percent. Modestly positive stimuli from the domestic market and a renewed increase in demand from abroad will contribute to this trend. In the previous year, German furniture exports had already reached a new record level at € 10.1 billion (+6.6 %). Domestic demand might benefit from an ongoing increase in construction activity and higher disposable incomes. However, pressure generated by imports coming from countries with low production costs continues unabated at a high level. According to the sector association (VDM), imponderables continue to prevail mainly due to the impacts of the weakening Chinese economy and the global crisis flashpoints in Eastern Europe and in the Middle East.

SALES AND BUSINESS PERFORMANCE

RENEWED INCREASE IN SALES

During the first quarter of 2016, the SURTECO Group once again succeeded in making a respectable start to the new business year with sales revenues amounting to € 170.2 million. Business activity rose by 3 % compared with the equivalent year-earlier period (Q1-2015: € 166.0 million). The Group increased its domestic business by 4 % to € 49.4 million, and foreign sales by 2 % to the current figure of € 120.8 million. In particular, business in Australia advanced by 5 %, in the rest of Europe by 4 % and a rise of 1 % was achieved in North and South America. Declining business transactions of 10 % has to be absorbed in the entire Asian market, primarily as a result of the decline in economic momentum in China, which impacted on this geographical market. The foreign sales ratio remained constant at 71 % compared to the equivalent year-earlier quarter.

STRATEGIC BUSINESS UNIT PAPER

The Strategic Business Unit Paper increased its sales revenues in the first quarter of 2016 by 3 % to € 106.8 million compared with the first three months of the previous year within the framework of a friendly market environment and owing to significantly increased sales volumes for decorative printing following relocation of the printing facilities to the Buttenwiesen site. The biggest percentage sales growth was generated at 33 % in the product segment of release papers. The segment generated additional potential on account of expanded options for application of this product. Business activities with decorative

printing rose by 17 % and additional sales of 4 % were generated with fully impregnated finish foils. Conversely, demand for edgings was weaker at -11 %, pre-impregnated materials at -8 % and there was a decline of 7 % for impregnated products. Apart from in Asia (-8 %), the paper line of business succeeded in expanding in all regions during the first three months of the business year 2016. In Germany, sales rose by 2 %, in the rest of Europe by 5 % and in North and South America business activities also rose by 1 %, and Australia likewise posted an increase of 6 %.

STRATEGIC BUSINESS UNIT PLASTICS

From January to March 2016, the plastics line of business generated a business volume amounting to € 63.4 million following on from € 62.3 million in the equivalent year-earlier quarter. This increase in growth of 2 % was essentially achieved in the product segment of skirtings and related products (+13 %), while sales revenues with plastic edgebandings and plastic foils remained stable compared with the values for the previous year. The comparatively small business with furniture shutters fell back by 8 % and sales with technical extrusions (profiles) was 6 % below the equivalent values for the previous year. During the first quarter of 2016, domestic business rose by 5 % compared with the previous year, which corresponded to the strength of advancement of sales revenues in Australia, including currency translation. In local currency, markedly stronger growth was achieved in Australia. In North and South America, growth amounting to 2 % was generated, whereas business performance in Asia amounting to -12 % had no refuge from the restrained demand in this region. In the rest of

Europe (not including Germany), sales revenues remained at the level of the previous year during the months from January to March.

EXPENSES

The cost of materials in the SURTECO Group rose by € 2.4 million to € 87.5 million during the first quarter of 2016. On the basis of a similar increase in total output, a cost of materials ratio amounting 51.0 % was calculated for the first three months of 2016 after 50.5 % in the previous year. This rise was due in particular to the raw materials ABS (acrylonitrile butadiene styrene) and PVC (polyvinylchloride) in the Strategic Business Unit Plastics, which increased in comparison with the year-earlier quarter. Following the massive increase in price for cellulose in the previous year, which drove up prices for raw papers in the Strategic Business Unit Paper, the price situation for this intermediate product stabilized at the beginning of 2016. However, this development was not reflected in all types of paper so that individual grades of paper underwent increases in price. However, prices started to fall back over a broad front for chemical additives, which decreased over a broad front in the wake of the collapse in oil prices.
Personnel expenses came down by € 0.6 million to € 40.4 million during the months January to March 2016. The corresponding ratio (personnel expenses/total output) eased from 24.4 % in the previous year to 23.5 % in the first quarter of 2016.
Other operating expenses rose from € 24.6 million to € 25.4 million in the first quarter of 2016, essentially owing to downstream works at the

Buttenwiesen site as a result of the merger of the decorative printing activities in the business year 2015.

GROUP RESULTS

During the first three months of the current business year, the total output of the SURTECO Group reached a value of € 171.5 million after € 168.4 million during the first quarter of 2015. Since the expense items at € 153.3 million were € 2.6 million above the equivalent-year earlier value, essentially due to the increased cost of materials, the operating result (EBITDA) at € 18.9 million remained at the level of the previous year in spite of the higher total output. Lower depreciation and amortization of € -8.4 million (Q1-2015: € -8.6 million) led to a slightly increased EBIT of € 10.4 million (2015: € 10.3 million). The financial result in the first quarter of 2016 amounted to € -3.2 million after € 1.8 million in the first three months of 2015. This is explained virtually exclusively by countervailing currency effects amounted to a total of € -5.0 million arising from the exchange rate with the US dollar. As a result of this impact, the pre-tax result (EBT) went down by 40 % to € 7.2 million. After deduction of income tax amounting to € -1.9 million (2015: € -3.7 million), consolidated net profit amounted to € 5.3 million after € 8.4 million in 2015. Earnings per share of € 0.34 (Q1-2015: € 0.54) were calculated for the first quarter of 2016 based on an unchanged volume of 15,505,731 no-par-value shares issued.

RESULT OF THE STRATEGIC BUSINESS UNITS

Earnings before the financial result and taxes (EBIT) of the Strategic Business Unit Plastics rose to € 6.4 million after € 5.2 million in the equivalent year-earlier period. EBIT for the Strategic Business Unit Paper at € 5.6 million was therefore below the value of € 6.8 million for the previous year.

NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

Compared with year-end 2015, the balance sheet total of the SURTECO group increased by 1 % to € 662.6 million. On the assets side of the balance sheet, current assets rose primarily due to significantly higher trade accounts receivable (€ 69.6 million after € 56.9 million on 31 December 2015) and an increase of € 3.9 million in cash and cash equivalents (31 March 2016: € 69.6 million). At the end of the first quarter in 2016, current assets therefore amounted to € 266.6 million after € 251.3 million on 31 December 2015. Conversely, non-current assets eased by 2 % to € 396.0 million. In particular, the reduction in property, plant and equipment from € 244.9 million at year-end 2015 to € 240.6 million on 31 March 2016 and lower other non-current financial assets (€ 11.6 million after € 14.3 million) contributed to this development.
On the liabilities side, trade liabilities rose by € 11.4 million to € 60.1 million on the balance sheet date for the quarter and other current non-financial liabilities went up by € 1.5 million to € 4.0 million. If the fall in tax liabilities amounting to € 3.5 million on 31 December 2015 to € 2.0

million on the balance sheet date for the quarter is taken into account together with lower short-term provisions of € 6.0 million after € 8.2 million, current liabilities rose from € 92.4 million to € 101.6 million on 31 March 2016. Long-term financial liabilities eased back by € 3.2 million to € 184.1 million and deferred tax liabilities were reduced by € 1.7 million to € 27.0 million at the end of the first quarter in 2016. Overall, non-current liabilities fell from € 228.8 million at year-end 2015 to € 224.0 million on 31 March 2016. Total equity increase by 1 % compared with 31 December 2015 to € 337.0 million, which together with the likewise increased balance sheet total yielded an equity ratio of 50.9 % (31 December 2015: 51.0 %). The net financial debt came down from € 126.6 million to € 119.0 million. Accordingly, the level of debt underwent significantly positive development, falling back from 38 % on 31 December 2015 to 35 %. On the basis of a currency-related lower pre-tax result by comparison with the previous year, the cash flow from current business operations fell to € 8.7 million (Q1-2015: € 17.8 million), the cash flow from investment activities in the previous year was positively impacted by the sale of the Biscoe location in the USA. Free cash flow at € 6.1 million in the first quarter of 2016 was consequently significantly below the equivalent year-earlier value of € 19.7 million.

CALCULATION OF FREE CASH FLOW

€ million	1/1/-31/3/ 2015	1/1/-31/3/ 2016
Cash flow from current business operations	**17.8**	**8.7**
Purchase of property, plant and equipment	-5.6	**-2.4**
Purchase of intangible assets	-0.5	**-0.2**
Proceeds from the disposal of property, plant and equipment	8.0	**0.0**
Cash flow from investment activities	**1.9**	**-2.6**
Free cash flow	**19.7**	**6.1**

RESEARCH AND DEVELOPMENT

The research and development work carried out by the SURTECO Group resulted in a number of developments in the first quarter of the current business year, including an advanced development of the plastic-based foil "Polytop" in the Strategic Business Unit Paper. This foil can be used in the manufacture of melamine surfaces in order to improve the haptic and technical characteristics of the product using a microstructured acrylate layer. Surfaces with a particularly pleasant haptic touch or supermatt finishes without sensitivity to finger marks are the result. A more advanced version offers the option of using this product as a transfer foil where only the lacquer layer is transferred without the substrate.

The Research and Development Department in the Strategic Business Unit Plastics was carrying out work in a number of areas including high-gloss surface versions for premium plastic edgings. The focus here was on reducing complexity in production and at the same time taking account of increased requirements for surface quality coming from the market side. The developers were able to meet these aspirations with a modified lacquer technology which works without susceptible additives.

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 2015.
The identified individual risks are also allocated to damage and probability classes on account of their expected gross financial burden to EBT for the current and subsequent years on the basis of the following tables.
In the first quarter of 2016, five additional individual risks were identified in the Strategic Business Unit Paper. Two risks were allocated to damage class 1, one with a probability of occurrence class 3 and one with a probability of occurrence class 4. Two risks are included in damage class 2 with a probability of occurrence class 3 and the probability of occurrence class 4. One risk was allocated to damage class 3 and probability of occurrence class 4. In contrast, the potential of opportunities increased in the Strategic Business Unit Paper.

There was no significant change compared with year-end 2015 in the Strategic Business Unit Plastics.

Damage class	Qualitative	Quantitative
1	Minor	> € 0.5 million - € 0.75 million
2	Moderate	> € 0.75 million - € 1.5 million
3	Major	> € 1.5 million - € 3.0 million
4	Threat to existence as a going concern	> € 3.0 million

Probability class	Qualitative	Quantitative
1	Slight	0 - 24 %
2	Moderate	25 - 49 %
3	Likely	50 - 74 %
4	Very likely	75 - 100 %

OUTLOOK FOR THE FISCAL YEAR 2016

The company still anticipates stable to slightly positive framework conditions for the business operations of the SURTECO Group so that the forecast for the entire year 2016 projecting a slight increase in sales revenues can be confirmed. There continues to be an assumption that during the course of the business year increasing synergy effects will be generated in the Strategic Business Unit Paper as a result of the concentration of

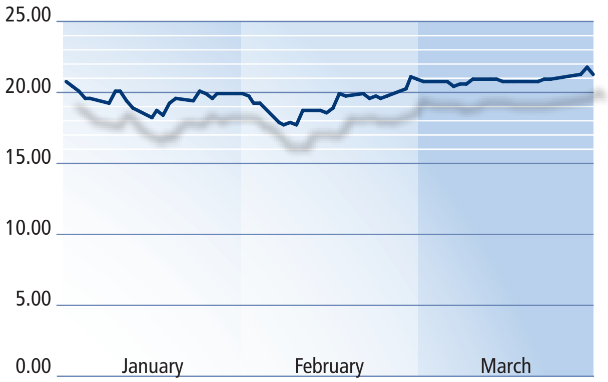
German decorative printing activities completed in 2015 so that EBIT in the paper line of business will be substantially above the value for 2015, and EBIT for the plastics line will be significantly above the year-earlier value. The Board of Management is therefore continuing to assume that the SURTECO Group will be generating a substantial increase in EBIT within the range of approximately € 38 million to € 42 million (2015: € 31.1 million).

SURTECO SHARES

On the basis of an improvement in earnings expected by financial analysts, the SURTECO share was able to hold its own by comparison with the most important stock-market indexes in the first quarter of 2016. While the SDAX small-cap index had to absorb a fall of 3 % and the leading German DAX index even had to withstand a drop of 7 %, the SURTECO share price showed virtually no change compared with year-end 2015. Furthermore, the shares had still been suffering under the general weakness of the stock exchange and posted a decline in price below € 18. The publication in March of provisional indicators for the business year 2015 received a positive reception and a recovering stock-market environment ensured that the SURTECO share price ended the first quarter on 31 March 2016 with a price of € 21.33. By the editorial deadline for this quarterly report, the share price had continued to rise and reached over € 23. In common with the price performance, the market capitalization of SURTECO SE based on a total number of no-par-value shares of around 15.5 million had scarcely changed its value of € 330.7 million compared with year-end 2015. The proportion of shares in free float also remains stable at about 45.4 %.

January - March 2016	
Number of shares	15,505,731
Free float in %	45.4
Price on 4/1/2016 in €	20.78
Price on 31/3/2016 in €	21.33
High in €	21.93
Low in €	17.60
Market capitalization as at 31/3/2016 in € million	330.7

SHARE PRICE PERFORMANCE
January - March 2016 in €



CONSOLIDATED INCOME STATEMENT

SURTECO GROUP

€ 000s
Sales revenues
Changes in inventories
Own work capitalized
Total output
Cost of materials
Personnel expenses
Other operating expenses
Other operating income
EBITDA
Depreciation and amortization
EBIT
Financial result
EBT
Income tax
Net income
Of which:
Owners of the parent (consolidated net profit)
Non-controlling interests
Basic and diluted earnings per share in €
Number of shares

	Q1	
	1/1/-31/3/ 2015	**1/1/-31/3/ 2016**
	165,999	**170,209**
	1,984	**516**
	442	**824**
	168,425	**171,549**
	-85,083	**-87,489**
	-41,037	**-40,385**
	-24,613	**-25,441**
	1,199	**633**
	18,891	**18,867**
	-8,620	**-8,426**
	10,271	**10,441**
	1,828	**-3,240**
	12,099	**7,201**
	-3,678	**-1,874**
	8,421	**5,327**
	8,447	**5,319**
	-26	**8**
	0.54	**0.34**
	15,505,731	**15,505,731**

STATEMENT OF COMPREHENSIVE INCOME

SURTECO GROUP

€ 000s
Net income
Components of comprehensive income not to be reclassified to the income statement
Net gains/losses from hedging of net investment in a foreign operation
Exchange differences translation of foreign operations
Financial instruments available-for-sale
Components of comprehensive income that may be reclassified to the income statement
Other comprehensive income for the period
Comprehensive income
Owner of the parent (consolidated net profit)
Non-controlling interests

Q1	
1/1/-31/3/ 2015	**1/1/-31/3/ 2016**
8,421	**5,327**
0	**0**
189	-58
6,166	-3,341
1,052	208
7,407	**-3,191**
7,407	**-3,191**
15,828	**2,136**
15,854	2,126
-26	10

CONSOLIDATED BALANCE SHEET

SURTECO GROUP

€ 000s
ASSETS
Cash and cash equivalents
Trade accounts receivable
Inventories
Current income tax assets
Other current non-financial assets
Other current financial assets
Current assets
Property, plant and equipment
Intangible assets
Goodwill
Investments accounted for using the equity method
Financial assets
Non-current income tax assets
Other non-current financial assets
Deferred taxes
Non-current assets

please turn over

31/12/2015	31/3/2016
65,654	**69,553**
56,861	**69,642**
113,252	**111,165**
6,247	**4,321**
5,600	**8,068**
3,632	**3,821**
251,246	**266,570**
244,933	**240,638**
22,228	**22,046**
111,359	**111,192**
3,681	**3,670**
21	**21**
154	**154**
14,269	**11,625**
8,236	**6,665**
404,881	**396,011**
656,127	**662,581**

CONSOLIDATED BALANCE SHEET

SURTECO GROUP

€ 000s
LIABILITIES AND SHAREHOLDERS' EQUITY
Short-term financial liabilities
Trade accounts payable
Income tax liabilities
Short-term provisions
Other current non-financial liabilities
Other current financial liabilities
Current liabilities
Long-term financial liabilities
Pensions and other personnel-related obligations
Deferred taxes
Non-current liabilities
Capital stock
Capital reserve
Retained earnings
Consolidated net profit
Capital attributable to owners of the parent
Non-controlling interests
Equity

	31/12/2015	31/3/2016
	4,970	4,510
	48,728	60,131
	3,511	2,019
	8,205	5,998
	2,507	4,026
	24,506	24,900
	92,427	**101,584**
	187,272	184,052
	12,750	12,874
	28,778	27,035
	228,800	**223,961**
	15,506	15,506
	122,755	122,755
	178,709	193,211
	17,695	5,319
	334,665	**336,791**
	235	245
	334,900	**337,036**
	656,127	**662,581**

CONSOLIDATED CASH FLOW STATEMENT

SURTECO GROUP

€ 000s
Earnings before income tax
Reconciliation to cash flow from current business operations
Internal financing
Change in assets and liabilities (net)
Cash flow from current business operations
Cash flow from investment activities
Cash flow from financial activities
Change in cash and cash equivalents
Cash and cash equivalents
1 January
Effect of changes in exchange rate on cash and cash equivalents
31 March

Q1	
1/1/-31/3/ 2015	**1/1/-31/3/ 2016**
12,099	**7,201**
6,583	2,860
18,682	**10,061**
-871	-1,312
17,811	**8,749**
1,863	-2,648
-1,716	-2,186
17,958	**3,915**
43,060	65,654
989	-16
62,007	**69,553**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SURTECO GROUP

€ 000s	Capital stock	Capital reserve	Fair value measure-ment for financial instruments
31 December 2014	**15,506**	**122,755**	**495**
Net income	0	0	0
Other comprehensive income	0	0	1,052
Comprehensive income	**0**	**0**	**1,052**
Allocation to retained earnings	0	0	0
Changes in equity	**0**	**0**	**0**
31 March 2015	**15,506**	**122,755**	**1,547**
31 December 2015	**15,506**	**122,755**	**481**
Net income	0	0	0
Other comprehensive income	0	0	208
Comprehensive income	**0**	**0**	**208**
Allocation to retained earnings	0	0	0
Changes in equity	**0**	**0**	**0**
31 March 2016	**15,506**	**122,755**	**689**

Retained earnings			Consli-dated net profit	Non-controlling interests	Total
Other compre-hensive income	Currency translation adjust-ments	Other retained earnings			
-1,681	**-6,330**	**171,566**	**18,464**	**326**	**321,101**
0	0	0	8,447	-26	8,421
0	6,314	0	0	41	7,407
0	**6,314**	**0**	**8,447**	**15**	**15,828**
0	0	18,464	-18,464	0	0
0	**0**	**18,464**	**-18,464**	**0**	**0**
-1,681	**-16**	**190,030**	**8,447**	**341**	**336,929**
-1,770	**822**	**179,176**	**17,695**	**235**	**334,900**
0	0	0	5,319	8	5,327
0	-3,401	0	0	2	-3,191
0	**-3,401**	**0**	**5,319**	**10**	**2,136**
0	0	17,695	-17,695	0	0
0	**0**	**17,695**	**-17,695**	**0**	**0**
-1,770	**-2,579**	**196,871**	**5,319**	**245**	**337,036**

BY STRATEGIC BUSINESS UNITS

Sales revenues

€ 000s

1/1/-31/3/2016	
External sales	
Internal sales	
Total sales	
1/1/-31/3/2015	
External sales	
Internal sales	
Total sales	

Segment earnings

€ 000s

1/1/-31/3/2016	
EBIT	
1/1/-31/3/2015	
EBIT	

SBU Paper	SBU Plastics	Recon-ciliation	SURTECO Group
106,774	63,435	0	170,209
285	4	-289	0
107,059	**63,439**	**-289**	**170,209**
103,718	62,281	0	165,999
172	466	-638	0
103,890	**62,747**	**-638**	**165,999**

SBU Paper	SBU Plastics	Recon-ciliation	SURTECO Group
5,608	**6,379**	**-1,546**	**10,441**
6,826	**5,171**	**-1,726**	**10,271**

BY REGIONAL MARKETS

Sales revenues SURTECO Group
€ 000s
Germany
Rest of Europe
America
Asia, Australia, Others

Sales revenues SBU Paper
€ 000s
Germany
Rest of Europe
America
Asia, Australia, Others

Sales revenues SBU Plastics
€ 000s
Germany
Rest of Europe
America
Asia, Australia, Others

1/1/-31/3/2015	1/1/-31/3/2016
47,711	49,423
73,440	76,046
32,217	32,654
12,631	12,086
165,999	**170,209**

1/1/-31/3/2015	1/1/-31/3/2016
27,649	28,285
50,459	52,964
22,024	22,289
3,586	3,236
103,718	**106,774**

1/1/-31/3/2015	1/1/-31/3/2016
20,062	21,138
22,981	23,082
10,193	10,365
9,045	8,850
62,281	**63,435**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(ABBREVIATED)

ACCOUNTING PRINCIPLES

The consolidated financial statements of the SURTECO Group for the period ended 31 December 2015 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 31 March 2016 as in the preparation of the consolidated financial statements for the business year 2015.

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 2015 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 2016 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 2016, 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

deviations 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 2016 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 2015.

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 31 March 2016, 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:
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 fair value of forward exchange contracts and cross-currency swaps of SURTECO SE is determined using the discounted cash flow method with recourse to current market parameters. The bankers determine the fair values on the basis of specific assumptions and valuation methods which

€ 000s	Category acc. IAS 39
Assets from derivative financial instruments	
with hedge relationship	n.a.
without hedge relationship	FAaFV
Liabilities from derivative financial instruments	
with hedge relationship	n.a.
without hedge relationship	FLaFV

Key to abbreviations

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

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.

FAIR VALUE / BOOK VALUE					
31/12/2015			**31/3/2016**		
Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
0	12,884	0	**0**	**10,123**	**0**
0	0	0	**0**	**0**	**0**
0	0	0	**0**	**0**	**0**
0	0	0	**0**	**1**	**0**

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 2015.

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 31 March 2016 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(ABBREVIATED)

CALCULATION OF INDICATORS

Cost of materials ratio in %

Earnings per share in €

EBIT margin in %

EBITDA

EBITDA margin in %

Equity ratio in %

Level of debt in %

Market capitalization in €

Net debt in €

Personnel expense ratio in %

Working capital in €

FINANCIAL CALENDAR

30 June 2016

1 July 2016

12 August 2016

14 November 2016

Cost of materials/Total output

Consolidated net profit/Number of shares

EBIT/Sales revenues

Earnings before financial result and income tax

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

Annual General Meeting

Dividend payout

Six-month report January – June 2016

Nine-month report January – September 2016

SURTECO
SOCIETAS EUROPAEA

Q1

CONTACT

ANDREAS RIEDL
Chief Financial Officer
Phone +49 (0) 8274/9988-563

MARTIN MILLER
Investor Relations and Press Office
Phone +49 (0) 8274/9988-508

Fax +49 (0) 8274 9988-515
Email ir@surteco.com
Internet www.surteco.com

SURTECO SE
Johan-Viktor-Bausch-Straße 2
86647 Buttenwiesen-Pfaffenhofen
Germany

Ticker Symbol: SUR
ISIN: DE0005176903

DEUTSCHE BÖRSE
PRIME STANDARD

MIX
Paper from responsible sources
FSC® C103849
FSC www.fsc.org

The paper used for this Interim Report was produced from cellulose sourced from certified forestry companies that operate responsibily and comply with the regulations of the Forest Stewardship Council.