

REPORT FOR THE FIRST HALF-YEAR

2013

1 January to
30 June

Q2



SURTECO

SOCIETAS EUROPAEA

SPECIALISTS
FOR SURFACE
TECHNOLOGIES

OVERVIEW

SURTECO GROUP

Q2

€ 000s	1/4-30/6/ 2012	1/4-30/6/ 2013	Variation in %
Sales revenues	103,650	99,982	-4
of which			
- Germany	31,444	29,883	-5
- Foreign	72,206	70,099	-3
EBITDA	12,988	13,276	+2
EBITDA margin in %	12.5	13.3	
EBIT	7,329	7,955	+9
EBIT margin in %	7.1	8.0	
EBT	5,762	5,757	-
Consolidated net profit	3,974	4,053	+2
Earnings per share in €	0.36	0.37	+2

Q1-2

	1/1-30/6/ 2012	1/1-30/6/ 2013	Variation in %
Sales revenues	210,922	199,212	-6
of which			
- Germany	68,184	62,124	-9
- Foreign	142,738	137,088	-4
EBITDA	26,525	26,568	-
EBITDA margin in %	12.6	13.3	
EBIT	15,475	15,989	+3
EBIT margin in %	7.3	8.0	
EBT	11,480	11,858	+3
Consolidated net profit	7,801	8,020	+3
Earnings per share in €	0.70	0.72	+3

	30/6/2012	30/6/2013	Variation in %
Net financial debt in € 000s	124,695	101,174	-19
Gearing (level of debt) in %	56	45	-20
Equity ratio in %	46.9*	46.3	-1
Number of employees	2,000	1,972	-1

	31/12/2012	30/6/2013	Variation in %
Net financial debt in € 000s	101,835	101,174	-1
Gearing (level of debt) in %	46	45	-2
Equity ratio in %	47.8	46.3	-3
Number of employees	1,967	1,972	-

* Adjusted comparative value in accordance with IAS 8, see explanation "Adjustment of values for the previous year" in the notes to the consolidated financial statements

DEAR SHAREHOLDERS, PARTNERS AND FRIENDS OF OUR COMPANY

GLOBAL ECONOMY LOSES DYNAMIC MOMENTUM

In its latest forecasts produced in July 2013, the International Monetary Fund (IMF) gave a more negative picture than three months ago. The organization corrected its growth forecast for the global economy in 2013 downward by 0.2 percentage points to 3.1 %. This means that the countries in the eurozone are likely to have to contend with a decline in growth of 0.6 % this year. In April, the IMF was assuming a drop of 0.4 %. The reason for this is also the weaker growth in Germany where only a slight increase of 0.3 % is assumed. The forecasts for France (-0.2 %), Italy (-1.8 %) and Spain (-1.6 %) have also deteriorated. These countries are currently in a recessionary phase and it is difficult to see when this period will end.

Contrary to previous expectations, the IMF sees improved prospects for Japan. In view of the relaxed monetary policy and the expansive spending policy to increase private demand, the Japanese economy should consequently grow by 2.0 %. In April, the IMF forecast an increase of 1.6 %. Conversely, in the USA the policy of austerity being pursued by the government is putting a brake on private demand so that the IMF is now only assuming an increase of 1.7 %, after 1.9 % in April.

Economic growth of 5.0 % is expected for the emerging economies and developing countries. Despite the slowdown in dynamic growth, China continues to play a leading role with forecast growth of 7.8 % this year.

The IMF highlighted the weaker economic prospects as the primary reason for the deepened recession in Europe, the slowdown in growth rate for the emerging economies and the new risks that could be entailed by the exit from the more relaxed monetary policy in the USA. "While old risks continue to apply, new ones have come along," was the assessment of the IMF.

WEAK START FOR THE FURNITURE INDUSTRY IN 2013

Companies from the wood and furniture industries are the most important group of customers for the SURTECO Group. The associations for this group of customers (HDH and VDM) identified a decline of 6.4 % for sales in the German furniture industry during the first quarter of 2013 by comparison with the equivalent year-earlier period. The beginning of 2013 was therefore disappointing for the sector. Business in foreign markets also started the year with negative development. From January to March 2013, 7.3 % less furniture was

exported than in the same period in the previous year. Exports to North America continued to develop positively and the same was true in some Eastern European markets and in Asia, where "Made in Germany" has now become a hallmark of superlative quality for furniture. However, Europe as the core sales market continues to be the source of concerns. The weak economic development encountered in many European countries continues to have a negative impact on the international business of the furniture industry.

The expectations of the sector predicted in April for business over the coming six months also showed a downward trend according to sector associations HDH and VDM with sales at around the level of the previous year being predicted for the business year 2013. This coincided with the Business Climate Index published by the Ifo Institute for Economic Research at the beginning of July, which predicted a slight upward trend. The value is therefore currently at minus 13 points, after minus 15 points in the previous month. According to this data, the furniture segments kitchen, household, upholstered and office furniture are therefore undergoing a fairly uniform trend.

SURTECO: FOCUS ON IMPROVEMENT IN MARGINS

The difficult situation in the furniture industry is reflected in the declining sales development of the SURTECO Group by comparison with the first half of 2012. As forecast in the first quarter, the ongoing problem of sovereign debt in Europe continued to exert a negative impact on the economy and hence also on the demand for furniture. The two Strategic Business Units were equally affected by this. Although some German furniture manufacturers have already had to introduce short-time working to take account of the declining demand, the

sales achieved at SURTECO in the first three months of the year matched the sales during the second quarter of the current year.

The purchase prices for raw materials continue to remain at a high level. However, the weak economic situation has led to a slight easing in the raw-materials markets in some sub-sectors. As a result, SURTECO succeeded in improving margins in conjunction with cost-reduction measures already initiated.

SALES AND MARKETS

SALES FOR THE FIRST HALF YEAR JUST BELOW € 200 MILLION

During the second quarter of 2013, the SURTECO Group generated sales revenues amounting to € 100.0 million, after sales of € 99.2 million were achieved in the first quarter. Aggregated sales in the first half year amounted to € 199.2 million. This corresponds to a decline of 6 % by comparison with the equivalent value for the previous year (€ 210.9 million). Domestic sales of € 62.1 million fell significantly more at -9 % than foreign business, which fell by 4 % to € 137.1 million. Apart from slight gains in North and South America, a drop in business had to be accommodated in all country groups. The foreign sales ratio rose 1.1 percentage points to 68.8 % compared with the previous year.

STRATEGIC BUSINESS UNIT PLASTICS

During the first six months of the current business year, the Strategic Business Unit Plastics was impacted significantly by the sustained unsatisfac-

tory development in the German office furniture industry. Manufacturers of kitchens were also confronted by uneven business development, particularly in exports. This exerted a disadvantageous effect on sales with thermoplastic edgebandings. Sales of € 67.7 million were achieved with this product segment during the first half year of 2013 and this represented a decline of 6 % compared with the corresponding value for the previous year. The other segments also underwent equivalent development with the exception of skirtings. Sales in this product group increased by 8 % to € 14.6 million compared to the previous year.

Overall, the Strategic Business Unit Plastics generated sales for the half year of € 117.2 million. This corresponds to a decline of 4 % compared with the equivalent year-earlier value (€ 122.2 million). Sales of € 35.2 million (-10 %) were generated in Germany. Foreign sales only eased by 1 % and reached € 82.0 million owing to a gratifying development at the companies on the American continent.

STRATEGIC BUSINESS UNIT PAPER

The first half year of 2013 was defined in the household furniture sector by a significant weakening in the economy. The downward trend mainly affected domestic business. Increased competitive pressure also began to build up and the ongoing weak economy in the EU and Eastern Europe created difficult framework conditions for the Strategic Business Unit Paper. The trend is continuing in the direction of smaller batch sizes and in favour of more cost-effective preimpregnated finish foils instead of higher quality fully impregnated products. Sales of the Strategic Business Unit therefore fell in the first half year by 8 % to € 82.0 million (2012: € 88.7 million). The

domestic market also fell by 8 % and generated sales of € 26.9 million after € 29.2 million in the previous year. In Europe (without Germany), sales fell by 5 %, while in North America the volume of business increased by 5 %. Overall, foreign sales dropped by 7 % and reached € 55.1 million after € 59.5 million in the previous year.

Business with preimpregnated finish foils went up by 13 % compared with the first two quarters of 2012, accompanied by a simultaneous downswing of 21 % in fully impregnated materials. Sales with paper-based edgebandings eased by 9 % whereas decorative papers were only slightly below the level of the previous year (-1 %).

EXPENSES

MODEST RELAXATION IN RAW MATERIALS

During the first two quarters of the current business year, all expense positions came down compared with the corresponding year-earlier period. In addition, SURTECO was able to reduce the ratio for the cost of materials as the biggest item of expenditure, although the costs of raw materials underwent uneven development. The situation concerning raw papers for technical applications eased slightly at the SBU Paper and the plastics ABS (acrylnitrile butadiene styrene) and PP (polypropylene) although the costs for a number of chemical additives rose. The cause of the current prices can only be interpreted as economic volatility and a general change in trend cannot be assumed for the procurement market. The cost of materials for the SURTECO Group amounted to € 99.7 million in the previous year and they came down to € 90.2 million during the first half

year of 2013. The cost of materials ratio – calculated from the proportion of the cost of materials in relation to total output – was reduced by 1.7 percentage points to 44.8 %.

Personnel expenses fell from € 56.7 million in the first half year of 2012 to € 53.8 million during the reporting period. The personnel expense ratio at 26.7 % remained at the level of the previous year (26.5 %). During the previous year, personnel expenses were still adversely affected by a provision amounting to € 1.7 million that impacted negatively on earnings. This was due to a restructuring programme implemented for personnel streamlining measures.

After € 32.5 million during the first half of the previous year, other operating expenses came down slightly to € 32.1 million.

EARNINGS

In line with the first three months of the current business year, the performance in the second quarter continued to yield a stable profit although the downward sales trend progressed. Accordingly, the company generated an operating result (EBITDA) of € 26.6 million in the first half year after € 26.5 million in the equivalent year-earlier period. The corresponding margin of 12.6 % in 2012 was increased to the current level of 13.3 %. Slightly lower depreciation and amortization of € -10.6 million (2012: € -11.0 million) led to an EBIT amounting to € 16.0 million after € 15.5 million in 2012. The EBIT margin rose by 0.7 percentage points to 8.0 %. The financial result at € -4.1 million remained at the level of the previous year (€ -4.0 million). Consequently, earnings before tax reached a value of € 11.9

million (2012: € 11.5 million). Consolidated net profit rose by 3 % to € 8.0 million. At the end of the first half year, the earnings per share amounted to € 0.72 based on 11,075,522 no-par-value shares after € 0.70 in the first half year of 2012.

NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

The balance sheet total of the SURTECO Group increased on the balance sheet date for the first half year to € 481.6 million after € 467.3 million at the end of 2012. Major reasons for the increase on the asset side were higher trade accounts receivable (€ 8.8 million), inventories (€ 2.6 million) and cash and cash equivalents (€ 5.7 million). On the liabilities side, short-term financial liabilities increased by € 4.6 million and trade accounts payable rose by € 6.4 million. Since the dividend payment amounting to € 5.0 million approved by a resolution passed at the Annual General Meeting held on Friday 28 June 2013 could only be paid out on Monday 1 July 2013, this amount was still reported in short-term financial liabilities on 30 June. The net debt could be maintained at a stable level despite the transfer of the dividend payment to financial liabilities and amounted to € 101.2 million at the end of the second quarter after € 101.8 million at year-end 2012. The gearing (level of debt) at 45 % remained at the level of 31 December 2012. The equity ratio fell by 1.5 percentage points to 46.3 %.

The cash flow from current business operations fell back on 30 June 2013 compared with the year-earlier period by € 7.5 million to € 13.2 million, caused in particular by the increase in net current assets. Due to lower capital expenditure

during the first half year of 2013 and the acquisition of the business unit of the French competitor Sodimo in the previous year, the cash flow from investment activities was reduced by € 2.6 million to € -7,0 million. This resulted in free cash flow of € 6.2 million after € 11.1 million in the previous year. At the end of the half-year 2013, cash and cash equivalents amounted to € 67.1 million.

CALCULATION OF FREE CASH FLOW

€ 000s	1/1/-30/6/ 2012	1/1/-30/6/ 2013
Cash flow from current business operations	20,652	13,219
Purchase of property, plant and equipment	-7,770	-6,474
Purchase of intangible assets	-287	-272
Acquisition non-controlling interests (2012: Acquisition of business)	-1,498	-281
Cash flow from investment activities	-9,555	-7,027
Free cash flow	11,097	6,192

RESEARCH AND DEVELOPMENT

FURTHER DEVELOPMENT OF SURFACE TEXTURES

The Strategic Business Unit Paper expanded the diversity of its range of surface finishes by a further innovative version through capital expenditure on an additional radiation unit for EBC paint (electron beam curing). This new electron beam unit allows unusual micro-structures to be generated on paper-based finish foils with an EBC surface to give the product a matt surface with a silky feel. Apart from an appealing visual design and haptic finish, this additionally creates a further improvement in the mechanical resistances of the finish surface. Furniture processors have derived advantages from this during the production process and the consumer benefits from an appealing piece of furniture with a long service life. The objective of the Research and Development Department at the Strategic Business Unit Plastics was also to develop an advanced surface texture for thermoplastic edgebandings. The result is new embossed versions which define the individual character of many different decorative designs using texture and different levels of gloss achieved during embossing. Stone and wood simulations are truly impressive with a natural visual appearance

SURTECO SHARES

After the SURTECO share developed extremely positively in the first quarter of 2013 with an increase in price of 15.1 %, some of the gains were lost as the first half of the year continued. An analysis of the months from January to June shows that the price of the share increased by 2.6 %. However, it lagged behind the performance of the SDAX German comparator index, which gained 10.4 % in the same period. The share attained the high of € 20.01 for the half year on 20 March. After that date, the performance of the share decreased and on the last day of trading for the reporting period, on 28 June, it was being quoted at € 17.45.

At the end of June 2013, the market capitalization of SURTECO SE amounted to € 193.3 million based on an unchanged number of shares at 11,075,522. The percentage of shares in free float continues at 22.6 %.

January - June 2013

Number of shares	11,075,522
Free float in %	22.6
Price on 2/1/2013 in €	17.25
Price on 28/6/2013 in €	17.45
High in €	20.01
Low in €	16.50
Market capitalization as at 28/6/2013 in € 000s	193,268

Share price performance
January - June 2013 in €

OUTLOOK FOR THE FISCAL YEAR 2013

SURTECO is assuming that the ongoing structural problems in the eurozone will continue to impact negatively on general business development in this important sales market. It is unlikely that the domestic market can be uncoupled from this development over the long term. The consequence continues to be restrained demand for long-term assets like furniture, kitchens and office furniture and fittings. Although the first positive developments are discernible in the USA and in Asia, they are beset by instability caused by the fiscal policy and are unable to develop the strength required to compensate for the slack demand in Europe. Since the expectations of the furniture industry will tend to remain muted, SURTECO is not anticipating a change in the trend defined for sales development. It is therefore assuming total sales for the year 2013 amounting to less than € 400 million. On account of the lower sales expectation, the target for earnings despite an improvement in margins is to achieve a result before tax that remains at the level of the previous year or is slightly below that.

However, attainment of this goal will only be possible if the global economy remains stable.

CONSOLIDATED INCOME STATEMENT

SURTECO GROUP

€ 000s	Q2		Q1-2	
	1/4/-30/6/ 2012	1/4/-30/6/ 2013	1/1/-30/6/ 2012	1/1/-30/6/ 2013
Sales revenues	103,650	99,982	210,922	199,212
Changes in inventories	1,678	692	2,403	866
Own work capitalized	563	663	1,078	1,155
Total	105,891	101,337	214,403	201,233
Cost of materials	-48,416	-45,566	-99,729	-90,233
Personnel expenses	-28,866	-26,966	-56,729	-53,759
Other operating expenses	-16,343	-16,448	-32,540	-32,111
Other operating income	722	919	1,120	1,438
EBITDA	12,988	13,276	26,525	26,568
Depreciation and amortization	-5,659	-5,321	-11,050	-10,579
EBIT	7,329	7,955	15,475	15,989
Financial result	-1,567	-2,198	-3,995	-4,131
EBT	5,762	5,757	11,480	11,858
Income tax	-1,883	-1,740	-3,888	-3,870
Net income	3,879	4,017	7,592	7,988
Group share (consolidated net profit)	3,974	4,053	7,801	8,020
Non-controlling interests	-95	-36	-209	-32
Basic and diluted earnings per share in €	0.36	0.37	0.70	0.72
Number of shares	11,075,522	11,075,522	11,075,522	11,075,522

STATEMENT OF COMPREHENSIVE INCOME

SURTECO GROUP

REPORT FOR THE FIRST HALF-YEAR 2013 SURTECO SE

Q2

€ 000s	Q2		Q1-2	
	1/4/-30/6/ 2012*	1/4/-30/6/ 2013	1/1/-30/6/ 2012*	1/1/-30/6/ 2013
Net incomes	3,879	4,017	7,592	7,988
Difference from currency translation	3,709	-5,038	3,749	-2,697
Financial instruments available-for-sale	-247	-385	-179	-10
Components of comprehensive income that may be reclassified in the income statement in future	3,462	-5,423	3,570	-2,707
Components of comprehensive income that will not be reclassified in the income statement in future	-435	0	-787	0
Other comprehensive income for the period	3,027	-5,423	2,783	-2,707
Total comprehensive income	6,906	-1,406	10,375	5,281
Group share	7,001	-1,370	10,584	5,313
Non-controlling interests	-95	-36	-209	-32

CONSOLIDATED BALANCE SHEET

SURTECO GROUP

REPORT FOR THE FIRST HALF-YEAR 2013 SURTECO SE

€ 000s	31/12/2012	30/6/2013
ASSETS		
Cash and cash equivalents	61,386	67,074
Trade accounts receivable	41,745	50,542
Inventories	61,052	63,685
Current income tax assets	2,692	2,676
Other current assets	8,442	8,274
Current assets	175,317	192,251
Property, plant and equipment	158,520	156,387
Intangible assets	12,658	12,021
Goodwill	112,718	111,973
Investments in associated enterprises	1,660	1,667
Financial assets	569	567
Non-current tax assets	527	527
Other non-current assets	335	487
Other non-current financial assets	2,150	2,730
Deferred taxes	2,796	3,013
Non-current assets	291,933	289,372
	467,250	481,623

CONSOLIDATED BALANCE SHEET

SURTECO GROUP

REPORT FOR THE FIRST HALF-YEAR 2013 SURTECO SE

€ 000s	31/12/2012	30/6/2013
LIABILITIES AND SHAREHOLDERS' EQUITY		
Short-term financial liabilities	1,975	6,592
Trade accounts payable	26,483	32,881
Income tax liabilities	1,253	738
Short-term provisions	2,349	2,414
Other current liabilities	19,746	22,182
Current liabilities	51,806	64,807
Long-term financial liabilities	161,246	161,656
Pensions and other personnel-related obligations	11,139	11,398
Deferred taxes	19,881	20,568
Non-current liabilities	192,266	193,622
Capital stock	11,076	11,076
Capital reserve	50,416	50,416
Retained earnings	146,358	153,695
Consolidated net profit	15,028	8,020
Capital attributable to shareholders	222,878	223,207
Non-controlling interests	300	-13
Equity	223,178	223,194
	467,250	481,623

CONSOLIDATED CASH FLOW STATEMENT

SURTECO GROUP

REPORT FOR THE FIRST HALF-YEAR 2013 SURTECO SE

Q2

Q1-2

€ 000s	1/1/-30/6/ 2012	1/1/-30/6/ 2013
Earnings before income tax and non-controlling interests	11,480	11,858
Reconciliation to cash flow from current business operations	11,998	9,789
Internal financing	23,478	21,647
Change in assets and liabilities (net)	-2,826	-8,428
Cash flow from current business operations	20,652	13,219
Cash flow from investment activities	-9,555	-7,027
Cash flow from financial activities	-34,917	167
Change in cash and cash equivalents	-23,820	6,359
Cash and cash equivalents		
1 January	66,739	61,386
Effect of changes in exchange rate on cash and cash equivalents	-384	-671
30 June	42,535	67,074

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SURTECO GROUP

REPORT FOR THE FIRST HALF-YEAR 2013 SURTECO SE

Q2

€ 000s	Retained earnings								
	Capital stock	Capital reserve	Fair value measurement for financial instruments	Other comprehensive income	Currency translation adjustments	Other retained earnings	Consolidated net profit	Non-controlling interests	Total
31 December 2011	11,076	50,416	1,953	368	-2,649	142,248	12,484	608	216,504
Dividend payout	0	0	0	0	0	0	-4,984	0	-4,984
Net income	0	0	0	0	0	0	7,801	-209	7,592
Acquisition of non-controlling interests	0	0	0	0	0	-100	0	2	-98
Other changes	0	0	-179	-787	3,749	7,598	-7,500	0	2,881
30 June 2012*	11,076	50,416	1,774	-419	1,100	149,746	7,801	401	221,895
31 December 2012	11,076	50,416	1,260	-652	-3,998	149,748	15,028	300	223,178
Dividends - Outstanding payments	0	0	0	0	0	0	-4,984	0	-4,984
Net income	0	0	0	0	0	0	8,020	-32	7,988
Acquisition of non-controlling interests	0	0	0	0	0	0	0	-281	-281
Other changes	0	0	-12	0	-2,695	10,044	-10,044	0	-2,707
30 June 2013	11,076	50,416	1,248	-652	-6,693	159,792	8,020	-13	223,194

BY STRATEGIC BUSINESS UNITS

Sales revenues				
€ 000s	SBU Plastics	SBU Paper	Recon- ciliation	SURTECO Group
1/1/-30/6/2013				
External sales	117,221	81,991	0	199,212
Internal sales	553	579	-1,132	0
Total sales	117,774	82,570	-1,132	199,212
1/1/-30/6/2012				
External sales	122,217	88,705	0	210,922
Internal sales	215	562	-777	0
Total sales	122,432	89,267	-777	210,922

Segment earnings (EBT)		
€ 000s	1/1/-30/6/2012	1/1/-30/6/2013
SBU Plastics	9,441	9,331
SBU Paper	6,490	8,074
Reconciliation	-4,451	-5,547
EBT	11,480	11,858

BY REGIONAL MARKETS

Sales revenues SURTECO Group

€ 000s	1/1/-30/6/2012	1/1/-30/6/2013
Germany	68,184	62,124
Rest of Europe	91,792	87,128
America	28,728	30,111
Asia, Australia, Others	22,218	19,849
	210,922	199,212

Sales revenues SBU Plastics

€ 000s	1/1/-30/6/2012	1/1/-30/6/2013
Germany	38,997	35,239
Rest of Europe	46,998	44,618
America	18,711	20,158
Asia, Australia, Others	17,511	17,206
	122,217	117,221

Sales revenues SBU Paper

€ 000s	1/1/-30/6/2012	1/1/-30/6/2013
Germany	29,187	26,885
Rest of Europe	44,794	42,510
America	10,017	9,953
Asia, Australia, Others	4,707	2,643
	88,705	81,991

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (ABBREVIATED)

ACCOUNTING PRINCIPLES

The consolidated financial statements of SURTECO SE for the period ended 31 December 2012 are 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 2013 as in the preparation of the consolidated financial statements for the business year 2012.

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 SURTECO SE for the period ending 31 December 2012 for further information. The comments included in this report also apply to the quarterly financial statements and the half-yearly financial statement for the year 2013 if no explicit reference is made to them.

The regulations of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" for 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 2013, 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 2013 exerted no material effect on the net assets, financial position and results

of the Group. The following change in reporting results from the change in IAS 1 with mandatory application for the financial years subsequent to the business year 2013: The comprehensive income will be regrouped according to items, which will be reclassified in the income statements in future, and in items which will not be reclassified in the income statement in future.

Due to the first-time application of IFRS 13, the notes to the consolidated financial statements for the half year were amended. The first-time application of IAS 19R did not result in any material changes. The overall activities of the SURTECO Group are typical not subject to significant seasonal conditions.

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

ADJUSTMENT OF VALUES FOR THE PREVIOUS YEAR AS AT 30 JUNE 2012

The adjustment of the values for the previous year was carried out due to an incorrect presentation of the actuarial profits and losses as at 30 June 2012. On this balance sheet date no actuarial losses essentially originating from the change in the discount rate during the course of the year were recorded under pension provisions. The effects are presented below:

Comprehensive income:

The item "Components of comprehensive income that may not be reclassified in the income statement in future" has been reduced by € 000s -787 (before amendment: € 000s 0, after amendment € 000s -787). The share of the Group in total comprehensive income therefore came down by € 000s -787.

Development of equity capital:

The "Other comprehensive income" in equity capital came down as a result of the amendment by € 000s -787 (before amendment: € 000s 0, after amendment € 000s -787).

GROUP OF CONSOLIDATED COMPANIES

The SURTECO Group interim consolidated financial statements include all domestic and foreign companies which are material for the net assets, financial position and results of operations in which SURTECO SE holds a direct or indirect majority of the voting rights.

The group of consolidated companies has only undergone minor changes that are insignificant compared with the consolidated financial statements for the period ended 31 December 2012.

Döllken CZ s.r.o., Czech Republic, was included in the consolidated financial statements for the first time on 1 January 2013 due to its increased importance.

With effect from 1 January 2013, SURTECO acquired the outstanding minority shareholdings of 20 % in BauschLinnemann South Carolina LLC, USA, which was then merged to BauschLinnemann North America, Inc., USA. A purchase price amounting to €000s 281 was agreed with the minority shareholders, which was made up of the nominal value of the shareholding and a premium.

These changes in the group of consolidated companies exerted no significant effects on the net assets, financial position and the results of the Group.

FAIR VALUE INFORMATION FOR FINANCIAL INSTRUMENTS

The following table shows the financial instruments whose subsequent valuation is carried out at the fair value. There were no reclassifications between the stages in the fair-value hierarchy during the reporting or comparator period.

Category		FAIR VALUE / BOOK VALUE					
		31/12/2012			30/6/2013		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets / (liabilities) from derivative financial instruments							
with hedge relationship	n.a.	0	2,150	0	0	2,730	0
without hedge relationship	FlaFV	0	21	0	0	-4	0
		0	2,171	0	0	2,726	0

The financial instruments from the categories "Recorded at fair value" are valued at the current value. The cash and cash equivalents, trade accounts receivable, other financial assets in the category "Loans and receivables" and trade accounts payable and other financial liabilities have overwhelmingly short residual terms. The values reported in the balance sheet on the reporting date therefore approximate to the fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (ABBREVIATED)

The calculation and recognition of the fair values of financial instruments is based on a fair value hierarchy which takes account of the significance of the input data used for the valuation and classifies it as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices). Derivative financial instruments reported under level 2 include forward exchange contracts and interest swaps. The forward exchange operations are valued at fair value using the expected exchange rates which are quoted on the regulated market. Interest swaps are valued at the fair value using the expected interest rates based on recognized interest curves. The effects from discounting are generally not material for derivatives classified under level 2.

Level 3 – inputs for the valuation of the asset and liability that are not based on observable market data (unobservable inputs).

DIVIDEND FOR FISCAL 2012

The Annual General Meeting of SURTECO SE passed a resolution on 28 June 2013 to pay out a dividend for the business year 2012 amounting to € 0.45 for each no-par-value share. The payout amounted to a total of € 4,983,984.90.

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 2013 when this Report went to press, there were no events or developments that could 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 8 August 2013.

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, 8 August 2013

The Board of Management



Friedhelm Päfgen



Dr.-Ing. Herbert Müller

Calculation of indicators

Cost of materials ratio in %	Cost of materials/Total output
Earnings per share in €	Consolidated net profit/Number of shares
EBIT margin in %	EBIT/Sales revenues
EBITDA margin in %	EBITDA/Sales revenues
Equity ratio in %	Equity/Balance sheet total
Gearing (debt level) in %	Net debt/Equity
Market capitalization in €	Number of shares x Closing price on the balance sheet date
Net debt in €	Short-term financial liabilities + Long-term financial liabilities - Cash and cash equivalents
Personnel expense ratio in %	Personnel costs/Total output
Working capital in €	Trade accounts receivable + Inventories - Trade accounts payable

FINANCIAL CALENDAR

14 November 2013	Nine-month report January - September 2013
30 April 2014	Annual Report 2013
15 May 2014	Three-month report January - March 2014
27 June 2014	Annual General Meeting at the Sheraton Munich Arabellapark Hotel

REPORT FOR THE FIRST HALF-YEAR 2013

TICKER SYMBOL: SUR
ISIN: DE0005176903

Q2



CONTACT

SURTECO SE

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

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



SURTECO

SOCIETAS EUROPAEA

Johan-Viktor-Bausch-Str. 2
86647 Buttenwiesen-Pfaffenhofen
Germany