SURTECO

SOCIETAS EUROPAEA

REPORT FOR THE FIRST HALF YEAR 2016

Q2

1 January to 30 June

SURTECO GROUP

€ million	1/4/-30/6/ 2015	**1/4/-30/6/ 2016**	Δ %	1/1/-30/6/ 2015	**1/1/-30/6/ 2016**	Δ %
		Q2			**Q1-2**	
Sales revenues	161.2	**167.5**	+4	327.2	**337.7**	+3
of which						
- Germany	44.2	**45.2**	+2	91.9	**94.6**	+3
- Foreign	117.0	**122.3**	+5	235.3	**243.1**	+3
EBITDA	15.7	**19.4**	+24	34.6	**38.3**	+11
EBITDA margin in %	9.7	**11.6**		10.6	**11.3**	
EBIT	7.4	**11.2**	+51	17.7	**21.6**	+22
EBIT margin in %	4.6	**6.7**		5.4	**6.4**	
EBT	4.7	**10.0**	+113	16.8	**17.2**	+2
Consolidated net profit	3.2	**6.7**	+109	11.6	**12.0**	+3
Earnings per share in €	0.20	**0.43**	+109	0.75	**0.78**	+3
Number of shares	15,505,731	**15,505,731**		15,505,731	**15,505,731**	

	30/6/2015	**30/6/2016**	Δ %	31/12/2015	**30/6/2016**	Δ %
Net financial debt in € million	140.6	**120.3**	-14	126.6	**120.3**	-5
Level of debt in %	43	**36**	-7 pts.	38	**36**	-2 pts.
Equity ratio in %	49.0	**48.4**	-0.6 pts.	51.0	**48.4**	-2.6 pts.
Number of employees	2,739	**2,679**	-2	2,695	**2,679**	-1

DEAR SHAREHOLDERS, PARTNERS AND FRIENDS OF OUR COMPANY

MACROECONOMIC AND SECTOR-SPECIFIC FRAMEWORK CONDITIONS

UNCERTAINTIES EXERT NEGATIVE IMPACT ON THE DYNAMIC POTENTIAL OF ECONOMIC GROWTH

As a result of the decision by British voters in favour of Brexit, the experts at the International Monetary Fund (IMF) slightly readjusted their growth projection downward in the latest economic update in July. According to this forecast, the global economy is only likely to grow by 3.1 % in 2016. Predictions in April were still pointing to an increase of 3.2 %. The burgeoning uncertainties relate in particular to the industrialised countries (overall +1.8 % after previously +1.9 %) and this tendency will intensify further from 2017. In the case of 2016, the IMF projects that the economic output in the eurozone will increase by 1.6 %. The German economy can hope for 1.6 %, France is set for growth of 1.5 %. Italy's economy will again be burdened by the crisis of the banks there and is projected to undergo only moderate growth (+0.9 %). By contrast, Spain's economy will continue its recovery with growth of +2.6 %, whereas the expectation for growth in the United Kingdom has been reduced from +1.9 %

to +1.7 %. The US economy could suffer as a result of the increase in value of the US dollar, which would put a brake on businesses reliant on exports. Accordingly, the expectations of growth have been reduced from the previous projection of +2.4 % to +2.2 %. Conversely, the IMF continues to remain confident for emerging economies and developing countries with an increase of 4.1 %. The economic output of Central and Eastern European countries is likely to rise by 3.5 %. Russia's economy continues to remain in a deep recession in 2016 with negative growth of minus 1.2 %. Robust dynamic growth of +6.4 % is anticipated on a sustained trajectory in Asia, although growth of only 6.4 % is expected in China in 2016 after +6.6 % in 2015.

FURNITURE INDUSTRY GETS OFF TO A GOOD START IN THE YEAR 2016

The first four weeks of the year 2016 yielded a positive trend for the German furniture industry – one of the most important customer groups for SURTECO – according to reports from the sector association for the German furniture industry (VDM). They indicated that sector sales had increased by 3.9 % to more than € 5.9 billion by the end of April. Domestic sales rose in this period by 3.7 % and benefited from a good consumer climate. Exports also continued to increase by 4.2 %. Following on from dynamic growth of around 6 % to some € 17.4 billion in 2015, sector experts from VDM only anticipated a slight increase in sales of 1 % for the furniture industry at the beginning of 2016. According to VDM, uncertainties abound, mainly in the form of imponderables relating to the impacts of the weakening Chinese economy and the global flashpoints in Eastern Europe and in the Middle East. The dimension of potential impacts arising from Brexit will emerge as the year progresses. German furniture exports to the United Kingdom had already been declining since April before the Brexit decision came. The VDM is assuming further restraint in this market for the second half of the year.

SALES AND BUSINESS PERFORMANCE

DYNAMIC SALES GO UP SLIGHTLY IN THE SECOND QUARTER

During the first six months of the business year 2016, sales revenues at the SURTECO Group went up by 3 % to the current value of € 337.7 million (2015: € 327.2 million). Dynamic sales performance increased slightly during the second quarter to plus 4 %. The underlying reasons for this were the friendly market environment and the gradual increase of production output in the decorative paper division following concentration of decorative printing activities. Business in Germany was increased by 3 % to € 94.6 million. In the rest of Europe, the percentage rise amounted to 7 %. Total sales in Europe (including Germany), which account for about 73 % of Group sales, rose by 5 % compared with the first half of 2015. Restraint shown by consumers in the USA at the beginning of the year made a slight dent in the economy and ultimately this was also felt in the sales revenues of the SURTECO Group in this market. Accordingly, business transactions on the American continent (North and South America) eased by 3 % during the first half of this year. Sales in Asia were equally restrained with a decline of 11 %. Alongside declining dynamism in the Chinese economy, this is primarily explained by delivery delays in the

decorative paper business following integration of the Süddekor companies. The businesses in Australia once again developed at a very gratifying rate with sales growth of 7 %. Overall, the SURTECO Group generated foreign sales amounting to € 243.1 million (2015: € 235.3 million) in the months January to June 2016. The foreign sales ratio remained stable at 72.0 %.

STRATEGIC BUSINESS UNIT PAPER

The development of the individual product groups in the Strategic Business Unit Paper was not uniform during the first two quarters of 2016. While sales with decorative printings increased by 12 % owing to the increase in output by the relocated printing machines, business transactions with fully impregnated finish foils increased by 5 % and the segment of release papers even grew by 33 %. Sales with melamine edgebandings eased back (-11 %), along with impregnated products (-6 %) and preimpregnates (-2 %). Consolidated sales in the paper segment rose by 3 % to the current level of € 209.0 million (2015: € 203.3 million). Domestic business remained at the level of the previous year, while growth of 8 % was posted in the rest of Europe. In spite of the uncertainties surrounding the Brexit vote, sales in the United Kingdom were particularly gratifying. Owing to the large volume of the European business, this more than compensated for declining sales in America (-3 %) and Asia (-9 %).

STRATEGIC BUSINESS UNIT PLASTICS

After the start of the year, sales in thermoplastic edgebandings and plastic foils continued to persist at the level of the previous year, but business in the second quarter increased for both product segments so that growth of 2 % compared with the equivalent year-earlier period was posted in the first half of 2016. Sales of goods held for resale (+7 %) and skirtings and associated products (+15 %) were significantly above levels for the previous year. Conversely, sales in the area of furniture roller shutters and technical extrusions (profiles) fell back by 12 % and 6 % respectively. Overall, sales revenues for the months of January to June 2016 in the Strategic Business Unit Plastics went up by 4 % to € 128.7 million (2015: € 123.8 million) compared with the equivalent year-earlier period. Negative currency effects totalling approximately € 2 million proved an impediment to even better performance. Correspondingly, the domestic market developed significantly more positively (+8 %) than foreign business, though this increased by 2 % on the basis of the euro as the Group currency. Alongside robust growth in the rest of Europe amounting to 4 %, good performance in Australia of 8 % was the primary factor that more than mitigated the stagnating business in America (-1 %) and declining business in Asia (-13 %).

EXPENSES

The cost of materials in the SURTECO Group amounted to € 175.6 million in the first half of 2016 after € 165.4 million in the equivalent year-earlier period. Compared with the first quarter of 2016, the cost of materials ratio – the ratio of the cost of materials to total output – went up slightly by 0.1 percentage points to the current level of 51.1 % (1st half year of 2015: 50.1 %). The ratio was primarily influenced by an increase in the sales of decorative papers since a rapid reduction of the high order backlog for this product was a

top priority. The prices for the most important raw materials in the plastics segment also rose during the second quarter of 2016. Conversely, the situation with the procurement of raw papers for technical purposes in the Strategic Business Unit Paper eased during the first half of 2016. Primarily as a result of the planned reduction in the personnel surplus brought about by the relocation, personnel expenses came down during the first two quarters of 2016 to € 80.7 million (2015: € 82.1 million). The corresponding personnel expense ratio (personnel expenses/total output) eased from 24.9 % in the previous year to 23.5 % during the period under review. Other operating expenses also fell back from € 51.7 million in the previous year to € 50.6 million. Other operating expenses for the first six month still include € 2.0 million for integration expenses (2015: € 4.3 million).

GROUP RESULTS

During the first half of 2016, the total output of the SURTECO Group rose by 4 % to € 343.7 million (1st half year 2015: € 329.9 million) and therefore rather more strongly than sales revenues. Deducting expense items totalling € 306.9 million and adding other operating income amounting to € 1.5 million after € 3.9 million in the previous year, yields an operating result (EBITDA) of € 38.3 million (2015: € 34.6 million). This increase of 11 % reflects productivity increases in the production of decorative papers accompanied by lower integration expenses, supported by organic growth in other product areas. Depreciation and amortization at € 16.7 million at the end of the first half year was slightly below the level of € 16.9 million for the previous year so that earnings before the financial result and taxes (EBIT) rose by 22 % to € 21.6 million (2015: € 17.7 million). A comparison of the financial result must take into account the significant positive currency effects of the previous year, while the financial result during the period under review amounting to € -4.4 million was at a normal level again (2015: € -0.9 million). The pre-tax result (EBIT) therefore only rose slightly compared with the value for the previous year and reached € 17.2 million after € 16.8 million in the previous year. After deduction of taxes amounting to € 5.2 million (2015: € 5.2 million), consolidated net profit during the first two quarters rose to € 12.0 million in 2016 following on from € 11.6 million in 2015. Earnings per share of € 0.78 (2015: € 0.75) were calculated based on an unchanged volume of 15,505,731 shares issued.

RESULT OF THE STRATEGIC BUSINESS UNITS

EBIT of the Strategic Business Unit Paper achieved a value of € 12.6 million after € 11.8 million in the previous year. The Strategic Business Unit Plastics increased EBIT from € 9.7 million to € 12.1 million.

NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

On 30 June 2016, the balance sheet total of the SURTECO Group increased by 4 % to € 684.2 million compared with year-end 2015. On the assets side of the balance sheet, cash and cash equivalents went up primarily due to a planned loan retrieval amounting to € 20.5 million to € 86.2 million. Trade account receivables increased by

18 % to € 67.2 million so that current assets were therefore € 285.5 million (31 December 2015: € 251.3 million) on the quarterly balance sheet date. Non-current assets eased slightly from € 404.9 million to € 398.7 million. Essentially, intangible assets came down by € 1.3 million, while property, plant and equipment fell by € 2.3 million and deferred taxes decreased by € 1.5 million.

On the liabilities side, current liabilities went up from € 92.4 million on 31 December 2015 to € 111.6 million on 30 June 2016. Since the dividend payout amounting to € 12.4 million approved by a resolution at the Annual General Meeting on 30 June 2016 was paid out on 1 July 2016, this amount is still recognized in other current financial liabilities as at 30 June 2016. This item subsequently increased from € 24.5 million at year-end 2015 to € 36.2 million on the half-year balance sheet date. Trade liabilities rose by € 9.3 million to € 58.1 million. Conversely, short-term provisions relating to the planned disbursements paid out from the social compensation plan and settlement for the concentration of German decorative paper operations came down from € 8.2 million to € 3.8 million. Non-current liabilities amounted to € 241.3 million on 30 June 2016 following a rise of 5 % compared to year-end 2015. Long-term financial liabilities went up by € 13.1 million, and pensions and other personnel-related obligations increased by € 1.3 million, whereas deferred taxes eased back by € 1.8 million. Total equity fell slightly by 1 % to € 331.3 million (31 December 2015: € 334.9 million). On account of the simultaneously extended balance sheet, the equity ratio consequently came down from 51.0 % at year-end 2015 to 48.4 % on 30 June 2016. The net financial debt at € 120.3 million remained below the value on 31 December 2015 (€ 126.6 million). The level of debt on the balance sheet date for the quarter was accordingly 36 % (31 December 2015: 38 %). Primarily due to the reduction in short-term provisions, the change in assets and liabilities (net) in the first half of 2016 amounted to € -9.7 million after € -5.6 million in the equivalent year-earlier period. Cash flow from current business operations at € 18.8 million was therefore below the equivalent year-earlier figure of € 23.7 million. Although additionally the cash flow from investment activities in the previous year was positively impacted by the proceeds of the sale of the Biscoe location in the USA, the free cash flow at € 7.8 million was unable to achieve the equivalent year-earlier value of € 23.4 million.

CALCULATION OF FREE CASH FLOW

€ million	1/1/-30/6/ 2015	**1/1/-30/6/ 2016**
Cash flow from current business operations	**23.7**	**18.8**
Purchase of property, plant and equipment	-9.4	-9.6
Purchase of intangible assets	-0.6	-1.4
Proceeds from the disposal of property, plant and equipment	9.7	0.0
Cash flow from investment activities	**-0.3**	**-11.0**
Free cash flow	**23.4**	**7.8**

RESEARCH AND DEVELOPMENT

During the first half of 2016, research and development work at the Strategic Business Unit Plastics continued with ongoing development of existing products but concentrated on qualification of alternative raw materials and process materials. For example, a new version of the bonding agent was developed in cooperation with a supplier. This process material serves to improve the adhesive properties of the edgebandings with the wooden composite board. The new product is impressive with improved environmental characteristics and already meets potential regulations relating to the use of solvents. Secondly, the waste is reduced because off-cuts can be easily returned to the production process. All relevant quality inspections have taken place so that approval has already been obtained for the pilot phase. The development department of the plastics line also carried out work directed towards certification of a further supplier for the raw material ABS (acrylnitrile butadiene styrene), with the objective of further increasing security of supply and quality standards. The first batches have already been successfully manufactured with the new substrate.

During the reporting period, the Strategic Business Unit Paper refined the advanced development of the plastics-based "Polytop" foil. This allows the lacquer layer to be transferred to the material without a substrate. It was possible to refine the first volumes manufactured in the wood-based industry further without any problems, and the advantages of this innovative procedure such as a super-matt finish and lack of marking sensitivity, and a surface with a pleasant touch and feel could be brought to fruition. Customers were therefore provided with another innovative product.

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.

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 %

In the first half of 2016, three additional significant individual risks were identified in the Strategic Business Unit Paper by comparison with the Risk and Opportunities Report in the Annual Report 2015. Two risks were allocated to damage class 2 with a probability of occurrence class 4. One risk was included in damage class 3 with a probability of occurrence class 4. In contrast, one risk in damage class 4 and a probability of occurrence class 1 was eliminated and the damage class for one risk was reduced from 4 to 1, although the probability of occurrence increased from 2 to 3. One risk in the Strategic Business Unit Plastics was eliminated with a damage class 1 and probability of occurrence class 4.

OUTLOOK FOR THE FISCAL YEAR 2016

Continuing stable framework conditions are expected for the second half of 2016. These include robust development in the core markets and sectors, and stabilization of the costs of raw materials, although the uncertainties in Europe are likely to increase on account of the planned exit by the United Kingdom from the EU, and due to the tense political situation in Turkey. Business transacted with the United Kingdom by SURTECO is equivalent to a proportion of total sales amounting to approximately 4 %. This is dealt with by a dedicated sales branch in the United Kingdom so that the potential impacts of Brexit are likely to be fairly minimal. Only just under 3 % of total sales are generated in Turkey. As a result, the Board of Management reaffirmed its forecast of a modest increase in sales revenues at Group level and continues to assume that there will be a substantial increase in EBIT for the Strategic Business Unit Paper and a significant rise in EBIT for the Strategic Business Unit Plastics. A consolidated Group EBIT in the region of € 38 million to € 42 million (2015: € 31.1 million) continues to be anticipated.

SURTECO SHARES

During the second quarter of 2016, the SURTECO share posted a slight decline in price performance in line with the most important German comparator indexes DAX and SDAX owing to the sustained global uncertainty. After a robust report of earnings during the first quarter, the price rose by 15 % on its previous annual high of € 23.85 on 23 May compared with the initial value at the beginning of the year. The general accumulation of concern about a vote in favour of Brexit in the United Kingdom, which then became reality on 23 June, ensured that these gains for the SURTECO share had fallen away by the end of the quarter on 30 June and the quarter under review concluded with a share price of € 20.50. Since the beginning of 2016, the SURTECO share remained virtually unchanged, while the leading German index DAX had lost around 6 % of its value. At the beginning of the third quarter, the stock-exchange environment was beset by uncertainties so that the SURTECO share price had hardly undergone any change by the close of the editorial deadline for this quarterly report at the beginning of August. At the beginning of July, the shareholders were able to look forward to a dividend of € 0.80 per share. The market capitalization of SURTECO SE based on a total number of no-par-value shares of around 15.5 million was € 317.9 million on 30 June 2016 and this was marginally below the value at the end of 2015. The proportion of shares in free float also remains stable at about 45.4 %.

January - June 2016	
Number of shares	15,505,731
Free float in %	45.4
Price on 4/1/2016 in €	20.78
Price on 30/6/2016 in €	20.50
High in €	23.85
Low in €	17.60
Market capitalization as at 30/6/2016 in € million	317.9

SHARE PRICE PERFORMANCE
January - June 2016 in €

CONSOLIDATED INCOME STATEMENT

SURTECO GROUP

	Q2		Q1-2	
€ 000s	1/4/-30/6/ 2015	**1/4/-30/6/ 2016**	1/1/-30/6/ 2015	**1/1/-30/6/ 2016**
Sales revenues	**161,156**	**167,478**	**327,155**	**337,687**
Changes in inventories	-1,107	3,715	877	4,231
Own work capitalized	1,431	995	1,873	1,819
Total output	**161,480**	**172,188**	**329,905**	**343,737**
Cost of materials	-80,356	-88,102	-165,439	-175,591
Personnel expenses	-41,039	-40,339	-82,076	-80,724
Other operating expenses	-27,110	-25,136	-51,723	-50,577
Other operating income	2,708	829	3,907	1,462
EBITDA	**15,683**	**19,440**	**34,574**	**38,307**
Depreciation and amortization	-8,268	-8,286	-16,888	-16,712
EBIT	**7,415**	**11,154**	**17,686**	**21,595**
Financial result	-2,758	-1,155	-930	-4,395
EBT	**4,657**	**9,999**	**16,756**	**17,200**
Income tax	-1,480	-3,296	-5,158	-5,170
Net income	**3,177**	**6,703**	**11,598**	**12,030**
Of which:				
Owners of the parent (consolidated net profit)	3,172	6,710	11,619	12,029
Non-controlling interests	5	-7	-21	1
Basic and diluted earnings per share in €	0.20	0.43	0.75	0.78
Number of shares	15,505,731	15,505,731	15,505,731	15,505,731

STATEMENT OF COMPREHENSIVE INCOME

SURTECO GROUP

€ 000s	Q2 1/4/-30/6/ 2015	Q2 1/4/-30/6/ 2016	Q1-2 1/1/-30/6/ 2015	Q1-2 1/1/-30/6/ 2016
Net income	**3,177**	**6,703**	**11,598**	**12,030**
Components of comprehensive income not to be reclassified to the income statement	**0**	**-760**	**0**	**-760**
Net gains/losses from hedging of net investment in a foreign operation	1	7	190	-51
Exchange differences translation of foreign operations	-4,276	736	1,890	-2,605
Financial instruments available-for-sale	-600	-58	452	150
Components of comprehensive income that may be reclassified to the income statement	**-4,875**	**685**	**2,532**	**-2,506**
Other comprehensive income for the period	**-4,875**	**-75**	**2,532**	**-3,266**
Comprehensive income	**-1,698**	**6,628**	**14,130**	**8,764**
Owner of the parent (consolidated net profit)	-1,703	6,650	14,151	8,776
Non-controlling interests	5	-22	-21	-12

CONSOLIDATED BALANCE SHEET

SURTECO GROUP

€ 000s	31/12/2015	30/6/2016
ASSETS		
Cash and cash equivalents	65,654	86,189
Trade accounts receivable	56,861	67,197
Inventories	113,252	114,916
Current income tax assets	6,247	4,944
Other current non-financial assets	5,600	8,285
Other current financial assets	3,632	3,967
Current assets	**251,246**	**285,498**
Property, plant and equipment	244,933	242,679
Intangible assets	22,228	20,924
Goodwill	111,359	111,078
Investments accounted for using the equity method	3,681	3,820
Financial assets	21	21
Non-current income tax assets	154	154
Other non-current financial assets	14,269	13,329
Deferred taxes	8,236	6,737
Non-current assets	**404,881**	**398,742**
	656,127	**684,240**

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SURTECO GROUP

€ 000s	31/12/2015	30/6/2016
LIABILITIES AND SHAREHOLDERS' EQUITY		
Short-term financial liabilities	4,970	6,158
Trade accounts payable	48,728	58,073
Income tax liabilities	3,511	2,519
Short-term provisions	8,205	3,780
Other current non-financial liabilities	2,507	4,960
Other current financial liabilities	24,506	36,164
Current liabilities	**92,427**	**111,654**
Long-term financial liabilities	187,272	200,355
Pensions and other personnel-related obligations	12,750	14,010
Deferred taxes	28,778	26,962
Non-current liabilities	**228,800**	**241,327**
Capital stock	15,506	15,506
Capital reserve	122,755	122,755
Retained earnings	178,709	180,746
Consolidated net profit	17,695	12,029
Capital attributable to owners of the parent	**334,665**	**331,036**
Non-controlling interests	235	223
Equity	**334,900**	**331,259**
	656,127	**684,240**

CONSOLIDATED CASH FLOW STATEMENT

SURTECO GROUP

€ 000s	Q1-2 1/1/-30/6/ 2015	1/1/-30/6/ 2016
Earnings before income tax	**16,756**	**17,200**
Reconciliation to cash flow from current business operations	12,615	11,268
Internal financing	**29,371**	**28,468**
Change in assets and liabilities (net)	-5,632	-9,684
Cash flow from current business operations	**23,739**	**18,784**
Cash flow from investment activities	-332	-11,039
Cash flow from financial activities	-14,089	13,001
Change in cash and cash equivalents	**9,318**	**20,746**
Cash and cash equivalents		
1 January	43,060	65,654
Effect of changes in exchange rate on cash and cash equivalents	539	-211
30 June	**52,917**	**86,189**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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 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**
31 December 2015	**15,506**	**122,755**	**481**	**-1,770**	**822**	**179,176**	**17,695**	**235**	**334,900**
Net income	0	0	0	0	0	0	12,029	1	12,030
Other comprehensive income	0	0	150	-760	-2,643	0	0	-13	-3,266
Comprehensive income	**0**	**0**	**150**	**-760**	**-2,643**	**0**	**12,029**	**-12**	**8,764**
Dividends – Outstanding payments	0	0	0	0	0	-12,405	0	0	-12,405
Allocation to retained earnings	0	0	0	0	0	17,695	-17,695	0	0
Changes in equity	**0**	**0**	**0**	**0**	**0**	**5,290**	**-17,695**	**0**	**-12,405**
30 June 2016	**15,506**	**122,755**	**631**	**-2,530**	**-1,821**	**184,466**	**12,029**	**223**	**331,259**

BY STRATEGIC BUSINESS UNITS

Sales revenues

€ 000s	SBU Paper	SBU Plastics	Recon-ciliation	SURTECO Group
1/1/-30/6/2016				
External sales	209,004	128,683	0	337,687
Internal sales	724	4	-728	0
Total sales	**209,728**	**128,687**	**-728**	**337,687**
1/1/-30/6/2015				
External sales	203,318	123,837	0	327,155
Internal sales	468	820	-1,288	0
Total sales	**203,786**	**124,657**	**-1,288**	**327,155**

Segment earnings

€ 000s	SBU Paper	SBU Plastics	Recon-ciliation	SURTECO Group
1/1/-30/6/2016				
EBIT	**12,556**	**12,122**	**-3,083**	**21,595**
1/1/-30/6/2015				
EBIT	**11,776**	**9,662**	**-3,752**	**17,686**

BY REGIONAL MARKETS

Sales revenues SURTECO Group

€ 000s	1/1/-30/6/2015	1/1/-30/6/2016
Germany	91,889	94,640
Rest of Europe	143,068	152,606
America	66,671	64,976
Asia, Australia, Others	25,527	25,465
	327,155	**337,687**

Sales revenues SBU Paper

€ 000s	1/1/-30/6/2015	1/1/-30/6/2016
Germany	54,062	53,922
Rest of Europe	97,908	105,480
America	45,095	43,618
Asia, Australia, Others	6,253	5,984
	203,318	**209,004**

Sales revenues SBU Plastics

€ 000s	1/1/-30/6/2015	1/1/-30/6/2016
Germany	37,827	40,718
Rest of Europe	45,160	47,126
America	21,576	21,358
Asia, Australia, Others	19,274	19,481
	123,837	**128,683**

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 30 June 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 30 June 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 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.

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.

€ 000s	Category acc. IAS 39	FAIR VALUE / BOOK VALUE					
		31/12/2015			30/6/2016		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets from derivative financial instruments							
with hedge relationship	n.a.	0	12,884	0	0	11,538	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

DIVIDEND PAYOUT FOR THE BUSINESS YEAR 2015

The Annual General Meeting of SURTECO SE held on 30 June 2016 resolved to pay out a dividend for the business year 2015 amounting to € 0.80 for each no-par-value share. The payout sum amounting to € 12,404,584.80 was paid out on 1 July 2016.

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 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.

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 11 August 2016.

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, 11 August 2016

The Board of Management

Dr.-Ing. Herbert Müller　　Dr.-Ing. Gereon Schäfer

CALCULATION OF INDICATORS

Cost of materials ratio in %	Cost of materials/Total output
Earnings per share in €	Consolidated net profit/Number of shares
EBIT	Earnings before financial result and income tax
EBIT margin in %	EBIT/Sales revenues
EBITDA	Earnings before financial result, income tax and depreciation and amortization
EBITDA margin in %	EBITDA/Sales revenues
Equity ratio in %	Equity/Balance sheet total
Level of debt 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 2016	Nine-month report January - September 2016
22 November 2016	German Equity Forum, Frankfurt
28 April 2017	Annual Report 2016
15 May 2017	Three-month report January - March 2017

SURTECO
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DEUTSCHE BÖRSE
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