

# REPORT FOR THE FIRST THREE QUARTERS

## 2009

SPECIALISTS  
FOR SURFACE  
TECHNOLOGIES

# Q3



# SURTECO

SOCIETAS EUROPAEA

1 January to 30 September

## OVERVIEW

### SURTECO GROUP

€ 000s	Q3			Q1-3		
	1/7/-30/9/ 2008	1/7/-30/9/ 2009	Variation in %	1/1/-30/9/ 2008	1/1/-30/9/ 2009	Variation in %
Sales revenues	99,726	<b>85,101</b>	-15	315,699	<b>253,773</b>	-20
of which						
- Germany	34,751	<b>30,761</b>	-11	108,827	<b>93,729</b>	-14
- Foreign	64,975	<b>54,340</b>	-16	206,872	<b>160,044</b>	-23
EBITDA	10,152	<b>12,363</b>	+22	49,289	<b>40,808</b>	-17
EBITDA margin in %	10.2	<b>14.5</b>		15.6	<b>16.1</b>	
EBIT	4,988	<b>7,305</b>	+46	33,948	<b>25,659</b>	-24
EBIT-Marge in %	5.0	<b>8.6</b>		10.8	<b>10.1</b>	
EBT	-9,864	<b>4,880</b>	+149	14,380	<b>13,576</b>	-6
Consolidated net profit	-8,230	<b>3,615</b>	+144	8,162	<b>7,695</b>	-6
Earnings per share in €	-0.74	<b>0.32</b>	+143	0.74	<b>0.69</b>	-6
	30/9/2008	<b>30/9/2009</b>	Variation in %	31/12/2008	<b>30/9/2009</b>	Variation in %
Net financial debt	168,486	<b>145,794</b>	-13	171,283	<b>145,794</b>	-15
Gearing (debt ratio) in %	93	<b>76</b>	-18	95	<b>76</b>	-20
Equity ratio in %	37.4	<b>41.8</b>	+12	36.8	<b>41.8</b>	+14
Number of employees	2,220	<b>1,964</b>	-12	2,137	<b>1,964</b>	-8

## DEAR SHAREHOLDERS, PARTNERS AND FRIENDS OF OUR COMPANY

### SLUGGISH RECOVERY OF GLOBAL ECONOMY EXPECTED

The economic experts are more or less unanimous in their opinion that the global recession is drawing to a close. However, they are very clear that the economy will be very slow to get going. In particular during the period after the end of the extensive economic stimulus packages, which have made a significant contribution to the recovery of the various economies, there is a significant risk of sliding backwards. The banks have still not overcome their economic problems on account of the continuing threat of having to post write-downs, and they continue to adopt a reserved approach to lending. Economic experts are equally reserved in their forecasts. The International Monetary Fund (IMF) is projecting a decline of 1.1 % in global economic output for 2009 and growth of 3.1 % for 2010. The outlook for traditional industrial regions is significantly more cautious. After a decline of 2.7 % this year, the USA looks set to achieve an increase of 1.5 % in 2010. By contrast, the forecasts for the eurozone and Germany (in each case +0.3%), are only just north of zero after massive collapses in 2009 of -4.2 % (EU) and -5.3 % for Germany. The leading German economics institutes are rather more confident of the situation in Germany and are expecting a decline of -5.0 % in gross domestic product and growth of 1.2 % in the coming calendar year. Expenditure on private consumption is likely to be increasingly weighed down by the deteriorating situation in the employment market.

The economic recovery will be driven primarily by the emerging economies and hauled by the economic locomotive China. Here, the IMF expects growth of 8.5 % in 2009 and as much as 9.0 % in 2010. The experts also have a very positive view of the other BRIC countries. After entering negative territory at 0.7 % in 2009, Brazil looks set for growth of 3.5 %.

Following a big collapse of 7.5 % this year, Russia is likely to experience moderate growth of 1.5 % next year and India's economy is projected to continue expanding strongly this year (+5.4 %), and in 2010 (+6.4 %).

### FURNITURE INDUSTRY HAS SUFFERED CONSIDERABLY FROM THE SCRAPPAGE BONUS FOR CARS

In common with industry as a whole, the furniture industry has since the middle of 2009 been seeing the first positive signals. After a collapse in sales of 13.8 %, The Federation of the German Furnishing Industry (VDM) is rather more optimistic for the second half of the year. A decline in sales of around 10 % is anticipated for the year overall. Continuing high levels of savings among consumers have meant that the stimulus for the automobile industry (scrappage bonus) impacted particularly on the furniture sector. Purchases in the automobile sector were brought forward and acquisitions of furniture were postponed in many households to take advantage of the auto subsidies. The recession exerted a big impact on office furniture and shop fittings (-15.7 %) and kitchen furniture manufacturers (-13.1 %) during the first half of the year. Contrary to previous years, sales plummeted for the furniture industry in Germany (-12.6 %) and the previously very buoyant export sector (-16.9 %).

### NO SUSTAINABLE UPSWING YET FOR SURTECO

Although there have been tentative signs of an economic recovery for SURTECO in some markets since September, a sustainable upswing in surface-coating products is not yet within sight due to the ongoing problems in the construction and furnishing market.

## OPTIMIZATION OF OPERATIONAL GROUP STRUCTURE

In the third quarter, the sales company SURTECO Russia was established in Moscow. It is responsible for supplying products from the Strategic Business Units Plastics and Paper to Russia and neighbouring Eastern European countries.

Site optimization in North America has meanwhile been completed. As announced, the plant in Montreal was closed and production transferred to the plants in Brampton/Canada, Greensboro/USA and Santiago/Chile. Furthermore, the number of extrusion lines was increased at the new plant in Santiago de Chile in order to supply the South American market.

The merger of Döllken & Praktikus GmbH with Döllken-Weimar GmbH – retroactive effect to 1 January 2009 – constituted a further step towards simplification of the Group structure and concentration of the sales and logistics activities in the area of skirtings.

## SALES AND MARKETS

### SALES DEVELOPMENT CONSTANT

Sales during the third quarter of 2009 at € 85.1 million remained at the level of the previous quarters (1st quarter 2009: € 84.9 million; 2nd quarter 2009: € 83.8 million). However, by comparison with the previous periods, the decline in income slowed to -15 % in line with the general process of stabilization within the economy. The trend towards rather more favourable development in the German market continued unchanged. Domestic sales declined by 11 % to € 30.8 million in the months from July to September 2009, while foreign business fell by 16 % (€ 54.3 million) compared with the previous year.

The sales in all three quarters of the current busi-

ness year totalled € 253.8 million (-20 %). Domestic sales fell short of the year-earlier figure by 14 % (€ 93.7 million), foreign business by 23 % (€ 160.1 million). As a result, the proportion of foreign sales fell by two percentage points to 63 %.

### STRATEGIC BUSINESS UNIT PLASTICS

The third quarter of 2009 fell short of the equivalent year-earlier figure by 17 % with sales of € 52.4 million. During the first half of the year, the decline was 22 %. However, it should be borne in mind that the impending financial crisis was already tangible during the third quarter of 2008 and had already led to stagnation in sales compared with 2007.

The companies in the SBU Plastics generated sales of € 18.6 million (-11 %) through customers in Germany. Foreign markets (€ 33.8 million) remained 20 % below the volume for the previous year. The impacts were distributed virtually uniformly over the key regions for the plastics sector. Although at a low level, positive exceptions to the rule were Australia with stagnation of € 4.7 million and South America with a 25 % increase to € 1.4 million.

After nine months in the current business year, the business volume of the SBU Plastics at € 158.4 million fell below the value for 2008 by 20 % or € 40.4 million. Domestic sales lost 13 % and closed at € 56.3 million. The other markets declined by 24 % but the changes in the European sales territories (apart from Germany) experienced a fall of 29 % to € 58.4 million and were much more marked than on the other continents supplied by the SBU Plastics. The SBU Plastics generates more than half of sales with their innovative plastic edgebandings. Plastic foils, skirtings and wall edging strips, roller-shutter systems, extrusions for technical applications and environmentally friendly cladding systems complete the diversified product portfolio. The do-it-yourself sector orders from a wide range of goods held for

resale that is supplemented by strategic products manufactured in-house. Restrained consumption on the part of consumers means that all product segments continue to be affected by the difficult economic situation in the furniture and building sector.

### STRATEGIC BUSINESS UNIT PAPER

The cautious consumption by consumers continued in the paper segment during the third quarter of 2009 in slightly ameliorated form. An upswing in demand was recorded at the close of the quarter. This is applicable for the door industry, the caravan industry and the lower and medium price segment in furniture manufacturers. The decline in sales during the third quarter of "only" 10 % (€ 32.7 million) compared with the equivalent year-earlier period confirms this. Domestic sales reached € 12.2 million (-13 %) while foreign business generated € 20.5 million (-9 %). In particular, the south-eastern and eastern European markets contributed to the slight recovery.

The nine-month analysis shows sales of € 95.4 million (-18 %). € 37.4 million (-15 %) of these sales were attributable to business with German customers and € 58.0 million (-21 %) to other customers.

Printer of decorative designs Bausch Decor supplies specialist papers printed with wood-based textures and imaginative designs within the Group for further processing to create finished products at BauschLinnemann GmbH. In addition, Bausch Decor also manufactures decorative papers for external customers. The product range of BauschLinnemann GmbH including its subsidiary companies comprises surface-coating materials based on specialist papers for technical applications. Edgebandings and flat foils form the focus.

### EXPENSES

#### PROPORTION OF COSTS FOR RAW MATERIALS FALLS AGAIN

During the quarter under review, the costs for raw materials at € 34.7 (-21 %) were significantly below the value for the third quarter in 2008. The proportion of costs for raw materials fell by 3.3 percent points in relation to total output to 40.8 %.

An accumulated annual comparison shows an improvement in the cost structures of raw materials, consumables and supplies. Total expenses for materials were € 103.8 million. The proportion of costs for raw materials to total output fell by 1.8 percentage points to 41.4 %.

The prices for plastics have come under pressure since the beginning of the third quarter as a result of the rising prices of semi-finished products and due to adjustments in capacity. In the paper segment, the global economic collapse led to a downturn in prices for semi-finished products experienced by all suppliers. Paper manufacturers responded during the first half of the year with selective plant shutdowns in order to cut back capacities. However, these shutdowns have now been reversed. Generally speaking, there was a plentiful supply of all the semi-finished products required so that agreements on volume quotas were not necessary.

The number of employees at 30 September 2009 at 1,964 people reached the lowest level since 2003. By comparison with the close of the third quarter of 2008, the headcount was 256 persons or 12 % lower as a result of harmonization with the lower utilization of capacity by comparison with the end of the third quarter in 2008. After nine months in the year under review, personnel expenses at € 66.5 million fell short of the equivalent year-earlier value for 2008 by € 13.1 million or 16 %.

Other operating expenses amounted to € 45.0 million. They were 10 % lower than in the previous year.

## EARNINGS

### SATISFACTORY INCOME IN A DIFFICULT ENVIRONMENT

After three quarters, EBITDA reached € 40.8 million and hence fell proportionately slightly less than sales development at -17 %. The EBITDA margin for the period January-September 2009 was 0.5 percentage points above the corresponding value for 2008 at 16.1 %. This was possible as a result of the improvement in margin from 10.2 % (3rd quarter of 2008) to 14.5 % (3rd quarter of 2009) during the third quarter. In the third quarter of 2008, one-off restructuring provisions amounting to € 4 million had impacted negatively on earnings.

EBIT amounting to € 25.7 million (2008: € 34.0 million) corresponds to a proportion of 10.1 % (-0.7 percentage points) in relation to sales revenues.

The pre-tax result at € 13.6 million fell short of the equivalent year-earlier result for 2008 by only € 0.8 million or 6 %. EBT for the first nine months of 2008 (impairment in Q3/2008: € 11.5 million) and also the current business year (impairment Q1/2009: € 6.0 million) were impacted negatively by the one-effects arising from the write-down on the share package of Pfeleiderer AG, Neumarkt. Although the price has in the meantime undergone a significant recovery, an income statement-related upward revaluation is not possible due to the accounting rules.

Consolidated net profit amounted to € 7.7 million (2008: € 8.2 million). This yielded earnings per share (based on 11,075,522 no-par-value shares) of € 0.69 (2008: € 0.74).

## NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

The balance sheet total on 30 September 2009 came down by 6 % to € 461.0 million compared with 31 December 2008. This is essentially due to a reduction in net indebtedness of € 171.3 million to € 145.8 million with a simultaneous increase in the equity ratio of 36.8 % to 41.8 %. The reduction in net financial debt also included the acquisition of two finance-lease properties (€ 4.8 million). The increase in equity from € 180.5 million (31/12/2008) to € 192.5 million (30/9/2009) is due to a number of factors including the positive development in price of the shares in Pfeleiderer AG (value of the share package at 31/12/2008: € 10.6 million; at 31/3/2009: € 4.3 million; at 30/9/2009: € 13.3 million). This led to a reduction in the gearing ratio from 95 % to 76 %.

The scaling back of other non-current assets and the increase in other non-current financial liabilities are essentially due to the change in market values in the interest-rate and currency swaps held to hedge the USD tranche from the private placement, which are reported with no effect on income.

## CALCULATION OF FREE CASH FLOW

The free cash flow (€32.9 million) underwent positive development despite a slight decline in cash flow from operating activities. This was caused by slightly lower tax payments and restrained investment activity. The scaling back of net financial debt was continued with the free cash flow available.

€ 000s	1/1 - 30/9/2008	1/1 - 30/9/2009
Cash inflow from operating activities	48,649	46,246
Tax payments	-9,411	-5,813
<b>Cash outflow from current business operations</b>	<b>39,238</b>	<b>40,433</b>
Cash outflow from investment activities (without financial investments)	-15,485	-7,566
<b>Free cash flow</b>	<b>23,753</b>	<b>32,867</b>

## RESEARCH AND DEVELOPMENT

### FUSION-EDGE BECOMES ESTABLISHED

The new product Fusion-Edge was originally launched as a development project. It has now been developed to series readiness within a very short space of time and is currently becoming established extremely successfully in the marketplace. The key innovation is the zero joint since edgebandings can be attached to the substrate without using any adhesive, thereby avoiding impairment to the visual profile. The laser-joining technique is used to connect the surface material with the substrate. An intermediate layer identical in colour with the edgebanding is melted using a laser beam and

creates a high-quality adhesive union. New plants using the laser-joining technique are currently being constructed. The SBU Plastics supplies their innovative Fusion-Edge for this purpose. Another project is concerned with edgebanding-material for worktops that have been coated with a chrome foil and require a matching side bounding edge. Surfaces with the chrome finish are currently part of the trend in furniture manufacture, in particular for kitchen and bath. However, the edge coating has been problematic because the coating materials that used to be necessary for this were extremely complex to manufacture and could not be processed in a roll as in the past. The research and development department has now succeeded in developing an alternative whose further processing properties are comparable with the conventional edgebandings made of thermoplastic plastics. The new edgebanding has already been integrated in the instant edging programme so that customers can order defined dimensions in lower batch sizes which can then be supplied within a very short space of time.

## SURTECO SHARES

The hope of a rapid recovery in the global economy led to significant gains on stock exchanges during the months of July to September. The SURTECO share was able to benefit from this in a price rise of around 25 %. This meant that the increase in value was slightly above the SDAX comparative index in the third quarter and significantly outperformed the DAX (+18 %). By comparison with the beginning of the year, the SURTECO shares significantly outperformed the two indexes (SDAX: +20 % and DAX: +18 %) with an increase in value of 28 %. Correspondingly, the market capitalization of the company climbed to € 141.3 million on 30 September 2009. The statistics produced by

the German Stock Exchange (Deutsche Börse AG) showed that the company was steadily moving towards the acceptance criteria for the SDAX, despite the comparatively low free float. Based on market capitalization (related to free float), the current position of SURTECO is 116 (previous quarter 118) and based on trading volume the position is 118 (previous quarter 121). In order to be able to reach the company's medium-term goal of being accepted into the SDAX, SURTECO would have to be ranked among the Top 110 on both criteria. The share has also been able to continue its upward trajectory during the final quarter of the year. The SURTECO price climbed to € 18.00 by the end of October, after the share was still being traded for € 12.76 at the end of September.

Share price performance January - October 2009 in €



#### January - September 2009

Number of shares	11,075,522
Free float in %	23.7
Price on 2/1/2009 in €	10.20
Price on 30/9/2009 in €	12.76
High in €	14.50
Low in €	6.35
Market capitalization as at 30/9/2009 in € 000s	141,324

#### OUTLOOK FOR THE FISCAL YEAR 2009

On the basis of incoming orders in recent weeks, we are anticipating sales at the level of the previous months for the months of October and November. We are expecting business to be weaker in December due to the constellation of public holidays. The end to the crisis widely heralded in the public domain for 2010 is not yet perceptible from our perspective. We are assuming that the year 2010 will still be beset by significant challenges. The initiatives for securing orders over the short-term and medium-term have been essentially implemented and the personnel levels have been adjusted to match the lower utilization of capacities. The initial successes from the "PREIS" package of measures focused on the long-term are already discernible. The focus of the measures bundled in "PREIS" is on improvements in the operating areas of sales, purchasing and quality management, in net working capital and in optimizing the product portfolio. The objective is annual savings of € 10 million starting in 2010.



CONSOLIDATED INCOME STATEMENT

SURTECO GROUP

€ 000s	Q3		Q1-3	
	1/7-30/9/ 2008	1/7-30/9/ 2009	1/1-30/9/ 2008	1/1-30/9/ 2009
<b>Sales revenues</b>	<b>99,726</b>	<b>85,101</b>	<b>315,699</b>	<b>253,773</b>
Changes in inventories	-155	-317	-997	-3,482
Own work capitalized	223	216	828	660
<b>Total output</b>	<b>99,794</b>	<b>85,000</b>	<b>315,530</b>	<b>250,951</b>
Cost of materials	-43,992	-34,659	-136,250	-103,792
Personnel expenses	-26,168	-24,356	-79,621	-66,509
Restructuring expenses	-4,000	0	-4,000	0
Other operating expenses	-16,619	-14,938	-50,125	-44,998
Other operating income	1,137	1,316	3,755	5,156
<b>EBITDA</b>	<b>10,152</b>	<b>12,363</b>	<b>49,289</b>	<b>40,808</b>
Depreciation and amortization	-5,164	-5,058	-15,341	-15,149
<b>EBIT</b>	<b>4,988</b>	<b>7,305</b>	<b>33,948</b>	<b>25,659</b>
Financial result	-14,852	-2,425	-19,568	-12,083
<b>EBT</b>	<b>-9,864</b>	<b>4,880</b>	<b>14,380</b>	<b>13,576</b>
Income tax	1,634	-1,265	-6,218	-5,881
<b>Net income</b>	<b>-8,230</b>	<b>3,615</b>	<b>8,162</b>	<b>7,695</b>
of which consolidated net profit	-8,230	3,615	8,162	7,695
of which minority interests	0	0	0	0
Basic and diluted earnings per share in €	-0.74	0.32	0.74	0.69
Number of shares issued	11,075,522	11,075,522	11,075,522	11,075,522

# CONSOLIDATED BALANCE SHEET

## SURTECO GROUP

€ 000s	31/12/2008	30/9/2009
<b>ASSETS</b>		
Cash and cash equivalents	60,468	49,181
Trade accounts receivable	34,465	35,218
Inventories	59,759	54,304
Current income tax assets	6,912	4,608
Other current assets	10,050	8,915
<b>Current assets</b>	<b>171,654</b>	<b>152,226</b>
Property, plant and equipment	175,840	168,294
Intangible assets	8,471	8,435
Goodwill	108,227	109,055
Investments in associated enterprises	1,683	1,683
Financial assets	10,804	13,630
Non-current tax assets	1,233	943
Other non-current assets	6,768	1,537
Deferred taxes	5,393	5,219
<b>Non-current assets</b>	<b>318,419</b>	<b>308,796</b>
	<b>490,073</b>	<b>461,022</b>

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# CONSOLIDATED BALANCE SHEET

## SURTECO GROUP

€ 000s	31/12/2008	30/9/2009
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Short-term financial liabilities	35,239	19,858
Trade accounts payable	18,290	17,244
Income tax liabilities	3,131	1,093
Short-term provisions	8,933	3,322
Other current liabilities	14,441	16,909
<b>Current liabilities</b>	<b>80,034</b>	<b>58,426</b>
Long-term financial liabilities	196,512	175,117
Pensions and similar obligations	9,589	10,136
Other non-current financial liabilities	0	2,756
Deferred taxes	23,422	22,091
<b>Non-current liabilities</b>	<b>229,523</b>	<b>210,100</b>
Capital stock	11,076	11,076
Reserves	162,711	173,750
Consolidated net profit	6,754	7,695
<b>Capital attributable to shareholders</b>	<b>180,541</b>	<b>192,521</b>
Minority interests	-25	-25
<b>Equity</b>	<b>180,516</b>	<b>192,496</b>
	<b>490,073</b>	<b>461,022</b>

# CONSOLIDATED CASH FLOW STATEMENT

## SURTECO GROUP

€ 000s	Q1-3	
	1/1/-30/9/2008	1/1/-30/9/2009
<b>Earnings before income tax and minority interests</b>	<b>14,380</b>	<b>13,576</b>
Reconciliation to cash flow from current business operations	31,751	28,683
<b>Internal financing</b>	<b>46,131</b>	<b>42,259</b>
Change in assets and liabilities (net)	-6,893	-1,826
<b>Cash flow from current business operations</b>	<b>39,238</b>	<b>40,433</b>
Cash flow from investment activities	-37,298	-7,568
Cash flow from financial activities	-42,660	-44,152
<b>Change in cash and cash equivalents</b>	<b>-40,720</b>	<b>-11,287</b>
Cash and cash equivalents		
1 January	97,782	60,468
Effect of changes in exchange rate on cash and cash equivalents	0	0
<b>30 September</b>	<b>57,062</b>	<b>49,181</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## SURTECO GROUP

€ 000s	Capital stock	Additional capital paid in	Fair value measurement for financial instruments	Retained earnings			Consolidated net profit	Minority interests	Total
				Other comprehensive income	Currency translation adjustments	Other retained earnings			
<b>31 December 2007</b>	<b>11,076</b>	<b>50,416</b>	<b>3,436</b>	<b>45</b>	<b>-10,944</b>	<b>100,011</b>	<b>31,615</b>	<b>0</b>	<b>185,655</b>
Dividend payout	0	0	0	0	0	0	-12,183	0	-12,183
Net income	0	0	0	0	0	0	8,162	0	8,162
Fair value measurement for financial instruments	0	0	1,083	0	0	0	0	0	1,083
Other changes	0	0	0	0	4,757	12,671	-19,432	0	-2,004
<b>30 September 2008</b>	<b>11,076</b>	<b>50,416</b>	<b>4,519</b>	<b>45</b>	<b>-6,187</b>	<b>112,682</b>	<b>8,162</b>	<b>0</b>	<b>180,713</b>
<b>31 December 2008</b>	<b>11,076</b>	<b>50,416</b>	<b>6,431</b>	<b>650</b>	<b>-18,080</b>	<b>123,294</b>	<b>6,754</b>	<b>-25</b>	<b>180,516</b>
Dividend payout	0	0	0	0	0	0	-3,876	0	-3,876
Net income	0	0	0	0	0	0	7,695	0	7,695
Fair value measurement for financial instruments	0	0	4,649	0	0	0	0	0	4,649
Other changes	0	0	0	0	3,512	2,878	-2,878	0	3,512
<b>30 September 2009</b>	<b>11,076</b>	<b>50,416</b>	<b>11,080</b>	<b>650</b>	<b>-14,568</b>	<b>126,172</b>	<b>7,695</b>	<b>-25</b>	<b>192,496</b>

## STATEMENT OF COMPREHENSIVE INCOME

## SURTECO GROUP

€ 000s	Q1-3	
	1/1/-30/9/2008	1/1/-30/9/2009
Net income	8,162	7,695
Currency changes	4,757	3,512
Market value of financial assets and cash flow hedges	1,083	4,649
<b>Comprehensive income</b>	<b>14,002</b>	<b>15,856</b>
of which group share	14,002	15,856
of which minority shareholders	0	0

## SEGMENT REPORTING

### SURTECO GROUP

#### BY STRATEGIC BUSINESS UNITS

##### Sales revenues

€ 000s	SBU Paper	SBU Plastics	Recon- ciliation	SURTECO Group
<b>1/1/-30/9/2009</b>				
External sales	95,363	158,410	0	253,773
Internal sales	790	275	-1,065	0
<b>Total sales</b>	<b>96,153</b>	<b>158,685</b>	<b>-1,065</b>	<b>253,773</b>
<b>1/1/-30/9/2008</b>				
External sales	116,902	198,797	0	315,699
Internal sales	978	322	-1,300	0
<b>Total sales</b>	<b>117,880</b>	<b>199,119</b>	<b>-1,300</b>	<b>315,699</b>

##### Segment earnings (EBT)

€ 000s	1/1/-30/9/2008	1/1/-30/9/2009
SBU Plastics	25,371	17,909
SBU Paper	6,967	6,690
Reconciliation	-17,958	-11,023
	<b>14,380</b>	<b>13,576</b>

## SEGMENT REPORTING

### SURTECO GROUP

#### BY REGIONAL MARKETS

Sales revenues SURTECO Group		
€ 000s	1/1-30/9/2008	1/1-30/9/2009
Germany	108,826	93,729
Rest of Europe	139,124	103,064
America	37,756	32,171
Asia, Australia, Others	29,993	24,809
	<b>315,699</b>	<b>253,773</b>

Sales revenues SBU Plastics		
€ 000s	1/1-30/9/2008	1/1-30/9/2009
Germany	64,829	56,315
Rest of Europe	82,038	58,378
America	29,273	24,145
Asia, Australia, Others	22,657	19,572
	<b>198,797</b>	<b>158,410</b>

Sales revenues SBU Paper		
€ 000s	1/1-30/9/2008	1/1-30/9/2009
Germany	43,997	37,414
Rest of Europe	57,086	44,686
America	8,483	8,026
Asia, Australia, Others	7,336	5,237
	<b>116,902</b>	<b>95,363</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (ABBREVIATED)

### ACCOUNTING PRINCIPLES

The consolidated financial statements of SURTECO SE for the period 31 December 2008 were prepared in accordance with the regulations of the International Financial Reporting Standards (IFRS), as they were adopted by the EU. This report has been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting". The same accounting and valuation principles as in the preparation of the consolidated financial statements for the business year 2008 are applied in drawing up the interim financial report for the quarter ended 30 June 2009. If the standards adopted by the IASB had to be applied from 1 January 2009, they were taken account of in this interim report if they exert effects on the SURTECO Group.

We refer readers to the consolidated financial statements of SURTECO SE for the period ending 31 December 2008 in respect of further information on the details of the accounting and valuation methods used. The group currency is denominated in euros. All amounts are specified in thousand euros (€ 000s).

### GROUP OF CONSOLIDATED COMPANIES

The SURTECO Group interim consolidated financial statements include all domestic and foreign companies in which SURTECO holds a direct or indirect majority of the voting rights.

### REPORT ON IMPORTANT TRANSACTIONS WITH RELATED PARTIES

During the period under review, the company had no business transactions with affiliated persons that could have exerted a material influence on the net assets, financial position and results of operations of the company, nor did the company conclude any such transactions at standard commercial conditions.



**Calculation of indicators:**

Cost of materials ratio in %	Cost of materials/Total output
EBIT margin in %	EBIT/Sales revenues
EBITDA margin in %	EBITDA/Sales revenues
Equity ratio in %	Equity/Balance sheet total
Earnings per share in €	Consolidated net profit/Number of shares
Gearing (debt level) in %	(Short-term and long-term debt less cash and cash equivalents)/Equity
Market capitalization	Number of shares x Closing price on the balance-sheet date
Net debt in €	(Short-term debt + long-term debt) less (Cash and cash equivalents)
Personnel expense ratio in %	Personnel expenses/Total output
Working capital in €	(Trade receivables + inventories) less (Trade liabilities + short-term accrued reserves)

**FINANCIAL CALENDAR**

30 April 2010	Annual report 2009
12 May 2010	Three-month report January – March 2010
24 June 2010	Annual General Meeting Sheraton Arabellapark, Munich
25 June 2010	Dividend payout

# REPORT FOR THE FIRST THREE QUARTERS 2009

TICKER SYMBOL: SUR  
ISIN: DE0005176903

# Q3



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