

# REPORT FOR THE FIRST THREE QUARTERS

2010

1 January to  
30 September

Q3



# SURTECO

SOCIETAS EUROPAEA

SPECIALISTS  
FOR SURFACE  
TECHNOLOGIES

OVERVIEW

€ 000s	Q3			Q1-3		
	1/7/-30/9/ 2009	1/7/-30/9/ 2010	Variation in %	1/1/-30/9/ 2009	1/1/-30/9/ 2010	Variation in %
Sales revenues	85,101	<b>100,659</b>	+18	253,773	<b>291,725</b>	+15
of which						
- Germany	30,761	<b>32,745</b>	+6	93,103	<b>96,894</b>	+4
- Foreign	54,340	<b>67,914</b>	+25	160,670	<b>194,831</b>	+21
EBITDA	12,151*	<b>16,914</b>	+39	43,099*	<b>48,934</b>	+14
EBITDA margin in %	14.3	<b>16.8</b>		17.0	<b>16.8</b>	
EBIT	7,093*	<b>11,257</b>	+59	27,950*	<b>33,184</b>	+19
EBIT margin in %	8.3	<b>11.2</b>		11.0	<b>11.4</b>	
EBT	4,880	<b>8,348</b>	+71	13,576	<b>26,448</b>	+95
Consolidated net profit	3,615	<b>6,666</b>	+84	7,695	<b>19,400</b>	+152
Earnings per share in €	0.32	<b>0.60</b>	+84	0.69	<b>1.75</b>	+152

\* Adjusted on the basis of changes in disclosure for currency gains and losses (see Notes to the Consolidated Financial Statements)

	30/9/2009	30/9/2010	Variation in %	31/12/2009	30/9/2010	Variation in %
Net financial debt in € 000s	145,794	<b>121,891</b>	-16	122,826	<b>121,891</b>	-1
Gearing (level of debt) in %	76	<b>57</b>	-25	64	<b>57</b>	-11
Equity ratio in %	41.8	<b>44.0</b>	+5	39.8	<b>44.0</b>	+10
Number of employees	1,964	<b>2,034</b>	+4	1,903	<b>2,034</b>	+7

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## DEAR SHAREHOLDERS, PARTNERS AND FRIENDS OF OUR COMPANY

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### GLOBAL ECONOMY CONTINUES ON PATH OF RECOVERY – UNCERTAINTIES REMAIN

The global economy has continued its trajectory of recovery in the third quarter of 2010. The International Monetary Fund (IMF) is therefore forecasting global economic growth of 4.8 % for 2010, although it also continues to recognize uncertainty factors for the stability of the upswing. The uninterrupted dynamic growth of the emerging economies forms the platform for the positive development. Growth of 7.1 % is projected for this group of countries in 2010. China as the economic engine of the global economy is likely to undergo above-average growth at 10.5 %. Strong growth rates are also expected in Brazil (+7.5 %), Russia (+5.5 %) and India (+9.7 %). According to data from the Organization for Economic Cooperation and Development (OECD), development in industrial countries will be powered by high demand from the emerging economies. Annual growth of 3.2 % is therefore expected for the US and 3.0 % for Japan, although signals of weakening have emerged in the second half of the year. By contrast, the euro-zone is only able to look forward to a moderate increase in gross domestic product of 1.2 %.

However, the IMF continues to emphasize that eliminating inequalities in the international process of recovery continues to be the most pressing necessity for healthy sustainable growth. While the industrial countries are compelled to make concrete plans for reducing their budgetary deficits in order to create more scope for making fiscal policy decisions, the emerging economies are being urged to reduce the export-driven surpluses on their current accounts and to permit more flexible exchange rates for their currencies.

### FURNITURE INDUSTRY EXPECTS GROWTH IN SALES FOR 2010

The development of the furniture industry forms a dependable indicator of the demand for products manufactured by the SURTECO Group. Currently more than 80 % of SURTECO products are sold to customers from this industrial sector. After very reserved assessments from the federations of the German furniture industry (HDH and VDM) for the year 2010, the latest developments in the sector give grounds for more optimism. Following the decline in sales of more than 11 % in the year 2009, a virtually balanced balance sheet with 7.6 billion euros was presented for the first six months of 2010 (-0.4 %). The federations see hope for an overall stable second half-year with gratifying business developing during the autumn. This is also reflected in the Ifo Business Climate Index for the German furniture industry, which rose from four points in August to eight points in September. However, the index continues to languish significantly below the long-term average values. On the basis of the upturn in export business accompanied by a stabilized domestic market, the federations are confirming the forecasts issued at the beginning

of the year. The positive scenario in these forecasts projects sales increases up to 3 %.

### SERIOUS COST BURDENS

The development of sales during the third quarter of the year continues the gratifying trend witnessed during the second quarter of 2010 virtually unchanged. This has been supported by an agreement to take over the customer base for the product groups fully impregnated flat foils and edgebandings from "impress decor GmbH". This was concluded with effect from 1 July 2010. "impress decor GmbH" has completely ceased production and sales in this area. SURTECO expects the takeover to generate annual growth of € 15 million for the Strategic Business Unit Paper.

The situation on the procurement market is increasingly problematic. After a short phase of stable raw materials prices overall, further price increases are expected for the fourth quarter. Certainty of delivery for key intermediate products is also a source of concern.

## SALES AND MARKETS

### 18-PERCENT INCREASE IN SALES DURING THE THIRD QUARTER

In the third quarter of 2010, business with foreign purchasers continued to be the engine for growth. While foreign sales continued to increase by 25 % to € 67.9 million compared with the third quarter of 2009, domestic sales were more reserved at € 32.7 million (+6 %). The overall picture saw sales for the months July to September 2010 at € 100.6 million up by 18 % over the equivalent year-earlier values.

After nine months, the accumulated analysis of the current business year shows that sales are up by 15 % after nine months (€ 291.7 million; 1st-3rd quarter 2009: € 253.8 million). € 96.9 million of these sales were attributable to German customers (+4 %) and € 194.8 million are attributable to foreign customers (+21 %). The foreign sales ratio increased after three quarters from 63 % to 67 %.

### STRATEGIC BUSINESS UNIT (SBU) PLASTICS

The Strategic Business Unit Plastics was able to continue the positive development of previous months during the third quarter of 2010. Sales revenues of € 59.9 million correspond to an increase of 14 % compared with the third quarter in the previous year. While deliveries to German customers stagnated (€ 18.7 million; 3rd quarter 2009: € 18.6 million), the 22 % increase for foreign customers during the current year notched up a new record for the plastics business unit (€ 41.2 million).

The 9-percent decline in sales during the first quarter of 2010 meant that although German business generated in the SBU Plastics after nine months was still 2 % lower (€ 55.1 million), an increase of 14 % to € 116.8 million more than compensated for this shortfall. Alongside the recovery in Europe (not including Germany), above-average growth in Asian markets (€ 9.5 million; +31 %) and Australia (€ 15.8 million; +35 %) is a particular highlight. Total sales of the SBU Plastics increased by 9 % to € 171.9 million after three quarters.

The recovery in plastic edgebandings (+12 %) and in engineered products – SBU Plastics groups its technical extrusions (profiles) and cladding systems under this heading – (+8 %) continued.



Discontinuation of non-profitable product groups from the delivery range for home improvement stores resulted in a planned decline in sales for skirting business by 4 % to € 29.6 million.

### STRATEGIC BUSINESS UNIT (SBU) PAPER

Following on from the positive trends in the previous quarter of 2010, the paper business unit continued to deliver a very gratifying performance in the third quarter of 2010. Sales revenues rose by 25 % to € 40.7 million, of which € 14.0 million (+16 %) were attributable to the domestic market and € 26.7 million (+30 %) to the other countries supplied.

The sales volume for the first three quarters of 2010 amounted to € 119.8 million (+26 %), with € 41.8 million (+14 %) generated in the domestic market and € 78.0 million (+33 %) in the foreign market.

The key product groups of the SBU Paper contributed to this success: The product segment of pre-impregnated and fully impregnated flat foils (sales volume: € 57.2 million) heads the list of percentage increases with growth of 32 %, followed by decorative printing (€ 15.7 million) for industrial customers involved in further processing at +23 % and finally paper edgebandings (€ 41.2 million) at +17 %.

### EXPENSES

#### COST OF MATERIALS RATIO AT RECORD HIGH

The proportion of costs for raw materials in total output was 44.6 % for the third quarter of 2010 (3rd quarter of 2009: 40.8 %). This high value is primarily due to the permanent increase in procurement prices for plastics and papers for technical applications. In the case of the period under review from January to September 2010, a ratio of 44.0 % (1st – 3rd quarter of 2009: € 103.8 million; ratio 41.4 %) is calculated for material expenses of € 132.2 million.

No easing of conditions in the raw materials market for plastics is currently on the horizon. Quite the contrary, since the fourth quarter is likely to see further price increases for the most important materials such as PVC (polyvinyl chloride), PMMA (polymethyl methacrylate) and particularly the increasingly sought-after ABS (acryl nitrile butadiene styrol). Base papers for the manufacture of decorative prints, flat foils and edgebandings by SBU Paper were also subject to enormous pressure from price increases. The suppliers are signalling a high level of demand with full utilization of capacities. Apart from the increased procurement costs, some of the consequences relate to volume quotas and extended delivery times.

The personnel head count was also adjusted to the extent necessary during the current year to match the improved utilization of production facilities. On 30 September 2010, the SURTECO Group employed 2,034 employees. Compared with end of year 2009, the number of employees increased by 131 people or 7 %. By comparison with the equivalent year-earlier period, the increase amounted to 4 % (30 September 2009: 1,964 people). Personnel costs rose from € 66.5

million (30 September 2009) to € 74.8 million (30 September 2010). The proportion of personnel costs to total output fell in the wake of the 20 % increase in total output from 26.5 % to 24.9 %.

## EARNINGS

### EARNINGS PER SHARE MORE THAN DOUBLED TO € 1.75

During the third quarter of 2010, SURTECO SE achieved a margin of 16.8 % with EBITDA of € 16.9 million (+39 %). This put the company 2.5 percentage points ahead of the equivalent year-earlier figure. EBIT amounted to € 11.3 million (3rd quarter 2009: € 7.1 million) in the third quarter of 2010. The EBIT margin improved from 8.3 % to 11.2 %. Earnings before tax (EBT) rose by 71 % to € 8.3 million.

After nine months, the SURTECO Group posted an EBITDA of € 48.9 million (1st-3rd quarter 2009: € 43.1 million). The EBITDA margin at 16.8 % remained at the level of the equivalent year-earlier value. EBIT amounted to € 33.2 million (1st-3rd quarter 2009: € 28.0 million) at the end of the reporting period and remained 0.4 percentage points above the equivalent value for 2009 with a percentage share in sales of 11.4 %.

Pre-tax earnings at € 26.4 million (1st-3rd quarter 2009: € 13.6 million) underwent an above-average increase of 95 %. At this point, we again refer to the fact that the significant underlying improvement in the financial result from € -14.4 million to € -6.7 million is essentially due to an impairment amounting to € 6.0 million from the first quarter of 2009. This was necessary as a result of the unfavourable development in the share price for the package of shares of Pfeleiderer AG, Neumarkt, held by SURTECO.

Consolidated net profit increased after three quarters to € 19.4 million (1st-3rd quarter 2009: € 7.7 million). Earnings per share went up in tandem from € 0.69 to € 1.75.

## NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

The sustained high level of customer demand and the development of earnings impacted on the structure of the balance sheet in the business year 2010.

The positive business development led to an increase in working capital totalling € 23.6 million (30 September 2010: € 75.9 million; 31 December 2009: € 52.3 million). While inventories rose by € 16.8 million and trade accounts receivable went up by € 3.3 million, trade accounts payable were reduced by € 3.5 million. Finance for working capital, the dividend payout and planned repayments of financial liabilities led to a reduction in cash of € 20.0 million.

Equity increased by € 20.5 million as a result of this positive development and this led to an equity ratio of 44.0 % (31 December 2009: 39.8 %).

The upward trend is reflected in the free cash flow in the third quarter. While an increase of € 4.2 million was recorded for free cash flow at the close of the first half of the year, an increase of € 9.0 million was achieved in the third quarter alone. As a result of the reduction in inventories following on from increased capacity utilization in the business year 2009 and the replenishment of inventories in 2010, the free cash flow is only comparable to a certain extent.

## CALCULATION OF FREE CASH FLOW

€ 000s	1/1 - 30/9/2009	1/1 - 30/9/2010
Cash flow from operating activities	46,246	22,448
Tax payments	-5,813	-2,692
<b>Cash flow from current business operations</b>	<b>40,433</b>	<b>19,756</b>
Cash outflow from investment activities (less financial investments)	-7,566	-6,571
<b>Free cash flow</b>	<b>32,867</b>	<b>13,185</b>

## RESEARCH AND DEVELOPMENT

## NEW SURFACE EXPERIENCES

Haptic and visual surface experiences increasingly influence the taste of consumers. The SBU Paper is taking this trend into account by offering new visual design options without having to compromise on the important utility characteristics such as resilience and resistance. Examples of this approach are sophisticated decorative prints with a mica effect and new surface designs with three-dimensional aesthetic where the colour and decorative range is constantly being expanded. The Corulan flooring foil has already been launched in the marketplace and the range is constantly being expanded with new variants. Outstanding resistances are necessary to take account of the hard wear experienced on flooring, and Corulan is now being used for components subject to hard wear in furniture construction.

The increasing demand for healthy, sustainable products and buildings across the world means that consumers, designers and specialist craftsmen in furniture construction and furniture businesses are looking for sector-wide standards for assessing sustainability. The Greenguard certification programmes offer the market solutions and resources for healthy products and provide manufacturers with credible means of legitimizing and promoting their sustainability initiatives. The high-quality thermoplastic edging products and global production processes used by the SBU Plastics have successfully complied with the strict requirements of the Greenguard Children & Schools certification programme. The world-renowned Greenguard Institute in Atlanta/USA is giving the global certification to the company. The certification reinforces Döllken's ecological positioning and will meet growing demands from customers for certified products.

The issue of digital printing has also come to the fore in the area of wall claddings and has now become one of the most important innovations in the sector. The long track record of experience with the manufacture of wall-cladding systems means that the SURTECO company Vinylit has already successfully produced the first prototypes. Using advanced production techniques and integrating digital printing procedures in the manufacturing process has allowed creative decorative designs, such as modern plaster or marble designs, to be applied over large surfaces to cladding panels. The flexible printing technology is focused on the property and architectural markets with the aim of offering individualized facades.

Functional cladding systems will assume increasing importance in the future. On the one hand, government legislation and statutory regulations

are providing for an increasingly high level of energy efficiency. On the other hand, developers want to build and renovate sustainably and as cost effectively as possible. Vinylit contributes to conserving sustainable resources by marketing innovative heat insulation compounds to provide backing for facades and additional heat-storage elements.

Vinylit is also transferring its wall-cladding know-how to applications in the areas of sound insulation and noise abatement. This means that cladding for noise abatement walls forms a new product segment for the portfolio.

### THE SURTECO SHARE

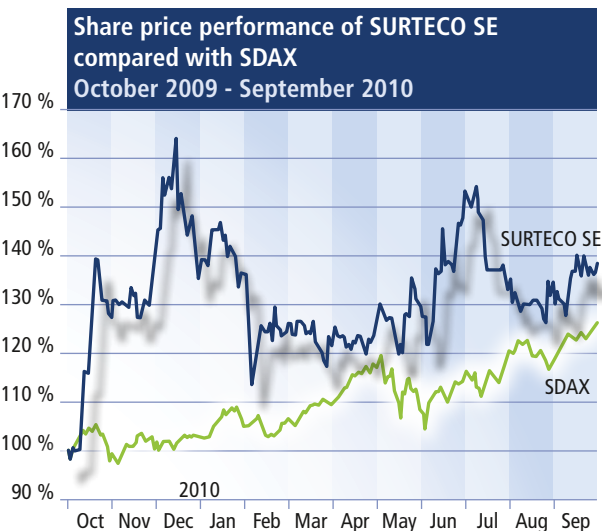
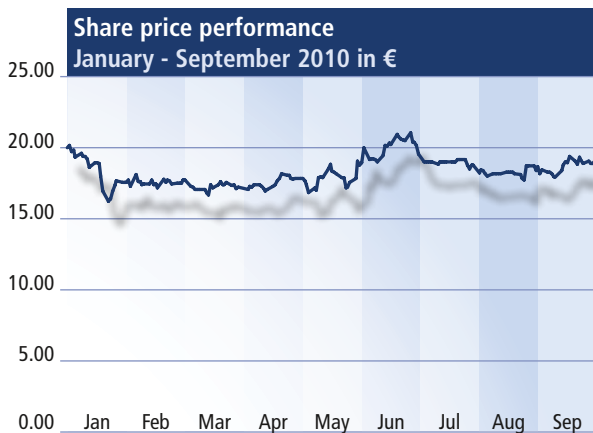
The progression of the SURTECO share reflects the high level of volatility in German equity markets, particularly for Small Cap securities. Rather a weak start to the first three months of the year contrasted with a significant rise during the second quarter in which shares increased by almost a quarter. However, the third quarter saw the share price running counter to the upward trend in the financial markets and the SDAX. SURTECO shares lost nearly 6 % of their value from the beginning of July to the end of September (closing price: € 19.00). During the same period, the index of small companies listed on the stock exchange rose by almost 12 %. The twelve-month perspective contrasts with this trend and SURTECO continued to show a very robust increase in value of 38 % (SDAX: plus 25 %). The market capitalization of SURTECO SE was € 210.4 million on 30 September 2010 based on an unchanged number of no-par-value shares at 11,075,522. The free float of the shares remains at 22.6 %. Nevertheless, the company

continued to only just fall short of the relevant criteria for inclusion in the SDAX. SURTECO currently ranks at 114 for market capitalization (related to free float) and at 122 for trading volume. SURTECO would need to rank among the top 110 for both criteria in order to achieve its medium-term aim of being included in the SDAX.

### January - September 2010

Number of shares	11,075,522
Free float in %	22.6
Price on 4/1/2010 in €	19.99
Price on 30/9/2010 in €	19.00
High in €	21.20
Low in €	15.65
Market capitalization at 30/9/2010 in € 000s	210,435





## OUTLOOK FOR THE BUSINESS YEAR 2010

We continue to maintain our sales forecast published after the first six months of 2010 projecting an increase of 10 percent by comparison with the business year 2009. However, the figures for the third quarter justify the assumption that this forecast could in fact be exceeded. Despite the significant upward trajectory of material costs, operating earnings (EBIT) are likely to rise disproportionately with sales.

SURTECO SE will continue its unremitting internal efforts to optimize costs in the company. These initiatives include in particular the rapid response to fluctuations in demand, measures to increase productivity, streamlining of processes and systems, and maintaining strict discipline for costs and investments.

REPORT FOR THE FIRST THREE QUARTERS 2010

## CONSOLIDATED INCOME STATEMENT

€ 000s	Q3		Q1-3	
	1/7/-30/9/ 2009*	1/7/-30/9/ 2010	1/1/-30/9/ 2009*	1/1/-30/9/ 2010
<b>Sales revenues</b>	<b>85,101</b>	<b>100,659</b>	<b>253,773</b>	<b>291,725</b>
Changes in inventories	-317	1,998	-3,482	7,998
Own work capitalized	216	144	660	558
<b>Total</b>	<b>85,000</b>	<b>102,801</b>	<b>250,951</b>	<b>300,281</b>
Cost of materials	-34,659	-45,798	-103,792	-132,164
Personnel expenses	-24,356	-24,901	-66,509	-74,751
Other operating expenses	-14,616	-16,165	-40,551	-46,931
Other operating income	782	977	3,000	2,499
<b>EBITDA</b>	<b>12,151</b>	<b>16,914</b>	<b>43,099</b>	<b>48,934</b>
Depreciation and amortization	-5,058	-5,657	-15,149	-15,750
<b>EBIT</b>	<b>7,093</b>	<b>11,257</b>	<b>27,950</b>	<b>33,184</b>
Financial result	-2,213	-2,909	-14,374	-6,736
<b>EBT</b>	<b>4,880</b>	<b>8,348</b>	<b>13,576</b>	<b>26,448</b>
Income tax	-1,265	-1,722	-5,881	-7,217
<b>Net income</b>	<b>3,615</b>	<b>6,626</b>	<b>7,695</b>	<b>19,231</b>
Group share (consolidated net profit)	3,615	6,666	7,695	19,400
Minority interests	0	-40	0	-169
Basic and diluted earnings per share in €	0.32	0.60	0.69	1.75
Number of shares	11,075,522	11,075,522	11,075,522	11,075,522

\* Adjusted on the basis of changes in disclosure for currency gains and losses  
(see Notes to the Consolidated Financial Statements)

## STATEMENT OF COMPREHENSIVE INCOME

Q1-3

€ 000s			1/1/-30/9/2009	1/1/-30/9/2010
Net income			7,695	19,231
Currency changes			3,512	8,783
Market value of available-for-sale securities			8,662	-3,606
Market value of cash flow hedges	-6,014	2,648	1,718	-1,888
Tax effect			2,001	-1,241
Other comprehensive income			8,161	5,654
<b>Total comprehensive income</b>			<b>15,856</b>	<b>24,885</b>
Group share			15,856	25,054
Minority interests			0	-169

## CONSOLIDATED BALANCE SHEET

€ 000s	31/12/2009	30/9/2010
<b>ASSETS</b>		
Cash and cash equivalents	84,846	64,853
Trade accounts receivable	35,022	38,342
Inventories	43,664	60,489
Current income tax assets	6,312	3,712
Other current assets	8,073	9,913
<b>Current assets</b>	<b>177,917</b>	<b>177,309</b>
Property, plant and equipment	167,223	163,370
Intangible assets	8,636	14,717
Goodwill	109,721	111,454
Investments in associated enterprises	1,614	1,649
Financial assets	10,074	6,493
Non-current tax assets	801	801
Other non-current assets	1,157	2,158
Deferred taxes	4,533	5,007
<b>Non-current assets</b>	<b>303,759</b>	<b>305,649</b>
	<b>481,676</b>	<b>482,958</b>

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## CONSOLIDATED BALANCE SHEET

€ 000s	31/12/2009	30/9/2010
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Short-term financial liabilities	26,228	15,327
Trade accounts payable	26,385	22,908
Income tax liabilities	3,771	4,300
Short-term provisions	3,376	1,770
Other current liabilities	14,338	24,263
<b>Current liabilities</b>	<b>74,098</b>	<b>68,568</b>
Long-term financial liabilities	181,444	171,417
Pensions and similar obligations	10,443	10,821
Other non-current financial liabilities	2,802	0
Deferred taxes	21,074	19,882
<b>Non-current liabilities</b>	<b>215,763</b>	<b>202,120</b>
Capital stock	11,076	11,076
Capital reserves	50,416	50,416
Retained earnings	120,704	131,167
Consolidated net profit	9,239	19,400
<b>Capital attributable to shareholders</b>	<b>191,435</b>	<b>212,059</b>
Minority interests	380	211
<b>Equity</b>	<b>191,815</b>	<b>212,270</b>
	<b>481,676</b>	<b>482,958</b>

## CONSOLIDATED CASH FLOW STATEMENT

€ 000s	Q1-3	
	1/1/-30/9/ 2009	1/1/-30/9/ 2010
<b>Earnings before income tax and minority interests</b>	<b>13,576</b>	<b>26,448</b>
Reconciliation to cash flow from current business operations	28,683	11,742
<b>Internal financing</b>	<b>42,259</b>	<b>38,190</b>
Change in assets and liabilities (net)	-1,826	-18,434
<b>Cash flow from current business operations</b>	<b>40,433</b>	<b>19,756</b>
Cash flow from investment activities	-7,568	-6,571
Cash flow from financial activities	-44,152	-34,434
<b>Change in cash and cash equivalents</b>	<b>-11,287</b>	<b>-21,249</b>
Cash and cash equivalents		
1 January	60,468	84,846
Effect on changes in exchange rate on cash and cash equivalents	0	1,256
<b>30 September</b>	<b>49,181</b>	<b>64,853</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ 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 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
Other changes	0	0	4,649	0	3,512	2,878	-2,878	0	8,161
<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>
<b>31 December 2009</b>	<b>11,076</b>	<b>50,416</b>	<b>6,975</b>	<b>201</b>	<b>-12,644</b>	<b>126,172</b>	<b>9,239</b>	<b>380</b>	<b>191,815</b>
Dividend payout	0	0	0	0	0	0	-4,430	0	-4,430
Net income	0	0	0	0	0	0	19,400	-169	19,231
Other changes	0	0	-2,405	0	8,059	4,809	-4,809	0	5,654
<b>30 September 2010</b>	<b>11,076</b>	<b>50,416</b>	<b>4,570</b>	<b>201</b>	<b>-4,585</b>	<b>130,981</b>	<b>19,400</b>	<b>211</b>	<b>212,270</b>

## SEGMENT REPORTING

## BY STRATEGIC BUSINESS UNITS

Sales revenues				
€ 000s	SBU Plastics	SBU Paper	Recon- ciliation	SURTECO Group
<b>1/1/-30/9/2010</b>				
External sales	171,903	119,822	0	291,725
Internal sales	487	840	-1,327	0
<b>Total sales</b>	<b>172,390</b>	<b>120,662</b>	<b>-1,327</b>	<b>291,725</b>
<b>1/1/-30/9/2009</b>				
External sales	158,410	95,363	0	253,773
Internal sales	275	790	-1,065	0
<b>Total sales</b>	<b>158,685</b>	<b>96,153</b>	<b>-1,065</b>	<b>253,773</b>

Segment earnings (EBT)		
€ 000s	1/1/-30/9/2009	1/1/-30/9/2010
SBU Plastics	17,909	18,192
SBU Paper	6,690	16,440
Reconciliation	-11,023	-8,184
	<b>13,576</b>	<b>26,448</b>



## SEGMENT REPORTING

## BY REGIONAL MARKETS

Sales revenues SURTECO Group		
€ 000s	1/1/-30/9/2009	1/1/-30/9/2010
Germany	93,103	96,893
Rest of Europe	103,952	126,067
America	31,904	35,938
Asia, Australia, Others	24,814	32,827
	<b>253,773</b>	<b>291,725</b>

Sales revenues Strategic Business Unit Plastics		
€ 000s	1/1/-30/9/2009	1/1/-30/9/2010
Germany	56,315	55,108
Rest of Europe	58,378	64,197
America	24,145	26,394
Asia, Australia, Others	19,572	26,204
	<b>158,410</b>	<b>171,903</b>

Sales revenues Strategic Business Unit Paper		
€ 000s	1/1/-30/9/2009	1/1/-30/9/2010
Germany	36,788	41,785
Rest of Europe	45,574	61,870
America	7,759	9,544
Asia, Australia, Others	5,242	6,623
	<b>95,363</b>	<b>119,822</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (ABBREVIATED)

### ACCOUNTING PRINCIPLES

The consolidated financial statements of SURTECO SE for the period 31 December 2009 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 2009 are applied in drawing up the interim financial report for the quarter ended 30 September 2010. If the standards adopted by the IASB had to be applied from 1 January 2010, 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 2009 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 material for the net assets, financial position and results of operations 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.

### DISCLOSURE CHANGES

In order to facilitate improved presentation of the operating performance of the SURTECO Group, the currency gains and losses on other operating income and other operating expenses (EBITDA net € 000s +2,291) were reclassified into the financial result (net € 000s -2,291) in the consolidated income statement for the first three quarters 2009, as in the annual financial statements for 2009. These changes in disclosure exert no effect on the balance sheet, consolidated earnings and the earnings per share.



## 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 (level of debt) in %	(Short-term + long-term debt - cash and cash equivalents)/Equity
Market capitalization in €	Number of shares x Closing price on the balance-sheet date
Net debt in €	(Short-term debt + long-term debt) - (Cash and cash equivalents)
Personnel expense ratio in %	Personnel expenses/Total output
Working capital in €	(Trade receivables + inventories) ./ Trade liabilities

## FINANCIAL CALENDAR

29 April 2011	Annual Report 2010
12 May 2011	Three-month report January - March 2011
17 June 2011	Annual General Meeting Sheraton Munich Arabellapark Hotel
20 June 2011	Dividend payout

# REPORT FOR THE FIRST THREE QUARTERS 2010

TICKER SYMBOL: SUR  
ISIN: DE0005176903

# Q3



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**SURTECO**  
SOCIETAS EUROPAEA

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