



Group Interim Report for the First Six Months of 2011

Raw material prices affect the results of the entire branch

Debt crisis dampens business's optimism

The Uzin Utz Group increases turnover in the first half-year –
rising raw material prices prevent corresponding growth in profits

Uzin Utz AG

The Uzin Utz Group is once again able to look back on an increase in turnover for the first half-year compared to the previous year. Although raw material price increases have had to be accepted during the past six months, and the Group's anniversary year involves additional special expenses, the operating result is still above the previous year's level.

» Despite the worsening debt crisis in many countries, it is pleasing to know that virtually all the companies in the group recorded increases in turnover. Even in the highly weakened US American market, turnover was increased yet again.

» Apart from consistent costs management, as well as our broad and attractive portfolio, our efforts to take up a pioneering role in the topic of sustainability have also played a large role in establishing our positive economic situation.

Interim situation report

General conditions

No sooner is the world economy on the road to recovery from the crisis, than the optimism was weighed down by reports of increasingly indebted states. Apart from Greece, where billions are being pumped in to try to rescue the country from bankruptcy, the largest economy in the world, the USA, is now also facing serious economic difficulties.

» Even in Germany, the main market of the Uzin Utz Group, the positive economic mood in the middle of the year has been dampened somewhat by such news; however, it continues to enjoy a very sound economic situation.

» According to the "Deutsche Bauindustrie" the main construction trade is beginning to pick up speed again. During the final months of the first half-year 2011, an increase in production and demand was recorded in all construction divisions. The house construction market in particular profited from stabilised income expectations as a result of the overall economic upturn. During the year, commercial and industrial construction has also managed to establish itself again and has positive prospects. Although the public works construction orders received in May 2011 have increased after a long time, this segment continues to be the biggest headache of the main construction industry.

First-time consolidation

Løkken AS, Skien, Norway has been included in the consolidated group for the first time.

» The sales contract for 80.4% of the shares was signed with effect from 01.01.2011. With the acquisition of this sales and distribution company, a platform has been created for further growth in Norway and Scandinavia, as we are able to utilise an existing sales network.

Income, asset and financial situation*

Income situation

The Uzin Utz Group also continued to be successful in the second quarter.

- » Turnover was increased to around € 98.1 million, after € 87.2 million in the same period in the previous year. This represents a rise of 12.6%.
- » Especially in Germany, the USA and Switzerland, we were able to achieve clear turnover growth and to increase our market shares.
- » On the German market a turnover of € 44.7 million was achieved after € 40.0 million in the comparable period last year.
- » Foreign sales rose from € 47.2 million to € 53.4 million and are hereby, with a proportion of 54.4% (54.1) of total sales.
- » The Group stuck to its long-term strategy of not increasing market share at any price, but growing only on a profitable level.
- » Percentage materials usage within the Group rose from 42.0 to 43.7%. This is mainly due to the rise in raw material prices. In absolute terms, material costs rose from € 37.1 million to € 43.3 million.
- » Other operating expenses rose from € 19.4 million in the previous year's period to € 22.4 million in the first half of this year.
- » The average number of employees rose compared to the previous year, from 875 to 900. 16 of the employees are from the new consolidated company. 35 young people are being trained. On average, 390 employees (366) work abroad, 510 (509) in Germany.
- » Percentage personnel costs fell from 26.8 to 25.6%. In absolute terms, personnel costs rose from € 23.4 million to € 25.1 million.
- » Profit before depreciation, interest and tax was increased from € 9.4 million to € 9.5 million.
- » Pre-tax profit rose to € 5.5 million after € 5.3 million in the previous year.
- » The net income is € 3.7 million (3.5).

* All previous year's figures in brackets. For purposes of better comparability, all previous year comparisons refer to the balance sheet as at 30.06.2010.

Asset situation

The balance sheet total increased from € 166.7 million by € 13.3 million, amounting to € 180.0 million.

- » The share of group capital assets declined from 56.0% to 54.2%. The remaining assets therefore make up 45.8% of the balance sheet total.
- » Receivables from customers increased from € 32.0 million to € 34.7 million.
- » Stocks on hand increased from € 23.9 million to € 29.2 million.
- » Except for the investment properties, the complete assets continue to represent operationally necessary values.
- » The liquid assets increased from € 12.0 million to € 12.8 million.

Financial situation

The equity capital rose from € 68.9 million to € 77.3 million, therefore making up 42.9% of the balance sheet total (41.3).

- » Short-term liabilities to banks decreased by € 0.5 million to € 31.4 million (31.9).
- » The share of short-term liabilities in the balance sheet total fell from 33.9% to 30.2%.
- » Trade payables increased from € 8.1 million to € 8.6 million.
- » The provisions for pensions and similar obligations of 2.4 million are at the previous year level (2.4).
- » The provisions formed for income taxes have been disclosed as income tax liabilities since the annual financial statements for 2010. This results in a change of 453 TEUR (1,044). The previous year's values were adjusted in accordance with IAS 8.
- » The total current provisions fell by 2.1 million to 10.2 million.

Outlook

Business developed successfully during the first half-year 2011; our products enjoyed large demand. However, a worsening of the debt crisis in Europe and the USA could slow down economic growth. Rising raw material costs could also have a negative effect on our margins and dampen demand.

» Therefore, we await less growth for the second half-year 2011 and expect demand from the industries that buy our products to stabilise at this high level. We are aiming to achieve the peak values of 2010 for turnover and operating profit. However, the current economic situation holds challenges for all, so that we are unable to guarantee that we will be able to achieve this ambitious target.

» By consistently implementing our strategy and further improvement in our operative uniqueness, we continue to concentrate our efforts on portfolio improvements, restructuring and increased efficiency as well as product innovations and the development of our business in growth markets. We therefore continue to strengthen our research and development.

Group Income Statement *

Group Income Statement	June 30, 2011	June 30, 2010
Sales revenues	98,146	87,167
Changes in inventory of finished and unfinished goods	847	1,096
Total output	98,993	88,263
Other operating income	1,267	1,061
Costs of material	43,271	37,077
Personnel expenses	25,125	23,379
Depreciation/amortisation on tangible and intangible assets	2,947	2,757
Other operating expenses	22,378	19,423
Operating income	6,539	6,688
Revenues from investments in associates (equity method)	23	33
Financial result	-1,103	-1,401
Result from ordinary activities	5,459	5,321
Taxes on income	1,379	1,490
Other taxes	315	345
Net income for the year	3,766	3,487
Minority interests in profit	-16	-27
Consolidated net income for the year	3,750	3,460
	June 30, 2011	June 30, 2010
Earnings per share (in EUR)	0.88	0.81
Average number of employees (incl. trainees)	900	875

* in TEUR, according to IFRS, unaudited

Balance Sheet Of Uzin Utz Group *

Assets	June 30, 2011	Dec 31, 2010	June 30, 2010
Intangible assets	32,252	31,932	31,899
Tangible assets	61,158	59,410	56,833
Non- current financial assets	1,157	1,142	902
Investment Properties	3,047	2,970	3,720
income tax receivables	651	651	788
Deferred tax assets	1,863	1,711	1,684
Other non-current assets	56	45	17
Non- current assets	100,183	97,860	95,842
Inventories	29,188	25,331	23,880
Trade receivables	34,721	25,736	32,033
income tax receivables	346	355	300
Other current assets	2,778	3,537	2,651
Cash and Cash equivalents	12,770	14,457	12,001
Current assets	79,804	69,417	70,866
Balance sheet total	179,987	167,277	166,708
Liabilities			
Subscribed capital	12,805	12,805	12,805
Capital reserve	13,678	13,624	13,624
Revenue reserve	50,913	51,112	42,912
Minority interests	-52	-164	-174
Own shares	-89	-235	-235
Total equity	77,255	77,142	68,931
Provisions for pensions and other similar obligations	2,435	2,383	2,366
Due to credit institutions long-term	36,106	34,992	29,735
Deferred tax liabilities	9,442	9,126	8,811
other non-current liabilities	353	419	402
Non-current liabilities	48,337	46,920	41,314
Reserves	10,160	6,730	12,301
Due to credit institutions short-term	31,381	22,601	31,905
advances received	1	11	8
Trade payables	8,565	7,627	8,130
income tax liabilities	593	1,243	1,080
Other short-term liabilities	3,696	5,003	3,041
Current liabilities	54,395	43,215	56,463
Balance sheet total	179,987	167,277	166,708

* in TEUR, according to IFRS, unaudited

Consolidated cash flow statement *

Consolidated cash flow statement	June 30, 2011	June 30, 2010
Net profit for the year	3,766	3,487
+/- Depreciation and amortisation of fixed assets	2,947	2,757
+/- Change in provisions	2,835	5,742
+/- Other non-cash expense and income items	-128	0
-/+ Gain/loss on disposal of non-current assets	-18	-15
+/- Change in current assets (inventories, receivables)	-10,516	-12,535
+/- Change in liabilities	-1,189	1,438
Cashflow from operating activities	-2,303	874
+/- Proceeds from disposal of tangible assets/ Investments in tangible assets	-4,329	-3,970
+/- Proceeds from disposal of intangible assets/ Investments in intangible assets	574	662
+/- Proceeds from disposal of financial assets/ Investments in financial assets	-8	-95
+/- Sale of consolidated companies/ change from acquisition	-941	0
Cashflow from investing activities	-4,705	-3,403
- Payments to shareholders and minorities	-4,263	-2,637
+/- Proceeds to the issue of bonds/ Repayment of bonds	1,000	3,321
Cashflow from financing activities	-3,263	684
+/- Payment-related change in cash and cash equivalents	-10,271	-1,845
+/- Exchange-rate-related and other changes in cash and cash equivalents	54	-729
+ Cash and cash equivalents at beginning of the period	4,794	303
Cash and cash equivalents at the end of the period	-5,423	-2,271
Cash and cash equivalents		
Cash and cash equivalents	12,770	12,001
short-term liabilities due to credit institutions	-18,193	-14,272
Cash and cash equivalents	-5,423	-2,271

Statement of changes in equity *

Statement of changes in equity	Subscribed capital	Capital reserve	Retained earnings	
			Group net income	Translation differences
Balance as of January 01, 2010	12,805	13,624	47,180	-343
Exchange rate-related differences	0	0	0	667
Other changes	0	0	-153	0
Net income directly recognized in equity	0	0	-153	667
Net profit of the year	0	0	3,460	0
Total recognized income and expenses	0	0	3,307	667
Own shares	0	0	0	0
Dividends paid	0	0	-2,637	0
Balance as of June 30, 2010	12,805	13,624	47,850	324
Balance as of January 01, 2011	12,805	13,624	53,218	2,122
Exchange rate-related differences	0	0	-38	280
Market valuations for cash flow hedges	0	0	0	0
Other changes	0	0	-20	0
Net income directly recognized in equity	0	0	-58	280
Net profit of the year	0	0	3,750	0
Total recognized income and expenses	0	0	-3,692	280
Own shares	0	54	0	0
Dividends paid	0	0	-4,263	0
Changes in basis of consolidation	0	0	0	0
Balance as of June 30, 2011	12,805	13,678	52,648	2,402

* in TEUR, according to IFRS, unaudited

Reserve on own shares	Other transactions	Sum	Minority interests	Total Equity
-235	-4,282	68,749	-164	68,586
0	0	667	-14	653
0	0	-153	-23	-176
0	0	514	-37	477
0	0	3,460	27	3,487
0	0	3,974	-11	3,963
0	0	0	0	0
0	0	-2,637	0	-2,637
-235	-4,282	70,068	-174	69,912
-235	-4,229	77,306	-164	77,142
0	0	242	15	257
0	92	92	0	92
0	0	-20	-25	-45
0	92	314	-10	304
0	0	3,750	16	3,766
0	92	4,063	6	4,069
146	0	200	0	200
0	0	-4,263	0	-4,263
0	0	0	106	106
-89	-4,137	77,307	-52	77,255

Segment Reporting *

Segment Reporting	Germany				Western Europe	
	Installation systems		Surface care and enhancement			
	2011	2010	2011	2010	2011	2010
External sales	44,000	40,302	7,341	7,241	17,946	16,634
Intercompany sales	13,459	11,859	2,600	2,163	5,704	4,574
Total sales	57,459	52,161	9,941	9,404	23,650	21,208
Segment Profit (EBIT)	2,015	2,661	515	786	2,164	1,997

Reconciliation *

Reconciliation of the total segments' profit to profit before taxes is as follows:

Reconciliation of the total segments profit	June 30, 2011	June 30, 2010
Total segments profit	6,764	6,970
Total segments profit, non operating segments	0	-1
Eliminations	-225	-282
Group-EBIT	6,539	6,687
Equity method results	23	33
Interest and similar income	68	41
Interest and similar expenses	1,171	1,442
Group-EBT	5,459	5,321

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South-/Eastern Europe		all other segments		Reconciliation		Total group	
2011	2010	2011	2010	2011	2010	2011	2010
5,677	5,476	23,182	17,513	0	0	98,146	87,167
430	466	872	1,267	-23,065	-20,328	0	0
6,107	5,942	24,054	18,781	-23,065	-20,328	98,146	87,167
471	311	1,599	1,215	-225	-283	6,539	6,687

Notes to the Six-Monthly Statement

Financial reporting and valuation methods

This interim financial statement was prepared in accordance with the IAS 34 »Interim Financial Reporting« regulations. The interim financial statement as per June 30, 2011 and the comparative figures from the previous year were prepared by way of applying the financial reporting and valuation methods of the Group financial statement for 2010. A description of these principals is published in detail in the notes to the Group financial statement for 2010. They are also available on the internet at www.uzin-utz.com in the field Investor Relations/ Financial Reports.

- » The Group interim financial statements are not subject to any kind of review by auditors.
- » The preparation of the interim report in thousands of euros may, due to additions, give rise to rounding differences because the calculations for individual items are based on figures in euros.
- » Due to seasonal effects, greater fluctuations may occur in individual balance sheet items when making comparisons between the half-year and the full business year.

Consolidation group

As of 01.01.2011, the Norwegian sales and distribution company, Løkken AS, based in Skien, was acquired. Uzin Utz AG holds 80.4% of the Løkken AS shares. The company will be included in the consolidated group for the first time on 01.01.2011.

- » The acquisition was completed with an agreed transfer of 9,617 own shares, with a total value of 200 TEUR. The total purchase price, including incidental costs, was approx. 940 TEUR.
- » The purchase price allocation has been made with inconclusive knowledge as, among other things, valuations are still outstanding and therefore the figure has a preliminary character in accordance with IAS 3.62 ff. Accordingly, the assumed current market values of the purchase price allocation can be adjusted within a year of the takeover date.

- » The net turnover of Løkken AS in the first half-year of the current business year was 23.1 million NOK, which corresponds to approx. 3,0 million euro.
- » These changes are not significant for our assets, liabilities, financial position and profit and loss.

Cash flow statement

The cash flow statement was prepared in accordance with IAS 7 by way of application of the indirect method for the cash flow from operating activities on the basis of the net profit. The cash flow statement is divided into three areas: operating, investing and financing activities.

Segment reporting

The segment reporting is in accordance with the IFRS 8 Operating Segments.

- » The segments are shown according to their internal organisation and reporting structure and the legal units, although these were summarised taking into account regional areas of responsibility.
- » The segment result is shown as the result before taxes and interest.

Appropriation of profits

The proposal to distribute part of the 2010 balance sheet total in the sum of 13,564 TEUR was approved at the Annual General Meeting held on May 17, 2011. This distribution corresponds to a dividend of 0.80 EUR plus an extra distribution of 0.20 EUR per individual share certificate (in total 4,263 TEUR) on the share capital of 12,805 TEUR.

Earnings per share

Earnings per share have been determined on the basis of the Group result after taxes and the weighted average number of shares issued. The undiluted result per share is identical to the diluted result per share.

Contingent liabilities and other financial obligations

Compared with December 31, 2010, the other financial obligations have largely remained unchanged.

Related party relationships

There were no significant changes compared with December 31, 2010.

Significant events after the end of the first half-year:

In July 2011, Uzin Utz AG issued 776,048 new voting shares. This increased the share capital, previously € 12,804,813 divided into 4,268,271 individual share certificates, to € 15,132,957. The price per share was 20 euro. All shareholders of Uzin Utz AG were entitled to subscribe to the shares. The increase in share capital will mainly be used for international expansion, with focus on the US-American and Brazilian markets.

» The two subsidiaries JP Coatings GmbH and RZ Chemie Reinigungs- und Pflegesysteme GmbH were merged with the notarised agreement of 26.08.2011.

» The purpose of the merger is to use development and production synergies and to create an economically useful structure within the Group. The renamed JP Coatings GmbH based in Würzburg will be entered in the companies register in the next few weeks.

Assurance by the statutory representatives

To the best of our knowledge, we hereby assure that the accounting principles that apply to the interim reporting of the Group interim financial statement give a true and fair view of the Group's net assets, financial position, results of operations and cash flows, and in the Group interim report the business development is stated such that it reflects the actual circumstances and the key opportunities and risks of the Group's likely development in the remaining financial year.

Disclaimer

This report contains forward-looking statements that reflect management's current views with respect to future events. Such statements are subject to risks and uncertainties that are beyond Uzin Utz AG's ability to control or estimate precisely. Actual results may be materially different from those expressed or implied by these statements. Uzin Utz AG does not intend or assume any obligation to update any forward-looking statements to reflect events or circumstances after the date of these materials.

Ulm, August 2011
Uzin Utz Aktiengesellschaft

Board of Directors



Dr. H. Werner Utz



Thomas Müllerschön

Frankness is our command:
You are invited for the dialogue.

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