Q2 11

SEMI-ANNUAL FINANCIAL REPORT
SECOND QUARTER 2011

D.Logistics is now Deufol.
We are thus sharpening our brand profile as a specialist for packaging and related services.

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DEUFOL

Key Figures for the Deufol Group

figures in € thousand	Q2 2011	Q2 2010	6M 2011	6M 2010
Results of operations				
Revenue (total)	77,349	75,516	153,099	146,320
Germany	43,303	40,386	85,846	78,649
Rest of the World	34,046	35,130	67,253	67,671
International revenue ratio (%)	44.02	46.52	43.93	46.25
EBITDA	5,304	5,197	9,276	9,549
EBIT	2,970	2,966	4,641	5,147
EBT	2,012	1,809	2,743	2,971
Income tax income (expenses)	(952)	(761)	(1,452)	(1,169)
Income for the period	1,060	1,048	1,218	1,802
of which attributable to minority interests	166	109	273	236
of which attributable to the shareholders of the parent company	894	939	1,021	1,566
Earnings per share (€)	0.020	0.021	0.023	0.036
Balance sheet				
Noncurrent assets	147,247	153,051	147,247	153,051
Current assets	78,495	84,801	78,495	84,801
Balance sheet total	225,742	237,852	225,742	237,852
Equity	98,011	98,691	98,011	98,691
Liabilities	127,731	139,161	127,731	139,161
Equity ratio (%)	43.42	41.49	43.42	41.49
Net financial liabilities	51,616	43,620	51,616	43,620
Cash flow/investments				
Net cash provided by (used in) operating activities	1,911	6,500	4,373	7,845
Cash flow from investing activities	731	(448)	402	(327)
Cash flow from financing activities	(3,884)	(4,525)	(7,314)	(4,569)
Investments in property, plant and equipment	1,409	996	2,900	2,019
Employees				
Employees (as of June 30)	2,789	2,724	2,789	2,724

Table of Contents

002
Second Quarter 2011

003
Management Report

003 Economic Outline Conditions
004 Results of Operations, Financial and Asset Position
008 Outlook

010
Consolidated Interim Financial Statements

010 Consolidated Income Statement
010 Consolidated Statement of Comprehensive Income
011 Consolidated Balance Sheet
012 Consolidated Cash Flow Statement
013 Consolidated Statement of Changes in Equity

014
Notes to the Consolidated Interim Financial Statements

U03
Additional Information

U03 Financial Calendar/Key to Symbols
U03 Contact/Imprint

Deufol in the Second Quarter of 2011: Solid Second Quarter

Solid Second Quarter

Total sales in the first six months of 2011 were at € 153.1 million 4.6 % higher than in the same period in the previous year. In Germany, sales rose to € 85.7 million, an increase of 9.2 % on the same quarter in the previous year, and in the rest of Europe they increased to € 43.2 million (+6.2 %). In the USA, at € 24.1 million, sales were 10.9 % lower than in the previous year. Sales in the second quarter of 2011 totaled € 77.4 million (previous year: € 75.5 million).

Although, at € 4.64 million, the operating result (EBITA) in the first six months of 2011 was 9.8 % below the previous year's period (€ 5.15 million), the second quarter was substantially stronger and more solid. With a slight 0.1 % increase to € 2.97 million, the operating result in the second quarter is well within the range of the previous year's figure. All in all, several factors affected the result in the first half of the year. The increased contribution to earnings made by the European companies, especially in Belgium and Italy, had a positive effect. In annual comparison in contrast, the increase in commodity prices (wood) and materials prices drove up expenses by over € 1.0 million in Germany. However, the relaxation in the prices of several types of wood in the second quarter and the successive incorporation of higher commodity prices in our customer relationships give cause for optimism. Lower volumes at two German packaging sites also placed a strain on the result. Measures to raise efficiency were implemented and renegotiations of customer contracts initiated to counter this problem.

Dr. Tillmann Blaschke Appointed New Member of the Executive Board

On June 24, 2011, the Supervisory Board appointed Dr. Tillmann Blaschke as a new member of the Executive Board with effect from July 1, 2011. In the last three years, the Doctor of Economics had filled the position of commercial director at the IT service provider PC-Ware Information Technologies AG, Leipzig. At Deufol, Dr. Blaschke is responsible for the capital market, human resources, IT and real estate.

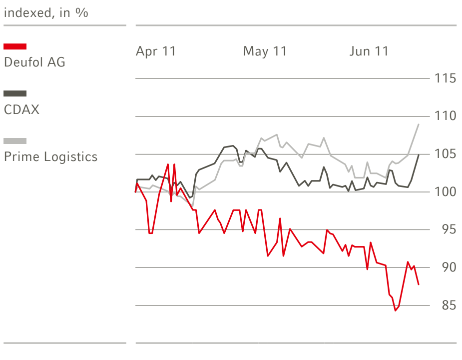
Outlook – Planning Confirmed

Deufol AG confirms its planning figures published for fiscal year 2011 in its annual financial report. These envisage sales in a corridor between € 310 million and € 325 million and an operating result (EBITA) of between € 12 million and € 14 million.

Rising Stock Markets in the Second Quarter

In a market environment for shares whose overall trajectory was on balance upward, the Deufol share achieved a disproportionately weak performance. In the second quarter, the share moved in a corridor between € 1.36 and € 1.73. It reached its highest closing price at € 1.71 on April 11, and marked its lowest at € 1.38 on June 23. Subsequently, the Deufol share recovered slightly and closed the second quarter at a price of € 1.44. Relative to the end of the first quarter of 2011, this corresponds to a decline of 12.7 %. Ex-dividend (€ 0.03), the decline amounted to 10.9 %. The sector index of logistics stocks quoted in the Prime Standard (DAX-subsector Logistics) rose by 9.3 % in the second quarter, and the multiple-sector CDAX – on which Deufol is listed – gained 4.6 %.

The D.Logistics share in the second quarter



Economic Outline Conditions

Recovery of the Global Economy Continues

According to the summer forecast of the Kiel Institute for the World Economy (Institut für Weltwirtschaft, IfW), the upturn of the global economy continued in the first months of the current financial year. At a current annual rate of approx. 4 %, the global gross domestic product grew slightly slower in the first quarter of 2011 than in the previous quarter. Driven by the expansion of trade in the developing and emerging markets, global trade grew at a lively pace. The Kiel Institute's global economic activity indicator, which is based on sentiment indicators for 41 countries, rose significantly in the first months of the year. Just recently, however, it went down again.

All in all, the Kiel Institute reports that the latest indicators are pointing towards a slower pace in global economic growth. This is only partially due to the effects of the earthquake disaster in Japan. While the impact on Japan is serious, output and demand remain relatively unaffected in the rest of the world. A more moderate expansion of global industrial output was already on the horizon in the months before, with declining dynamics beginning to show especially in the emerging markets in Asia.

Economic Picture in the Eurozone Remains Heterogeneous

According to the Kiel Institute, the economic recovery in the Eurozone picked up speed at the beginning of the new year. At a current annual rate of 3.3 %, real gross domestic product rose from 1.2 % in the fourth quarter of 2010. However, as in the European Union as a whole, the overall economic picture remained decidedly heterogeneous. Output grew particularly fast in Germany and also expanded substantially in France, the Netherlands and Slovakia. In contrast, gross domestic product almost stagnated in Italy and Spain. GDP in Portugal continued to decline. Although overall economic activity increased significantly in Greece, the increase, which must be seen in the context of the previous quarter's economic landslide, does not indicate that the economic decline has bottomed out.

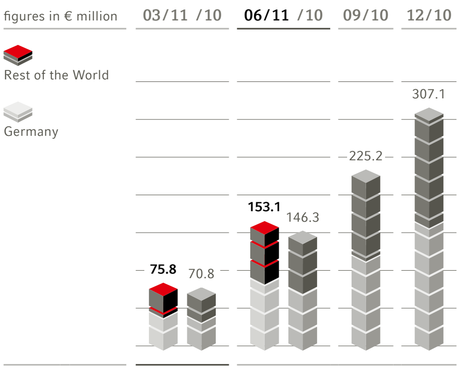
German Economy Booms

According to the Kiel Institute, the upturn in the German economy remains strong in the new year. Putting in another burst of speed in the first quarter, the economy drove the gross domestic product up to levels last recorded before the crisis broke out in early 2008. Survey results suggest that capacity utilization in the overall economy has returned to normal. It is true that various sentiment indicators both in Germany and abroad have peaked in the past few months. Nevertheless, their high level indicates that the economic expansion will remain robust for the foreseeable future.

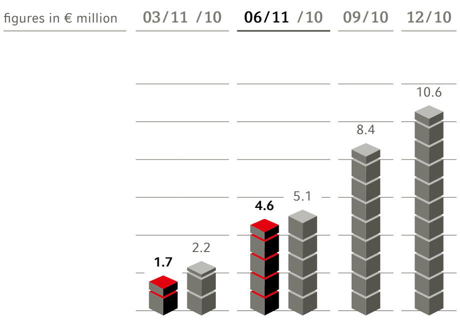
In the first quarter of 2011, gross domestic product increased by a current annual rate of 6.1 %, following 1.5 % in the previous quarter. Both domestic demand and the current account balance rose substantially. The investment trend remained particularly dynamic. Plant and equipment investments grew at a two-digit rate for the fifth consecutive quarter.

Results of Operations, Financial and Asset Position

Sales



EBITA



Positive Sales Trend

Total sales in the second quarter of 2011 were at € 77.4 million 2.4 % above the same period in the previous year. Adjusted for changes due to acquisitions, this means organic growth of 0.8 %. In Germany, sales rose to € 43.2 million, an increase of 7.2 % on the same quarter in the previous year, and in the rest of Europe they increased to € 21.9 million (+8.1 %). In the USA, at € 12.1 million, sales were 18.4 % lower than in the previous year.

Total sales in the first six months of 2011 were at € 153.1 million 4.6 % higher than in the same period in the previous year. Adjusted for acquisitions, this means organic growth of 3.7 %. If one also takes into consideration the US dollar's depreciation against the euro of 5.6 % on average, the increase amounts to 4.6 %. With a 56.0 % share of Group sales, the proportion accounted for by Germany increased by 2.3 percentage points on the previous year. The share of sales realized elsewhere in Europe increased slightly, from 27.8 % to 28.2 %, and the USA's share of sales fell by 2.7 percentage points to 15.7 %.

Quarterly Result Slightly Higher than Previous Year

At € 5.31 million, earnings before interest, taxes, depreciation and amortization (EBITDA) were 2.1 % higher than in the same quarter in the previous year. The EBITDA margin remained at 6.9 %. Depreciation of tangible assets and amortization of other intangible assets increased from € 2.23 million to € 2.33 million.

At € 2.973 million, the operating result (EBITA) in the second quarter was slightly higher than in the same period in the previous year (€ 2.966 million). The individual segments performed as follows: In Germany, we recorded an EBITA decrease of 45.6 % to € 1.31 million. In the rest of Europe, EBITA increased by 123.3 % to € 2.32 million. The USA/Rest of the World segment realized an operating result of € 0.17 million (previous year: € 0.15 million). The EBITA loss of Deufol AG (Holding) was € 0.77 million (previous year: € 0.65 million).

At € 4.64 million, EBITA in the first six months of 2011 were 9.8 % below the level for the same period in the previous year (€ 5.15 million). All in all, several factors affected the result in the first half of the year. The increased contribution to earnings made by the European companies, especially in Belgium and Italy, had a positive effect. In annual comparison in contrast, the increase in commodity prices (wood) and materials prices drove up expenses by over € 1.0 million in Germany. However, the relaxation in the prices of several types of wood in the second quarter and the successive incorporation of higher commodity prices in our customer relationships give cause for optimism. Lower volumes at two German packaging sites also placed a strain on the result. Measures to raise efficiency were implemented and renegotiations of customer contracts initiated to counter this problem.

Financial results increased on the same six-month period in the previous year from –€ 2.18 million to –€ 1.90 million. This is primarily due to lower finance costs which had declined by € 0.26 million.

Earnings before taxes (EBT) as per June 30 amounted to € 2.74 million (previous year: € 2.97 million). After income tax expenses (€ 1.45 million), the result is € 1.29 million, compared to € 1.80 million in the first six months of 2010.

After deduction of the profit shares of noncontrolling interests (€ 0.27 million), there is a net profit of € 1.02 million (previous year: € 1.57 million) attributable to the shareholders of Deufol AG. Earnings per share in the first six months were € 0.023 (previous year: € 0.036).

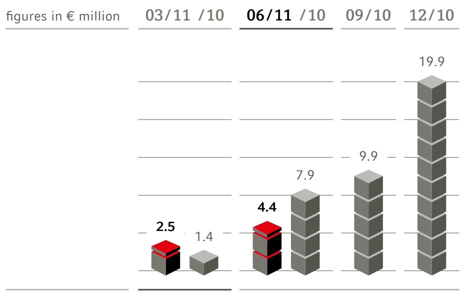
Net Cash and Investments

The cash flow provided from operating activities in the first six months of the current fiscal year amounted to € 4.38 million (previous year: € 7.85 million). This decline is predominantly due to the cut-off date-related € 2.33 million increase in trade receivables. In the previous year's period, the trade receivables had declined by € 3.78 million while raising the cash flow figure.

The net cash provided by investing activities was positive at € 0.42 million (previous year: –€ 0.33 million). The outflows of funds result from the payments made for acquisitions of assets (–€ 2.81 million) and the purchase of subsidiaries (–€ 0.15 million). Inflows of funds resulted from the disposal of assets (+€ 1.48 million), the decrease in financial receivables (+€ 1.21 million) and interest received (+€ 0.68 million).

The net cash used in financing activities was negative at –€ 7.32 million (previous year: –€ 4.57 million). The outflows resulted from the decrease in amounts owed to banks (–€ 1.54 million), interest paid (–€ 3.01 million), the repayment of other financial liabilities (–€ 1.29 million) and dividends paid (–€ 1.48 million). Cash decreased in relation to the end of the year by € 2.43 million to € 14.39 million.

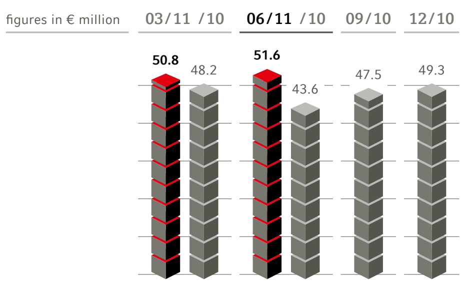
Net cash provided by operating activities



Slight Decrease in Financial Indebtedness

The financial indebtedness of the Deufol Group decreased in the first six months of the fiscal year by € 1.3 million to € 76.9 million. As cash and financial receivables simultaneously decreased (–€ 3.6 million), the net financial liabilities rose by € 2.3 million, from € 49.3 million at the end of the year to € 51.6 million.

Net financial liabilities

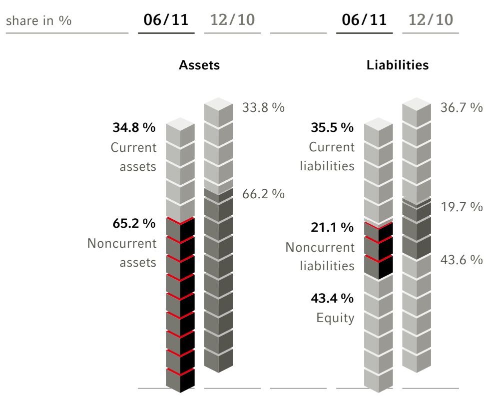


Slight Decline in Balance Sheet Total

The balance sheet total as of June 30, 2011 is at € 225.7 million 0.5 % below the level for the end of the previous year (€ 226.9 million). For the noncurrent assets, the largest changes were in property, plant and equipment (–€ 3.1 million to € 48.3 million) and financial receivables (–0.9 to € 8.9 million). Goodwill increased slightly due to the first-time consolidation of Deufol Austria GmbH (+0.6 to € 68.6 million) and the financial assets recognized at equity (+0.3 to € 3.0 million). The other noncurrent assets realized only marginal changes. Of the current assets, trade accounts receivable (+2.7 to € 40.5 million) and the "Other receivables and other assets" item (+1.3 to € 7.3 million) recorded the largest increases. Cash (–2.4 to € 14.4 million) and financial receivables (–0.3 to € 2.0 million) decreased.

On the liabilities side, equity (including noncontrolling interests) in the first six months of 2011 fell on balance by € 1.0 million to € 98.0 million. This decline was due to the distribution (–€ 1.3 million) and the other comprehensive income (–€ 0.8 million), while the profit for the period (+1.0 million) had a positive effect. Noncontrolling interests rose slightly (+0.1 to € 1.3 million). With a slightly lower balance sheet total, the equity ratio decreased from 43.6 % to 43.4 %. The liabilities decreased on balance by € 0.2 million to € 127.7 million.

Balance sheet structure



Employees

Deufol Group	06/2011	12/2010
Germany	1,611	1,628
Share (%)	57.8	58.5
Rest of Europe	704	676
Share (%)	25.2	24.3
USA/Rest of the World	464	469
Share (%)	16.6	16.9
Holding company	10	9
Share (%)	0.4	0.3
Total	2,789	2,782

Employees

Slight Increase in Staff Numbers in the Fiscal Year

On June 30, 2011, the Deufol Group had 2,789 employees worldwide. This is 7 employees or 0.3 % more than at the end of last year. A slight decline in staff numbers occurred in Germany (–17 employees). In the rest of Europe, the Group gained 28 employees, 16 of whom were provided through the first-time consolidation of Deufol Austria GmbH. The Group's workforce in the USA decreased (–5 employees).

Development in the Segments

Deufol AG revised its segment reporting at the start of 2011. The primary reporting format is now based on geographical regions and consists of the segments "Germany", "Rest of Europe" and "USA/Rest of the World".

Germany

figures in € thousand	Q2 2011	Q2 2010	6M 2011	6M 2010
Sales	49,650	45,723	99,175	89,540
Consolidated sales	43,226	40,313	85,700	78,503
EBITA	1,307	2,401	2,670	4,468
EBITA margin (%)	3.0	6.0	3.1	5.7
EBTA	973	2,124	2,074	3,952

At € 43.2 million, consolidated sales in Germany in the second quarter of 2011 exceeded the sales for the same quarter in the previous year by 7.2 %. For the first six months, at € 85.7 million, sales were higher than in the previous year (+9.2 %). This segment is therefore now contributing 56.0 % to Group sales (compared to 53.7 % in the first half of 2010).

The operating result (EBITA) decreased in the second quarter in annual terms by 45.6 % from € 2.40 million to € 1.31 million. The cumulative EBITA in the first six months of the fiscal year amounted to € 2.67 million and were 40.2 % below the same period in the previous year.

Several factors placed a strain on the result in the first half of the year. In annual comparison, the increase in commodity prices (wood) and materials prices drove up expenses by over € 1.0 million. However, the relaxation in the prices of several types of wood in the second quarter and the successive incorporation of higher commodity prices in our customer relationships give cause for optimism. Lower volumes at two German packaging sites also placed a strain on the result. Measures to raise efficiency were implemented and renegotiations of customer contracts initiated to counter this problem.

Rest of Europe

figures in € thousand	Q2 2011	Q2 2010	6M 2011	6M 2010
Sales	23,853	21,762	47,121	43,754
Consolidated sales	21,899	20,253	43,157	40,632
EBITA	2,321	1,039	3,583	1,942
EBITA margin (%)	10.6	5.1	8.3	4.8
EBTA	2,339	989	3,605	1,884

In the rest of Europe, at € 21.9 million, consolidated sales were 8.1 % higher than in the same quarter in the previous year. For the first six months, at € 43.2 million, sales were higher than in the previous year (+6.2 %). This segment is therefore contributing 28.2 % to Group sales (compared to 28.7 % in the first half of 2010). Adjusted for the acquisition of Deufol Austria GmbH (previously Richard Wolfsberger GmbH) sales were 2.9 % higher than in the previous year.

The operating result (EBITA) in the second quarter increased by 123.3 % from € 1.04 million to € 2.32 million. The cumulative EBITA in the first six months of the fiscal year amounted to € 3.58 million and were 84.5 % higher than in the same period in the previous year. This increase is primarily due to improved results in Belgium: Solid operating activities, which also benefited from the release of liabilities to employees, made a strong contribution there. In Italy, results also went up despite the € 0.3 million start-up losses associated with the new Roverbella site.

USA / Rest of the World

figures in € thousand	Q2 2011	Q2 2010	6M 2011	6M 2010
Sales	12,147	14,877	24,096	27,039
Consolidated sales	12,147	14,877	24,096	27,039
EBITA	174	146	(251)	(88)
EBITA margin (%)	1.4	1.0	(1.0)	(0.3)
EBTA	(492)	(610)	(1,572)	(1,580)

In the USA / Rest of the World segment, consolidated sales in the second quarter were at € 12.1 million 18.4 % lower than in the previous year. For the first six months, at € 24.1 million, sales were below the previous year (–10.9 %). On the one hand, this is due to lower volumes in the battery packaging area. On the other hand, it was decided to discontinue the cardboard business in the second quarter due to a lack of profits. This segment is therefore contributing 15.8 % to Group sales (compared to 18.5 % in the first half of 2010). If one takes into consideration the US dollar's depreciation against the euro of 5.6 % on average, the decrease amounts to 5.9 %.

EBITA in the second quarter amounted to € 0.17 million following € 0.15 million in the previous year. This shows that we are now much better positioned in the USA and that the decline in sales had no negative effect on the result. The cumulative EBITA in the first six months amounted to –€ 0.25 million (previous year: –€ 0.09 million). This year saw the first-time consolidation of Deufol Packaging Service (Suzhou) Co., Ltd., which incurred start-up losses in the amount of € 0.07 million.

Outlook

Slight Decline in Global Growth Dynamics

According to the Kiel Institute, the global economic indicators are pointing towards further significant growth of the global economy in the coming months. However, sentiment indicators have recently clouded over and the expansion is expected to slow down somewhat from the highpoint in the 2010 – 2011 winter period. The current slowdown is partially due to factors that will lose some of their impact throughout the forecast period. Assuming a stable oil price in the forecast period, the strain caused by the rise in oil prices should abate. The recovery from the temporary drop in output following the Japanese earthquake and the efforts put into reconstructing the country are even expected to act as a stimulus on global economic activity in the second half of the year as well as in the coming year. However, other negative factors will continue to impact on economic expansion and may even gain in importance. Given the high degree of capacity utilization in the emerging markets, economic policies will strive to prevent the economies from overheating. As a consequence of tighter monetary policies, and to some degree due to restrictive financial policies, the rise in output is expected to slow down gradually. The advanced economies may expect no more than a moderate expansion. Efforts to reduce the debt ratio in the private sector are still standing in the way of a substantial recovery. At the same time, the problems associated with the substantial rise in public debt are coming to the fore, leading to a significant tightening of financial policies.

All in all, the Kiel Institute expects global gross domestic product (GDP) to rise by 4.5 % in 2011 and by 4.1 % in 2012. World trade should grow by 9 % in the current year.

Eurozone: Growth Dynamics Slow Down

According to the Kiel Institute, growth dynamics in the Eurozone will slow down significantly in the course of the year. The Economic Sentiment Indicator and business confidence as calculated by the Kiel Institute both declined in the last three months, suggesting that the expansion has slowed down substantially in the second quarter. The recent weak increase in the M1 money supply, which has proven to be a valuable early growth indicator for an up to six-month period, indicates that the slowdown will continue in the second half of the year. Output growth is expected to be noticeably slower in countries that recently recorded a particularly strong upswing. Since this upswing was driven by the acceleration of the global economy as well as by warehouse and investment cycles – two factors that are expected to decline – the Kiel Institute anticipates substantially lower growth rates, e.g. for Germany and Finland, in the coming year than in the current year.

All in all, the Institute estimates that 2011 Eurozone GDP will rise by 2.0 %. For 2012, a rise of 1.4 % is expected.

Germany: Outline Conditions Remain Favorable

According to the Kiel Institute, the outline conditions will remain favorable for the German economy. With economic growth in the rest of the world continuing, albeit at a somewhat slower pace, exports will continue to expand noticeably while the domestic economy will receive positive impulses from particularly low interest rates. Economic growth has now progressed to a level where bottlenecks are becoming increasingly noticeable. Given the upturn on the labor market, wages are expected to rise faster in the near future and companies will increasingly exploit any leeway for price increases due to high and rising capacity utilization. It is not clear at which point these endogenous processes will become strong enough to put a brake on the upturn. For the foreseeable future, the ECB key interest rate will remain low in relation to Germany's economic development and the German inflation rate. It is therefore not unlikely that capacity utilization in the overall economy will continue to rise even beyond this year and the coming year.

In the current year, exports are expected to increase in line with global trade. With imports likely to grow faster than exports as the domestic economy continues to grow, foreign trade may, arithmetically speaking, put a dampener on GDP growth. Corporate investments will continue to expand at a lively pace as the income outlook improves and financing terms remain favorable. Private consumer spending will grow moderately.

All in all, the economic researchers predict that the German GDP will grow by 3.6 % in 2011. For 2012, the institutes predict a rise in GDP of 1.6 %.

Company-Specific Outlook

Risks and Opportunities

The risks and opportunities described in the Report on Expected Developments and the Risk Report contained in the Group management report for the 2010 annual financial statements remain applicable.

Outlook – Planning Confirmed

Deufol AG confirms its planning figures published for fiscal year 2011 in its annual financial report. These envisage sales in a corridor between € 310 million and € 325 million and an operating result (EBITA) of between € 12 million and € 14 million.

Consolidated Income Statement (IFRS)

figures in € thousand	Apr. 1, 2011 – Jun. 30, 2011	Apr. 1, 2010 – Jun. 30, 2010	Jan. 1, 2011 – Jun. 30, 2011	Jan. 1, 2010 – Jun. 30, 2010	Note/Page
Sales	**77,349**	75,516	**153,099**	146,320	01/16
Cost of sales	(68,812)	(65,911)	(136,693)	(128,245)	
Gross profit	**8,537**	9,605	**16,406**	18,075	
Selling expenses	(1,277)	(1,312)	(2,682)	(2,696)	
General and administrative expenses	(5,004)	(5,335)	(9,861)	(10,137)	
Other operating income	1,350	436	1,768	699	
Other operating expenses	(636)	(428)	(990)	(794)	
Profit (loss) from operations (EBIT)	**2,970**	2,966	**4,641**	5,147	
Financial income	340	336	694	690	
Finance costs	(1,416)	(1,636)	(2,855)	(3,119)	
Share of profit of associates	118	143	263	253	
Profit (loss) before taxes (EBT)	**2,012**	1,809	**2,743**	2,971	
Income tax expenses	(952)	(761)	(1,452)	(1,169)	
Income (loss)	**1,060**	1,048	**1,291**	1,802	
of which income attributable to noncontrolling interests	166	109	273	236	
of which income attributable to equity holders of parent	**894**	939	**1,018**	1,566	

Earnings per share

in €					
Basic and diluted earnings per share, based on the income (loss) attributable to common shareholders of Deufol AG	0.020	0.021	0.023	0.036	02/16
Average number of shares in circulation	43,773,655	43,773,655	43,773,655	43,773,655	02/16

Consolidated Statement of Comprehensive Income

figures in € thousand	Apr. 1, 2011 – Jun. 30, 2011	Apr. 1, 2010 – Jun. 30, 2010	Jan. 1, 2011 – Jun. 30, 2011	Jan. 1, 2010 – Jun. 30, 2010	Note/Page
Income	**1,060**	1,048	**1,291**	1,802	
Other recognised income and expense	**(173)**	1,304	**(775)**	2,214	
Exchange rate differences on translation of foreign operations					
Before tax	(210)	1,273	(973)	2,231	
Tax	0	0	0	0	
After tax	(210)	1,273	(973)	2,231	
Gain (loss) on cash flow hedges					
Before tax	52	44	280	(24)	
Tax	(15)	(13)	(82)	7	
After tax	37	31	198	(17)	
Total comprehensive income after tax	**887**	2,352	**516**	4,016	
of which attributable to noncontrolling interests	166	109	273	236	
of which attributable to equity holders of parent	721	2,243	243	3,780	

Consolidated Balance Sheet (IFRS)

Assets figures in € thousand	Jun. 30, 2011	Dec. 31, 2010	Note/Page
Noncurrent assets	**147,247**	150,136	
Property, plant and equipment	48,313	51,411	
Investment properties	411	439	
Goodwill	68,620	67,979	
Other intangible assets	2,792	2,814	
Equity-method accounted investments	2,968	2,704	
Financial receivables	8,857	9,775	
Other financial assets	248	225	
Other receivables and other assets	4,000	3,987	
Deferred tax assets	11,038	10,802	
Current assets	**78,495**	76,746	
Inventories	12,735	12,366	
Trade receivables	40,504	37,824	
Other receivables and other assets	7,409	5,903	
Tax receivables	1,439	1,532	
Financial receivables	2,022	2,310	
Cash and cash equivalents	14,386	16,811	
Total assets	**225,742**	226,882	

Equity and Liabilities figures in € thousand	Jun. 30, 2011	Dec. 31, 2010	Note/Page
Equity	**98,011**	98,976	03/16
Equity attributable to owners of Deufol AG	96,735	97,805	
Subscribed capital	43,774	43,774	
Capital reserves	107,240	107,240	
Retained earnings (accumulated losses)	(51,502)	(51,207)	
Other recognized income and expense	(2,777)	(2,002)	
Noncontrolling interests	1,276	1,171	
Noncurrent liabilities	**47,610**	44,722	
Financial liabilities	39,951	37,103	
Provisions for pensions	1,259	1,298	
Other provisions	382	382	
Other liabilities	3,393	3,883	
Deferred tax liabilities	2,625	2,056	
Current liabilities	**80,121**	83,184	
Trade payables	26,782	25,926	
Financial liabilities	36,930	41,083	
Other liabilities	13,129	12,672	
Tax liabilities	1,668	1,615	
Other provisions	1,612	1,888	
Total equity and liabilities	**225,742**	226,882	

Consolidated Cash Flow Statement

figures in € thousand	Apr. 1, 2011 – Jun. 30, 2011	Apr. 1, 2010 – Jun. 30, 2010	Jan. 1, 2011 – Jun. 30, 2011	Jan. 1, 2010 – Jun. 30, 2010	Note/Page
Profit (loss) from operations (EBIT)	2,970	2,966	4,641	5,147	
Adjustments to reconcile income (loss) to cash flows from operating activities					
Depreciation and amortization charges	2,334	2,231	4,635	4,402	
(Gain) loss from disposal of property, plant and equipment	(370)	(19)	(429)	(39)	
Other noncash expenses (revenue)	(1,131)	(498)	(1,213)	(889)	
Changes in assets and liabilities from operating activities					
Change in trade accounts receivable	(834)	583	(2,330)	3,782	
Change in inventories	(146)	(964)	(333)	(1,206)	
Change in other receivables and other assets	(858)	397	(1,505)	(1,265)	
Change in trade accounts payable	(332)	1,233	686	(1,000)	
Change in other liabilities	562	744	338	251	
Change in accrued expenses	(300)	208	(341)	(749)	
Change in other operating assets/liabilities (net)	16	(381)	224	(589)	
Net cash provided by (used in) operating activities	**1,911**	6,500	**4,373**	7,845	04/16
Purchase of intangible assets and property, plant and equipment	(1,446)	(934)	(2,812)	(1,673)	
Proceeds from the sale of intangible assets and property, plant and equipment	1,305	235	1,475	428	
Dividends received	0	300		300	
Purchase of noncontrolling interests	0	(87)		(175)	
Purchase of subsidiaries	0	0	(150)	0	
Net change in financial receivables	537	(292)	1,206	114	
Interest received	335	330	683	679	
Net cash provided by (used in) investing activities	731	(448)	402	(327)	04/16
Net change in borrowings	3,944	(2,406)	(1,535)	(589)	
Addition (extinction) of other financial liabilities	(4,856)	(422)	(1,287)	(846)	
Interest paid	(1,513)	(1,595)	(3,011)	(3,032)	
Dividends paid	(1,313)	0	(1,313)		
Dividends paid to noncontrolling interests	(146)	(102)	(168)	(102)	
Net cash provided by (used in) financing activities	**(3,884)**	(4,525)	**(7,314)**	(4,569)	04/16
Effect of exchange rate changes and changes in the scope of consolidation on cash and cash equivalents	0	0	114	0	
Change in cash and cash equivalents					
Cash and cash equivalents at the beginning of the period	15,628	16,275	16,811	14,853	
Cash and cash equivalents at the end of the period	14,386	17,802	14,386	17,802	

Consolidated Statement of Changes in Equity

figures in € thousand	Subscribed capital	Capital reserves	Accumulated losses	Other comprehensive income (expense): Cumulative translation adjustment	Other comprehensive income (expense): Reserve for cash flow hedges	Equity attributable to equity holders of Deufol AG	Equity attributable to noncontrolling interests	Total equity
Balance at Dec. 31, 2009, as reported	**43,774**	**107,240**	**(53,854)**	**(6,083)**	**(733)**	**90,344**	**1,270**	**91,614**
Adjustments*	—	—	—	3,513	—	3,513	—	3,513
Balance at Dec. 31, 2009, adjusted*	**43,774**	**107,240**	**(53,854)**	**(2,570)**	**(733)**	**93,857**	**1,270**	**95,127**
Income (loss)	—	—	1,566	—	—	1,566	236	1,802
Changes recognized directly in equity	—	—	—	2,231	(24)	2,207	—	2,207
Deferred taxes for valuation changes recognized directly in equity	—	—	—	—	7	7	—	7
Total recognized income and expense	—	—	1,566	**2,231**	**(17)**	**3,780**	**236**	**4,016**
Purchase of noncontrolling interests*	—	—	(280)	—	—	(280)	(70)	(350)
Ausschüttungen	—	—	—	—	—	—	(102)	(102)
Balance at Jun. 30, 2010	**43,774**	**107,240**	**(52,568)**	**(339)**	**(750)**	**97,357**	**1,334**	**98,691**
Balance at Dec. 31, 2010	**43,774**	**107,240**	**(51,207)**	**(1,461)**	**(541)**	**97,805**	**1,171**	**98,976**
Income (loss)	—	—	1,018	—	—	1,018	273	1,291
Changes recognized directly in equity	—	—	—	(973)	280	(693)	—	(693)
Deferred taxes for valuation changes recognized directly in equity	—	—	—	—	(82)	(82)	—	(82)
Total recognized income and expense	—	—	**1,018**	**(973)**	**198**	**243**	**273**	**516**
Dividends	—	—	(1,313)	—	—	(1,313)	(168)	(1,481)
Balance at Jun. 30, 2011	**43,774**	**107,240**	**(51,502)**	**(2,434)**	**(343)**	**96,735**	**1,276**	**98,011**

*Concerning the adjustment of the previous year’s figures, see the explanation on page 14.

Notes to the Consolidated Interim Financial Statements

General Accounting and Valuation Methods

These consolidated financial statements for the interim report – which have not been audited or verified by an auditor – describe the business activities of Deufol AG and its subsidiaries (the "Group"). The statements were produced in accordance with IFRS ("International Financial Reporting Standards"). All IFRSs (IFRSs, IASs, IFRICs, SICs) as adopted by the European Union and effective as of the balance sheet date were applied.

In principle, the balancing and valuation methods used are those for the last consolidated financial statements as of the end of the fiscal year. A detailed description of these methods is provided in our Annual Report for the year 2010. In addition, IAS 34 "Interim Financial Statements", was applied.

New Accounting Standards

The first-time application of the new standards and applications which are mandatory from fiscal year 2011 had no effect on the recognition and measurement of assets and liabilities.

Adjustments on the Basis of Corrected Errors

During preparation of the 2010 annual financial statements an error was determined in the currency conversion for the American subsidiaries' US-dollar-denominated financial statements for previous years. This led to the reporting of excessively low goodwill and an excessively low compensating item for such foreign exchange differences in equity. This error was corrected as of January 1, 2009 in accordance with IAS 8 and the consolidated balance sheet as of December 31, 2009 was adjusted accordingly. As a result, the balance sheet items "Goodwill" and "Other comprehensive income" have each increased by € 3,513 thousand as of December 31, 2009 and by € 2,307 thousand as of January 1, 2009.

During preparation of the 2010 annual financial statements, unlike in the interim reporting, goodwill in the amount of € 280 thousand resulting from the acquisition of the outstanding shares in Deufol Hamburg GmbH (previously Alltrans Exportverpackung GmbH) was offset against the profit brought forward. The balance sheet items "Goodwill" and "Profit brought forward" were thus each reduced by € 280 thousand as of June 30, 2010.

Currency Translation

In accordance with IAS 21, the financial statements of the foreign subsidiaries included in the Group financial statements whose functional currency is not the euro were converted into the Group currency euro on the balance sheet cut-off date on the basis of the functional currency concept. The conversion was in accordance with the modified closing rate method.

The exchange rates for the translation of currencies that are not part of the European Monetary Union changed as follows:

Foreign currency	Middle rate as of the balance sheet date		Average rate of exchange	
per €	**Jun. 30, 2011**	Dec. 31, 2010	**6M 2011**	6M 2010
US dollar	1,4207	1,3362	1,3669	1,3842
Czech crown	24,5430	26,4730	24,3730	25,8843
Renminbi	9,3036	—	8,9966	—

Scope of Consolidation

All significant subsidiaries over which Deufol AG has legal or effective control are included in the consolidated financial statements.

The consolidated group is as follows:

figures in € thousand	Dec. 31, 2010	Additions	Disposals	Jun. 30, 2011
Consolidated subsidiaries	37	3	0	40
thereof in Germany	25	0	0	25
thereof abroad	12	3	0	15
Companies valued using the equity method	4	0	0	4
thereof in Germany	3	0	0	3
thereof abroad	1	0	0	1
Total	41	3	0	**44**

In the first quarter of 2011, the two newly established subsidiaries Deufol Charlotte, LLC, and Deufol Packaging Service (Suzhou) Co., Ltd., were incorporated in the consolidated financial statements for the first time.

Acquisitions and Sales

Under a purchase agreement of December 20, 2010 with a closing date of January 28, 2011, Deufol AG acquired 100.0 % of the shares in Richard Wolfsberger GmbH. This company has now been renamed Deufol Austria GmbH and will be incorporated in the consolidated financial statements as of February 1, 2011.

The fair values for the assets and liabilities of the acquired company at the time of acquisition are presented in the following summary:

figures in € thousand €	Previous net carrying amounts	Fair values at the time of acquisition
Intangible assets	6	640
Property, plant and equipment	124	146
Other receivables	431	431
Deferred tax assets	0	0
Cash and cash equivalents	114	114
Total assets	**675**	**1,331**
Other reserves	0	0
Financial liabilities	1,348	1,383
Miscellaneous liabilities	279	279
Deferred tax liabilities	0	155
Total liabilities	**1,627**	**1,817**
Net assets	**(952)**	**(486)**
Goodwill from company acquisitions		636
Purchase price		150
less cash and cash equivalents		114
Cash outflow		**36**

The intangible assets include an identifiable established clientele in the amount of € 634 thousand. This is subject to straight-line depreciation over a period of five years. The difference between the purchase price and the purchased equity which is not directly attributable to any asset was recorded as goodwill. The goodwill includes non-separable values such as potential profits derived from future synergy effects.

01 Sales

In respect of further comments on the sales, we refer to the segment reporting.

02 Earnings per Share

The basic earnings per share are calculated in accordance with IAS 33 as a quotient from the Group result due to the shareholders of Deufol AG and the average number of shares in circulation during the period under review. Newly issued shares are to be taken into consideration pro rata temporis for the period in which they are in circulation.

Income figures in € thousand	**Apr. 1, 2011 – Jun. 30, 2011**	**Apr. 1, 2010 – Jun. 30, 2010**	**Jan. 1, 2011 – Jun. 30, 2011**	**Jan. 1, 2010 – Jun. 30, 2010**
Result attributable to the holders of Deufol AG common stock	894	939	1,018	1,566
Shares in circulation in units				
Weighted average number of shares	43,773,665	43,773,665	43,773,665	43,773,665
Earnings per share figures in €				
Basic and diluted earnings per share, based on the profit attributable to holders of Deufol AG common stock	0.020	0.021	0.023	0.036

03 Equity

There was no change in the subscribed capital and in the capital reserves in the first six months of 2011.

04 Cash Flow Statement

The cash flow statement shows the origin and appropriation of the money flows in the first six months of fiscal years 2010 and 2011. It is of key significance for an assessment of the financial position of the Deufol Group.

The cash funds shown in the cash flow statement correspond to the balance sheet item "Cash and cash equivalents".

The net cash provided by operating activities has been adjusted for changes to the scope of consolidation and in the first six months of 2011 amounted to € 4,370 thousand.

The inflow of funds from investing activities amounted to € 402 thousand and includes the cash flows from the acquisition and sale of property, plant and equipment, the purchase of subsidiaries, the change in other financial liabilities and the interest received .

The outflow of funds from financing activities amounting to € 7,314 thousand reflects the balance of funds borrowed and repaid, paid dividends as well as interest paid.

The cash and cash equivalents balance decreased by € 2,425 thousand.

Dividend

On June 29, 2011, the Annual General Meeting passed a resolution regarding the payout of a dividend of € 0.03 per entitled share. The total dividend paid out amounted to € 1,313 thousand.

Contingencies

There were no significant changes in the contingencies in relation to December 31, 2010.

Significant Events after the Balance Sheet Date

There were no significant events after the balance sheet date.

Segment Information

The segment reporting is prepared in accordance with the provisions of IFRS 8 (Operating Segments).

Deufol AG revised its segment reporting at the start of 2011. Its primary reporting format is now based on geographical regions which have been grouped for the purpose of corporate management. As the segment result – used for the assessment of the business success of the respective segments – the management has calculated the result for the period before taxes, financial income, financial expenses, shares of profits of companies accounted for using the equity method and amortization/impairment of goodwill (EBITA). The Deufol Group has the following segments for which reporting requirements apply:

- Germany
- Rest of Europe
- USA/Rest of the World

The holding company covers the Group's administrative activities and, in addition to Group management functions, includes support functions such as key account management and corporate communications.

The operating result (EBITA) for the business units is separately monitored by the management in order to make decisions on the allocation of resources and to determine the units' performance. The segments' development is mainly measured with reference to the operating result. As the Deufol Group has a decentralized organizational structure, financial expenses and income and income taxes can be allocated to the individual business segments.

The prices charged between the business segments are determined on the basis of standard market conditions between unrelated parties.

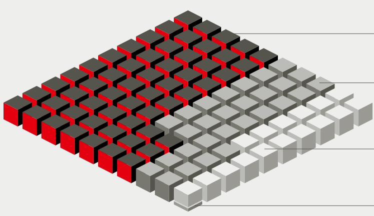
Unlike in previous periods, the information on segment assets and segment liabilities has been presented in gross terms, i.e. prior to consolidation. This is for an improved presentation of the net segment assets. The reference figures for the previous year have been adjusted accordingly.

01 Segment Information by Region (Secondary Reporting Format)

figures in € thousand	Germany	Rest of Europe	USA/Rest of the World	Holding company	Elimi-nation	Group
6M 2011						
External sales	85,700	43,157	24,096	146	0	153,099
Internal sales	13,475	3,964	0	760	(18,199)	0
Total sales	99,175	47,121	24,096	906	(18,199)	**153,099**
EBIT	2,670	3,583	(251)	(1,349)	(9)	4,644
Financial income	577	738	0	751	(1,372)	694
Finance costs	(1,436)	(716)	(1,321)	(754)	1,372	(2,855)
Earnings from associates	263					263
EBT	2,074	3,605	(1,572)	(1,352)	(9)	2,746
Taxes	(130)	(1,324)	0	2	0	(1,452)
Income	1,944	2,281	(1,572)	(1,350)	(9)	**1,294**
Assets	97,909	70,966	29,000	197,200	(181,810)	213,265
of which investments accounted for using the equity method	0	0	0	0	0	0
Non-allocated assets						12,477
Total assets						**225,742**
Financial liabilities	29,517	25,009	37,175	22,455	(37,275)	76,881
Other debt	48,756	17,139	6,597	9,586	(35,521)	46,557
Non-allocated debt						4,293
Total liabilities						**127,731**
Depreciation, amortization and impairment	(2,042)	(1,486)	(960)	(147)	0	(4,635)
Investments	969	895	876	842	0	3,582

External sales by segment

figures in %

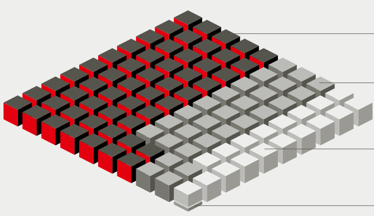


	6M 2011
Germany	55.98
Rest of Europe	28.19
USA/Rest of the World	15.74
Holding company	0.09

figures in € thousand	Germany	Rest of Europe	USA/Rest of the World	Holding company	Elimi-nation	**Group**
6M 2010						
External sales	78,503	40,632	27,039	146	0	146,320
Internal sales	11,037	3,122	0	777	(14,936)	0
Total sales	89,540	43,754	27,039	923	(14,936)	**146,320**
EBIT	4,468	1,942	(88)	(1,208)	33	5,147
Financial income	466	708	0	808	(1,292)	690
Finance costs	(1,235)	(766)	(1,492)	(918)	1,292	(3,119)
Earnings from associates	253	0	0	0	0	253
EBT	3,952	1,884	(1,580)	(1,318)	33	2,971
Taxes	(396)	(772)	2	(3)	0	(1,169)
Income						
Assets	96,558	68,897	36,270	205,248	(181,863)	225,110
of which investments accounted for using the equity method						2,766
Non-allocated assets						12,742
Total assets						**237,852**
Financial liabilities	26,610	24,639	43,541	20,009	(37,051)	77,748
Other debt	47,567	17,639	8,237	14,780	(31,658)	56,565
Non-allocated debt						4,848
Total liabilities						**139,161**
Depreciation, amortization and impairment	1,641	1,508	1,084	169	0	4,402
Investments	1,036	564	424	14	0	2,038

External sales by segment

figures in %



	6M 2010
Germany	53.65
Rest of Europe	27.77
USA/Rest of the World	18.48
Holding company	0.10

Supplementary Disclosures

Composition of the Executive Board and the Supervisory Board

There were no changes to the members of the Executive Board in the first six months of fiscal year 2011. On June 24, 2011, the Supervisory Board appointed Dr. Tillmann Blaschke as a new member of the Executive Board with effect from July 1, 2011.

On June 29, 2011, the Annual General Meeting appointed Prof. Dr. Wolfgang König as a new member of the Supervisory Board. He replaces the previous Supervisory Board member Prof. Dr.-Ing. Kai Furmans.

Securities Held by the Organs

On June 30, 2011, the Executive Board held 23,233,832 no-par value shares. The members of the Supervisory Board do not hold any shares of Deufol AG.

The securities holdings are as follows:

Executive Board	**No-par value shares at Jun. 30, 2011**	No-par value shares at Dec. 31, 2010
Andreas Bargende	58,000	58,000
Tammo Fey	15,000	15,000
Detlef W. Hübner	23,160,832	23,110,832
Total	**23,233,832**	23,183,832

Mr. Andreas Bargende holds some of his shares indirectly through Aldama GmbH, Mainz. Mr. Detlef W. Hübner holds most of his shares indirectly through Lion's Place GmbH, Hofheim am Taunus.

Directors' Dealings

Transactions of the organs involving financial instruments of Deufol AG are notified promptly in accordance with the statutory regulations. An overview of transactions can be found on the website of Deufol AG (www.deufol.com) in the "Investor & Public Relations" area under the heading "The share".

Relationships with Related Parties

With regard to the transactions with related parties, there was no significant change in relation to the previous annual financial statements.

Responsibility Statement by the Management

"To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial 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 management report of the Group 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."

Andreas Bargende Dr. Tillmann Blaschke Tammo Fey Detlef W. Hübner

Additional Information

Financial Calendar

April 7,	**2011**	Publication of Annual Financial Statements 2010
May 12,	**2011**	Interim Report I/2011
June 29,	**2011**	Annual General Meeting
August 11,	**2011**	Semi-Annual Financial Report II/2011
November 10,	**2011**	Interim Report III/2011

Key to Symbols

- Basis of Preparation
- Scope of Consolidation
- Consolidated Income Statement Disclosures
- Consolidated Balance Sheet Disclosures
- Consolidated Cash Flow Statement Disclosures
- Other Disclosures
- Segment Information
- Supplementary Disclosures

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