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# Company Presentation

Deufol AG

January 2011

# Agenda

**1 Profile / Strategy**

**2 Financials**

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**3 Appendix**

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# Profile

**Deufol is a flexible, intelligent, innovative solution provider around packaging services.**

- Service solutions for all industry sectors with focus on automotive, consumer and industrial goods
- Worldwide leadership in consumer goods packaging, independent from packaging supplies
- European leadership in export packaging
- Inhouse IT expertise: Continuous innovative software development with customer specific adaptations
- Premium customers with leadership in their sectors

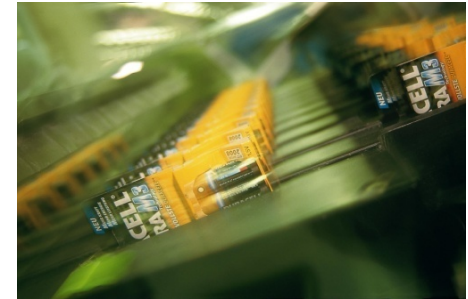
## Deufol Service Portfolio:

- Automated Packaging
- Promotional & Display Packaging
- Export & Industrial Goods Packaging
- Giftcards & Data Management
- Supplementary Services

# Profile

## Automated Packaging

- High-speed transfer lines, semi automatic machines
- Total packaging solution (custom & innovative design, 3-D image renderings & custom prototyping, machinery innovation, packaging material, custom tooling etc.)
- Batteries, pens, windshield wipers, home products etc.
- Paperboard packaging, shrink packaging, skin packaging, thermoforming, clamshells, blisters, trays



# Profile

## Promotional & Display Packaging

- Manual packaging for display building
- Transfer from high-speed lines to secondary packaging
- Highly skilled teams
- Strong experience in display assembling
- Flexible reaction on promotional peaks (space & resources)
- IT based



# Profile

## Export & Industrial Goods Packaging

- Strong IT expertise to meet individual customer requirements
- International experience
- Special packaging techniques
- Plant moves, beverage filling machines, textile machines, turbines, generators etc.



# Profile

## Giftcards & Data Management

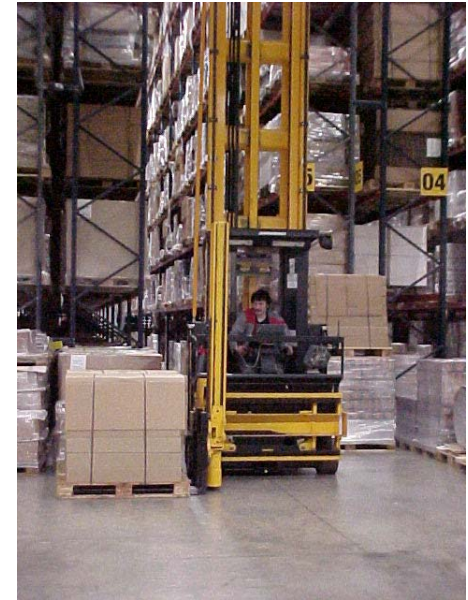
- Automated activation of multipacks
- Card personalization (encoding) with magnetic strip and scratch off
- Labeling
- Data management (single source activation)
- Pre-paid card business
- Product innovation (replacement of plastics)



# Profile

## Supplementary Services

- Warehousing, Logistics, Transport Management
- Inhouse-Outsourcing
- Picking / Customization
- Material supply, Production supply, after production services
- Highly Automated Warehouse Management
- Strong IT expertise to fulfill individual customer requirements





# Profile

**Deufol is a global player and operates all over the world with international projects and a network of subsidiaries.**

- International network of 76 Deufol operations in 9 countries
- Every operation center offers the complete portfolio of Deufol services
- Cross-border learning and international know-how transfer
- Deufol is a global partner to worldwide market leaders



## **Total of 76 Operations around the world:**

▪ Germany:	59	
▪ Belgium:	5	
▪ Italy:	3	
▪ Czech Republic:		3
▪ USA:	2	
▪ Austria:	1	
▪ France:	1	
▪ Slovakia:	1	
▪ China:	1	

## Deufol's Strategy – Mid-term objectives

Deufol generates fruitful and long lasting partnerships and drives the customers strategy.

- Extend the business with existing customers
  - Extend the scope of services
  - Geographical expansion
- Sign up new customers
- Strategic acquisitions

**Deufol as No. 1 partner for packaging solutions and related services worldwide:**

- Global presence
- Annual revenue growth > 7 %
- EBIT margin > 5 %



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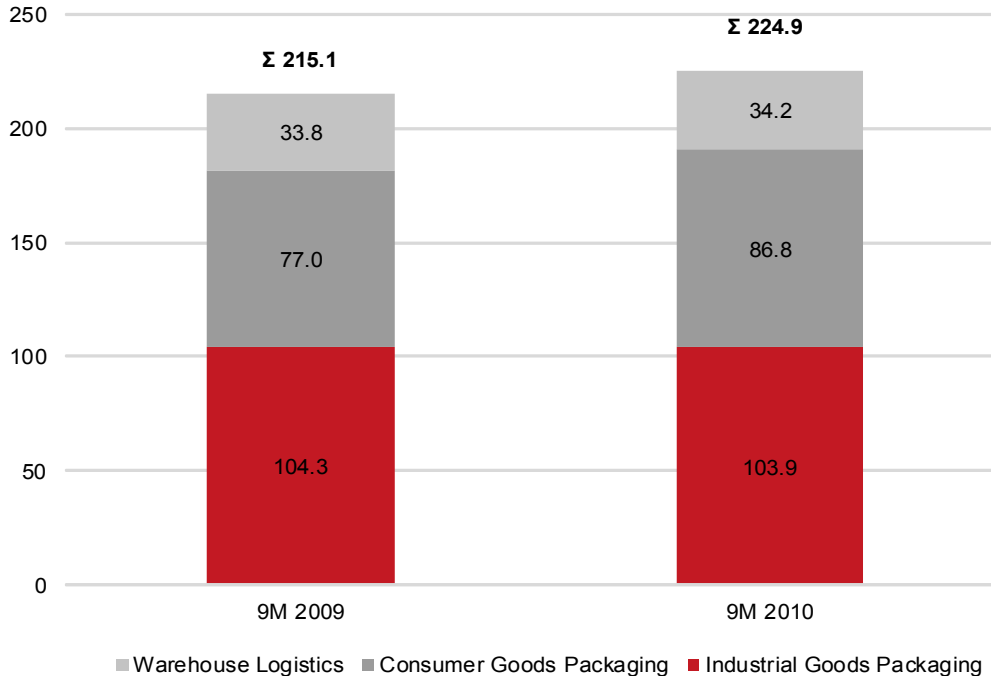
## Overview 9 months 2010

- Revenues up by 4.6% to €225.2 million (adjusted + 6.2%)
- EBITA €8.4 million (prior year: €5.1 million)
- Financial result improved (€-2.93 after €-3.05 million in 2009)
- Net earnings of €3.3 million (prior year: €0.6 million)
- Operating cash flow slightly higher (€9.9 after €9.4 million in 2009)
- Net financial liabilities remained unchanged in the first nine months of the year at €47.5 million

# Sales split by segment

Adjusted sales growth of 6.2%

Sales (€m) \*



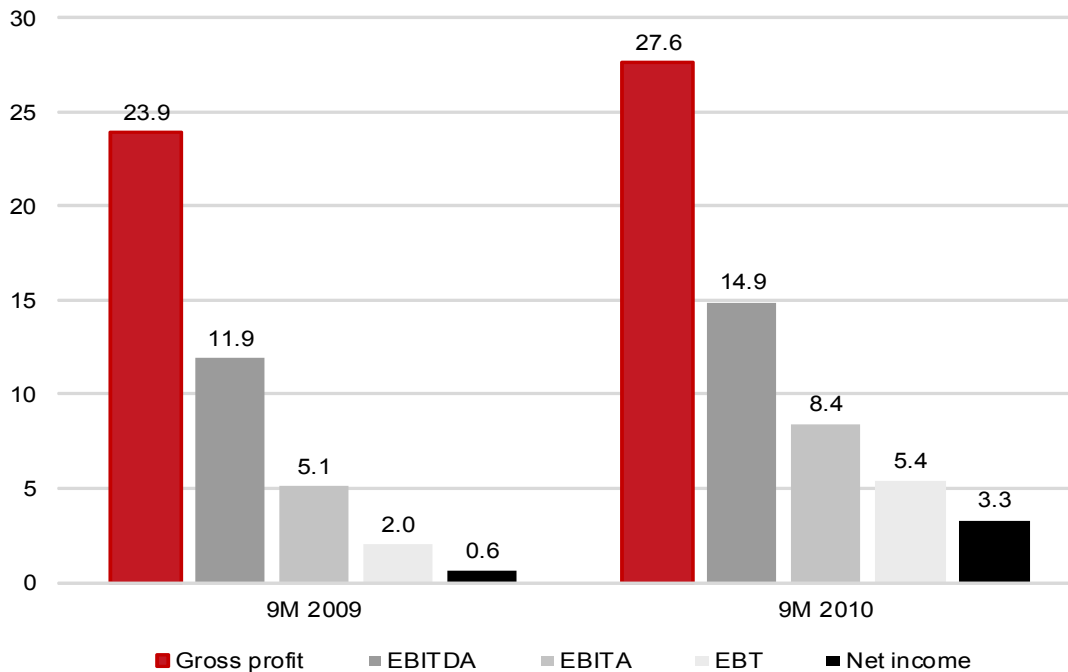
- „Industrial Goods Packaging“ with a small decline (0.4%)
- „Consumer Goods Packaging“ up 12.7%; currency adjusted +10.7%
- „Warehouse Logistics“ up +1.2%; adjusted for deconsolidation +17.9%

\*Sales figures without holding

# Earnings development

## Strong improvement in earnings

Earnings development (€m)

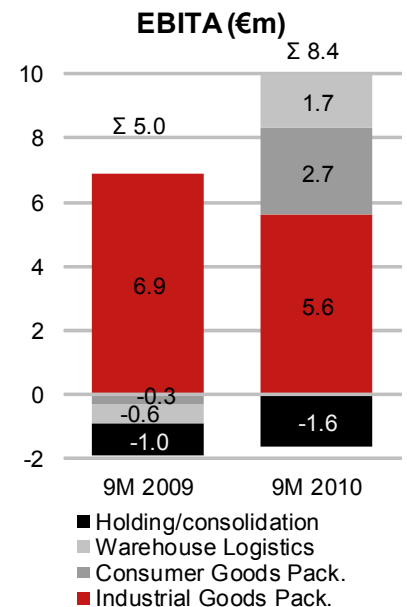


- Gross profit up 15.6%
- EBITDA 25.2% higher; depreciation down 4.0%
- EBITA 64.3% above previous year
- Net earnings reached €3.3 million
- EPS €0.075 (previous year €0.014)

# EBITA split by segment

## “Consumer Goods Packaging” strongly recovered

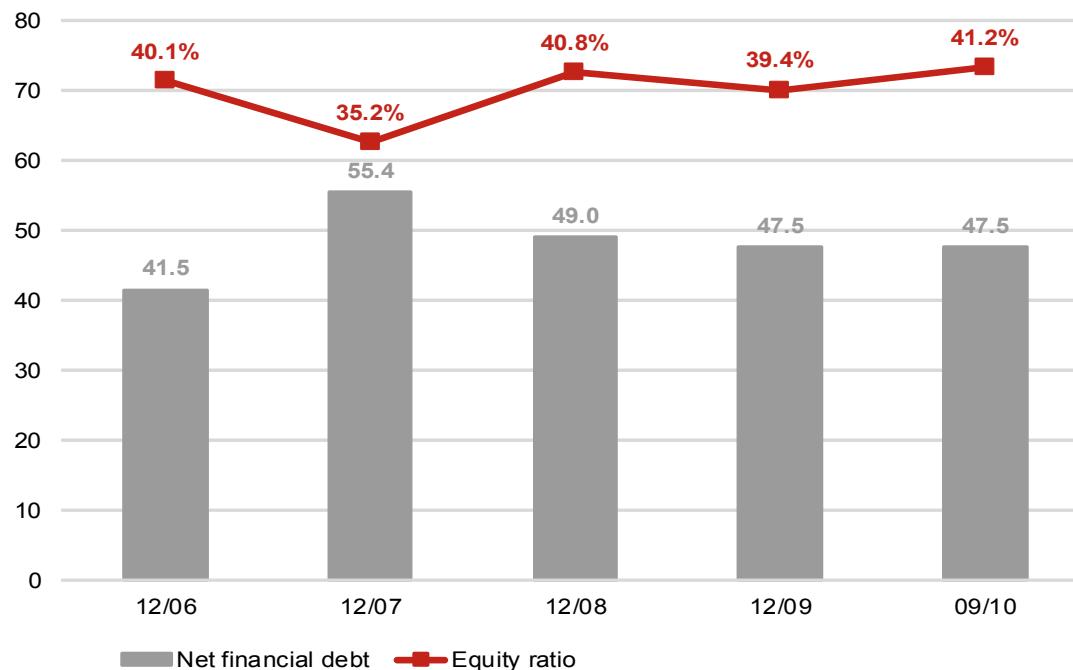
- „Industrial Goods Packaging“ down 19.6%; due to the lack of project business and higher timber prices
- „Consumer Goods Packaging“ with a strong recovery driven by the U.S. business
- „Warehouse Logistics“ benefited from higher volumes and the break-even of the new “customization center” in Euskirchen; last year included €0.4 million loss of the airport business
- Holding loss of €1.6 million (prior year: €1.0 million)



# Well-balanced liability side

## Comfortable equity base

Net financial liabilities (€m) and equity ratio (%)



\* 2007 – 2009 includes payments for acquisitions of €35 million

- Deufol Group is financed in a decentralized form; most financing is provided by bilateral bank loans and syndicated borrowing facilities
- Net financial liabilities in the nine months 2010 stable at €47.5 million
- Equity ratio very comfortable at 41.2% (equity €95.8 m)
- Equity per share stands at €2.19



## Forecast 2010

- Planned revenues 2010: > €300 million
- Planned Group-EBITA 2010: > €11.0 million
- Expected financial position
  - Investments of around €4 to 5 million are expected
  - no external financing for the current business required
  - some external financing for late purchase price payments for the acquisition of minority interests in Industrial Goods Packaging

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# Financial calendar 2011

<b>April 7, 2011</b>	<b>Annual report 2010</b> Conference call
<b>May 12, 2011</b>	<b>Interim report I/2011, January 1 – March 31</b> Conference call
<b>August 11, 2011</b>	<b>Interim report II/2011, April 1 – June 30</b> Conference call
<b>November 10, 2011</b>	<b>Interim report III/2011, July 1 – September 30</b> Conference call

# Management Board of Deufol AG

## **Andreas Bargende (CEO)**

1993 to 2002 at KPMG; Lawyer and since 2000, Partner in the area of Financial Advisory Services / Corporate Restructuring; joined Deufol 09/2002 as COO; since 06/2009 Chief Executive Officer;

Responsibilities: Legal Affairs, Investment Management and Key Accounting



## **Tammo Fey (CFO)**

Since the Company's founding in 1998 Director of Accounting and Controlling; also executive position in various subsidiaries of the Deufol Group, appointed Chief Financial Officer in February 2006;

Responsibilities: Finance and Controlling



## **Detlef W. Hübner**

1979 Managing Partner of Dönne + Hellwig GmbH;  
1998 Founding of D.Logistics AG;

Responsibilities: Investor & Public Relations, Personnel and Risk Management

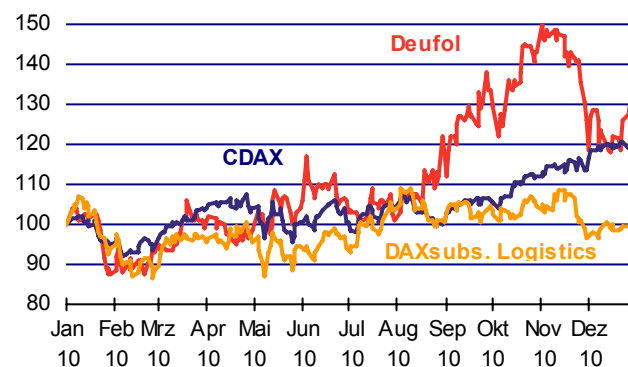


# The Deufol share

Price at January 21, 2011	€ 1.544
High / Low (1 year)	€ 1.84 / € 1.02
Market capitalization	approx. € 67.6 million
Reuters / Bloomberg	LOIG.DE / LOI GR
ISIN	DE0005101505
Number of shares (as of October 31, 2010)	43,773,665
Shareholder structure	see table
Stock category	Bearer shares
Market segment	Regulated Market (Prime Standard)
Indices	CDAX, DAXsector Transp. & Log., Classic All Share, Prime All Share
Designated Sponsor	ICF Kursmakler AG
Analyst coverage	Nils Machemehl (BHF-Bank), Roland Rapelius (Hauck & Aufhäuser), Jochen Rothenbacher (Equinet)
Daily trading vol. (Ø 2010)	58,360

Shareholder structure (as of December 31, 2010)		
	number	per cent
Detlef W. Hübner	23,110,832	52.80
Andreas Bargende (CEO)	58,000	0.13
Tammo Fey (CFO)	15,000	0.03
Other shareholders	20,589,833	47.04
<b>Subscribed capital</b>	<b>43,773,665</b>	<b>100.00</b>

**Performance of Deufol shares**  
indexed, in %, January 1 to December 30, 2010



## Financials: Income statement

in € thousand	9M 2010	2009	2008	2007
Sales	225,183	290,053	336,748	337,737
EBITDA	14,914	16,238	24,011	20,767
EBITA	8,368	6,421	14,562	12,252
EBIT	8,368	3,810	14,562	12,252
EBT	5,441	(380)	9,911	7,868
Taxes on income	(1,825)	1,124	2,458	(3,959)
Income	3,616	744	12,369	3,909
thereof minority interests	341	375	884	1,151
thereof equity holders of parent	3,275	369	11,485	2,758
Earnings per share (€)	0.075	0.008	0.257	0.065
Dividend per share (€)	0	0.07	0	0

## Financials: Asset structure

in € thousands	9M 2010	2009	2008	2007
Current assets	85,856	81,496	80,288	88,653
Noncurrent assets	146,780	151,007	156,821	148,463
Balance sheet total	232,636	232,503	237,109	237,116
Current liabilities	88,236	87,277	76,773	84,134
Noncurrent liabilities	48,627	53,612	63,612	69,712
Equity	95,773	91,614	96,724	83,270
Equity ratio (%)	41.2	39.4	40.8	35.1
Financial liabilities	77,820	78,817	76,119	79,305
Working capital	34,754	28,167	35,041	30,807

## Cash flow / Investments / Liquidity

in € thousands	9M 2010	2009	2008	2007
Cash flow from operating activities	9,916	15,060	15,663	16,025
Cash flow from investment activities	(3,159)	(2,806)	(464)	(24,831)
Cash flow from financing activities	(6,358)	(9,499)	(15,678)	9,798
Investment in property, plant and equipment	3,173	6,689	7,197	5,243
Investment in other intangible assets	300	454	1,747	180
Cash and cash equivalents	15,251	14,853	12,143	12,708
Net financial liabilities	47,523	47,524	48,950	55,391



## Financials: Ratios

	9M 2010	2009	2008	2007
Investment ratio (%) <sup>1)</sup>	1.4	2.3	2.1	1.6
Operating cash flow / investments (%) <sup>2)</sup>	175.0	210.8	175.1	295.5
Interest cover <sup>3)</sup>	2.2	1.2	2.2	2.1
Asset cover ratio II (%) <sup>4)</sup>	120.6	118.3	121.4	118.0
Current ratio (%) <sup>5)</sup>	97.3	93.4	104.6	105.4
Financial liabilities / equity (%) <sup>6)</sup>	89.4	95.0	82.4	94.8
Net financial liabilities / EBITDA <sup>7)</sup>	2.5	2.9	2.0	2.7

- 1) Ratio of investments on property, plant and equipment to revenue
- 2) Net cash provided by operating activities / (investments on property, plant and equipment + other intangible assets)
- 3) (EBITA + finance income) / finance costs
- 4) (Equity + noncurrent liabilities) / fixed assets (property, plant & equipment + intangible assets + financial assets)
- 5) (Cash and cash equivalents + current receivables + inventories) / current liabilities
- 6) Financial liabilities / (Equity – deferred tax assets + deferred tax liabilities)
- 7) (Financial liabilities - financial receivables - cash and cash equivalents) / EBITDA; per 09/2010 trailing 12 months

## Segment data: Industrial Goods Packaging

in € thousand	9M 2010	2009	2008	2007
Sales	103,905	137,096	155,334	145,148
EBITDA	8,378	13,475	13,936	11,258
EBITA	5,584	9,714	10,202	8,775
EBT	5,141	9,323	8,798	8,180
Assets	59,733	64,070	65,896	63,225
Allocated Goodwill	53,177	52,883	52,814	52,753
Financial liabilities	21,353	23,330	23,548	22,111
Other debt	13,203	13,978	16,068	18,871
Investments	1,692	2,367	3,226	1,919

## Segment data: Consumer Goods Packaging

in € thousand	9M 2010	2009	2008	2007
Sales	86,804	107,096	126,330	136,018
EBITDA	4,992	2,267	8,757	5,915
EBITA	2,711	(1,498)	5,002	2,204
EBT	586	(6,735)	2,704	240
Assets	62,143	57,661	71,661	76,660
Allocated Goodwill	4,377	4,378	8,329	6,568
Financial liabilities	15,406	14,492	13,874	16,793
Other debt	24,313	22,196	18,569	27,989
Investments	1,115	2,973	3,689	1,919

## Segment data: Warehouse Logistics

in € thousand	9M 2010	2009	2008	2007
Sales	34,192	44,800	54,852	56,265
EBITDA	2,970	1,731	4,569	5,957
EBITA	1,688	74	3,081	4,264
EBT	1,341	(214)	3,106	3,720
Assets	37,295	36,988	35,648	37,357
Allocated Goodwill	7,203	7,203	7,203	7,203
Financial liabilities	18,654	20,031	19,020	14,005
Other debt	11,274	10,524	10,401	6,944
Investments	644	1,421	2,072	963

# Contact

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Many factors could cause the actual results to be materially different from those that may be expressed or implied by such statements.

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