

A pair of hands is shown holding a rectangular sign with a white border. The sign has a grey background and contains the title of the report in bold, black, uppercase letters. The hands are positioned at the bottom corners of the sign, with the index fingers pointing upwards.

**GROUP INTERIM REPORT
FOR THE FIRST SIX MONTHS
OF 2009**

Recession hampers the markets

Difficult situation of the construction industry in many countries

Uzin Utz AG records fall in turnover, although continues to perform better than the market in general – cost reduction measures successful – upward trend apparent at the end of the half-year

Uzin Utz AG

» During the first half-year 2009, Uzin Utz AG worked intensively towards overcoming the adverse economic effects resulting from the financial and commercial crisis. As already expected at the end of 2008, many markets suffered sharp declines in the construction field, particularly Great Britain, Spain, Italy, Central and Eastern Europe as well as France. This could not fail to have its effects on the business development of Uzin Utz. Nevertheless, Uzin Utz succeeded in facing up to these great challenges comparatively well. While the first three months were still characterised by significant declines in turnover and income, the company was able to achieve notable improvements in the second quarter, which also continued into the third quarter.

» Even though the losses of the first months of the business year could not yet be made up during the course of second quarter, Uzin Utz is nevertheless cautiously confident of achieving a result for the full year which can be considered satisfactory under the prevailing circumstances. Although Uzin Utz cannot give any reliable forecast for the full year, due to the continuing great uncertainty in the markets, it is clearly recognisable that the intensive measures to reduce costs and expenditure and efficiency improvements in particular are showing noticeable effects, particularly by the end of the second quarter.

» Against the background of the overall market situation, Uzin Utz has been able to increase its market shares in both absolute and relative terms. As in the past recession, the company is working against the trend by focusing on taking advantage of the opportunities offered during the crisis. In these uncertain times, Uzin Utz is benefiting from its sound foundations and operational flexibility, whilst always keeping its long-term objective in mind – always with the aim and in the position to adapt itself purposefully to the current challenges.

INTERIM SITUATION REPORT

General conditions

» The world economy, which was still in a relatively stable condition in 2008, showed significant weaknesses during the first six months. Exchange rates fluctuated greatly, causing additional problems for exporting companies.

» While the international construction industry suffered a partial collapse, the German construction industry underwent only moderate declines. However, the sector as a whole still estimates that it will have to contend with recessive developments for an extended period to come.

Income, asset and financial situation

Income situation

Turnover is declining

» In a difficult economic environment which was characterised by recessions, a weak US Dollar and a weak British Pound, the Uzin Utz group recorded a decline in turnover in relation to the comparison period. In the first six months of the business year, turnover fell from 88.3 million Euro in the same period last year to around 83.2 million Euro. However, the first half-year of the previous year was one of the strongest in the history of the Uzin Utz group, and is therefore of only limited value as a comparison basis, although this decline should not be ignored, even though the company simultaneously increased its market shares.

» On the German market, the company achieved turnover of 39.3 million Euro as against 40.5 million Euro in the comparison period. This stable figure reflects the good market position of Uzin Utz, the increase in its market shares and the lesser reserve in the construction sector compared to many foreign markets.

Decline in export importance

» As anticipated, export turnover declined more significantly from 47.8 to 44.0 million Euro.

» The export share consequently fell to 52.8% (previous year 54.0).

» The company group continued to stick to its long-term strategy of not increasing market share at any price, but of only growing profitably.

Initial consolidation of several companies

» Included in the consolidation group for the first time were the Uzin Utz company in Hungary founded at the end of 2008, Uzin Utz Magyarország Kft. together with DS Derendinger AG in Switzerland, whose shares are held indirectly by Uzin Utz by means of its shareholding in Uzin Tyro AG, Switzerland.

Uzin Utz is reducing costs

» The material usage quota in the group was reduced from 43.3 to 42.4%, while material costs fell in absolute terms from 38.1 to 35.2 million Euro. Other operating expenditure fell from 20.6 million Euro in the same period last year to 18.7 million Euro in the first half of this year. Positive effects were also achieved by dedicated cost reduction measures and efficiency improvements.

Employees

» The number of employees rose in comparison to the previous year from 832 to 910. 54 of these employees belong to the newly consolidated companies. 48 young people were taken on in training positions. 382 of the above employees (previous year 310) are employed abroad, and 528 (previous year 522) in Germany.

» The personnel costs quota increased from 23.9 to 27.0%, and in absolute terms from 21.1 million Euro to 22.5 million Euro. The increase in the personnel costs quota is due to the decline in turnover.

Earnings

» The earnings before interest, taxes, depreciation and amortisation (EBITDA) at 7.5 million Euro also remains below the previous year's level (8.6).

» The earnings before interest and taxes (EBIT) is around 21.5% below the previous year at around 4.8 million Euro (6.1).

The earnings before taxes fell to 3.3 million Euro following 4.8 million Euro in the previous year. These figures are also attributable to the factors described above.

Asset situation

- » All previous year comparisons on the balance sheet refer to the final day of accounting of 31.12.2008.
- » The balance sheet total fell from 161.7 million Euro by 1.1 million Euro, and now totals 160.6 million Euro as at 30th June 2009.
- » The share of the group capital assets remained at the previous year's level of 58%. The remaining assets therefore make up 42% of the balance sheet total.
- » Receivables from customers rose from 24.0 to 30.1 million Euro.
- » Stocks on hand increased slightly from 21.7 to 21.9 million Euro.
- » The complete assets continue to represent operationally necessary levels.
- » Liquid funds fell from 13.6 to 10.2 million Euro.

Financial situation

- » The equity capital fell from 64.0 to 62.8 million Euro, and now makes up 39.1% of the balance sheet total (previous year 39.6%).
- » Short-term liabilities to banks increased by 2.9 million Euro to 35.8 million Euro (previous year 32.9).
- » The proportion of short-term liabilities in the balance sheet total increased accordingly from 32.2% to 34.0% as at 30.06.2009.
- » Accounts payable increased from 6.2 to 6.8 million Euro.
- » The tax reserves at 0.5 million Euro are below the previous year's figure of 1.0 million Euro.

Outlook

» The company group is cautiously confident in view of its market position, and from the current point of view expects a continuation of the difficult market situation for the whole year. The possible results of special effects, such as a return to rising energy and raw material prices, cannot be reliably estimated at the moment, meaning that no reliable forecast can be made. Uzin Utz has increased its efforts to secure its earnings, and has also implemented comprehensive cushioning measures in order to reduce costs and safeguard its competitive position: these efforts are now showing significant success.

» With regard to the major risks and opportunities for the future development of the group described in the annual financial statements for the business year 2008, no changes have taken place in the first six months of the current business year 2009. Uzin Utz AG expects to achieve a clearly positive result. With our positioning on the market, our special closeness to the customer and our motivated employees, we are confident of being able to offer our shareholders and customers a favourable outlook for the future in the second half of the year. No matters of particular importance took place following the end of the first half-year.

GROUP INCOME STATEMENT

according to IFRS, in TEUR, unaudited	1 st half 2009	1 st half 2008
1. Sales revenues	83,209	88,276
2. Changes in inventory of finished goods and work in process	-168	-396
3. Total output	83,041	87,881
4. Other operating income	843	591
5. Costs of materials	35,188	38,062
6. Personnel expenses	22,454	21,069
7. Depreciation/amortisation on tangible and intangible assets	2,726	2,631
8. Other operating expenses	18,707	20,583
9. Equity method results	18	-
10. Interest and similar income	87	104
11. Interest and similar expenses	1,566	1,438
12. Earnings before taxes (EBT)	3,349	4,794
13. Taxes on income and other taxes	1,511	1,501
14. Net income for the year	1,838	3,293
15. Minority interests in profit	-42	-31
16. Group net profit	1,880	3,324
	June 30, 2009	June 30, 2008
Earnings per share (in EUR)	0.44	0.78
Number of employees (incl. trainees)	910	832

BALANCE SHEET OF UZIN UTZ GROUP

according to IFRS, in TEUR, unaudited

ASSETS	June 30, 2009	Dec 31, 2008	June 30, 2008
A. Non-current assets			
1. Intangible assets	32,833	33,312	31,272
2. Property, plant & equipments	57,181	58,508	58,870
3. Non-current financial assets	759	754	215
4. Investment Properties	2,177	2,232	
5. Deferred tax assets	1,460	1,395	1,444
6. Other non-current assets	929	903	1,013
	95,339	97,104	92,815
B. Current assets			
1. Inventories	21,891	21,729	22,026
2. Trade and other receivables	30,121	23,964	32,663
3. Other current financial assets	59	74	
4. Cash and cash equivalents	10,241	13,638	10,228
5. Other current assets	2,946	5,226	2,856
	65,257	64,632	67,773
	160,596	161,737	160,588
EQUITY AND LIABILITIES	June 30, 2009	Dec 31, 2008	June 30, 2008
A. Equity			
1. Subscribed capital	12,805	12,805	12,805
2. Profit and accumulated other equity	49,871	51,223	47,586
	62,676	64,028	60,391
B. Non-current liabilities			
1. Provisions for pensions and other similar obligations	2,041	1,845	1,665
2. Due to credit institutions long-term	32,817	35,604	42,702
3. Deferred tax liabilities and other non-current liabilities	8,416	8,199	8,256
	43,274	45,647	52,624
C. Current liabilities			
1. Current tax payables	549	1,007	804
2. Other provisions	9,050	7,104	9,570
3. Due to credit institutions short-term	35,783	32,910	25,165
4. Trade payables and advanced received	6,833	6,219	9,004
5. Other current liabilities	2,432	4,821	3,031
	54,646	52,061	47,574
	160,596	161,737	160,588

CONSOLIDATED CASH FLOW STATEMENT

according to IFRS, in TEUR, unaudited	June 30, 2009	June 30, 2008
Net profit of the year	1,838	3,287
+/- Depreciation and amortisation of fixed assets	2,726	2,631
+/- Change in provisions	1,618	2,206
+/- other non-cash income and expense items	0	0
-/+ Gain/loss on disposal of non-current assets	-29	24
+/- Change in current assets (inventories, receivables)	-3,030	-4,805
+/- Change in liabilities	-1,698	-1,749
+/- Change from extraordinary positions	0	0
Cash flow from operating activities	1,425	1,594
+/- Proceeds from disposal of tangible assets/ investment in tangible assets	-856	-2,855
+/- Proceeds from disposal of intangible assets/ investment in intangible assets	-29	-41
+/- Proceeds from disposal of financial assets/ investment in financial assets	5	0
+/- Change from acquisition/ sale of consolidated companies	-769	-149
+/- Change for the short-term financial management of cash investments disposals	0	0
Cash flow from investing activities	-1,650	-3,046
- Payments due to acquisition of own shares	-64	0
- Payments to shareholders and minorities	-2,639	-3,840
+ Proceeds to the issue of bonds	-3,182	4,556
- Repayment of bonds	0	0
Cash flow from financing activities	-5,885	716
+/- Payment-related change in cash and cash equivalents	-6,110	-736
+/- Exchange-rate-related and other changes in cash and cash equivalents	-302	-174
+ Cash and cash equivalents at the beginning of the period (Jan, 01)	-6,064	-6,572
Cash and cash equivalents at the end of the period	-12,477	-7,134
Cash and cash equivalents		
Cash and cash equivalents	10,241	10,228
Short-term liabilities due to credit-institutions	-22,717	-17,362
Cash and cash equivalents	-12,477	-7,134

STATEMENT OF CHANGES IN EQUITY

according to IFRS, in TEUR, unaudited

	Subscribed capital	Capital reserve	Retained earnings	
			Group net income	Translation differences
January 01, 2008	12,805	13,624	38,786	-495
Exchange rate-related differences	-	-		174
Other changes	-	-	118	-
Net income directly recognised in equity	-	-	118	174
Net profit for the year	-	-	3,293	-
Total recognised income and expenses	-	-	3,411	174
Own shares	-	-	0	0
Dividends paid	-	-	-3,840	-
June 30, 2008	12,805	13,624	38,357	-321
January 01, 2009	12,805	13,624	42,760	-718
Exchange rate-related differences	-	-		-276
Other changes	-	-	-211	-
Net income directly recognised in equity	-	-	-211	-276
Net profit for the year	-	-	1,880	-
Total recognised income and expenses	-	-	1,669	-276
Own shares	-	-		-
Dividends paid	-	-	-2,639	-
Changes in basis of consolidation	-	-	-	-
June 30, 2009	12,805	13,624	41,790	-994

Reserve on own shares	Other transactions	Equity according to balance sheet	Minority interests	Total equity
-21	-4,006	60,694	-15	60,679
-		174	-1	173
-	-	118	-62	56
-	-	292	-63	229
-	-	3,293	31	3,324
-	-	3,584	-32	3,552
-	-	-	-	0
-	-	-3,840	-	-3,840
-21	-4,006	60,438	-47	60,391
-124	-4,224	64,123	-95	64,028
-	-	-276	3	-273
-	-	-211	-11	-222
-	-	-487	-7	-494
-	-	1,880	-42	1,838
-	-	1,393	-49	1,344
-64	-	-64	-	-64
-	-	-2,639	-	-2,639
-	-	0	7	7
-189	-4,224	62,813	-137	62,676

SEGMENT REPORTING

according to IFRS, in TEUR, unaudited

	Production companies Germany for laying systems	Production companies Germany for surface care and finishing	Production companies Rest of Europe with main production group of adhesives
External sales	38,615	7,296	12,953
previous year	42,896	7,758	14,228
Intercompany sales	11,059	1,404	4,244
previous year	11,662	1,436	4,588
Total sales	49,674	8,700	17,197
previous year	54,558	9,194	18,816
Segment profit (EBIT)	1,749	543	1,691
previous year	1,559	669	2,296

Reconciliation

» Reconciliation of the total segments' profit (EBIT) to profit before taxes is as follows:

Reconciliation of the total segments profit (in TEUR)	June 30, 2009	June 30, 2008
Total segments profit (EBIT)	4,897	6,139
Total segments profit, non operating segments	0	-1
Eliminations	-87	-11
Group-EBIT	4,810	6,127
Equity method results	18	0
Interest and similar income	87	104
Interest and similar expenses	1,566	1,438
Group-EBT	3,349	4,794

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, 2009 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 2008. A description of these principals is published in detail in the Notes to the Group financial statement for 2008. They are also available on the internet at www.uzin-utz.com.

» The Group interim financial statements are not subject to any kind of review by auditors.

Production companies Rest of Europe with main production group of dry mortars	all other segments	Reconciliation	Total group
8,943	15,401	0	83,209
7,219	16,175	0	88,276
1,711	1,161	-19,578	0
1,973	1,201	-20,860	0
10,654	16,562	-19,578	83,209
9,193	17,376	-20,860	88,276
822	92	-87	4,810
915	700	-12	6,127

» 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.

Consolidation group

» During the reporting period, the consolidation group was extended to include the following companies:

» New founding in 2008:

- With the founding of Uzin Utz Magyarország Kft., Hungary, a further mainstay was created last year for servicing the Eastern European market. The company has been included in the group accounts since 01.01.2009 (Uzin Utz shareholding 90%).

» Acquisition:

- Since 01.01.2009, Uzin Utz AG has indirectly held 100% of the shares of DS Derendinger AG, Switzerland, through Uzin Tyro AG.

The main business of this acquired company consists of machinery for the removal of floor coverings. The company will be included in the consolidation group for the first time from 01.01.2009.

The purchase price allocation was carried out in the light of as yet inconclusive information, since some valuations are still outstanding, and are therefore still provisional in nature according to IAS 3.62 ff. The provisionally determined present values of the purchase price allocation within a year can accordingly be adjusted after the takeover time. The purchase price was CHF 898,000.

The net turnover of DS Derendinger AG in the first half-year of the current business year totalled CHF 2.6 million.

These changes are not significant for the income, asset and financial situation.

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

» IFRS 8 Operating Segments were applied for the first time from the beginning of the year 2009. In comparison to the group financial statements for the business year 2008, this has resulted in the following changes: the segments are basically shown according to their internal group organisation and reporting structure by legal units, while similar companies which are characterised by specific main production groups are also considered jointly.

» This results in the following segmentation: The segment "Production companies, Germany, for laying systems" includes all producers of laying systems for flooring, parquet, tiles and natural stone based in Germany. The reporting segment "Production companies, Germany, for surface care and finishing" consists of the producers of surface care and finishing products in Germany. Companies manufacturing primarily adhesives in the rest of Europe make up the segment "Production companies, Rest of Europe with main production group of adhesives". The segment "Production companies, Rest of Europe with main production group of dry mortars" consists of the major producers of dry mortars in the rest of Europe. The other operating companies defined under IFRS 8 are combined under "all other segments". The item "Reconciliation" contains both consolidation measures and also amounts caused by non-operating segments.

» The segment result will be shown in future as the result before taxes on earnings and interest. Previous years' figures have been adjusted accordingly.

Appropriation of profits

» The proposal to distribute part of the 2008 balance sheet total in the sum of 6,588 TEUR was approved at the Annual General Meeting held on May 12, 2009. Such a distribution amounts to a dividend of 0.62 Euro per share.

Earnings per share

» Earnings per share has been determined on the basis of the Group result after taxes and the number of shares held by the company on average in the year. The undiluted result per share is identical to the diluted result per share.

Contingent liabilities and other financial obligations

» Compared with December 31, 2008, the other financial obligations have largely remained unchanged.

Related party relationships

» There were no significant changes compared with December 31, 2008.

Significant events

» There were no significant events following the conclusion of the first six months of 2009.

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.

Ulm, August 2009

Uzin Utz Aktiengesellschaft

Board of Directors



Dr. H. Werner Utz



Thomas Müllerschön

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

Uzin Utz AG

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