9 MONTHS REPORT 2012_2013

hönle group

Hönle Group – at a Glance

	01.10.2012 - 30.06.2013	01.10.2011 - 30.06.2012	Change
Statement of Comprehensive Income	**T€**	T€	%
Revenue	**55,531**	51,725	7.4
EBITDA	**7,218**	6,905	4.5
EBIT	**5,330**	5,316	0.3
EBT	**4,841**	4,961	-2.4
Consolidated net income	**3,589**	3,285	9.3
Share			
Earnings per share	**0.63**	0.55	14.5
Number of shares	**5,512,930**	5,512,930	0.0
Cash flow	**T€**	T€	
Operating Cash flow [1)]	**5,006**	4,435	12.9
Staff			
Average number of employees	**501**	431	16.2

	30.06.2013	30.09.2012	Change
Statement of Financial Position	**T€**	T€	%
Non-current assets	**37,443**	33,864	10.6
Current assets	**37,156**	40,476	-8.2
Shareholder's equity	**45,412**	44,484	2.1
Non-current liabilities	**15,247**	12,640	20.6
Current liabilities	**13,941**	17,216	-19.0
Total assets	**74,599**	74,340	0.3
Capital ratio in %	**60.9**	59.8	1.8

1) Cash from continuing business activities

Group Management Report

For the nine months from 1 October 2012 to 30 June 2013

Overview

The dynamics of the global economy continued to be reserved in the first half of 2013. In particular, economic development in the emerging countries, which impacted directly on other economic regions, was disappointing. The weakness in German mechanical engineering continued unabated with declining sales in the first half of the year. In the Euro region, the market for capital goods contracted even more strongly than in Germany, according to VDMA, the Association of German Machinery and Equipment constructors. According to current surveys, the capital goods market saw a decline of 19 %.

The reluctance to invest also impacted on Hönle Group's development, in particular on the 'Equipment and Systems' segment. In all, sales earned by the Hönle Group rose from T€ 51,725 in the previous year to T€ 55,531 in the current financial year due to the Raesch Group and Grafix GmbH consolidation: However, the operating result (EBIT) of T€ 5,330 was on the previous year's level (T€ 5,316).

The 'Equipment and Systems' Segment

Sales in the ''Equipment and Systems' segment rose from T€ 27,207 in the previous year to T€ 29,788 in the current financial year. Grafix GmbH has been included in this segment since 8 January 2013. In the first six consolidated months, the company already achieved a positive earnings contribution of ca. T€ 400.

Hönle acquired extensive machinery within the scope of the Grafix asset deal. The metal processing machinery will be relocated from the Stuttgart site to the existing site at Unterlüß by the end of the financial year. In this context, investments will be made in new metal processing machinery. In future, the new metal processing centre at Unterlüß will supply the entire Hönle group with mechanical components. The pertaining increase in manufacturing depth is expected to lead to a reduction in the cost of materials ratio as from the next financial year.

The Stuttgart-based head office of Grafix GmbH was relocated. The new head office, which is in close proximity to the former site, enables efficient business processes on a much smaller area. In addition, the relocation will lead to a substantial reduction in rental expenses.

The integration of Mitronic GmbH into Hönle was more expensive than originally anticipated. Sales also lagged significantly behind expectations and the company will probably make a negative contribution to earnings in the current financial year.
Under new management, Mitronic has further expanded its distribution network and is thus in a much better position than in the past to service the economic region in Asia. Corporate management expects positive business development for the sunlight simulation plants and crash test plants as well as in the field of light technology in the coming year.

This expectation is underpinned by a recent large-scale order involving a contract volume of € 1.1 million that was placed by a leading car maker in China.

The reluctance to invest in the field of offset printing also made itself felt in the printing applications segment. Sales were down from the previous year's values whereas, compared to the previous year, positive business development was recorded in the digital printing segment.
In May, the China Print trade fair opened its doors. This is one of the major trade fairs for the printing industry and may contribute to a boost in printing application sales in the second half of the year.

The 'Glass and Lamps' Segment
Taking into account the fact that the Raesch Group was consolidated for only six months in the past year, sales of T€ 13,272 earned in the 'Glass and Lamps' segment were below the previous year's level of T€ 13.235. The reason therefore is the weak photovoltaic and semi-conductor market, in particular.
As a consequence, Raesch has initiated extensive measures aimed at increasing future sales and earnings levels. Apart from expanding sales activities through new sales partnerships in the North-American sales market, the sales team was strengthened by recruiting new personnel and is to be expanded further in the course of the financial year.
Moreover, Raesch has developed and launched new products with a view to further tapping the semi-conductor market, in particular.

In addition, several measures were implemented in order to optimize the proportion of rejects and, in this context, reducing the materials cost ratio. The resulting effects will probably have a positive impact from the beginning of the next financial year.

The 'Adhesives' Segment
The course of business in the 'Adhesives' segment developed positively with a sales increase from T€ 11,283 in the previous year to T€ 12,471 in the current financial year. The consumer electronics market and the automotive industry, in particular, were responsible for the upturn in the market.

The Panacol Group hired new staff in the sales and development departments order to increase revenue. The focus here is on both new fields of application such as medical technology as well as promising sales territories such as the North-American and Asian markets.
The positive sales development experienced by the Panacol Group is also due to the fact that several new adhesives to be used in entertainment electronics and optoelectronics were brought to market maturity.

Results of Operations

The Hönle Group recorded a constrained propensity to invest in the 'Equipment and Systems' and 'Glass and Lamps' segments in the first nine months of the financial year. Nevertheless, due to acquisitions, sales earned by Hönle rose from T€ 51,725 in the first nine months of the previous year to T€ 55,531 in the current financial year.

Segments

'Equipment and Systems' segment sales climbed 9.5 % to T€ 29,788, and accounted for 53.6 % of total sales earned by the Hönle Group. This sales increase is due to the initial consolidation of Grafix GmbH, which generated sales of T€ 3,884 in the period from January to June 2013.

The strong demand from the entertainment electronics and automotive industries for industrial adhesives led to sales revenues of T€ 12,471 in the 'Adhesives' segment in the first nine months of the year, which translates into 22.5 % of total sales. Year-on-year, sales thus rose by 10.5 %.

Sales earned in the 'Glass and Lamps' segment rose 0.3 % to T€ 13,272 and accounted for 23.9 % of total sales. The year-on-year increase is due to the fact that the Raesch Group was consolidated for only six months in the previous year. Taken together, sales earned in the 'Glass and Lamps' segment were down from the previous year due, in particular, to the weak semiconductor and photovoltaic markets and also due to a drop in sales in the wastewater disinfection segment.

Region

The Hönle Group's domestic sales grew from T€ 18,007 in the past financial year to T€ 22,182 in the current financial year, whereas European sales (excluding Germany) dropped from T€ 17,229 to T€ 16,457. Sales in countries outside Europe climbed from T€ 16,490 to T€ 16,892. Hönle thus generated 39.9 % of total sales in Germany, 29.6 % of sales in other European countries, and 30.4 % outside the European Union.

From October 2012 to June 2013, the Hönle Group's operating result (EBIT) amounted to T€ 5,330 after T€ 5,316 in the comparable previous year's period. Earnings before taxes dropped from T€ 4,961 to T€ 4,841. The consolidated result net income amounted to T€ 3,589 (PY: T€ 3,285), which represents earnings per share of € 0.63 (PY: € 0.55).

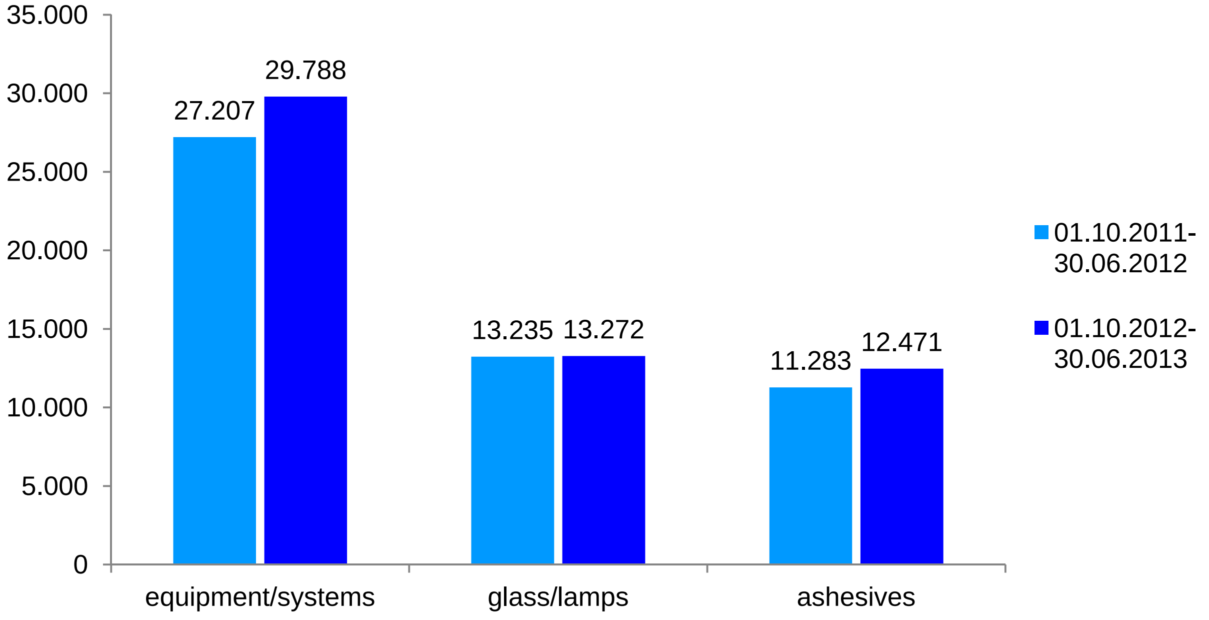
After being 10.3 % in the previous year, the EBIT margin thus stood at 9.4 % in the current financial year. Net profit on sales remained nearly unchanged at 6.5 % (PY: 6.4 %).

The cost of materials ratio saw a year-on-year increase from 37.1 % to 38.3 % due, among other things, to the Raesch Group consolidation. The personnel expense ratio rose from 32.7 % to 34.0 %, and the ratio of other operating expenses from 20.9 % to 21.5 %.

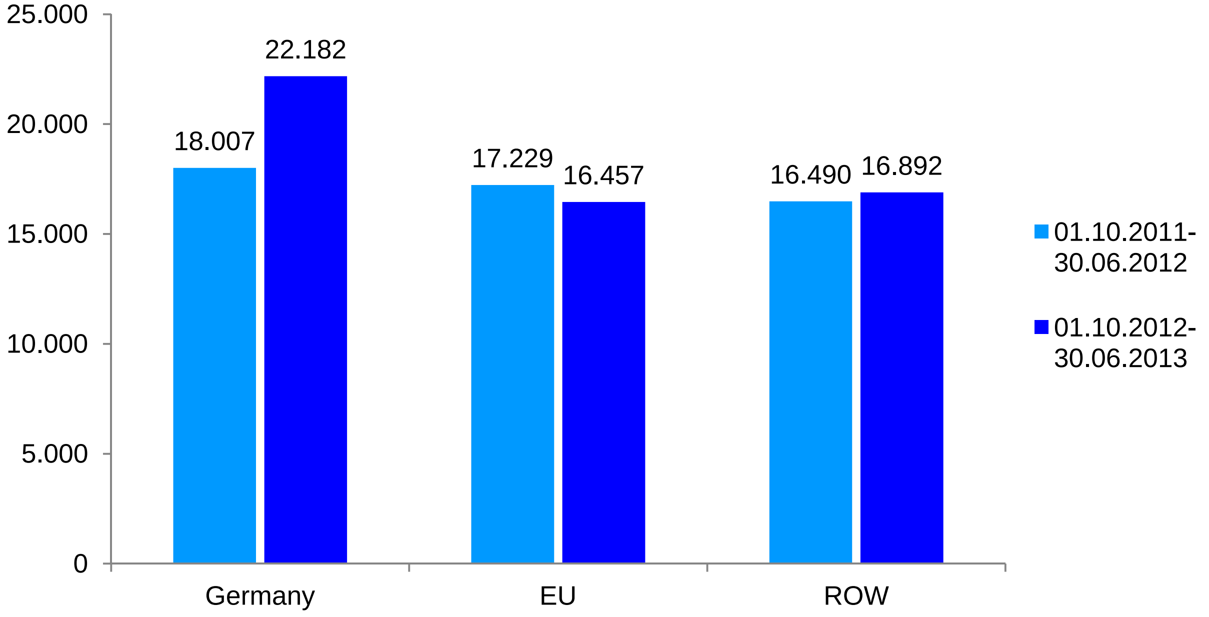
Earnings Development

in T€	**01.10.12 - 30.06.13**	01.10.11 - 30.06.12	Change
Revenue	**55,531**	51,725	7.4 %
Gross profit	**38,657**	34,740	11.3 %
Operating result (EBIT)	**5,330**	5,316	0.3 %
Earnings before taxes (EBT)	**4,841**	4,961	-2.4 %
Consolidated net income/loss for the year	**3,589**	3,285	9.3 %
Earnings per share in €	**0.63**	0.55	14.5 %

Sales according to segment (in T€)



Sales according to region (in T€)



Financial Position

The cash flow generated from current activities in the first nine months of the 2012/2013 financial year amounted to T€ 5,006 (PY: T€ 4,435). In this context, particularly the T€ 1,708 rise in inventories, which is largely due to higher inventory balances at Raesch Quarz (Germany) GmbH, led to a reduction in liquidity. In addition, investment subsidies for equipment and systems in the amount of T€ 553 as well as electricity tax refunds in the amount of T€ 156 increased Raesch Quarz (Germany) GmbH's liquidity in the third quarter.
The cash flow from operating activity came to T€ 3,915 (PY: T€ 1,432) after payment of interest amounting to T€ 290 and income taxes of T€ 801.

Cash used for investing activity amounted to T€ -8,766, up from T€ -5,401 reported in the previous year. The cash flow resulted mainly from a purchase price instalment amounting to T€ 3,288 paid with respect to the Raesch Group acquisition (reported under "Acquisition of subsidiaries"), and from payments for the acquisition of property, plant and equipment and intangible assets in the amount of T€ 4,486. The acquisition of property, plant and equipment and intangible assets was largely carried out in the context of purchase of the Grafix GmbH assets, and also includes investments in machines and equipment at UV-Technik Speziallampen GmbH and Panacol Elosol GmbH. The cash flow used for investing activity also includes payments amounting to T€ 1,039 for the acquisition of current assets at Grafix GmbH, which mainly relate to inventories.

Cash used for financing activity amounted to T€ -165 (PY: T€ -1,492) and comprises dividend payments to the shareholders of Dr. Hönle AG at the amount of T€ 2,756 and bank borrowings amounting to T€ 4,500 aimed at financing the acquisition of Grafix GmbH assets. Loans and current bank liabilities were repaid in the amount of T€ 1,909 in the current financial year.

In all, liquid assets decreased by T€ 4,939 to T€ 4,382 during the first nine months of the current financial year.

Liquidity Development

in T€	**01.10.12 - 30.06.13**	01.10.11 - 30.06.12	Change
Cash from current activities	**5,006**	4,435	12.9 %
Cash provided by/used for investing activity	**-8,766**	-5,401	-62.3 %
Cash provided by/used for financing activity	**-165**	-1,492	88.9 %
Change in liquid assets	**-4,939**	-5,359	7.8 %

Net Assets

Several changes were reported in the Hönle Group's balance sheet in the current financial year, which are attributable in particular to the acquisition of assets of Grafix GmbH. As at 30 June 2013, goodwill increased by T€ 810 to T€ 16,312, intangible assets by T€ 550 to T€ 3,629, property, plant and equipment by T€ 1,774 to T€ 14,884, and inventories were up T€ 2,583 to T€ 19,162. The acquired property, plant and equipment includes commercial real estate at Unterlüß near Celle, consisting of 19,500 square meters of land and 4,500 square meters of commercial area. The purchase price for the acquired assets of Grafix GmbH amounted to T€ 4,500. A five-year loan in the amount of T€ 4,500 was taken out for financing the acquisition.

Liquid assets dropped by a total of T€ 4,939 to T€ 4,382. Long-term loans increased in the current financial year by T€ 2,455 to T€ 6,119 as at 30 June 2013. The long-term loans mainly concern bank loans that were taken out to finance the Raesch Group acquisition and the assets of Grafix GmbH. The two loans will be fully repaid in the course of their five-year term.

With an equity ratio of 60.9 %, Hönle Group financing continues to be on solid ground.

Balance Sheet

in T€	**30.06.2013**	30.09.2012	Change
Non-current assets	**37,443**	33,864	10.6
Current assets	**37,156**	40,476	-8.2
Shareholders' equity	**45,142**	44,484	2.1
Non-current liabilities	**15,247**	12,640	20.6
Current liabilities	**13,941**	17,216	-19.0
Balance sheet total	**74,599**	74,340	0.3

Research and Development

The focus of R&D activities was on order-related development. The Hönle Group's order-independent research and development expenses dropped from T€ 802 in the prior-year period to T€ 770 in the first nine months of the current financial year. During this period, the average number of R&D staff rose from 52 to 60. Overall, 12.0 % of Hönle Group's entire staff is employed in the Research and Development departments.

Hönle Group participated in several trade fairs in Germany and abroad, including the international trade fair for screen and digital printing, FESPA, where the Group presented its current products. The products presented ranged from highly efficient UV drying systems with medium-pressure lamps to pioneering LED technology. As market leader for UV drying systems in the wide-format inkjet printing segment, Hönle showcased the innovative jetCure series, which enables excellent curing even at high printing speeds and thus leads to significantly enhanced printing quality. jetCure units are equipped with dichroic reflectors for temperature-sensitive materials and are available with lamp spectrums adapted to the specific ink. Hönle's LED products are ideally suited for pinning and final drying.

In the current financial year, the Panacol Group developed several customer-specific product solutions in the 'Adhesives' segment. The special adhesives are used in consumer electronics, opto-electronics and in the automotive industry.

Supplementary Report

Since 1 July 2013, no events of special significance that would impact significantly on Hönle Group's net assets, financial position and results of operations have occurred.

Personnel

Corporate acquisitions led to an increase in the Hönle Group's staff level in the past as well as in the current financial year. The number of staff rose from 461 to 517 employees, year-on-year (as at 30 June of the respective financial years).

Hönle Group’s staff of 517 included 49 part-time employees, which corresponds to 9.5 % of its total staff.

The employees were engaged in the following functional areas:

Functional Areas

Reporting date	**30.06.13**	30.06.12	Change
Sales	**81**	72	12.5 %
Research & Development	**66**	51	29.4 %
Production, Service	**244**	230	6.1 %
Logistics	**57**	46	23.9 %
Administration	**69**	62	11.3 %
Total	**517**	461	12.1 %

Functional Areas

Average for the period	**01.10.12 - 30.06.13**	01.10.11 - 30.06.12	Change
Sales	**80**	70	14.3 %
Research & Development	**60**	52	15.4 %
Production, Service	**239**	205	16.6 %
Logistics	**56**	44	27.3 %
Administration	**66**	60	10.0 %
Total	**501**	431	16.2 %

Personnel Expenses

in T€	**01.10.12 - 30.06.13**	01.10.11 - 30.06.12	Change
Wages and salaries	**15,956**	13,952	14.4 %
Social security and pension costs	**3,297**	3,008	9.6 %
Total	**19,253**	16,960	13.5 %

In the current financial year, the average number of Hönle Group staff rose by 16.2 % to 501 in year-on-year terms. This was attributable to the staff added from the Raesch Group and Grafix GmbH. Personnel expenses rose by 13.5 % to T€ 19,253 in the same period.

Research and Development saw the highest staff level increase (in percentage terms) with a 29.4 % rise to the current 66 employees.

Hönle invests in occupational training with a view to covering the future demand for qualified personnel: The Hönle Group offers vocational training in the segments: business administration, technology, chemistry, and logistics. As at 30 June 2013, 16 young people underwent occupational training at the Hönle Group (PY: 20).

Outlook

Overall market

While global economic dynamics were disappointing in the first half of 2013, many early indicators point to moderate economic recovery in the further course of the year.

This involves a risk that the recent period of weak economic growth observed in the emerging markets could persist if the financing conditions should deteriorate as a result of a change in the U.S. monetary policy. However, the longer-term structural preconditions for growth in the emerging markets continue to be sound: The discretionary leeway concerning central banks' monetary policy, a low government debt level and the demographic structure in many emerging markets offer ideal preconditions for sustained growth.

Given ongoing consolidation pressure on public and private budgets, the economic environment in the industrialised countries continues to be difficult. Nevertheless, indications of an economic upturn are also increasing in the Eurozone. Recently, the Purchasing Managers' Index in the Eurozone picked up again and now stands at 50.5 points, thus returning to positive growth for the first time in 18 months. German consumers' mood for buying is also at a 6-year high, according to the consumer research association, GfK [Gesellschaft für Konsumforschung].

Hönle Group

While sales increased in the 'Adhesives' segment in the first nine months of the 2012/2013 financial year, the Hönle Group was affected by restrained demand in both the 'Equipment and Systems' and the 'Glass and Lamps' segments. The subdued demand contributed largely to the fact that sales and earnings lagged behind expectations.

Starting with its previous statement that sales of between € 75 and 80 million and an operating result of between € 8 and 9 million will be achieved, the Hönle Group Management presently assumes that the respective lower limit of the target corridor will be reached.

Segment: 'Equipment and Systems'

From 8 January 2013, the 'Equipment and Systems' segment also encompasses the activities of Grafix GmbH. In the first six months since inclusion in the Hönle Group, Grafix GmbH provided positive earnings contributions. Within the scope of the asset deal, Hönle acquired extensive machinery including, inter alia, metal processing machinery. A metal processing centre is to be set up at the Grafix production site at Unterlüß near Celle by the end of the financial year. In the future, this centre will supply mechanical components to several Hönle Group companies and will replace external suppliers. This measure will have a positive impact on Grafix GmbH's sales and earnings development.

Switch cabinet assembly at Dr. Hönle AG

Mitronic GmbH was successfully integrated into the Hönle Group. A new managing director has realigned the company’s staff and established important distribution partnerships, in particular with respect to the Chinese market. The company's management expects positive business development in the sunlight simulation systems and illumination systems for crash tests segments as from the next financial year. Recently, the company received a major contract from a Chinese automotive group involving a volume of € 1.1 million.
In addition, the lighting technology segment is to be further expanded through investments in sales activities. The lighting technology segment mainly comprises daylight lamps for trade fair events.

The Management Board foresees positive business development in the printing segment in the next financial year. Stable sales development is assumed respecting UV and IR systems for the offset printing segment. The purchase of Grafix GmbH may also provide positive effects for this segment. Rising sales are expected in the digital printing applications segment due to a growing digital printing market, in which the Hönle Group has a strong foothold.

China Print, an important trade fair for the printing industry, took place in May. The trade fair may lead to higher sales in the printing applications segment in the coming quarters.

Segment: 'Glass and Lamps'

The Raesch Group implemented a package of measures aimed at improving the sales and earnings development. This included the expansion of sales activities through new distribution partnerships in the North American sales market and through increasing its own sales team.
In addition, Raesch developed and launched new products for the semiconductor industry, among others.
The focus is also on optimisation of the reject rates and the associated improvement in the cost of materials ratio. The resulting positive effects are expected to be reflected in the Group's results as from the beginning of the next financial year.
The Management Board projects that the semiconductor and photovoltaics markets will recover gradually during the coming quarters.

It is also assumed that the Hönle Group will significantly increase sales in the ballast water disinfection segment as from the next financial year. This forecast is based on a ballast water agreement concerning the disposal of ballast water from ships and vessels. According to this agreement, ballast water must, in the future, already be disinfected before being discharged. Disinfection by means of UV irradiation is an environmentally-friendly approach. UV-Technik Speziallampen GmbH offers corresponding disinfection systems and already supplies several customers and manages promising projects in this area.
Following a two-year development phase, UV-Technik Speziallampen GmbH started the series production of infrared lamps, which, for the present, are being used to cover the company's

own needs. The company thus taps an additional business field, which is to be expanded through selling the products to further customers outside the Hönle Group.

The Management Board foresees that the 'Glass and Lamps' segment will provide a significant contribution to Hönle Group's sales and earnings growth in the coming financial years.

Segment: 'Adhesives'

The 'Adhesives' segment reported encouraging business development in the current financial year. Customer orders from the electronics industry will contribute to a significant rise in sales and earnings in this segment in the fourth quarter.

Additional staff was recruited for the sales and development divisions with a view to increasing sales. In the future, the focus will be on the further tapping of existing sales potential in the consumer electronics and opto-electronics segments and in the automotive industry.

The medical technology segment is also to be expanded further.

Plans are also in place to increase sales in the North American and Chinese sales territory via investments in Tangent Industries Inc., and in Hoenle UV Technology (Shanghai) Trading Ltd.

The Hönle Group is well positioned with its three business segments: 'Equipment and Systems', 'Adhesives' and 'Glass and Lamps'. At the same time, the Group is represented on markets that offer great potential for further growth. The Management Board thus continues to aim at reaching the sales threshold of € 100 million within the next two years.

Consolidated Statement of Comprehensive Income

for the period 1 October 2012 until 30 June 2013 according IFRS

	01.04.2013 - 30.06.2013 in T€	**01.04.2012 - 30.06.2012 in T€**	**01.10.2012 - 30.06.2013 in T€**	**01.10.2011 - 30.06.2012 in T€**
Revenue	**19,399**	**17,548**	**55,531**	**51,725**
Changes in inventories of finished goods and work in progress	-201	480	1,065	199
Other operating income	2,391	1,281	3,746	2,088
Cost of purchased materials and services	7,187	6,663	21,685	19,272
Personnel expenses	6,669	5,911	19,253	16,960
Depreciation and amortization including goodwill	643	666	1,888	1,589
Other operating expenses	4,887	3,848	12,186	10,875
Operating result/EBIT	**2,202**	**2,221**	**5,330**	**5,316**
Profit/loss from investments accounted for at equity	10	3	5	4
Interest income	11	100	37	177
Interest expense	147	341	531	536
Financial result	-125	-238	-489	-355
Earnings before tax and non-controlling interest/EBT	**2,076**	**1,983**	**4,841**	**4,961**
Income tax	539	709	1,252	1,676
Consolidated net income	**1,538**	**1,274**	**3,589**	**3,285**
Share in earnings attributable to non-controlling interest	11	153	108	259
Share in earnings attributable to Dr. Hönle AG shareholders	1,527	1,121	3,481	3,026
Earnings per share (basic) in €			0.63	0.55
Earnings per share (diluted) in €			0.63	0.55
Weighted average shares outstanding (basic)			5,511,854	5,511,854
Weighted average shares outstanding (diluted)			5,511,854	5,511,854

The consolidated interim report is unaudited.

Consolidated Total Comprehensive Income

for the period 1 October 2012 until 30 June 2013 according IFRS

	01.10.2012 - 30.06.2013 in T€	01.10.2011 - 30.06.2012 in T€
Consolidated net income	**3,589**	**3,285**
Other comprehensive income:		
- Valuation of investments due to IAS 39 not effecting net income		
- Currency differences	-9	106
Other comprehensive income after tax	-9	106
Total comprehensive income for the period	**3,580**	**3,391**
Thereof account for:		
- Share in earnings attributable to non-controlling interest	108	259
- Share in earnings attributable to Dr. Hönle AG shareholders	3,472	3,132

The consolidated interim report is unaudited.

Consolidated Statement of Financial Position

as of 30 June 2013 according IFRS

ASSETS	30.06.2013 in T€	30.09.2012 in T€
LONG-TERM ASSETS		
Goodwill	16,312	15,502
Intangible assets	3,629	3,079
Property, plant and equipment	14,884	13,110
Investments accounted for at equity	208	195
Financial assets	32	32
Other non-current assets	768	727
Deferred taxes	1,609	1,219
Total non-current assets	**37,443**	**33,864**
CURRENT ASSETS		
Inventories	19,162	16,579
Trade accounts receivable	10,946	12,050
Receivables towards associated companies	177	93
Other current assets	1,958	1,994
Tax refund claims	530	439
Liquid assets	4,382	9,321
Total current assets	**37,156**	**40,476**
TOTAL ASSETS	**74,599**	**74,340**

LIABILITIES AND SHAREHOLDERS´ EQUITY	30.06.2013 in T€	30.09.2012 in T€
SHAREHOLDERS´ EQUITY		
Subscribed capital	5,513	5,513
Own shares	-8	-8
Additional paid-in capital (capital reserves)	16,855	16,855
Retained earnings	19,638	18,818
Equity attributable to Dr. Hönle AG's shareholders	**41,997**	**41,178**
Non-controlling interest	3,414	3,306
Total Shareholders´ Equity	**45,412**	**44,484**
NON-CURRENT DEBTS		
Non-current loans (less current portion)	6,119	3,664
Non-current portion of finance lease obligation	2	27
Other nun-current liabilities	4,576	4,797
Pension accruals	2,161	1,932
Accrued public investments grants	527	572
Deferred taxes	1,863	1,648
Non-current liabilities	**15,247**	**12,640**
CURRENT LIABILITIES		
Trade accounts payable	3,361	3,483
Liabilities towards related parties	2	0
Liabilities towards associated companies	26	0
Advance payments received	605	434
Current portion of finance lease obligation	15	43
Current loans towards banks and current portion of non-current loans	1,941	1,751
Other current liabilities	4,548	8,320
Other accruals	1,710	1,761
Tax accruals	1,732	1,424
Total current liabilities	**13,941**	**17,216**
TOTAL LIABILITIES AND SHAREHOLDERS´ EQUITY	**74,599**	**74,340**

The consolidated interim report is unaudited.

Consolidated Statement of Changes in Equity

for the period 1 October 2012 until 30 June 2013 according IFRS

				Retained earnings			Equity		
	sub-scribed capital in T€	own shares in T€	Addi-tional paid-in capital in T€	legal reserve in T€	Special item revalu-ation in T€	Cur-ency differ-ences in T€	Equity attribu-table to Dr. Hönle AG's shareholders in T€	Non-controll-ing interest in T€	Total in T€
As at 01/10/2011	**5,513**	**-1,833**	**16,212**	**15,036**	**0**	**1,446**	**36,374**	**1,830**	**38,204**
Consolidated net income				3,026			3,026	259	3,285
Other operating result				19		106	125		125
Total result				3,045		106	3,151	259	3,410
Sale of own shares		1,826					1,826		1,826
Purchase of additional paid in capital due to purchase of non-controlling interest			383				383		383
Dividend distribution				-2,756			-2,756		-2,756
Change of non-controlling interest due to acquisitions							0	1,545	1,545
As at 30/06/2012	**5,513**	**-7**	**16,595**	**15,325**	**0**	**1,552**	**38,979**	**3,634**	**42,613**
As at 01/10/2012	**5,513**	**-8**	**16,855**	**17,320**	**0**	**1,498**	**41,178**	**3,306**	**44,484**
Consolidated net income				3,484			3,484	108	3,591
Other operating result						-9	-9		-9
Total result				3,484		-9	3,475	108	3,583
Sale of own shares							0		0
Purchase of additional paid in capital due to purchase of non-controlling interest							0		0
Dividend distribution				-2,756		100	-2,656		-2,656
Change of non-controlling interest due to acquisitions							0		0
As at 30/06/2013	**5,513**	**-8**	**16,855**	**18,048**	**0**	**1,589**	**41,997**	**3,414**	**45,411**

The consolidated interim report is unaudited.

Consolidated Statement of Cash Flows

for the period 1 October 2012 until 30 June 2013 according to IFRS

	01.10.2012-30.06.2013 in T€	01.10.2011-30.06.2012 in T€
Cash flows from operating activities:		
Net income for the year before non-controlling interest and taxes	4,841	4,961
Adjustments for: Depreciation of fixed assets	1,888	1,689
Profit from investments accounted for at equity	-6	-4
Profit/loss from disposal of fixed assets	36	0
Financial income	-6	-177
Interest expenses	1	536
Other non-cash expenses/income	-1,451	471
Operating result before changes to net current assets	**5,303**	**7,476**
Increase/decrease in accruals	178	-91
Increase/decrease of trade accounts receivable	1,103	3,091
Increase/decrease in receivables towards associated companies	-85	0
Increase/decrease of other assets	-85	-737
Changes in qualifying insurance policy	-66	-135
Increase/decrease in inventories	-1,708	-1,650
Increase/decrease in trade accounts payable	104	-1,492
Increase/decrease in liabilities towards related parties	2	0
Increase/decrease in liabilities towards associated companies	8	0
Increase/decrease in advance payments received	171	-222
Increase/decrease in other liabilities	81	-1,806
Cash from continuing business activities	**5,006**	**4,435**
Interest paid	-290	-536
Income tax paid	-801	-2,467
Net cash from operating activities	**3,915**	**1,432**
Cash flows from investing activities:		
Acquisition of subsidiaries minus acquired net cash	-3,288	-3,674
Payments from at-equity investments	-8	-79
Payments received from the sale of fixed assets	0	208
Purchase of property, plant and equipment and intangible assets	-4,486	-1,644
Payments for current assets received	-1,039	0
Changes in financial assets	0	-3
Payments received from non-current receivables	24	44
Changes in non-current liabilities	0	-430
Payments received from interest	30	38
Payments received from dividends	1	139
Net cash used for investing activities	**-8,766**	**-5,401**
Cash flows from financing activities:		
Payments received from loans and non-current liabilities to banks	4,500	3,000
Payments for loans and liabilities to banks	-1,647	-1,736
Payments for financial resources under short-term cash management	-262	0
Payments for dividends	-2,756	-2,756
Net cash from financing activities	**-165**	**-1,492**
Currency differences	-23	-26
Exchange rate differences of liquid assets	100	129
Net increase/decrease in cash	**-4,939**	**-5,358**
Cash at the beginning of the reporting period	9,321	12,863
Cash at the end of the reporting period	4,382	7,504

The consolidated interim report is unaudited.

Explanatory Notes

to the 9-Month Report of the Financial Year 2012/2013

Hönle prepares the interim consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) published by the International Financial Reporting Standards Board (IASB) and their interpretations as adopted in the European Union. Hönle prepares and publishes the interim consolidated financial statements in euros (EUR).

These consolidated financial statements have been prepared based on IAS 34 "Interim Financial Reporting" and must be read in the context of the consolidated financial statements published by the Company for the 2011/2012 financial year.

The consolidated balance sheet as at 30 June 2013 and the consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in consolidated equity, and the consolidated cash flow statement for the reporting periods ending on 30 June 2013 and 2012, respectively, as well as the notes to the financial statements were not audited and were not subjected to an audit review.

The significant accounting, valuation and consolidation methods have not changed in comparison with the 2011/2012 consolidated financial statements.

The French subsidiary Domino S.à.r.l., Paris was merged into the French subsidiary Eleco Produits EFD, SAS, Paris in the second quarter of the 2012/2013 financial year. The merger took place with retrospective effect as of 1 January 2013.

On 21 December 2012, Grafix GmbH (formerly Blitz 12-319 GmbH), a wholly owned subsidiary of Dr. Hönle AG, signed a purchase agreement stipulating the acquisition of all significant assets (asset deal) of the insolvent Grafix GmbH, Stuttgart and of the insolvent Platsch GmbH & Co. KG, Stuttgart.

Upon acceptance of the purchase agreement on 8 January 2013, Dr. Hönle AG gained control over the acquired assets and business operations. Consequently, the inclusion in the consolidated financial statements of Dr. Hönle AG takes place as of 8 January 2013.

The acquired assets comprise parts of the intangible and tangible assets, including business premises at the Unterlüß (Celle) production site, inventories and the entire business activities of Grafix GmbH as well as the pertaining employment relationships. In all, the acquired assets concern business operations in terms of the provisions set forth in IFRS 3. Consequently, the provisions of IFRS 3 concerning business combinations apply with respect to the transaction. Grafix GmbH is a leading global producer of peripheral devices used in the colour fixing segment. The company's product program comprises drying and powder spraying systems, and systems for dampening agent preparation and ink temperature control systems. The company supplies both printing firms and printing machine manufacturers with this product program. As an important supplier, the company has access to leading manufacturers of offset and digital printing machines worldwide.

The inclusion of the acquired business operations in the consolidated financial statements is based on preliminary accounting. Therefore, the assets and liabilities - and consequently also the determined goodwill - included in the consolidated financial statements may still be adjusted within the measurement period of one year, as provided for under IFRS 3.45. The recognition of non-current assets and inventories is also to be considered as preliminary.

The acquired assets and liabilities as of the acquisition date are as follows:

	Fair value in T€
Non-current assets	
Intangible assets	1,058
Property, plant and equipment	
Land and buildings	1,300
Technical equipment, operating and business equipment	394
Deferred tax assets	707
Current assets	
Inventories	1,039
Liabilities	
Deferred tax liabilities	-677
Net assets	3,821

The contractually agreed purchase price for the acquired assets amounts to T€ 4,500. The purchase price was to be settled in cash and was paid at the full amount. The purchase price does not provide for amendment or adjustment clauses. A five-year loan in the amount of € T€ 4,500 was taken out for financing the acquisition. Interest on the principal loan amount is subject to 3-month EURIBOR plus a margin of 1.95 %. A five-year PAYER swap was concluded at the same time to collateralise the 3-month EURIBOR. No cash and cash equivalents were acquired. This resulted in a cash outflow of T€ 4,500.

The purchase price and the acquired assets resulted in goodwill of T€ 679. Expected synergies in the areas of development, production and sales are the main factors that contributed to the recognised goodwill. It is assumed that the goodwill will be completely allocated to the cash-generating unit Grafix GmbH. The expected goodwill from the corporate acquisition to be recognised for tax purposes amounts to T€ 1,100. The determination of goodwill to be recognised for tax purposes has not yet been concluded.

Net income for the year generated by the acquired business operations in the period from the date of acquisition until 30 June 2013 amounted to T€ 248. Sales revenues generated in the period from the date of acquisition until 30 June 2013 stood at T€ 3.884.

Sales revenues generated in the period from 1 October 2012 until 30 June 2013 came to T€ 6,016. Since the operating activities were taken over from companies that were subject to preliminary insolvency proceedings, the disclosures in accordance with IFRS 3.60 in conjunction with paragraph B.64 (q) (ii) cannot be determined with respect to the earnings contribution.

No business segments were discontinued or sold in the context of the corporate acquisition.

In the third quarter of fiscal year 2012/2013 the company TECINVENT GmbH was founded in Schomberg, at which Dr. Hönle AG holds 35 %. From 01 July 2013 on TECINVENT GmbH is accounted as an associated company under IAS 28 using the equity method. The corporate purpose is the development, manufacture and sale of products and services in the field of electronic circuits, components, devices and systems.

In fiscal year 2012/2013, the presentation of 'changes in qualifying insurance policy' is shown under the area 'cash flow from operating activities' in the cash flow statement. The prior year figures have been adjusted to reflect the new structure.

The Group figures to be segmented are allocated to the primary segments as follows (unaudited):

	Equipment/ Systems 12/13	Ad- hesives 12/13	Glass/ Lamps 12/13	Total 12/13	Elimi- nations 12/13	Consoli- dated 12/13
Sales revenues:						
External customers	29,788	12,471	13,272	55,531	0	55,531
Revenues with other business units	629	164	776	1,569	-1,569	0
Total sales						
NET EARNINGS:	30,417	12,635	14,048	57,100	-1,569	55,531
Segment result (operating result)	**3,166**	**1,591**	**826**	**5,583**	**-253**	**5,330**
Includes significant income and expense items:						
- Value adjustment of receivables	1,153	-34	-7	1,113		1,113
- Other income / royalties / income from reduction IVA, FVA	2,127	29	606	2,762	0	2,762
Interest income	157	81	80	318	-282	36
Interest expenses	525	75	240	840	-310	530
Participations measured at equity				5		5
Income from securities				1		1
Write-downs on securities				1		1
Earnings before taxes and non-controlling interests						**4,841**
Income taxes	724	472	201	1,397	0	1,397
Deferred taxes	-14	-11	-58	-83	-62	-145
Earnings before non-controlling interests						**3,589**
OTHER INFORMATION:						
Segment assets:	**41,907**	**13,010**	**23,165**	**78,082**	**-6,628**	**71,454**
Non-allocated assets:						
Participations measured at equity				208		208
Financial assets				32		32
Non-current receivables				766		766
Tax refund claims				530		530
Deferred tax assets				1,609		1,609
Consolidated assets						**74,599**
Segment debt	**29,466**	**4,350**	**10,607**	**44,423**	**-24,965**	**19,457**
Deferred tax liabilities				1,863		1,863
Income tax liabilities				1,732		1,732
Long-term loans				6,136		6,136
Consolidated liabilities (current and non-current)						**29,188**
Investments:	3,840	534	921	5,294	0	5,294
Segment write downs	772	253	863	1,888	0	1,888
Non-cash expenses of the segment	378	32	0	410	0	410

	Equipment/ Systems 11/12	Ad- hesives 11/12	Glass/ Lamps 11/12	Total 11/12	Elimi- nations 11/12	Consoli- dated 11/12
Sales revenues:						
External customers	27,207	11,283	13,235	51,725		51,725
Revenues with other business units	370	122	686	1,178	-1,178	0
Total sales	27,577	11,405	13,921	52,903	-1,178	51,725
NET EARNINGS:						
Segment result (operating result)	**2,439**	**1,106**	**1,974**	**5,519**	**-203**	**5,316**
Includes significant income and expense items:						
- Value adjustment of receivables	1,120	19	20	1,159		1,159
- Other income / royalties / income from reduction EWB, PWB	1,078	28	198	1,305		1,305
Interest income	183	39	38	260	-223	37
Interest expenses	348	69	209	626	-90	536
Participations measured at equity				4		4
Income from securities				139		139
Write-downs on securities				1		1
Earnings before taxes and non-controlling interests						**4,961**
Income taxes	902	318	328	1,548	0	1,548
Deferred taxes	147	20	-1	166	-38	128
Earnings before non-controlling interests						**3,285**
OTHER INFORMATION:						
Segment assets:	**34,277**	**13,655**	**22,363**	**70,295**	**-1,162**	**69,133**
Non-allocated assets:						
Participations measured at equity				211		211
Financial assets				247		247
Non-current receivables				709		709
Tax refund claims				318		318
Deferred tax assets				1,144		1,144
Consolidated assets						**71,762**
Segment debt	**20,192**	**5,353**	**9,789**	**35,334**	**-13,152**	**22,182**
Deferred tax liabilities				1,623		1,623
Income tax liabilities				1,344		1,344
Long-term loans				4,000		4,000
Consolidated liabilities (current and non-current)						**29,149**
Investments:	597	418	626	1,642	0	1,642
Segment write downs	628	274	687	1,589	0	1,589
Non-cash expenses of the segment	297	16	12	325	0	325

Segment assets are defined as the sum total of intangible assets, property, plant and equipment, inventories, current receivables and liquid assets. Segment debt comprises non-current and current liabilities. Non-cash segment expenses take changes in pension accruals and changes in other accruals into account.

Transfer prices relating to intercompany services and supplies including the pertaining calculation basis are based on the same terms and conditions as those applied for third parties. In this respect no changes have been recorded in comparison with previous years.

Statement of the Company's Management

We affirm that, to the best of our knowledge, the consolidated financial statement gives a true and fair view of the net assets, financial position and results of operations of the Group in accordance with generally accepted accounting principles. The group management report provides a suitable understanding of the course of business including the business results and the Group's position and suitably presents the opportunities and risks of future development.

Gräfelfing, 20 August 2013

Dr. Hönle AG
The Board of Management

Note

The management report contains statements made and information provided by Dr. Hönle AG that relate to future time periods. The future-oriented statements represent assessments that were made on the basis of information available at the time when this report was prepared. Should the assumptions underlying the forecasts prove to be incorrect, actual developments and results may deviate from current expectations. The Company assumes no obligation to update the statements contained in this management report, with the exception of publishing such updates as required by statutory provisions.

Numbers and percentages, contained in this report, may include rounding differences.

Financial Calendar

23 August 2013

9 - Months Report 2012/2013

11-13 November 2013

German Equity Forum Frankfurt/Main

09 December 2013

Preliminary figures financial year 2012/2013

16 January 2014

Annual Report 2012/2013

Investor Relations
Peter Weinert
Telephone +49 (0)89 85608-173
E-Mail ir@hoenle.de

Dr. Hönle AG • UV Technology
Lochhamer Schlag 1 • D- 82166 Gräfelfing/Munich
Telephone +49 (0)89 85608-0 • Fax +49 (0)89 85608-148
E-Mail: uv@hoenle.de • Internet: www.hoenle.de

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