6 MONTHS REPORT 2012_2013

hönle group

Hönle Group – at a Glance

	01.10.2012 - 31.03.2013	01.10.2011 - 31.03.2012	Change
Statement of Comprehensive Income	**T€**	T€	%
Revenue	**36,133**	34,177	5.7
EBITDA	**4,373**	4,022	8.7
EBIT	**3,128**	3,099	0.9
EBT	**2,765**	2,981	-7.2
Consolidated net income	**2,051**	2,013	1.9
Share			
Earnings per share in €	**0.35**	0.35	0.0
Number of shares	**5,512,930**	5,512,930	0.0
Cash flow	**T€**	T€	
Operating cash flow [1)]	**1,782**	2,525	-29.4
Staff			
Average number of employees	**494**	414	19.3

	31.03.2013	30.09.2012	Change
Statement of Financial Position	**T€**	T€	%
Non-current assets	**37,833**	33,864	11.7
Current assets	**37,707**	40,476	-6.8
Shareholders' equity	**43,941**	44,484	-1.2
Non-current liabilities	**16,020**	12,640	26.7
Current liabilities	**15,579**	17,216	-9.5
Total assets	**75,539**	74,340	1.6
Capital ratio as a %	**58.2**	59.8	-2.7

1) Cash from current business activities

Group Management Report
for the six months period from 1 October 2012 to 31 March 2013

Overview

As recently demonstrated by the Cyprus crisis, government debt continues to be the main risk for the global economy. Given ongoing consolidation pressure on the public sectors, the general conditions in the industrialised countries remain difficult. After many early indicators had improved at the beginning of 2013, scepticism has once again prevailed since then. It is still not possible to foresee when the recession in the eurozone will end. The US economy, in turn, appears to be coping better than expected with the automatic budget cuts. The economic development in most of the emerging markets continues to be positive as the generally low government debt level permits continuation of an expansive fiscal policy.

The Hönle Group felt the restrained willingness to invest in many sales markets. In all, Hönle Group's sales revenues climbed from T€ 34,177 in the previous year to T€ 36,133 in the current financial year as a consequence of the Raesch Group and Grafix GmbH consolidation.
The operating result (EBIT) improved from T€ 3,099 to T€ 3,128 in the same period.

Segment: 'Equipment and Systems'

With respect to the 'Equipment and Systems' segment, Grafix GmbH was included in the consolidated group for the first time. As of 1 January 2013, all significant assets of the insolvent Grafix GmbH and Platsch GmbH & Co. KG were acquired in the context of an asset deal. The acquired assets include parts of the non-current and current assets, the business premises at the Unterlüß (Celle) production site and all activities of the insolvent Grafix GmbH. The purchase price of the asset deal amounted to € 4.5 million.
Stuttgart-based 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, systems for dampening agent preparation and ink temperature control systems. The company thus ideally supplements the Hönle Group's product program for the printing industry. Grafix supplies both printing firms and printing machine manufacturers. As an important supplier, Grafix has access to leading manufacturers of offset and digital printing machines worldwide. In addition, Grafix offers solutions for other sectors of industry, such as the glass, plastics and pharmaceutical industries.
The company was founded in Stuttgart in 1947 and extended in the year 2000 to include a second production site at Unterlüß. With a staff level of ca. 100 employees, Grafix generated sales revenues of approximately € 9 million in 2012, according to preliminary figures. On 15 October 2012, Grafix GmbH filed for the opening of preliminary insolvency proceedings.
Hönle took over about 40 employees at the Stuttgart-Vaihingen, Unterlüß near Celle and Schömberg production sites. Dr. Hönle AG expects the newly founded Grafix GmbH to contribute positively to the Hönle Group's operating result as early as in the 2012/2013 financial year. Grafix generated a positive

operating result in the period from January to March 2013.

Sales revenues generated by Eltosch GmbH in the first six months of the financial year fell below the previous year's level. The decline in sales was largely attributable to the reluctance to invest in the sheet-fed offset printing segment. However, despite decreasing sales, Eltosch GmbH succeeded in generating positive earnings contributions.

Mitronic GmbH purchased the entire range of products from Dr. Hönle AG in the current financial year, as planned. A new managing director at Mitronic GmbH realigned the company and has built up important distribution structures in China in this context.

Segment: 'Glass and Lamps'

Sales revenues generated by the Raesch Group’s 'Glass and Lamps' segment fell below expectations, largely due to the continued difficult environment in the photovoltaics and semiconductor markets.
The Raesch Group initiated several measures to increase sales such as the launch of new products. The measures are to enable the company to significantly increase sales revenues in the semiconductor market in the future. The manufacturing costs of glass tubing with a large diameter can be reduced through the use of a new melting furnace. As a consequence, Raesch will be in a position to offer its clients high quality at attractive prices in the semiconductor and photovoltaics markets.
Another measure aims at increasing sales activities particularly in the Asian economic area. Asia offers good sales opportunities for the products of the quartz glass specialist. Moreover, additional staff was recruited for the sales team, which is to be further expanded in the course of the financial year.
The measures implemented at the Raesch Group are expected to lead to rising sales and earnings contributions as from the end of the financial year.

Segment: 'Adhesives'

Following a strong first quarter, sales declined in the second quarter, which was particularly due to a decrease in demand in Consumer Electronics. Nevertheless, sales and earnings achieved in the 'Adhesives' business segment in the first six months exceeded the prior-year period's figures. The Management Board expects positive sales and earnings developments for the third and fourth quarters.

Results of Operations

The Hönle Group felt the restrained willingness to invest in several segments. However, owing to the consolidation of the Raesch Group and Grafix GmbH, Hönle Group's sales revenues were up 5.7 % on the previous year and came to T€ 36,133 in the first six months of the current financial year.

Segments

Sales revenues generated in the 'Equipment and Systems' business segment climbed from T€ 18,598 in the previous year to T€ 18,950 in the current financial year. The share in total sales thus came to 52.4 %. The rise in sales revenues is attributable to the initial consolidation of Grafix GmbH, which generated sales of T€ 1,750 in the period from January to March 2013.

The strong demand for industrial adhesives in the consumer electronics segment led to a sales volume of T€ 8,306 in the 'Adhesives' business segment in the first six months of the financial year, which accounts for 23.0 % of total sales. In the previous year, sales revenues generated in this business segment came to T€ 7,641.

Sales revenues achieved in the 'Glass and Lamps' segment climbed from T€ 7,938 to T€ 8,877. Thus, 24.6 % of total sales were achieved in this business segment. The rise in sales revenues is attributable to the fact that the Raesch Group has only been included in the consolidation group of Hönle companies in the previous year since 1 January 2012.

Regions

Sales revenues generated by the Hönle Group in Germany increased from T€ 12,260 in the previous financial year to T€ 14,654 in the current financial year. In the rest of Europe, sales revenues fell from T€ 11,420 to T€ 10,769. Sales revenues achieved outside Europe increased from T€ 10,497 to T€ 10,710. Hönle thus achieved 40.6 % of its sales revenues in Germany, 29.8 % in Europe outside Germany, and 29.6 % outside the European Union.

In the period from October 2012 to March 2013, the Hönle Group generated an operating result (EBIT) of T€ 3,128. The operating result in the prior-year period came to T€ 3,099. Earnings before taxes dropped from T€ 2,981 to T€ 2,765. Consolidated net income amounted to T€ 2,051 (PY: T€ 2,013). This corresponds to earnings per share of € 0.35 (PY: € 0.35).

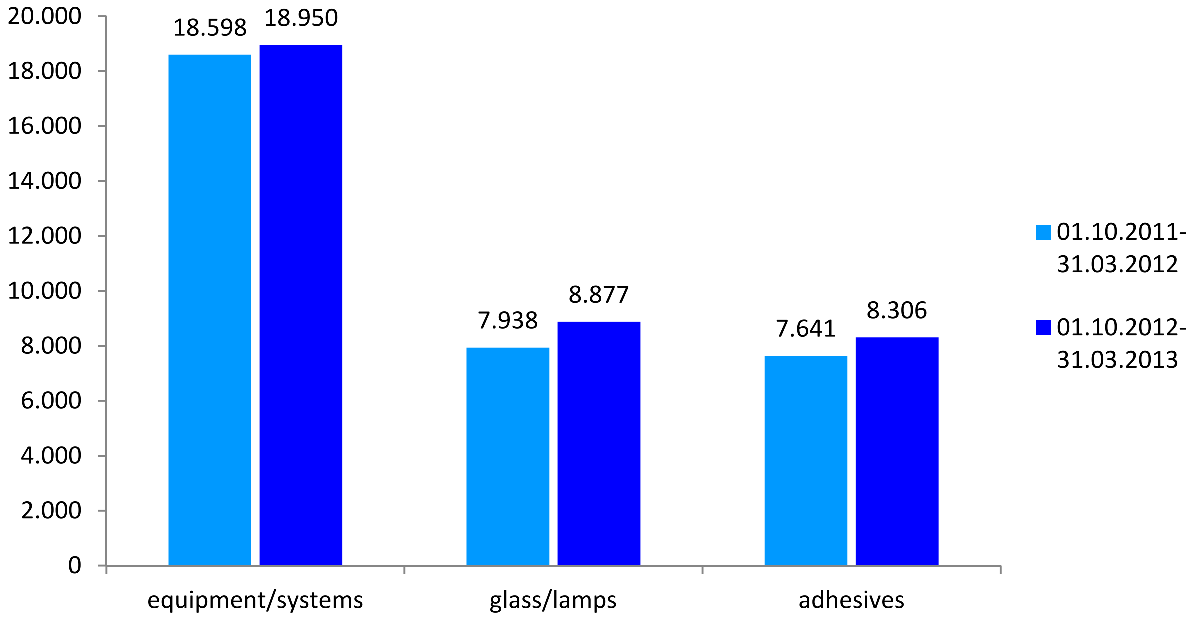
The EBIT margin thus dropped from 9.1 % in the previous year to 8.4 % in the current financial year. Net return on sales decreased slightly from 5.9 % to 5.7 % in the same period.

At 38.8 %, the cost of materials ratio was above the previous year's level (37.2 %). The increase is due to the initial consolidation of the Raesch Group, and other factors. The personnel expense ratio rose from 32.6 % to 33.6 %, while the ratio of other operating expenses decreased from 20.7 % to 19.5 %.

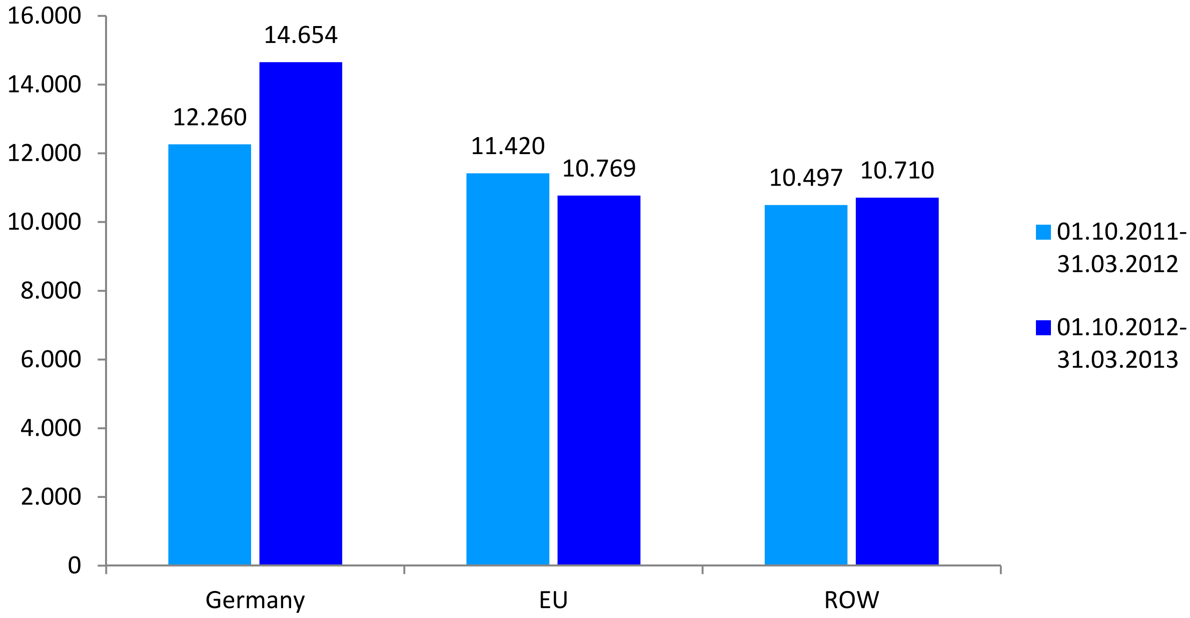
Earnings Development

in T€	**01.10.12 – 31.03.13**	01.10.11 – 31.03.12	Change
Revenue	**36,133**	34,177	5.7 %
Gross profit	**24,256**	22,093	9.8 %
Operating result (EBIT)	**3,128**	3,099	0.9 %
Earnings before taxes (EBT)	**2,765**	2,981	-7.2 %
Consolidated net income/loss for the year	**2,051**	2,013	1.9 %
Earnings per share in €	**0.35**	0.35	0.0 %

Sales according to segment (in T€)



Sales according to region (in T€)



Financial Position

Cash generated from current activities amounted to T€ 1,782 (PY: T€ 2,525). In this context, particularly the rise in inventories resulted in lower liquidity. The inventory increase is largely due to higher inventory balances at Raesch Quarz (Germany) GmbH.

The cash flow from operating activity came to T€ 1,076 (PY: T€ 1,385) after payment of interest amounting to T€ 181 and income taxes amounting to T€ 525.

Cash used for investing activity amounted to T€ -8,174, up from T€ -4,932 reported in the previous year. The cash flow includes payment of the second purchase price instalment in the amount of T€ 3,288 for the acquisition of the Raesch Group, which is reported under 'Changes in corporate acquisitions'. The cash flow from investing activity also includes payments for the acquisition of property, plant and equipment and intangible assets of Grafix GmbH in the amount of T€ 4,470.

Cash provided by financing activity amounted to T€ 1,872 (PY: T€ 159) and comprises dividend payments made to the shareholders of Dr. Hönle AG in the amount of T€ 2,756 and the taking out of a bank loan in the amount of T€ 4,500 for financing the acquisition of assets of Grafix GmbH.

In all, liquid assets decreased by T€ 5,142 to T€ 4,179 during the first six months of the current financial year.

Liquidity Development

in T€	**01.10.12 – 31.03.13**	01.10.11 – 31.03.12	Change
Cash from current activities	**1,782**	2,525	-29.4 %
Cash provided by/used for investing activity	**-8,174**	-4,932	-65.7 %
Cash provided by/used for financing activity	**1,872**	159	1,077.3 %
Change in liquid assets	**-5,142**	-3,300	-55.8 %

Net Assets

The acquisition of Grafix GmbH assets in the second quarter of the financial year led to several changes in the Hönle Group's balance sheet: Goodwill increased by T€ 679, intangible assets by T€ 1,058, property, plant and equipment by T€ 1,694 and inventories by T€ 1,039 (at the respective date of acquisition). The acquired property, plant and equipment includes a commercial property at Unterlüß near Celle consisting of 19,500 square meters of land and 4,500 square meters of industrial area.

In addition to the effects resulting from the acquisition of assets of Grafix GmbH, the following events also led to changes in the balance sheet:

Inventories rose by T€ 2,710 to T€ 19,289 due to the increase in inventories at Raesch Quarz (Germany) GmbH and the purchase of Grafix GmbH's inventories. Liquid assets dropped by T€ 5,142 to T€ 4,179, which is largely due to the payment of the second purchase price instalment for the acquisition of the Raesch Group and the dividend payment made to the shareholders of Dr. Hönle AG. While non-current loans increased by T€ 2,884 to T€ 6,548 as a result of the Grafix acquisition and other factors, other current liabilities dropped by T€ 3,977 to T€ 4,343 due to the purchase price instalment payment for the Raesch acquisition, in particular.

With an equity capital ratio of 58.2 %, the Hönle Group financing continues to be on solid ground.

Balance Sheet

in T€	**31.03.2013**	30.09.2012	Change
Non-current assets	**37,833**	33,864	11.7 %
Current assets	**37,707**	40,476	-6.8 %
Shareholders' equity	**43,941**	44,484	-1.2 %
Non-current liabilities	**16,020**	12,640	26.7 %
Current liabilities	**15,579**	17,216	-9.5 %
Balance sheet total	**75,539**	74,340	1.6 %

Research and Development

The focus of R&D activities was on order-related development. In the first six months of the current financial year, Hönle Group's order-independent research and development expenses increased from T€ 459 in the previous year to T€ 556 in the current financial year. In this period, the number of R&D staff rose from 53 to 58. This means that 11.7 % of the Hönle Group's entire staff is employed in the Research and Development departments.

Eltosch Torsten Schmidt GmbH developed a drying process for fast and energy-minimised LEC (Low Energy Curing) printing applications. The system permits the drying of highly reactive UV inks with energy-reduced UV units. Owing to the innovative formulation of the LEC inks, the energy consumption of the UV drying system can be reduced by up to 50 %. This leads to a considerable reduction in energy costs. The UV lamps are especially doped to achieve a unique alignment of the spectrum to the ink formulations.

The Hönle Group presented high-end UV drying systems for printing and coating applications at the ICE Europe trade fair in March 2013. The systems are used, for example, in the finishing of technical films for increasing their scratch resistance and achieving various optical functions. Mobile phone displays and LCD monitors are typical end products for which those systems are used.

Supplementary Report

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

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 climbed from 468 to 514 employees, year-on-year (as at 31 March of the respective financial years).

Hönle Group’s staff of 514 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	**31.03.13**	31.03.12	Change
Sales	**83**	69	20.3 %
Research & Development	**61**	56	8.9 %
Production, Service	**248**	234	6.0 %
Logistics	**57**	47	21.3 %
Administration	**65**	62	4.8 %
Total	**514**	468	9.8 %

Functional Areas

Average for the period	**01.10.12 – 31.03.13**	01.10.11 – 31.03.12	Change
Sales	**80**	68	17.6 %
Research & Development	**58**	53	9.4 %
Production, Service	**237**	193	22.8 %
Logistics	**55**	42	31.0 %
Administration	**64**	58	10.3 %
Total	**494**	414	19.3 %

Personnel Expenses

in T€	**01/10/12 - 31/03/13**	01/10/11 - 31/03/12	Change
Wages and salaries	**10,440**	9,152	14.1 %
Social security and pension costs	**2,144**	1,897	13.0 %
Total	**12,583**	11,049	13.9 %

In the current financial year, the average number of Hönle Group staff rose by 19.3 % to 494 in year-on-year terms. This was attributable to the staff added from the Raesch Group and Grafix GmbH.

Personnel expenses rose by 13.9 % to T€ 12,583 in the same period.

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 31 March 2013, 24 young people received occupational training at the Hönle Group (as at 31 March 2012: 24).

Outlook

Overall market

The eurozone debt crisis continues to cause uncertainties. Current economic reports lagged behind expectations. For example, German exports to euro countries as well as to other countries around the globe decreased.
Recently, however, many indicators improved again. The economic expectations voiced by the Centre for European Economic Research (ZEW) and expectations expressed in the Ifo Business Survey improved considerably in the spring of 2013. China, which is Asia's growth engine, published surprisingly positive figures for April. Imports as well as exports exceeded the experts' expectations. Recently, positive reports also came from the other side of the Atlantic. The unemployment rate in the US decreased and economic data improved. After many years of crisis, there are numerous indications for an economic upswing in the US. However, many experts are sceptical as to whether the positive trends will prevail in the long-term in view of the still existing risks.

Hönle Group

In the first half 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. This contributed largely to the fact that sales and earnings lagged behind expectations.
The Hönle Group assumes that sales will continue to grow in the course of the financial year. Owing to the weaker first half of the year and ongoing restrained willingness to invest, the Management Board adjusts its expectations concerning the current financial year. The Management Board aims at Hönle Group sales revenues of between € 75 million to € 80 million (previously € 80 million to € 85 million) and an operating result ranging between € 8 million to € 9 million (previously € 10 million to € 12 million) in the 2012/2013 financial year.

Segment: 'Equipment and Systems'

From 1 January 2013, the 'Equipment and Systems' segment encompasses the activities of Grafix GmbH. Grafix GmbH had a good start and already provided positive earnings contributions in the first three months of inclusion in the Hönle Group.
Within the scope of the Grafix asset deal, Hönle acquired extensive machinery including metal-working machinery, inter alia. The equipment and machinery will be used for other Hönle Group companies in the future to enable the internal processing of manufacturing stages that were previously purchased from external sources. This will contribute to a decrease in the cost of materials ratio in the coming financial year.

Grafix infrared drying unit

Grafix GmbH's head office in Stuttgart moves to new, significantly smaller premises. The move, which is to take place in the first quarter, will lead to clearly lower rental expenses in the future.

The Mitronic GmbH's business activities in the sunlight simulation segment also see encouraging development. Under a new management, the company has further expanded its sales network, which enables it to provide its services to the Asian economic area in a far better way than in the past. The Management Board expects positive business development in the sunlight simulation systems and systems for crash tests segments, in particular.

The China Print trade fair, which took place in May, may lead to higher sales in the printing applications segment in the next quarters.

Segment: 'Glass and Lamps'

A package of measures aimed at improving the sales and earnings development was implemented in the 'Glass and Lamps' segment. Raesch Quarz (Germany) GmbH started operations of a new melting furnace that produces glass tubing for the semiconductor industry. The company is now in a position to manufacture high-quality quartz glass tubing at lower production costs than in the past. Management Board expects that the semiconductor and photovoltaics markets will recover gradually in the next quarters. Intensified sales activities is expected to provide positive effects also. The transfer of manufacturing stages from Aladin GmbH and UV-Technik Speziallampen GmbH to the Raesch Group will lead to higher efficiency in the production of UV lamps. In all, the quartz glass market continues to offer great sales and earnings potential.
Hönle foresees that the 'Glass and Lamps' segment will provide a significant contribution to the Hönle Group's sales and earnings growth in the next financial year.

Segment: 'Adhesives'

The 'Adhesives' segment reported a good start into the new financial year. Following a weaker second quarter, the Management Board foresees increasing sales in the third and fourth quarter. The 'consumer electronics' segment, among others, will contribute to this sales growth. Additional staff was recruited for the sales and development divisions to intensify business activities. The focus in this context is on new areas of application, such as medical technology and on regional sales markets, which offer good sales opportunities. This includes the Chinese and North American markets.

The three business segments 'Equipment and Systems', 'Glass and Lamps' and 'Adhesives' offer risk diversification and sufficient growth opportunities for the future. Reaching the sales threshold of € 100 million within the next two years thus continues to be the aim of the Management Board.

Consolidated Statement of Comprehensive Income

for the period 1 October 2012 until 31 March 2013 according IFRS

	01.01.2013 - 31.03.2013 in T€	01.01.2012 - 31.03.2012 in T€	01.10.2012 - 31.03.2013 in T€	01.10.2011 - 31.03.2012 in T€
Revenue	**19,590**	**18,404**	**36,133**	**34,177**
Changes in inventories of finished goods and work in progress	296	-116	1,266	-282
Other operating income	740	281	1,355	807
Cost of purchased materials and services	7,702	6,983	14,498	12,609
Personnel expenses	6,584	5,863	12,583	11,049
Depreciation and amortization including goodwill	627	556	1,245	923
Other operating expenses	4,060	2,899	7,299	7,022
Operating result/EBIT	**1,653**	**2,268**	**3,128**	**3,099**
Profit/loss from investments accounted for at equity	-2	8	-5	1
Interest income	7	44	25	77
Interest expense	182	168	384	196
Financial result	-177	-116	-364	-118
Earnings before tax and non-controlling interest/EBT	**1,477**	**2,152**	**2,765**	**2,981**
Income tax	365	523	713	968
Consolidated net income	**1,112**	**1,629**	**2,051**	**2,013**
Share in earnings attributable to non-controlling interest	70	149	97	107
Share in earnings attributable to Dr. Hönle AG shareholders	1,042	1,480	1,955	1,906
Earnings per share (basic) in €			0,35	0,35
Earnings per share (diluted) in €			0,35	0,35
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 31 March 2013 according IFRS

	01.10.2012 - 31.03.2013 in T€	01.10.2011 - 31.03.2012 in T€
Consolidated net income	**2,051**	**2,013**
Other comprehensive income: - Valuation of investments due to IAS 39 not effecting net income		
- Currency differences	-9	95
Other comprehensive income after tax	-9	95
Total comprehensive income for the period	**2,042**	**2,108**
Thereof account for:		
- Share in earnings attributable to non-controlling interest	97	107
- Share in earnings attributable to Dr. Hönle AG shareholders	1,945	2,001

The consolidated interim report is unaudited.

Consolidated Statement of Financial Position

as of 31 March 2013 according IFRS

A S S E T S	31.03.2013 in T€	30.09.2012 in T€
LONG-TERM ASSETS		
Goodwill	16,312	15,502
Intangible assets	3,800	3,079
Property, plant and equipment	14,940	13,110
Investments accounted for at equity	191	195
Financial assets	32	32
Other non-current assets	755	727
Deferred taxes	1,803	1,219
Total non-current assets	**37,833**	**33,864**
CURRENT ASSETS		
Inventories	19,289	16,579
Trade accounts receivable	11,018	12,050
Receivables towards associated companies	140	93
Other current assets	2,398	1,994
Tax refund claims	683	439
Liquid assets	4,179	9,321
Total current assets	**37,707**	**40,476**
TOTAL ASSETS	**75,539**	**74,340**

LIABILITIES AND SHAREHOLDERS´ EQUITY	31.03.2013 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	18,178	18,818
Equity attributable to Dr. Hönle AG's shareholders	**40,537**	**41,178**
Non-controlling interest	3,403	3,306
Total Shareholders´ Equity	**43,941**	**44,484**
NON-CURRENT DEBTS		
Non-current loans (less current portion)	6,548	3,664
Non-current portion of finance lease obligation	5	27
Other nun-current liabilities	4,701	4,797
Pension accruals	2,084	1,932
Accrued public investments grants	542	572
Deferred taxes	2,140	1,648
Non-current liabilities	**16,020**	**12,640**
CURRENT LIABILITIES		
Trade accounts payable	3,735	3,483
Liabilities towards related parties	11	0
Liabilities towards associated companies	49	0
Advance payments received	414	434
Current portion of finance lease obligation	17	43
Current loans towards banks and current portion of non-current loans	3,518	1,751
Other current liabilities	4,343	8,320
Other accruals	1,727	1,761
Tax accruals	1,765	1,424
Total current liabilities	**15,579**	**17,216**
TOTAL LIABILITIES AND SHAREHOLDERS´ EQUITY	**75,539**	**74,340**

The consolidated interim report is unaudited.

Consolidated Statement of Changes in Equity

for the period 1 October 2012 until 31 March 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-rency 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 01/10/2010	**5,513**	**-1,833**	**16,212**	**15,036**	**0**	**1,446**	**36,374**	**1,830**	**38,204**
Consolidated net income				1,906			1,906	107	2,013
Other operating result				-4		96	92		92
Total result				1,902		96	1,998	107	2,105
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	1,548	1,548
As at 30/09/2011	**5,513**	**-8**	**16,595**	**14,182**	**0**	**1,542**	**37,825**	**3,485**	**41,310**
As at 01/10/2011	**5,513**	**-8**	**16,855**	**17,320**	**0**	**1,498**	**41,178**	**3,306**	**44,484**
Consolidated net income				1,955			1,955	97	2,051
Other operating result						-9	-9		-9
Total result				1,955		-9	1,946	97	2,043
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		170	-2,586		-2,586
Change of non-controlling interest due to acquisitions							0		0
As at 30/09/2012	**5,513**	**-8**	**16,855**	**16,519**	**0**	**1,659**	**40,538**	**3,403**	**43,941**

The consolidated interim report is unaudited.

Consolidated Statement of Cash Flows

for the period 1 October 2012 until 31 March 2013 according to IFRS

	01.10.2012-31.03.2013 in T€	01.10.2011-31.03.2012 in T€
Cash flows from operating activities:		
Net income for the year before non-controlling interest and taxes	2,765	2,981
Adjustments for: Depreciation of fixed assets	1,245	1,023
Profit from investments accounted for at equity	5	-1
Financial income	-1	-76
Interest expenses	1	196
Other non-cash expenses/income	-715	492
Operating result before changes to net current assets	**3,300**	**4,615**
Increase/decrease in accruals	16	-50
Increase/decrease of trade accounts receivable	944	3,296
Increase/decrease in receivables towards associated companies	-47	0
Increase/decrease of other assets	-1,214	-229
Changes in qualifying insurance policy	-44	-90
Increase/decrease in inventories	-1,666	-686
Increase/decrease in trade accounts payable	283	-2,180
Increase/decrease in liabilities towards related parties	9	0
Increase/decrease in liabilities towards associated companies	32	0
Increase/decrease in advance payments received	-20	133
Increase/decrease in other liabilities	189	-2,285
Cash from continuing business activities	**1,782**	**2,525**
Interest paid	-181	-196
Income tax paid	-525	-944
Net cash from operating activities	**1,076**	**1,385**
Cash flows from investing activities:		
Acquisition of subsidiaries minus acquired net cash	-3,288	-3,674
Payments from at-equity investments	5	-79
Payments received from the sale of fixed assets	0	2
Purchase of property, plant and equipment and intangible assets	-3,886	-879
Payments for current assets received	-1,039	0
Changes in financial assets	0	-2
Payments received from non-current receivables	8	33
Changes in non-current liabilities	0	-409
Payments received from interest	25	42
Payments received from dividends	1	34
Net cash used for investing activities	**-8,174**	**-4,932**
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	-1,098	-85
Payments for financial resources under short-term cash management	1,226	0
Payments for dividends	-2,756	-2,756
Net cash from financing activities	**1,872**	**159**
Currency differences	85	-12
Exchange rate differences of liquid assets	-1	102
Net increase/decrease in cash	**-5,142**	**-3,300**
Cash at the beginning of the reporting period	9,321	12,863
Cash at the end of the reporting period	4,179	9,563

The consolidated interim report is unaudited.

Explanatory Notes
to the 6-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 31 March 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 31 March 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.a.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 31 March 2013 amounted to T€ 130. Sales revenues generated in the period from the date of acquisition until 31 March 2013 stood at T€ 1,750.

Sales revenues generated in the period from 1 October 2012 until 31 March 2013 came to T€ 3,882. 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.

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	18,950	8,306	8,877	36,133	0	36,133
Revenues with other business units	507	94	535	1,136	-1,136	0
Total sales						
NET EARNINGS:	19,457	8,400	9,412	37,269	-1,136	36,133
Segment result (operating result)	**1,625**	**1,115**	**531**	**3,271**	**-143**	**3,128**
Includes significant income and expense items:						
- Value adjustment of receivables	-9	-36	-4	-48		-48
Interest income	83	56	50	190	-165	25
Interest expenses	312	60	177	549	-166	384
Participations measured at equity				-5		-5
Income from securities				1		1
Write-downs on securities				1		1
Earnings before taxes and non-controlling interests						**2,765**
Income taxes	321	340	116	777	0	777
Deferred taxes	13	-8	-32	-27	-36	-63
Earnings before non-controlling interests						**2,051**
OTHER INFORMATION:						
Segment assets:	**41,868**	**12,479**	**24,568**	**78,916**	**-6,838**	**72,078**
Non-allocated assets:						
Participations measured at equity				191		191
Financial assets				32		32
Non-current receivables				753		753
Tax refund claims				683		683
Deferred tax assets				1,803		1,803
Consolidated assets						**75,539**
Segment debt	**30,402**	**3,909**	**12,145**	**46,456**	**-25,331**	**21,125**
Deferred tax liabilities				2,140		2,140
Income tax liabilities				1,765		1,765
Long-term loans				6,570		6,570
Consolidated liabilities (current and non-current)						**31,598**
Investments:	3,748	329	609	4,686	0	4,686
Segment write downs	486	167	592	1,245	0	1,245
Non-cash expenses of the segment	296	57	3	356	0	356

	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	18,598	7,641	7,938	34,177		34,177
Revenues with other business units	275	2	464	740	-740	0
Total sales	18,873	7,643	8,402	34,917	-740	34,177
NET EARNINGS:						
Segment result (operating result)	**1,142**	**789**	**1,239**	**3,170**	**-71**	**3,099**
Includes significant income and expense items:						
- Value adjustment of receivables	1,104	15	15	1,134		1,134
Interest income	192	16	19	227	-185	42
Interest expenses	152	52	95	299	-103	196
Participations measured at equity				1		1
Income from securities				34		34
Write-downs on securities				1		1
Earnings before taxes and non-controlling interests						**2,981**
Income taxes	534	189	210	933	0	933
Deferred taxes	34	16	-4	46	-11	35
Earnings before non-controlling interests						**2,013**
OTHER INFORMATION:	**33,149**	**13,245**	**21,481**	**67,875**	**1,627**	**69,502**
Segment assets:						
Non-allocated assets:						
Participations measured at equity				208		208
Financial assets				248		248
Non-current receivables				675		675
Tax refund claims				270		270
Deferred tax assets				1,128		1,128
Consolidated assets						**72,031**
Segment debt	**18,727**	**5,129**	**9,047**	**32,903**	**-10,234**	**22,669**
Deferred tax liabilities				1,536		1,536
Income tax liabilities				2,182		2,182
Long-term loans				4,334		4,334
Consolidated liabilities (current and non-current)						**30,721**
Investments:	449	197	233	879	0	879
Segment write downs	414	171	338	923	0	923
Non-cash expenses of the segment	107	14	24	146	0	146

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, 21 May 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

24 May 2013

6 Months Report 2012/2013

23 August 2013

9 Months Report 2012/2013

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hönle group