

hönlegroup

HALF-YEAR REPORT 2016/2017



Hönle Group – At a Glance

	01.10.2016 - 31.03.2017	01.10.2015 - 31.03.2016	Change
Income statement	in € thousand	in € thousand	in %
Revenue	47,228	44,811	5.4
Gross profit	30,556	29,117	4.9
Operating result/EBIT	5,623	5,346	5.2
Earnings before taxes/EBT	5,481	5,156	6.3
Consolidated profit	3,819	3,561	7.3
The share			
Earnings per share in €	0.70	0.64	9.4
Number of shares	5,512,930	5,512,930	0.0
Cash flow	in € thousand	in € thousand	
Operating cash flow ¹⁾	5,097	4,924	3.5
Employees			
Average number of employees	549	550	-0.2

	31.03.2017	30.09.2016	Change
Statement of financial position	in € thousand	in € thousand	in %
Non-current assets	46,337	44,404	4.4
Current assets	49,645	49,871	-0.5
Equity	62,634	61,669	1.6
Non-current liabilities	15,241	15,130	0.7
Current liabilities	18,107	17,475	3.6
Total assets	95,982	94,275	1.8
Equity capital ratio as a %	65.3	65.4	-0.2

1) Cash from current business activities

Group Management Report

for the period from 1 October 2016 to 31 March 2017

Overview

Market development

Despite pronounced and sustained political uncertainty, global economic conditions improved significantly over the course of 2016 and at the start of this year. The recovery of commodity prices provided a strong boost for growth in the emerging economies in particular. The developed nations are also seeing more substantial economic momentum.

Course of business

In the first six months of the 2016/2017 financial year, revenue generated by the Höhle Group increased by 5.4% to €47,228 thousand.

Revenue in the first quarter was down on the previous year due to the relocation of a production site of Eltosch Grafix GmbH to Dr. Höhle AG in Gräfelfing near Munich, before returning to growth in the second quarter as expected.

The operating result improved by 5.2% to €5,623 thousand.

Equipment & Systems segment

Revenue in the Equipment & Systems segment amounted to €13,862 thousand in the second quarter (previous year: €12,803 thousand) and €24,915 thousand in the first half of the year (previous year: €25,957 thousand). The substantial improvement in revenue between the first and second quarters was accompanied by earnings growth from €-6 thousand to €2,002 thousand.

All in all, the segment operating result was down on the previous year at €1,996 thousand due to

the weaker first quarter (previous year: €3,449 thousand).

Orders on hand at the end of the first six months were up significantly on the previous year. This was due in particular to stronger demand for drying systems for the printing industry.

Glass & Lamps segment

Revenue in the Glass & Lamps segment increased by 26.7% year-on-year to €10,075 thousand in the first six months of the current financial year. This substantial revenue growth is attributable to strong business development at Raesch Quarz (Germany) GmbH and Raesch Quarz (Malta) Ltd.

Raesch Quarz (Germany) GmbH refitted several melting furnaces in the second quarter. The resulting lower production output meant that aggregated operating performance was lower than in the first quarter, while the company's earnings contributions for the first six months also decreased. The significantly higher level of orders on hand at the reporting date and rising production output will have a positive impact on the company's business development in the second half of the year.

All in all, the operating result in the Glass & Lamps segment improved from €-68 thousand in the previous year to €736 thousand in the current financial year thanks in particular to the positive business development at Raesch Quarz (Malta) Ltd. and Raesch Quarz (Germany) GmbH.

Adhesives segment

Revenue in the Adhesives segment increased by 12.2%, from €10,903 thousand in the first six months of the previous year to €12,238 thousand in the period under review. Consumer electronics made a particularly pronounced contribution to the positive performance in this segment.

The operating result increased by 47.2% to €2,891 thousand in the first six months of the current financial year.

Annual General Meeting

The Annual General Meeting of Dr. Hönle AG was held on 28 March 2017. Around 250 participants followed the Company's invitation and met at the Munich-based conference centre to listen to the Management Board's comments and explanations, ask questions and vote on a total of five agenda items, which were passed with a large majority. Among other things, the Annual General Meeting decided to pay a dividend of €3,031,519.70, which corresponds to a dividend of €0.55 per dividend-bearing share (previous year: €0.55).

Revenue by region

The strongest growth momentum in the first half of the year came from Asia, where the Hönle Group increased its revenue by 24.1% to €11,079 thousand. This means the Asian economic area is becoming increasingly important, with revenue that is now approaching the level recorded in Europe excluding Germany.

Revenue in Europe excluding Germany increased by 11.1% to €11,694 thousand.

Revenue in Germany saw a temporary decline of 5.6% to €17,197 thousand as a result of the site relocation from Unterlüß to Gräfelfing in particular. Revenue in North America was down 2.3% year-on-year at €5,259 thousand, while revenue in the rest of the world increased by 14.1% to €1,999 thousand. The latter was due in particular to good business development in Israel.

Results of operations

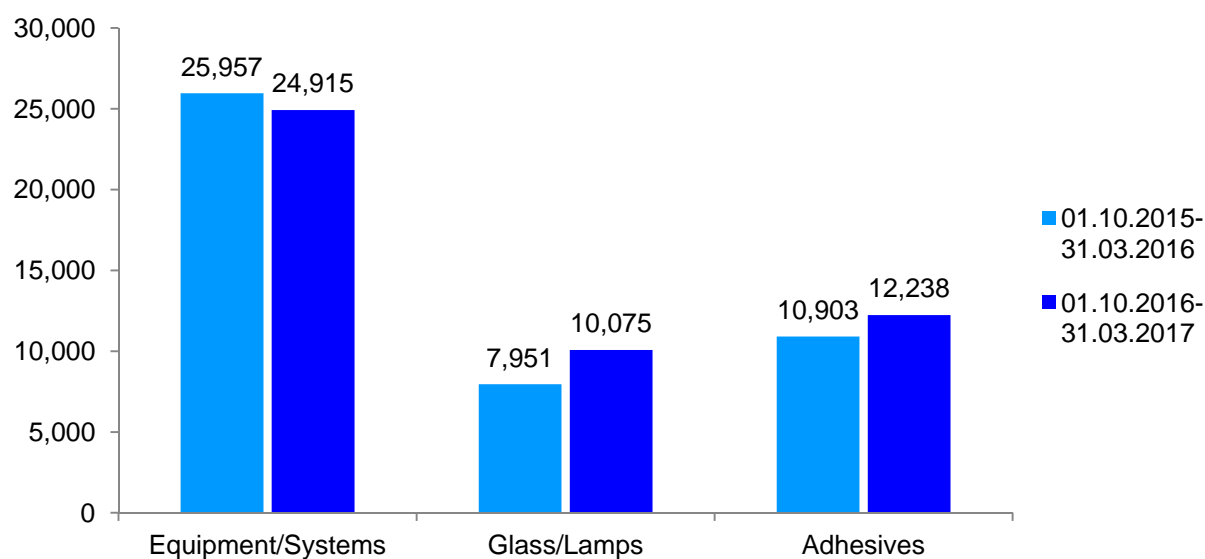
In the first six months of the 2016/2017 financial year, the revenue generated by the Hönle Group increased to €47,228 thousand compared with €44,811 thousand in the same period of the previous year. The operating result (EBIT) increased from €5,346 thousand in the previous year to €5,623 thousand in the current financial year. Earnings before taxes rose by 6.3% to €5,481 thousand, while consolidated net income improved by 7.3% to €3,819 thousand. This corresponds to earnings per share of €0.70 (previous year: €0.64).

The individual earnings ratios developed as follows: The EBIT margin amounted to 11.8% after 11.6% in the previous year. The net profit on sales ratio increased from 7.9% to 8.1%. The cost of materials ratio improved from 37.8% to 36.6%. The personnel expense ratio increased slightly from 33.4% to 33.9%, while the other operating expense ratio rose from 15.3% to 15.5%.

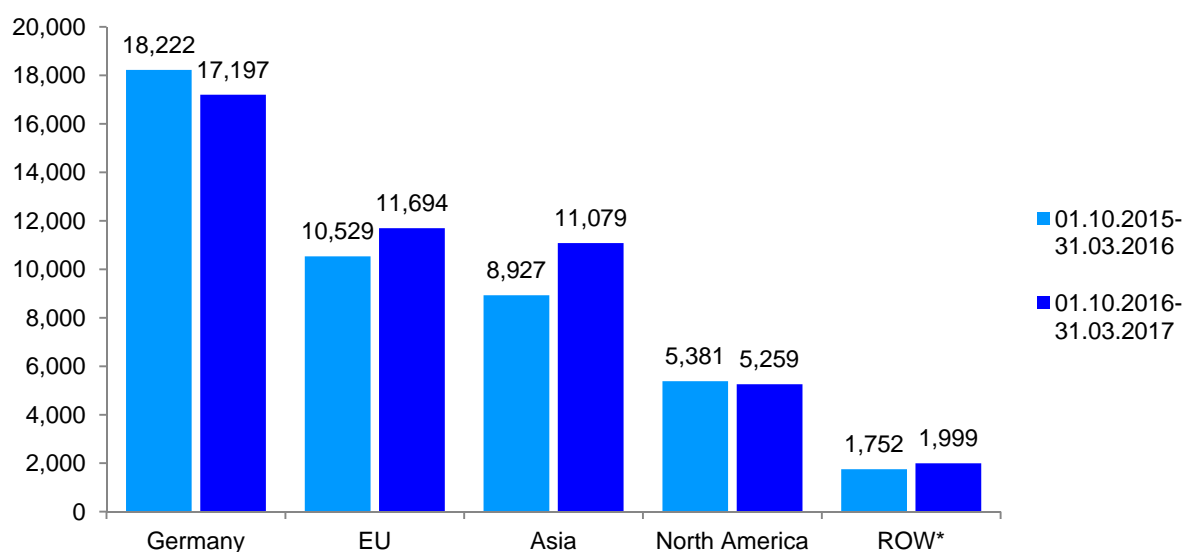
Earnings development

in € thousand	01.10.16 - 31.03.17	01.10.15 - 31.03.16	Change in %
Revenue	47,228	44,811	5.4
Gross profit	30,556	29,117	4.9
Operating result/EBIT	5,623	5,346	5.2
Earnings before taxes/EBT	5,481	5,156	6.3
Consolidated net income	3,819	3,561	7.3
Earnings per share in €	0.70	0.64	9.4

Sales by segment (in € thousand)



Sales by region (in € thousand)



*) ROW = Rest of the World

Financial position

Operating cash flow of the Höhle Group amounted to €5,097 thousand in the first six months of the current financial year (previous year: €4,924 thousand).

Cash and cash equivalents fell from €6,516 thousand to €3,628 thousand, largely as a result

of the dividend payment of €3,031 thousand. In addition, property, plant and equipment and intangible assets were acquired in the amount of €3,189 thousand. This primarily relates to investments in production facilities for Raesch Quarz (Germany) GmbH. The €2,133 thousand increase in inventories also resulted in a reduction in cash and cash equivalents.

Cash flow and liquidity development

in € thousand	01.10.16 - 31.03.17	01.10.15 - 31.03.16	Change in %
Cash from current activities	5,097	4,924	3.5
Cash flow from investing activities	-3,162	-2,479	-27.6
Cash flow from financing activities	-1,218	-2,941	58.6
Change in cash and cash equivalents	-2,888	-3,180	9.2

Net assets

Non-current assets increased from €44,404 thousand to €46,337 thousand in the first half of the year. This was primarily due to the increase in property, plant and equipment at Raesch Quarz (Germany) GmbH. Inventories rose from €27,415 thousand to €29,452 thousand, largely as a result of the higher level of inventories at Raesch Quarz (Germany) GmbH.

The Höhle Group continues to enjoy an extremely solid financing position with an equity ratio of 65.3%.

Non-current liabilities remained essentially unchanged at €15,241 thousand (previous year: €15,130 thousand), while current liabilities increased slightly to €18,107 thousand.

Statement of financial position

in € thousand	31.03.2017	30.09.2016	Change in %
Non-current assets	46,337	44,404	4.4
Current assets	49,645	49,871	-0.5
Shareholders' equity	62,634	61,669	1.6
Non-current liabilities	15,241	15,130	0.7
Current liabilities	18,107	17,475	3.6
Total assets	95,982	94,275	1.8

Research and development

The Hönle Group companies developed new high-performance products and adapted existing products to meet customer-specific requirements. The Hönle Group's research and development expenses increased from €2,267 thousand in the previous year to €2,387 thousand in the period under review. The Hönle Group's research and development departments employed a total of 72 people (previous year: 65), accounting for 13.2% of the total workforce.

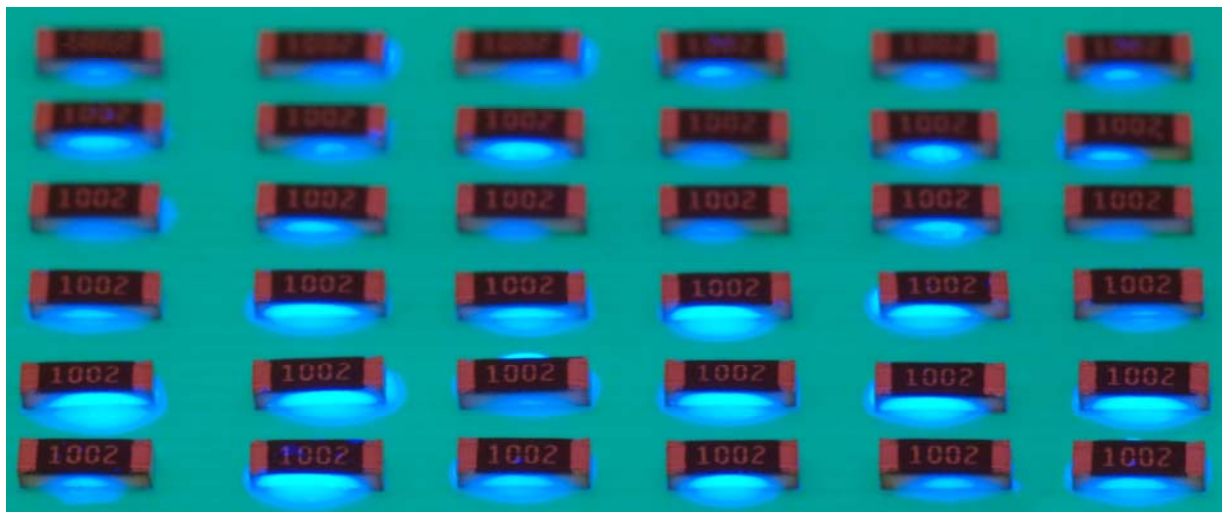
Paints, coatings, adhesives and silicones are increasingly being used to coat surfaces. As different as the individual coating techniques may be, they often involve UV technology in order to ensure a quick and efficient drying process. This spring, Hönle presented the current state of the art at the European Coatings Show in Nuremberg, the leading global trade fair for the paint and coatings industry.

Panacol has developed a low-halogen adhesive specially for the consumer electronics industry. It is used to encapsulate electronic components on printed circuit boards. The one-component, acrylate-based adhesive is easy to apply and quick-drying, making it ideal for use in environments involving high production speeds. A fluorescence-labelled version is also available for improved process control.

Events after the reporting date

Since 1 April 2017, no events of particular significance have occurred that would have a significant impact on the Hönle Group's net assets, financial position and results of operations.

Panacol develops new fluorescent adhesive for the electronics industry



Employees

The Hönle Group had an average of 549 employees in the first half of the current financial year (previous year: 550). While the number of production employees decreased, new employees were appointed in the area of research and

development. 48 of the Group's 549 employees are part-time, corresponding to 8.7% of the total workforce. In the first half of the current financial year, the Group's employees worked in the following functional areas:

Functional areas

Reporting date	31.03.17	31.03.16	Change in %
Sales & Marketing	85	85	0.0
Research & Development	73	63	15.9
Production, Service	255	267	-4.4
Logistics	70	65	7.7
Administration	69	69	0.0
Total	552	549	0.5

Functional areas

Average for the period	01.10.16 - 31.03.17	01.10.15 - 31.03.16	Change in %
Sales & Marketing	86	85	1.2
Research & Development	72	65	10.8
Production, Service	254	266	-4.5
Logistics	69	65	6.2
Administration	68	69	-1.4
Total	549	550	-0.2

Personnel expenses

in € thousand	01.10.16 - 31.03.17	01.10.15 - 31.03.16	Change in %
Wages and salaries	13,259	12,721	4.2
Social security and pension costs	2,887	2,657	8.7
Total	16,146	15,378	5.0

Personnel expenses increased by 5.0% to €16,146 thousand in the first six months of the current financial year.

Hönle invests in occupational training with a view to covering the future demand for qualified personnel. The Group offers apprenticeships in the areas of business, technology, chemicals and logistics. 24 young people (previous year: 22) completed an apprenticeship with the Hönle Group as of 31 March 2017.

Outlook

Overall market

The International Monetary Fund (IMF) raised its global economic growth forecast from 3.4% to 3.5% for 2017 and is maintaining its forecast of 3.6% for 2018. Even allowing for the economic policy changes planned by Donald Trump, the USA is expected to record growth of just under 2.5% in the current year. In the euro zone, too, the leading indicators suggest a sustained improvement in the underlying economic trends. Germany remains one of the key economic drivers in the region, while the economic outlook for France and Italy is improving. However, the economic upturn in Europe is based on the assumption that the many political uncertainties will not have a negative impact on conditions in the real economy.

Hönle Group

The relocation of a production site had an adverse effect on the Group's revenue and earnings in the first quarter of the current financial year in particular. The Management Board is anticipating steady growth in revenue and earnings in the second half of the year. Among other things, this forecast is based on expected major orders in the Adhesive segment, which will help to drive a significant improvement in earnings in the second half of the year, and in the fourth quarter in particular.

Following a strong start to the financial year, the Glass & Lamps segment will also continue to

enjoy positive development on the back of stable manufacturing processes and the recent start of production at the newly founded resize centre at Raesch Quarz (Germany) GmbH. The new centre will allow quartz glass tubes with a diameter of up to one metre to be produced for the semiconductor industry, meaning that Raesch Quarz (Germany) GmbH is expanding its production capacity and further reinforcing its position as a quartz glass specialist.

We are also anticipating good business development in the Equipment & Systems segment in light of the level of orders on hand and ongoing projects.

Overall assessment of future business development

Assuming the general economic conditions remain unchanged, we are continuing to anticipate revenue of between €95 million and €105 million and an operating result of between €14 million and €16 million for the Hönle Group in the 2016/2017 financial year.

After establishing a sustainably stable production process at Raesch Quarz (Germany) GmbH, the acquisition of companies will again play an important role in the expansion of the Hönle Group's business activities in addition to strictly organic growth in future.

Consolidated income statement

for the period from 1 October 2016 to 31 March 2017 (IFRS)

	01.01.2017 - 31.03.2017 in € thousand	01.10.2016 - 31.03.2017 in € thousand	01.01.2016 - 31.03.2016 in € thousand	01.10.2015 - 31.03.2016 in € thousand
Revenue	25,049	47,228	22,170	44,811
Changes in inventories of finished goods and work in progress	-466	365	806	1,140
Other work performed by entity and capitalised	45	60	37	59
Other operating income	149	351	187	500
Cost of purchased materials and services	8,706	17,448	8,921	17,393
Personnel expenses	8,222	16,146	7,808	15,378
Depreciation and amortisation expense	722	1,408	671	1,344
Other operating expenses	3,733	7,379	3,243	7,050
Operating result/EBIT	3,394	5,623	2,559	5,346
Profit/loss from investments accounted for using the equity method	0	2	2	1
Financial income	4	8	6	11
Financial expenses	-77	-153	-98	-203
Financial result	-73	-142	-90	-191
Earnings before tax and non-controlling interests/EBT	3,321	5,481	2,469	5,156
Income taxes	1,005	1,661	786	1,595
Consolidated net income	2,316	3,819	1,683	3,561
Share of earnings attributable to non-controlling interests	-12	-17	20	20
Share in earnings attributable to Dr. Höhle AG's shareholders	2,328	3,836	1,663	3,541
Earnings per share (basic) in €		0.70		0.64
Earnings per share (diluted) in €		0.70		0.64
Average number of shares outstanding (basic)		5,511,854		5,511,854
Average number of shares outstanding (diluted)		5,511,854		5,511,854

Consolidated statement of comprehensive income

for the period from 1 October 2016 to 31 March 2017 (IFRS)

	01.10.2016 - 31.03.2017 in € thousand	01.10.2015 - 31.03.2016 in € thousand
Consolidated net income	3,819	3,561
Other comprehensive income for the period: Items that may be subsequently reclassified to profit or loss		
- Difference from currency translation	154	-69
- Reserve for hedging transactions	30	-9
- Income tax effect	-7	2
Other comprehensive income	177	-76
Total comprehensive income	3,996	3,486
Thereof:		
- Proportion of earnings attributable to non-controlling interest	-17	20
- Proportion of earnings attributable to Dr. Höhle AG's shareholders	4,013	3,466

Consolidated statement of financial position

as at 31 March 2017 (IFRS)

A S S E T S	31.03.2017	30.09.2016
NON-CURRENT ASSETS	in € thousand	in € thousand
Goodwill	18,849	18,849
Intangible assets	2,746	2,905
Property, plant and equipment	19,167	17,191
Investment property	1,282	1,301
Investments accounted for using the equity method	41	37
Financial assets	32	32
Other non-current assets	936	902
Deferred tax assets	3,284	3,187
Total non-current assets	46,337	44,404
CURRENT ASSETS		
Inventories	29,452	27,415
Trade accounts receivable	13,127	13,076
Receivables from companies in which an equity investment is held	225	213
Other current assets	2,478	2,003
Current tax assets	735	648
Cash and cash equivalents	3,628	6,516
Total current assets	49,645	49,871
TOTAL ASSETS	95,982	94,275
E Q U I T Y A N D L I A B I L I T I E S		
SHAREHOLDERS' EQUITY		
Subscribed capital	5,513	5,513
Own shares	-8	-8
Capital reserves	16,596	16,596
Retained earnings	38,758	37,776
Equity attributable to Dr. Höhle AG's shareholders	60,859	59,877
Non-controlling interests	1,775	1,792
Total equity	62,634	61,669
NON-CURRENT LIABILITIES		
Non-current loans (less current portion)	6,062	6,043
Non-current portion of finance lease obligations	169	187
Other non-current liabilities	513	537
Pension provisions	6,743	6,528
Accrued public investment grants	432	465
Deferred tax liabilities	1,323	1,369
Total non-current liabilities	15,241	15,130
CURRENT LIABILITIES		
Trade accounts payable	5,808	4,917
Liabilities to companies in which an equity investment is held	2	0
Prepayments received	1,313	938
Current portion of finance lease obligations	37	36
Current liabilities to banks and current portion of non-current loans	4,801	2,996
Other current liabilities	4,734	5,533
Other provisions	512	483
Current tax liabilities	901	2,573
Current liabilities, total	18,107	17,475
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	95,982	94,275

Consolidated statement of changes in equity

for the period from 1 October 2016 to 31 March 2017 (IFRS)

	R e t a i n e d e a r n i n g s					S h a r e h o l d e r s e q u i t y				
	Subscribe capital in € thousand	Own shares in € thousand	Capital reserves in € thousand	Legal and other reserves in € thousand	Derivative financial instruments in € thousand	Actuarial gains/ losses on defined benefit pension plans in € thousand	Currency translation differences in € thousand	Equity attributable to Hönle AG's shareholders in € thousand	Non-controlling interests in € thousand	Total in € thousand
As at 1 October 2015	5,513	-8	16,596	33,253	-81	-1,395	1,999	55,877	1,637	57,514
Consolidated net income for the year				3,541				3,541	20	3,561
Other comprehensive income					-7		-69	-76		-76
Total comprehensive income				3,541	-7		-69	3,465	20	3,485
Changes in non-controlling interests due to the purchase of company shares									149	149
Dividend distribution				-3,031				-3,031		-3,031
As at 31 March 2016	5,513	-8	16,596	33,761	-89	-1,395	1,928	56,305	1,806	58,111
As at 1 October 2016	5,513	-8	16,596	38,499	-70	-2,646	1,993	59,877	1,792	61,669
Consolidated net income for the year				3,836				3,836	-17	3,819
Other comprehensive income					23		154	177		177
Total comprehensive income				3,836	23		154	4,013	-17	3,996
Dividend distribution				-3,031				-3,031		-3,031
As at 31 March 2017	5,513	-8	16,596	39,304	-47	-2,646	2,147	60,859	1,775	62,634

Consolidated statement of cash flows

for the period from 1 October 2016 to 31 March 2017 (IFRS)

	01.10.2016- 31.03.2017 in € thousand	01.10.2015- 31.03.2016 in € thousand
Cash flow from operating activities		
Net income for the year before non-controlling interests and taxes	5,481	5,156
Adjustments for:		
Depreciation of intangible assets, property, plant and equipment and investment property	1,408	1,344
Gains/losses from disposal of intangible assets, property, plant and equipment and investment property	57	1
Financial income	-10	-12
Financial expenses	153	203
Other non-cash expenses/income	-25	102
Operating result before changes to net current assets	7,064	6,794
Increase/decrease in provisions	201	114
Increase/decrease in trade accounts receivable	-1	1,380
Increase/decrease in receivables from companies in which an equity investment is held	-12	7
Increase/decrease in assets held for sale	0	294
Increase/decrease in other assets	-475	-367
Increase/decrease in reinsurance policy	-53	-18
Increase/decrease in inventories	-2,133	-2,017
Increase/decrease in trade accounts payable	896	-164
Increase/decrease in liabilities to companies in which an equity investment is held	1	-7
Increase/decrease in advance payments received	375	732
Increase/decrease in other liabilities	-766	-1,824
Cash from current activities	5,097	4,924
Interest paid	-110	-149
Income tax paid	-3,572	-2,476
Cash flow from operating activities	1,415	2,299
Cash flow from investing activities		
Payments received from the disposal of intangible assets, property, plant and equipment and investment property	1	0
Purchase of subsidiaries, less net cash	0	149
Payments for the purchase of property, plant and equipment and intangible assets	-3,189	-2,665
Payments received from non-current receivables	19	26
Interest received	7	11
Cash flow from investing activities	-3,162	-2,479
Cash flow from financing activities		
Payments received from loans and liabilities to banks	3,402	840
Payments for loans and liabilities to banks	-1,589	-698
Repayment of liabilities to shareholders	0	-52
Dividends paid	-3,031	-3,031
Cash flow from financing activities	-1,218	-2,941
Exchange rate differences	26	-58
Exchange rate-related change in funds	51	-1
Net increase/decrease in cash and cash equivalents	-2,888	-3,180
Cash and cash equivalents at the beginning of the reporting period	6,516	7,456
Cash and cash equivalents at the end of the reporting period	3,628	4,276

Illustrative notes

to the half-year report for the 2016/2017 financial year

Hönle prepares the consolidated interim financial statements in accordance with the International Financial Reporting Standards (IFRS) and interpretations published by the International Financial Reporting Standards Board (IASB) as required to be applied in the European Union. Hönle prepares and publishes the consolidated interim financial statements in euro (€).

These consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" and should be read in conjunction with the consolidated financial statements of the Company for the 2015/2016 financial year.

The consolidated statement of financial position as of 31 March 2017 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the reporting periods ended 31 March 2017 and 2016 and the notes to the financial statements have not been audited or reviewed by an auditor.

The material accounting and consolidation policies have not changed compared with the 2015/2016 consolidated financial statements.

The Group figures that are required to be reported on a segment basis are allocated to the individual segments as follows:
(unaudited)

	Equip- ment/ Systems 16/17	Adhe- sives 16/17	Glass/ Lamps 16/17	Total 16/17	Elimina- tions 16/17	Consoli- dated 16/17
Revenue						
External customers	24,915	12,238	10,075	47,228	0	47,228
Sales with other business units	382	230	1,066	1,678	-1,678	0
Total sales	25,297	12,468	11,141	48,906	-1,678	47,228
EARNINGS						
Segment result (operating result)	1,996	2,891	736	5,623	0	5,623
Financial income	87	11	28	126	-118	8
Financial expenses	195	12	151	358	-205	153
Investments accounted for using the equity method				2		2
Earnings before taxes and non- controlling interests						5,481
Income taxes	654	920	239	1,813	0	1,813
Deferred taxes	-49	-33	-27	-109	-43	-152
Earnings before non-controlling interests						3,819
OTHER INFORMATION						
Segment assets	55,065	15,520	29,526	100,111	-9,156	90,955
Non-allocated assets:						
Investments accounted for using the equity method				41		41
Financial assets				32		32
Non-current receivables				936		936
Tax refund claims				735		735
Current tax assets				3,284		3,284
Consolidated assets						95,982
Segment debt	24,986	4,994	23,014	52,994	-28,099	24,895
Deferred tax liabilities				1,323		1,323
Liabilities from income taxes				901		901
Non-current loans				6,230		6,230
Consolidated liabilities (current and non-current)						33,348
Investments	412	322	2,456	3,190		3,190
Segment write-downs	535	297	576	1,408		1,408
Non-cash expenses of the segment	120	8	87	215		215

	Equip- ment/Sy stems 15/16	Adhe- sives 15/16	Glass/ Lamps 15/16	Total 15/16	Elimina- tions 15/16	Consoli dated 15/16
Revenue						
External customers	25,957	10,903	7,951	44,811	0	44,811
Sales with other business units	433	176	1,125	1,734	-1,734	0
Total sales	26,390	11,079	9,076	46,545	-1,734	44,811
EARNINGS						
Segment result (operating result)	3,449	1,964	-68	5,346	0	5,346
Financial income	106	11	33	150	-139	11
Financial expenses	284	15	189	488	-285	203
Investments accounted for using the equity method				1		1
Earnings before taxes and non- controlling interests						5,156
Income taxes	1,067	780	251	2,098	0	2,098
Deferred taxes	-57	-115	-281	-453	-51	-503
Earnings before non-controlling interests						3,561
OTHER INFORMATION						
Segment assets	55,719	12,632	24,509	92,860	-7,317	85,543
Non-allocated assets:						
Investments accounted for using the equity method				52		52
Financial assets				32		32
Non-current receivables				802		802
Tax refund claims				665		665
Current tax assets				2,980		2,980
Consolidated assets						90,075
Segment debt	24,805	4,404	17,710	46,919	-26,564	20,355
Deferred tax liabilities				1,435		1,435
Liabilities from income taxes				2,586		2,586
Non-current loans				7,587		7,587
Consolidated liabilities (current and non-current)						31,964
Investments	1,157	375	1,129	2,661		2,661
Segment write-downs	511	257	576	1,344		1,344
Non-cash expenses of the segment	163	8		171		171

Segment assets are defined as the sum total of intangible assets, property, plant and equipment, inventories, current receivables and cash and cash equivalents. Segment debt includes non-current and current obligations. Non-cash segment expenses relate to changes in pension provisions and other provisions.

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.

Responsibility statement

We affirm that, to the best of our knowledge, the consolidated financial statements give 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 and 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, 15 May 2017

Dr. Hönle AG
Management Board

Note

These consolidated interim financial statements are unaudited.

The management report contains statements and information on Dr. Hönle AG that relate to future periods. The forward-looking 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 or should risks, such as those mentioned in the risk report, materialise, 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.

The figures and percentages contained in this report may be subject to rounding differences.

Financial calendar

19 May 2017

Half-Year Report 2016/2017

17 August 2017

Report on the Third Quarter of 2016/2017

12-13 December 2017

Munich Capital Market Conference



hönlegroup

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