

I. Quarterly Statement

for the period from 01/10/2015 to 31/12/2015



	01/10/2015 - 31/12/2015 in T€	01/10/2014 - 31/12/2014 in T€	Change in %
Consolidated Income Statement			
Revenue	22,641	21,790	3.9
Gross profit	14,836	14,034	5.7
Operating result/EBIT	2,788	2,653	5.1
Pre-tax result/EBT	2,687	2,520	6.6
Consolidated net income for the year	1,878	1,801	4.3
Share			
Earnings per share in €	0.34	0.32	6.3
Number of shares	5,512,930	5,512,930	0.0
Cash flow			
Operative cash flow ¹⁾	3,022	-330	1,015.8
Staff			
Average number of staff	550	522	5,4
	31/12/2015 in T€	30/09/2015 in T€	Change in %
Statement of Financial Position			
Non-current assets	42,479	41,524	2.3
Current assets	49,084	49,111	-0.1
Shareholders' equity	59,493	57,514	3.4
Long-term liabilities	14,882	15,084	-1.3
Short-term liabilities	17,188	18,414	-6.7
Total assets	91,563	91,012	0.6
Capital ratio as a %	65.0	63.2	2.8

1) Cash provided by current activities

Financial Calendar of Dr. Hönle AG

16 March 2016

20 May 2016

19 August 2016

Shareholders Meeting in Munich

Half-Year Report 15/16

III. Quarterly Statement 15/16

Note

The quarterly statement is unaudited. The release has been prepared based on the accounting standards applied in the last consolidated financial statement.

The quarterly statement contains statements and information provided by Dr. Hönle AG that relate to future time periods. These future-oriented statements represent assessments that were made on the basis of all information available at the time this quarterly statement was prepared. Should the assumptions underlying the forecasts be incorrect or should risks materialise, the actual developments and results may deviate from current expectations. The Company is not obliged to update the information contained in this quarterly statement beyond the legally prescribed publication provisions.

The figures and percentages contained in this statement may include rounding differences.

Market Development

According to an assessment of the International Monetary Fund (IMF), the global economy grew by 3.0 % in the fourth quarter of 2015.

The German economy continued its moderate growth trend and grew by 1.5 % in the fourth quarter according to the IMF. Furthermore, foreign trade dampened the moderate upswing since imports rose significantly stronger than exports. Emerging markets, such as China, are experiencing a period of weakness while others, such as Brazil and Russian, find themselves in a recession. This curbs German exports. In view of the uncertain prospects on important sales markets, many companies are exercising caution, and their investments decreased slightly.

Course of Business

The Hönle Group's business development was slightly positive although the Adhesives and Glass & Lamps segments had a subdued start to the new financial year. Sales revenues generated by the Hönle Group rose from T€21,790 in the previous year to T€22,641 in the current financial year. In the same period, the operating result (EBIT) climbed from T€2,653 to T€2,788.

A perceptible recovery was noted in the Equipment & Systems segment. At T€13,154, sales revenues were up 15.6 % on the prior-year period. This increase is mainly due to the favourable sales revenues earned by Dr. Hönle AG and Eltosch Grafix GmbH from business with the printing industry. Moreover, the newly established customer relationships with major printing machine manufacturers also impacted positively on sales development. From a technological viewpoint it is clearly evident that LED drying equipment will also increasingly find its way into the printing industry. For this reason, Dr. Hönle AG invests in this technology, sets up a new production line for UV-LED modules and increases the staff level in both the development and production of UV-LED systems.

PrintConcept GmbH, which specialises in the development of UV-systems for rotary printing, sold more drying equipment to the printing industry than in the previous year and thus also contributed to the Hönle Group's sales growth.

Sales revenues in the Glass & Lamps segment dropped from T€4,115 to T€3,672 year-on-year. This is mainly attributable to the postponed start of production of quartz glass melting furnaces at Raesch Quarz (Germany) GmbH, which manufactures tubes for the semi-conductor industry. The melting furnaces, which did not commence operations at the end of the first quarter as planned, are expected to come on stream only in February, and this prevented revenue realisation in the first quarter. It is encouraging, however, that incoming orders as well as orders on hand at Raesch Quarz (Germany) GmbH's are significantly higher than in the previous year.

A new management structure at Aladin GmbH combined with optimised production processes led to reduced reject rates in the manufacture of lamps. As a result, Aladin GmbH's earnings power improved in comparison with the previous year.

The Adhesives segment generated sales revenues of T€5,815 in comparison with T€6,294 in the previous year. Lower sales figures from business with customers in the smartphones segment led to a temporary dip in the growth rate in the first quarter. It is expected that the introduction of new product models will contribute to rising sales in the Adhesives segment in the second half of the year.

The South Korea-based SKC-Panacol Co. Ltd. started operations according to plan. Some interesting projects with companies in the electronics industry have already started.

Results of Operations

With a 3.9 % sales increase to T€22,641 the operating result picked up 5.1 % to T€2,788 in the first three months of financial year 2015/2016.

Due to stronger demand from the printing industry, the Equipment & Systems segment saw a 15.6 % increase in sales to T€13,154 while the operating result soared by 89.9 % to T€1,853. In addition to the increase in sales revenues, the significant inventory reduction in the previous year was responsible for the marked rise in the operating result.

At T€3,672, the Glass & Lamps segment sales were down 10.8 % from the previous year's figure due to the postponed production start of two melting furnaces at Raesch Quarz (Germany) GmbH. The operating result fell from T€-39 in the previous year to T€-200 in the reporting year.

Sales revenues achieved in the Adhesives segment dropped by 7.6 % to T€5,815 in the first quarter due to the temporary decrease in demand for industrial adhesives, particularly in the consumer electronics segment. In this connection, the operating result contracted by 33.9 % to T€1,135.

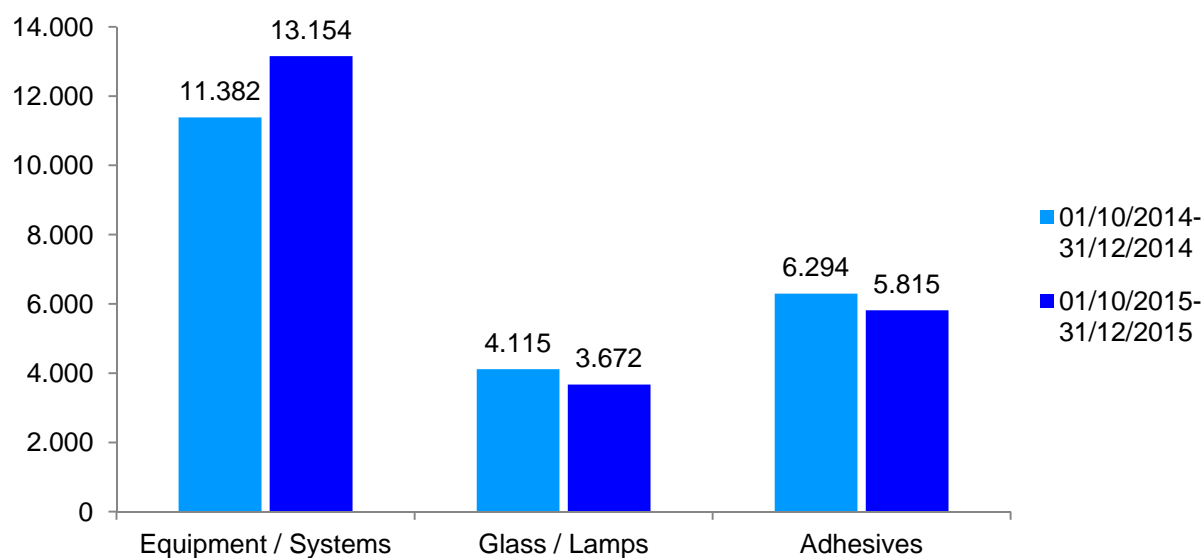
The Hönle Group's pre-tax result improved from T€2,520 to T€2,687. Consolidated net income climbed from T€1,801 to T€1,878 year-on-year which translates into earnings per share of €0.34 (PY: €0.32). The EBIT margin came to 12.1 % in the reporting year after 12.6 % in the previous year. Net profit on sales remained unchanged at 8.3 %.

At 36.8 %, the cost of materials ratio was above the previous year's figure (35.3 %), which is due to lower sales in the Adhesives segment compared with the previous year's quarter. The personnel expense ratio dropped from 33.8 % to 32.9 %. The other operating expenses ratio decreased from 17.3 % in the previous year to 16.6 % in the current financial year.

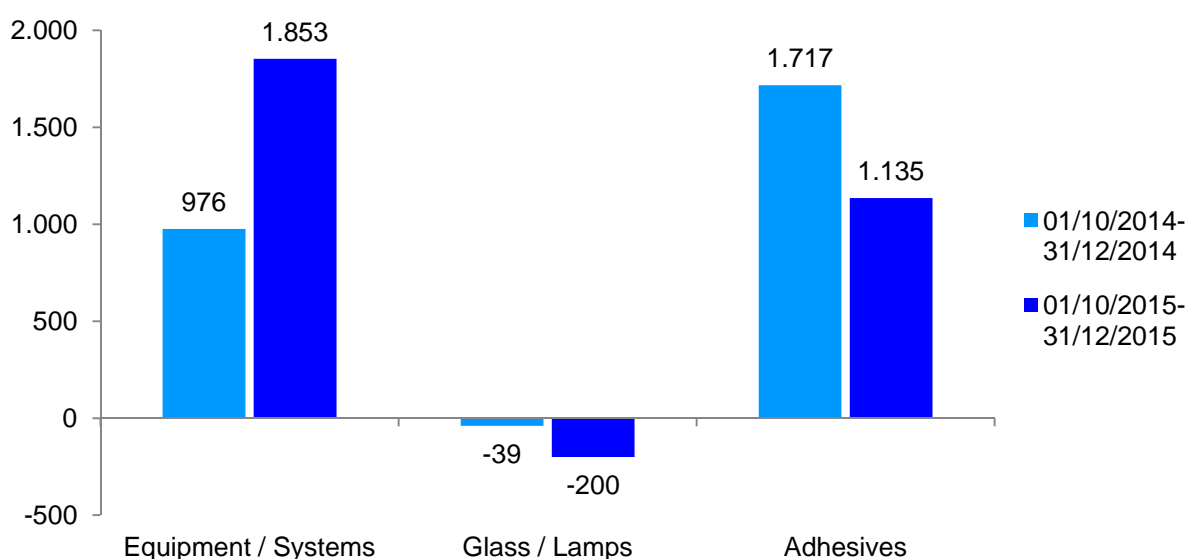
Earnings Development

in T€	01/10/15 - 31/12/15	01/10/14 - 31/12/14	Change
Sales revenues	22,641	21,790	3.9 %
Gross profit	14,836	14,034	5.7 %
Operating result (EBIT)	2,788	2,653	5.1 %
Pre-tax result (EBT)	2,687	2,520	6.6 %
Consolidated net income	1,878	1,801	4.3 %
Earnings per share in €	0.34	0.32	6.3 %

Sales by segment (in T€)



Operating result by segment (in T€) ¹⁾



¹⁾ The previous year's values have been restated according the presentation of the current fiscal year.

Financial Position

Cash provided by operating activities amounted to T€3,022 in the first quarter (PY: T€-330). At T€1,285, investments were up from the previous year's level of T€342. In addition to expenses incurred for business equipment and software licenses, the item also includes investments in technical equipment at Raesch Quarz (Germany) GmbH, Dr. Hönle AG and Panacol-Elosol GmbH.

Cash used for financing activities amounted to T€-211 (PY: T€353) and resulted mainly from the repayment (T€-709) and taking out (T€500) of bank loans.

In all, liquid assets increased by T€554 to T€8,010 during the first three months of the current financial year.

Cash Flow and Liquidity Development

in T€	01/10/15 - 31/12/15	01/10/14 - 31/12/14	Change
Cash from			
operating activities	3,022	-330	1,015.8 %
Cash flow from investing activities	-1,285	-342	-275.7 %
Cash flow from financing activities	-211	353	-159.8 %
Change in liquid assets	554	-1,036	153.5 %

Net Assets

Non-current assets saw a slight increase to T€42,479, largely due to the rise in property, plant and equipment at Raesch Quarz (Germany) GmbH. Inventories climbed from T€25,055 to T€25,920 due, in particular, to higher inventory levels concerning the Equipment & Systems segment. Liquid assets rose from T€7,456 to T€8,010.

With an equity ratio of 65.0 %, the Hönle Group financing continues to be on very solid ground.

Long-term liabilities decreased by T€202 to T€14,882 in the first quarter, which is attributable to the repayment of loans and other factors. Short-term liabilities dropped by T€1,226 to T€17,188, mainly due to the reduction of personnel-related liabilities.

Statement of Financial Position

in T€	31/12/2015	30/09/2015	Change
Non-current assets	42,479	41,524	2.3 %
Current assets	49,084	49,111	-0.1 %
Shareholders' equity	59,493	57,514	3.4 %
Long-term liabilities	14,882	15,084	-1.3 %
Short-term liabilities	17,188	18,414	-6.7 %
Total assets	91,563	91,012	0.6 %

Outlook

Overall Market

The prospects for further economic developments of the global economy are positive. The International Monetary Fund predicts stable economic growth of 3.4 % for 2016. Continued low oil prices and the European monetary policy help in stabilising Europe's economic growth. The emerging markets are performing better at least when compared to 2015. At 2.6 %, the US-economy is also expected to grow more strongly in 2016 than in the previous year.

Nevertheless, growth risks are higher than only some months ago. This is mainly attributable to the following three factors: the retrograde development in China's economy, the sharp drop in raw material prices and signs of an interest rate hike in the USA.

Outlook for the Hönle Group

Despite a subdued start into the new financial year in the Adhesives and Glass & Lamps segments, consolidated sales in the first quarter were higher than in the corresponding prior-year period due to strong demand from the printing industry. For the second quarter we expect weaker earnings in the Adhesives and Glass & Lamps segments than in the prior-year period, and the Hönle Group's quarterly earnings will probably be down from the previous year's level. However, due to model changes for smartphones and the start of operations of further melting furnaces at Raesch Quarz (Germany) GmbH, we project increasing sales revenues and earnings in the Hönle Group for the second half of the year.

Given unchanged economic conditions and sustainable stable production processes at Raesch Quarz (Germany) GmbH we expect the Hönle Group's sales revenues and operating result in financial year 2015/2016 to be roughly on par with the previous year's figures.

Consolidated Income Statement

for the period from 1 October 2015 to 31 December 2015

	01/10/2015 - 31/12/2015 in T€	01/10/2014 - 31/12/2014 in T€
Revenue	22,641	21,790
Changes in inventories of finished goods and work in progress	334	-863
Other capitalised service	21	63
Other operating income	313	448
Cost of purchased materials and services	8,472	7,404
Personnel expenses	7,569	7,099
Depreciation and amortisation including goodwill	673	654
Other operating expenses	3,806	3,628
Operating result/EBIT	2,788	2,653
Profit/loss from investments accounted for at equity	-1	-21
Financial income	5	22
Financial expenses	105	135
Financial result	-101	-133
Earnings before tax and non-controlling interest/EBT	2,687	2,520
Income tax	809	719
Consolidated net income	1,878	1,801
Share in earnings attributable to non-controlling interest	-1	49
Share in earnings attributable to Dr. Hönle AG's shareholders	1,879	1,752
Earnings per share (basic) in €	0.34	0.32
Earnings per share (diluted) in €	0.34	0.32
Average shares outstanding (basic)	5,511,854	5,511,854
Average shares outstanding (diluted)	5,511,854	5,511,854

Consolidated Statement of Financial Position

as of 31 December 2015

ASSETS	31/12/2015	30/09/2015
NON-CURRENT ASSETS	in T€	in T€
Goodwill	18,849	18,849
Intangible assets	2,977	3,051
Property, plant and equipment	16,907	16,163
Investments accounted for at equity	51	50
Financial assets	32	32
Other non-current assets	851	810
Deferred income tax claims	2,812	2,569
Total non-current assets	42,479	41,524
CURRENT ASSETS		
Inventories	25,920	25,055
Trade accounts receivable	11,836	13,513
Receivables from companies in which interests are held	230	224
Other current assets	2,503	2,233
Tax refund claims	584	631
Liquid assets	8,010	7,456
Total current assets	49,084	49,111
Non-current assets held for sale	0	376
TOTAL ASSETS	91,563	91,012
 LIABILITIES AND SHAREHOLDERS' EQUITY		
SHAREHOLDERS' EQUITY		
Subscribed capital	5,513	5,513
Own shares	-8	-8
Additional paid-in capital (capital reserves)	16,596	16,596
Retained earnings	35,756	33,776
Equity attributable to Dr. Höhle AG's shareholders	57,857	55,877
Non-controlling interest	1,637	1,637
Total shareholders' equity	59,493	57,514
LONG-TERM LIABILITIES		
Long-term loans (less current portion)	7,801	8,034
Long-term finance lease obligations	7	8
Other long-term liabilities	427	416
Pension accruals	4,653	4,567
Accrued public investment grants	515	533
Deferred income tax liabilities	1,480	1,526
Total long-term liabilities	14,882	15,084
SHORT-TERM LIABILITIES		
Trade accounts payable	4,550	4,990
Liabilities to affiliated companies	1	0
Liabilities to companies in which an equity investment is held	14	7
Prepayments received	1,068	622
Current portion of finance lease obligations	4	3
Short-term liabilities to banks and current portion of long-term loans	3,046	3,022
Other short-term liabilities	4,985	6,346
Other accruals	479	486
Liabilities from income taxes	3,040	2,938
Short-term liabilities, total	17,188	18,414
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	91,563	91,012

Statement of Consolidated Cash Flows

for the period from 1 October 2015 to 31 December 2015

	01/10/2015- 31/12/2015 in T€	01/10/2014- 31/12/2014 in T€
Cash flows from operating activities		
Net income for the year before non-controlling interest and taxes	2,687	2,520
Adjustments for:		
Amortisation/depreciation of fixed assets	673	654
Financial income	-4	-1
Financial expenses	105	135
Other non-cash expenses/income	79	82
Operating result before changes to net current assets	3,540	3,389
Increase/decrease in accruals	53	57
Increase/decrease in trade accounts receivable	1,718	-1,537
Increase/decrease in receivables from companies, in which an investment is held	-4	-44
Increase/decrease in assets held for sale	294	0
Increase/decrease in other assets	-270	569
Changes in reinsurance policy	-53	-19
Increase/decrease in inventories	-930	-601
Increase/decrease in trade accounts payable	-429	-805
Increase/decrease in liabilities to companies, in which an investment is held	7	-69
Increase/decrease in advance payments received	446	231
Increase/decrease in other liabilities	-1,350	-1,505
Increase/decrease in accrued public investment grants	0	3
Cash from current activities	3,022	-330
Interest paid	-79	-97
Income tax paid	-943	-707
Cash flow from operating activities	2,001	-1,134
Cash flow from investing activities		
Payments for the purchase of property, plant and equipment and intangible assets	-1,299	-361
Payments received from long-term receivables	12	0
Payments received from interest	2	4
Payments received from dividends	0	15
Net cash used for investing activities	-1,285	-342
Cash flows from financing activities		
Payments received from loans and liabilities to banks	500	557
Payments relating to loans and liabilities to banks	-709	0
Repayment of liabilities to shareholders	-2	-204
Net cash flow from financing activities	-211	353
Current differences	19	77
Currency-related changes in cash and cash equivalents	30	10
Net increase/decrease in cash and cash equivalents	554	-1,036
Cash and cash equivalents at the beginning of the reporting period	7,456	5,685
Cash and cash equivalents at the end of the reporting period	8,010	4,649