6 MONTHS REPORT

2011 | 2012

Hönle Group – at a Glance

	01.10.2011 - 31.03.2012	01.10.2010 - 31.03.2011	Changes
Statement of Comprehensive Income	**T€**	T€	%
Revenue	**34,177**	32,105	6.5
EBITDA	**4,022**	5,635	-28.6
EBIT	**3,099**	4,981	-37.8
EBT	**2,981**	4,833	-38.3
Consolidated net income	**2,013**	3,390	-40.6
Share			
Earnings per share	**0.35**	0.60	-41.7
Number of shares	**5,512,930**	5,512,930	0.0
Cash flow	**T€**	T€	
Operating Cash flow [1)]	**2,614**	3,311	-21.1
Staff			
Average number of employees	**414**	312	32.7

	31.03.2012	30.09.2011	Changes
Statement of Financial Position	**T€**	T€	%
Non-current assets	**34,104**	18,632	83.0
Current assets	**37,927**	37,119	2.2
Shareholder's equity	**41,310**	38,204	8.1
Non-current liabilities	**11,091**	4,307	157.5
Current liabilities	**19,630**	13,240	48.3
Total assets	**72,031**	55,751	29.2
Capital ratio in %	**57.4**	68.5	-16.2

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1) Cash from continuing business activities

Hönle Group Report

for the six months period from 1 October 2011 to 31 March 2012

Overview

The mood among companies and consumers, which had deteriorated notice-ably at the end of 2011, brightened up again significantly in most regions since the turn of the year, and global production has picked up at the same time.

The strains caused by the government debt crisis, in particular in the European economic area, and uncertainties respecting the fiscal policy have subsided somewhat for the time being. However, the debt problems continue to be unresolved. In addition, the sharp rise in oil prices observed in recent weeks and a slowing down of the pace of expansion in China dampened economic development.

The Hönle Group's business development in the second quarter of financial year 2011/2012 was influenced to a significant extent by the macroeconomic developments and the impact of Manroland AG's insolvency. After all receivables had already been fully written off in the first quarter at the time when the insolvency proceedings were filed, Manroland's limited business activity led to a decline in sales at Hönle's subsidiary, Eltosch, in the second quarter.

A new investor was found for Manroland AG's sheetfed offset division at the Offenbach production site, which now operates under the name of Manroland Sheetfed GmbH. Langley Holdings plc. acquired Manroland Sheetfed GmbH. In February 2012 the British engineering group, Langley Holdings plc., which specializes in mechanical and plant engineering, acquired Manroland Sheetfed GmbH. Thus, with this acquisition, a sound investor that can offer the company a long-term perspective was found.

With effect from 1 January 2012, Dr. Hönle AG acquired 80 % of the shares in Raesch Quarz (Germany) GmbH, Langewiesen, and in Raesch Quarz (Malta) Ltd., Malta.
The corporate group manufactures tubing and semi-finished goods made of quartz glass. Its customers come from various branches of industry, in particular from the lighting, semiconductor, automotive supplier and water treatment industries.
By taking over the Raesch Group, Hönle further expands its competence as a photonic specialist while, at the same time, continuing its strategy of generating increased sales in the short-lived business assets segment, in addition to the equipment and system business. As a consequence, Hönle extends the share of recurring sales and taps a business field that offers good growth potential. The Asian economic area, in particular, where the Raesch Group generates a large proportion of its foreign sales revenues offers good development opportunities for the products of the quartz glass specialist in the future.

The Raesch Group acquisition results in synergies in a number of segments. Aladin GmbH and UV-Technik Speziallampen GmbH use quartz glass tubing from the Raesch Group for the manufacture of UV medium-pressure and low-pressure lamps. The manufacturing stages of the two companies can be transferred to the

Raesch Group in the future. As a consequence, production processes can be made more efficient and, at the same time, more cost effective. Moreover, the Malta location provides tax advantages. Finally, we also expect positive effects to arise from use of the Hönle Group sales network in conjunction with the Raesch Group sales network.

In March 2012, Mitronic GmbH's production site was relocated from Wolfratshausen to the Hönle Group's headquarters at Gräfelfing, near Munich. In addition, the number of Mitronic GmbH staff was reduced by half.
The measures taken were necessary in order to improve profitability on a sustained basis and to optimize business processes. Moreover, the production, development and administration units were centralised and taken over by Dr. Hönle AG. In turn, the sunlight simulation segment for the photovoltaics market is transferred to Mitronic.

The management structure of UV-Technik Speziallampen GmbH was enlarged with a view to expanding business activities and opening up new markets. A new technology manager and a new sales manager reinforce the management team. The existing business premises are presently being reconstructed in order to optimise workflows. Investments in new production facilities will further improve the company's productivity in the future.

The Hönle Group generated a 6.5 % increase in sales in the first six months of the current financial year, compared to the prior-year period, which is attributable to the consolidation of the new Group companies. In total, sales revenues climbed to T€ 34,177 in the first six months of the financial year.
Despite the increase in sales revenues, the Hönle Group was affected by restrained purchasing activities in the printing segment in the run-up to the largest print trade fair, Drupa. Moreover, sales revenues decreased in the second quarter as a result of Manroland AG's insolvency. In addition, Raesch Quarz (Germany) GmbH reported a drop in demand (mainly in Asia) in the quartz glass tubing segment for the semiconductor industry.

Value adjustments in the first quarter respecting receivables from the insolvent Manroland AG (€ 1.1 million) contributed to a decrease in the operating result (EBIT). The EBIT stood at T€ 3,099 in the first half of the current financial year, down from T€ 4,981 reported in the prior-year period.

Results of Operations

Hönle Group's sales revenues climbed from T€ 32,105 in the previous year to T€ 34,177 in the first six months of the current financial year.

Dr. Hönle AG acquired the Raesch Group with effect from 1 January 2012. Furthermore, the Group's business segments were redefined in the course of the acquisition. The Hönle Group will be divided into the following three business segments: 'Equipment and Systems', 'Adhesives' and 'Glass and Lamps'.

Sales revenues generated in the 'Equipment and Systems' segment dropped from T€ 20,376 in the previous year to T€ 18,598 in the current financial year. The Hönle Group thus achieved 54.4 % of its total sales in this business segment. The lower sales level is due, in particular, due to the restrained purchasing behaviour observed in the run-up to the Drupa trade fair and to the lower sales revenues generated by Eltosch GmbH as a result of Manroland's insolvency.

In the middle of last year, Hönle sold its 'Consumer Goods Adhesives' segment, which generates annual sales of approximately € 3 million, with a view to concentrating on its core competency in the business with industrial clients.

Sales generated in the 'Adhesives' business segment stood at T€ 7,641, which reflects an increase over the adjusted sales of the previous year.

The 'Glass and Lamps' segment comprises the business activities of Aladin GmbH, UV-Technik Speziallampen GmbH (since January 2011), and of the Raesch Group (since January 2012). In the course of consolidation of the new companies, the sales volume jumped from T€ 3,047 in the first half of 2010/2011 to T€ 7,938 in the first six months of the 2011/2012 financial year.

The trend towards an increase in foreign sales - in particular outside the European Union - continued in the first six months of the current financial year also. While sales earned in Germany declined from T€ 14,232 in the previous year to T€ 12,260 in the current financial year, sales revenues generated abroad saw a steep rise. In Europe outside Germany, Hönle's sales revenues rose from T€ 10,862 in the previous year to T€ 11,420 in the current financial year. Sales revenues achieved outside Europe increased from T€ 7,011 to T€ 10,497 in the same period.

Hönle thus achieved 35.9 % (PY: 44.3 %) of its sales revenues in Germany, 33.4 % (PY: 33.8 %) in Europe outside Germany, and 30.7 % (PY: 21.8 %) outside the European Union.

The marked change in the share of regional sales is due to both the Hönle Group's stronger presence in the Asian economic area and to the newly acquired Raesch Group. The Raesch Group has a good dealer network in Asia and generates a large proportion of its sales revenues in that region.

The restrained purchasing behaviour observed in the run-up to the Drupa trade fair, a decline in sales and the value adjustments following Manroland's insolvency (€ 1.1 million) weigh on the operating result, which stood at T€ 3,099 (PY: T€ 4,981) at the end of the first six months of the current financial year. The previous year's result included special, earnings increasing influences that amounted to ca. T€ 400, which were attributable to a fire at an external warehouse of Dr. Hönle AG.

Earnings before tax (EBT) amounted to T€ 2,981, down from T€ 4,833 in the previous year, while consolidated net income came to T€ 2,013, after T€ 3,390 in the previous year. This corresponds to earnings per share of € 0.35 (PY: € 0.60).

The EBIT margin thus dropped from 15.5 % in the previous year to 9.1 %. Net return on sales declined from 10.6 % to 5.9 %.

The Hönle Group succeeded in improving purchasing conditions and in increasing the share of in-house production. As a result, the cost of materials ratio improved to 37.2 %. In the previous year, the cost of materials ratio stood at 41.2 %, which was partly due to the fire damage and an associated increase in the cost of materials. The personnel expense ratio rose from 30.3 % to 32.6 %, while the ratio of other operating expenses climbed from 16.5 % to 20.7 %. The increase in other operating expenses from T€ 5,288 to T€ 7,022 is mainly due to an individual value adjustment recorded on receivables from Manroland AG in the amount of T€ 1,131, and the effects resulting from inclusion of the new subsidiaries in the consolidated group.

Earnings Development

in T€	**01.10.11 - 31.03.12**	01.10.10 - 31.03.11	Change
Sales revenue	**34,177**	32,105	6.5 %
Gross profit	**22,093**	20,671	6.9 %
Operating result (EBIT)	**3,099**	4,981	-37.8 %
Earnings before taxes (EBT)	**2,981**	4,833	-38.3 %
Consolidated net income/loss for the year	**2,013**	3,390	-40.6 %
Earnings per share in €	**0.35**	0.60	-41.7 %

Financial Position

The cash flow generated from current activities in the first six months of the current financial year amounted to T€ 2,614 (PY: T€ 3,311). After deducting interest and income taxes, the cash flow provided by operating activity stood at T€ 1,474 (PY: T€ 2,779).

Cash used for investing activity amounted to T€ -5,022 (PY: T€ -623), which includes payments in the amount of T€ 3,674 for the acquisition of the Raesch Group, less net cash acquired of the Raesch Group. Payments amounting to T€ 879 concerned the acquisition of property, plant and equipment and intangible assets. These payments mainly include investments in technical equipment and in business equipment.

Cash provided by financing activity amounted to T€ 159 (PY: T€ -1,953), and is largely attributable on the one hand to the taking out of a bank loan in the amount of T€ 3,000 for financing the acquisition of the Raesch Group, and on the other hand a dividend distribution of T€ 2,756.

In all, liquid assets thus decreased by T€ 3,300 to T€ 9,563 during the first six months of the current financial year.

Cash Flow and Liquidity Development

in T€	**01.10.11 - 31.03.12**	01.10.10 - 31.03.11	Change
Cash from current activities	**2,614**	3,311	-21.1 %
Cash provided by/used for operating activity	**1,474**	2,779	-47.0 %
Cash provided by/used for investing activity	**-5,022**	-623	-706.1 %
Cash provided by/used for financing activity	**159**	-1,953	108.1 %
Change in liquid assets	**-3,300**	374	-882.3 %

Net Assets

The Raesch Group acquisition led to significant changes in Hönle Group's balance sheet structure as at 31 March 2012: Goodwill jumped from T€ 7,807 to T€ 15,555 in the course of the business acquisition. Intangible assets were up T€ 1,477 to T€ 3,336, while property, plant and equipment increased by T€ 5,914 to T€ 12,954. Additions to property, plant and equipment of the Raesch Group include real estate and equipment and machines, such as melting furnaces for quartz glass production. Non-current assets rose from T€ 18,632 to T€ 34,104.

As a result of the acquisition, inventories increased by T€ 3,192 and other current assets by T€ 898 at the time of the business acquisition. Liquid assets were down T€ 3,300 to T€ 9,563, since a portion of the purchase price was settled by means of liquid assets and, among other things, due to the fact that Hönle paid a dividend to its shareholders in March 2012. A further portion of the purchase price was paid for with treasury stock. Own shares (treasury stock) thus fell from T€ 1,833 to T€ 7. The discounted purchase price instalments, which are due in March 2013 and in March 2014 respectively, are reported under other current liabilities at the amount of T€ 3,495, and under other non-current assets at the amount of T€ 3,387. A bank loan in the amount of € 3.0 million for financing the first purchase price instalment, which has already been paid, was stated under the item 'current liabilities to banks and current portion of non-current loans' at the amount of T€ 600 and under the item 'non-current loans (less current portion)' at the amount of T€ 2,400. In all, non-current liabilities rose from T€ 4,307 to T€ 11,091 and current liabilities increased from T€ 13,240 to T€ 19,630.

Total asset climbed from T€ 55,751 to T€ 72,031.

With an equity capital ratio of 57.4 %, the Hönle Group financing continues to be on solid ground.

Balance Sheet

in T€	**31.03.2012**	30.09.2011	Change
Non-current assets	**34,104**	18,632	83.0 %
Current assets	**37,927**	37,119	2.2 %
Shareholders' equity	**41,310**	38,204	8.1 %
Non-current liabilities	**11,091**	4,307	157.5 %
Current liabilities	**19,630**	13,240	48.3 %
Balance sheet total	**72,031**	55,751	29.2 %

Research and Development

Hönle Group's order-independent research and development expenses increased from T€ 428 in the previous year to T€ 459 in the first six months of the current financial year. The average number of R&D staff rose from 43 to 53 employees during that period. This means that 12.8 % of the Hönle Group's staff is employed in the Research and Development departments. The focus of R&D staff activities was on order-related development.

Dr. Hönle AG presented product innovations for the wide-format inkjet printing segment at the Fespa 2012 (trade fair for digital printing). The products ranged from high-end UV drying systems to innovative UV LED systems. The product range included the LED Powerline, which has already become firmly established on the market. This highly efficient LED equipment is suitable for pinning as well as for final drying in the inkjet printing segment. The LED Powerline is available in several lengths and wavelengths (365/375/385/395/405 nm) and can thus be ideally adjusted to the respective application.
By means of its recently developed jetCURE equipment series, Hönle underscores its position as the global market leader for UV drying systems in the wide-format inkjet printing segment. These high-performance UV dryers (up to 240 W/cm^2) permit excellent drying even at high speeds, which thus leads to significantly enhanced printing quality. jetCURE devices are equipped with dichroic reflectors for temperature-sensitive materials and are available with lamp spectra to suit the specific ink. The lengths of the devices can be adjusted to the printing process.

The drying process can be significantly improved through use of the electronic power supply units (EPS) developed by Hönle. The EPS technology reduces the energy used for operating the UV drying system or for increasing the drying speed, which is even more important to most users. The electronic power supply unit has a power output of up to 7.2 kW. The power output can be adjusted by between 15 % and 100 %.

Supplementary Report

Since April 2012, no events of special significance have occurred that would impact significantly on the Hönle Group's net assets, results of operations and financial position.

Personnel

UV-Technik Speziallampen GmbH and Mitronic GmbH were added to the Hönle Group in the past financial year. The Raesch Group followed in the current financial year. The number of Hönle Group staff thus rose from 344 to 468 year-on-year as at 31 March 2012. As a result of the decrease in sales staff in the context of the sale of the consumer goods adhesives business segment, the number of sales staff dropped from 75 to 69.

Hönle Group's staff of 468 includes 44 part-time employees, which corresponds to 9.4 % of its total staff. In the first six months of the current financial year, the employees were engaged in the following functional areas:

Operational Areas

	31.03.12	31.03.11	Change
Sales	**69**	75	-8.0 %
Research & Development	**56**	45	24.4 %
Production, Service	**234**	132	77.3 %
Logistics	**47**	39	20.5 %
Administration	**62**	53	17.0 %
Total	**468**	344	36.0 %

Operational Areas

on average	**01.10.11 – 31.03.12**	01.10.10 – 31.03.11	Change
Sales	**68**	70	-2.9 %
Research & Development	**53**	43	23.3 %
Production, Service	**193**	116	66.4 %
Logistics	**42**	36	16.7 %
Administration	**58**	47	23.4 %
Total	**414**	312	32.7 %

Personnel Expenses

in T€	**01.10.11 – 31.03.12**	01.10.10 – 31.03.11	Change
Wages and salaries	**9,152**	7,852	16.6 %
Social security and pension costs	**1,897**	1,896	0.1 %
Total	**11,049**	9,748	13.3 %

Due to the increase in staff, in particular, personnel expenses rose by 13.3 % to T€ 11,049 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 Hönle Group offers vocational training for 24 trainees (PY: 25) in the segments: business administration, technology, chemistry, and logistics as at 31/03/2012.

Outlook

Overall market

Although the economic dynamics of the global economy have weakened somewhat, many economic data have improved again since the beginning of 2012, in particular in the USA, Germany and in the emerging markets. A sharp economic slump and a global recession thus seem unlikely for 2012. However, risks still exist. The debt crisis, for example, might intensify again and the financial markets might have a negative backlash effect on the real economy. The early indicators for the US, which have recently weakened again, also give rise to risks. In addition, the recession in the euro zone could become more severe than generally expected. The International Monetary Fund (IMF) projects global economic growth of 3.3 % for 2012. The IMF expects the German economy to stagnate in the current year.

Hönle Group

Hönle Group's sales and earnings in the third quarter are expected to be lower than in the second quarter. This is attributable to the restrained purchasing behaviour usually observed in the run-up to the Drupa trade fair and to the repercussions of Manroland AG's insolvency. Moreover, a decline in the Raesch Group's incoming orders in the semiconductors and photovoltaics segments are expected to lead to a temporary decrease in sales.

Hönle Group foresees higher sales as from the fourth quarter as a consequence of the Drupa trade fair. Hönle expects increasing sales in the offset and digital printing segments. The mood at the Drupa trade fair was largely assessed as good by market participants, and the companies participating in the trade fair were satisfied with the development of the fair.
Hönle also projects a significant recovery in the quartz glass market in the fourth quarter and expects higher sales revenues for the Raesch Group.

The Management Board aims at achieving sales revenues of € 75 million and an operating result of € 8 million for the Hönle Group in the 2011/2012 financial year.

Managed by the Langley Group, Manroland Sheetfed GmbH is now considered to be a solid company, which has emerged from the insolvency with a new organisational structure. Following the Drupa trade fair, Manroland Sheetfed views the future with optimism, and the Hönle Group also expects good business development with respect to Manroland.

The Hönle Group's business activities presently focus on integration of the Raesch Group into the Hönle Group. This includes the centralisation of the IT, accounting and controlling divisions. The focus is also on the capacity utilisation of the melting furnaces, in particular the melting furnaces of Raesch Germany, which will start operations in this financial year. In this context, it is important to intensify the sales activities, in particular the management of the distribution partners, in order to expand the Raesch Group's market share in the quartz glass tubing segment. To increase earnings power, all expense areas are currently being analysed and corresponding measures, which will probably be completed this year, are being initiated. It is also planned to relocate manufacturing stages to Malta with a view to decreasing manufacturing costs by using the production plants in Malta. By means of the above mentioned measures, the Raesch Group is now paving the way for a successful 2012/2013 financial year.

The integration of Mitronic is being pushed ahead further. The determination of new processes ensures the products' high quality level. The stepping up of sales activities is to open up new sales opportunities in the lighting technology and sunlight simulation segments.

To sum up, it is assumed that the repercussions of Manroland AG's insolvency will impact perceptibly on Hönle Group's business development in the 2011/2012 financial year, but, in all, this impact is nevertheless expected to be limited. Owing to the restructuring of Manroland Sheetfed in conjunction with the new solvent investor, Hönle expects positive business development in the sheetfed offset segment in the future. As from the fourth quarter, Hönle also expects positive sales and earnings effects at the Raesch Group on account of two new melting furnaces starting operations and the realisation of new projects. With respect to the adhesives segment, Hönle projects an increase in fourth quarter sales revenues in the adhesive applications segment for smart phones and smart cards.

Consolidated Statement of Comprehensive Income

for the period 1 October 2011 until 31 March 2012 according IFRS

	01.01.2012 - 31.03.2012 in T€	01.01.2011 - 31.03.2011 in T€	01.10.2011 - 31.03.2012 in T€	01.10.2010 - 31.03.2011 in T€
Revenue	**18,404**	**17,599**	**34,177**	**32,105**
Changes in inventories of finished goods and work in progress	-116	243	-282	34
Other operating income	281	488	807	1,769
Cost of purchased materials and services	6,983	7,127	12,609	13,237
Personnel expenses	5,863	5,398	11,049	9,748
Depreciation and amortization including goodwill	556	317	923	654
Other operating expenses	2,899	2,623	7,022	5,288
Operating result/EBIT	**2,268**	**2,865**	**3,099**	**4,981**
Profit/loss from investments accounted for at equity	8	0	1	0
Interest income	44	12	77	20
Interest expense	168	135	196	168
Financial result	-116	-123	-118	-148
Earnings before tax and non-controlling interest/EBT	**2,152**	**2,742**	**2,981**	**4,833**
Income tax	523	799	968	1,443
Consolidated net income	**1,629**	**1,943**	**2,013**	**3,390**
Share in earnings attributable to non-controlling interest	149	173	107	226
Share in earnings attributable to Dr. Hönle AG shareholders	1,480	1,770	1,906	3,164
Earnings per share (basic) in €			0.35	0.60
Earnings per share (diluted) in €			0.35	0.60
Weighted average shares outstanding (basic)			5,511,854	5,247,697
Weighted average shares outstanding (diluted)			5,511,854	5,247,697

The consolidated interim report is unaudited.

Consolidated Total Comprehensive Income

for the period 1 October 2011 until 31 March 2012 according IFRS

	01.10.2011 - 31.03.2012 in T€	01.10.2010 - 31.03.2011 in T€
Consolidated net income	**2,013**	**3,390**
Other comprehensive income:		
- Valuation of investments due to IAS 39 not effecting net income	0	125
- Currency differences	95	147
Other comprehensive income after tax	95	272
Total comprehensive income for the period	**2,108**	**3,662**
Thereof account for:		
- Share in earnings attributable to non-controlling interest	107	226
- Share in earnings attributable to Dr. Hönle AG shareholders	2,001	3,436

The consolidated interim report is unaudited.

Consolidated Statement of Financial Position

as of 31 March 2012 according IFRS

A S S E T S	31.03.2012 in T€	30.09.2011 in T€
LONG-TERM ASSETS		
Goodwill	15,555	7,748
Intangible assets	3,336	1,859
Property, plant and equipment	12,954	7,040
Investments accounted for using the equity method	208	128
Financial assets	248	218
Other non-current assets	675	618
Deferred tax assets	1,128	1,021
Total non-current assets	**34,104**	**18,632**
CURRENT ASSETS		
Inventories	15,853	12,661
Trade accounts receivable	10,348	10,396
Other current assets	1,893	995
Current income tax assets	270	204
Cash and cash equivalents	9,563	12,863
Total current assets	**37,927**	**37,119**
TOTAL ASSETS	**72,031**	**55,751**

LIABILITIES AND SHAREHOLDERS´ EQUITY	31.03.2012 in T€	30.09.2011 in T€
SHAREHOLDERS´ EQUITY		
Subscribed capital	5,513	5,513
Own shares	-7	-1,833
Additional paid-in capital (capital reserves)	16,595	16,212
Legal reserve	49	49
Retained earnings	14,133	14,987
Currency differences	1,542	1,446
Equity attributable to Dr. Hönle AG's shareholders	**37,825**	**36,374**
Non-controlling interest	3,485	1,830
Total Shareholders´ Equity	**41,310**	**38,204**
NON-CURRENT LIABILITIES		
Non-current loans (less current portion)	4,250	1,409
Non-current portion of finance lease obligation	20	31
Other non-current liabilities	3,417	0
Pension accruals	1,868	1,834
Deferred taxes liabilities	1,536	1,033
Non-current liabilities	**11,091**	**4,307**
CURRENT LIABILITIES		
Trade accounts payable	2,843	3,260
Advance payments received	1,323	946
Current portion of finance lease obligation	64	87
Current loans towards banks and current portion of non-current loans	2,816	234
Other current liabilities	8,485	5,173
Other accruals	1,917	1,665
Current income tax liabilities	2,182	1,875
Total current liabilities	**19,630**	**13,240**
TOTAL LIABILITIES AND SHAREHOLDERS´ EQUITY	**72,031**	**55,751**

The consolidated interim report is unaudited.

Consolidated Statement of Changes in Equity
for the period 1 October 2011 until 31 March 2012

	subscribed capital in T€	own shares in T€	additional paid-in capital in T€	legal reserve in T€	special item revaluation in T€	consolidated retained earnings/ loss in T€	currency differences in T€	equity attributable to Dr. Hönle AG's shareholders in T€	non-controlling interest in T€	total in T€
As at 01.10.2010	**5,513**	**- 2,531**	**16,325**	**49**	**- 262**	**9,747**	**1,025**	**29,866**	**903**	**30,769**
Purchase/sale of own shares		471						471		471
Purchase of additional paid in capital due to purchase of non-controlling interest			-179					-179		-179
Valuation of investments due to IAS 39 not effecting net income					125			125		125
Dividend distribution						-1,572		-1,572	-65	-1,637
Currency differences							147	147		147
Non-controlling interest effecting net income								0	226	226
Change of non-controlling interest due to acquisitions								0	359	359
Share in earnings attributable to Dr. Hönle AG shareholders						3,164		3,164		3,164
As at 31.03.2011	**5,513**	**-2,060**	**16,146**	**49**	**-137**	**11,339**	**1,172**	**32,022**	**1,423**	**33,445**
As at 01.10.2011	**5,513**	**- 1,833**	**16,212**	**49**	**0**	**14,987**	**1,446**	**36,374**	**1,830**	**38,204**
Purchase/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
Valuation of investments due to IAS 39 not effecting net income					0			0		0
Dividend distribution						-2,756		-2,756		-2,756
Currency differences						-4	96	92		92
Non-controlling interest effecting net income								0	107	107
Change of non-controlling interest due to acquisitions								0	1,548	1,548
Share in earnings attributable to Dr. Hönle AG shareholders						1,906		1,906		1,906
As at 31.03.2012	**5,513**	**- 7**	**16,595**	**49**	**0**	**14,133**	**1,542**	**37,825**	**3,485**	**41,310**

The consolidated interim report is unaudited.

Consolidated Statement of Cash Flows

for the period 1 October 2011 until 31 March 2012 according to IFRS

	01.10.2011-31.03.2012 in T€	01.10.2010-31.03.2011 in T€
Cash flows from operating activities:		
Net income for the year before non-controlling interest and taxes	2,981	4,833
Adjustments for: Depreciation of fixed assets	1,023	654
Profit from investments accounted for using the equity method	-1	0
Financial income	-76	-20
Interest expenses	196	168
Other non-cash expenses/income	492	-242
Operating result before changes to net current assets	**4,615**	**5,393**
Increase/decrease in accruals	-50	75
Increase/decrease of trade accounts receivable	3,296	-2,015
Increase/decrease of other assets	-229	-31
Increase/decrease in inventories	-686	-715
Increase/decrease in trade accounts payable	-2,180	-45
Increase/decrease in advance payments received	133	309
Increase/decrease in other liabilities	-2,285	340
Cash from continuing business activities	**2,614**	**3,311**
Interest paid	-196	-168
Income tax paid	-944	-365
Net cash from operating activities	**1,474**	**2,779**
Cash flows from investing activities:		
Acquisition of subsidiaries minus acquired net cash	-3,674	-224
Payments from at-equity investments	-79	0
Payments received from the sale of fixed assets	2	3
Purchase of property, plant and equipment and intangible assets	-879	-486
Changes in financial assets	-2	-9
Payments for non-current receivables	33	33
Changes in qualifying insurance polity	-90	113
Changes in non-current liabilities	-409	-72
Payments received from interest	42	18
Payments received from dividends	34	2
Net cash used for investing activities	**-5,022**	**-623**
Cash flows from financing activities:		
Payments for the purchase of non-controlling interests	0	-52
Payments received from loans and non-current liabilities to banks	3,000	0
Payments for loans and liabilities to banks	-85	-328
Payments for dividends	-2,756	-1,572
Net cash from financing activities	**159**	**-1,953**
Currency differences	-12	89
Exchange rate differences of liquid assets	102	54
Net increase/decrease in cash	**-3,300**	**347**
Cash at the beginning of the reporting period	12,863	6,743
Cash at the end of the reporting period	9,563	7,090
Changes in liquid assets	**-3,300**	**347**

The consolidated interim report is unaudited.

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 2010/2011 financial year.
The consolidated balance sheet as at 31 March 2012 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 2012 and 2011, 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 2010/2011 consolidated financial statements.

The shares valued in conformity with IAS 39 for the first time in the 2001/2002 financial year and which are held as financial assets were again adjusted to fair value as at 31 March 2012. The value of these shares amounted to T€ 213 as at the end of the quarter compared to T€ 183 as of 30 September 2011. The difference in the amount of T€ 30 was recognized in the income statement.

The business combination with the Raesch Group, which is described below, took place in the 2011/2012 financial year.

With effect from 1 January 2012, Dr. Hönle AG acquired 80% of the shares and the voting rights in Raesch Quarz (Germany) GmbH, Langewiesen, and in Raesch Quarz (Malta) Ltd., Mosta/Malta (hereinafter: "Raesch Group"). The acquisition date (1 January 2012) is the date when control over the acquired company is transferred to the acquirer, i.e., when the latter has the possibility to determine the financial and business policy of the acquired enterprise. The Raesch Group is included in the consolidated group as of 1 January 2012. Consequently, Dr. Hönle AG acquired initial control in terms of IFRS 3 as of that date.

Upon signing the purchase agreement, Dr. Hönle AG also acquired options for the acquisition of the remaining 20% stake in the Raesch Group companies. The options can be exercised from 1 October 2014.

The best possible information available at the date of financial statements preparation date was used.

The acquisition costs (fair value) for the acquired shares total T€ 13,794 as of the acquisition date. The amount is to be paid in cash (T€ 11,586) and in Dr. Hönle AG shares (T€ 2,209). Thereof, T€ 4,863 was paid in cash to date and the shares were transferred.

The fair values of the acquired assets and debts transferred as of the acquisition date and the respective book values immediately before the business combination are as follows:

	Book values in T€	Fair value in T€
Non-current assets		
Intangible assets	7	1,720
Property, plant and equipment	5,553	5,814
Current assets		
Inventories	3,102	3,002
Trade accounts receivable	3,339	3,339
Other assets	447	447
Cash and cash equivalents	1,189	1,189
Deferred tax assets	48	137
Debts		
Provisions	472	472
Trade accounts payable	1,958	1,958
Financial liabilities	3,653	3,653
Other debts	1,414	1,384
Deferred tax liabilities	90	510
Net assets	**6,098**	**7,671**
Non-controlling interests		**-1,548**
Acquired net assets		**6,123**

The acquired trade receivables amount to T€ 3,339 and include value adjustments in the amount of T€ 58. Acquired cash amounted to T€ 1,189.This corporate acquisition resulted in a total cash outflow of T€ 3,674.

These cash flows and acquired assets and debts transferred resulted in goodwill of T€ 7,807.

Consolidated net income for the current period includes a Raesch Group profit in the amount of T€ 468. EBIT came to T€ 537 in the same period. Consolidated net income would have been higher by T€ 777 if the business combination had already taken place as at 1 October 2011.

Consolidated sales were up T€ 3,518 due to the Raesch Group acquisition. Had the business combination already taken place on 1 October 2011, the Group's consolidated sales would have been higher by T€ 5,002 in comparison with the sales revenue actually achieved.

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

Metamorphic Materials, Inc., with registered head office in Winsted, USA, was founded in the second quarter of the 2011/2012 financial year. Panacol AG holds a 30% stake in Metamorphic Materials, Inc. USA. The investment in Metamorphic Materials, Inc., USA, took effect on 18 January 2012. Metamorphic Materials, Inc., USA, is classified as an associated company and is accounted for using the equity method in accordance with IAS 28. The figures stated relate to the figures for the short financial year until 31 March 2012. The full financial year of the company is to begin on 1 October and to end on 30 September of the following year. The figures are stated in TUSD before adjustment to the level of the Dr. Hönle AG investment:

Metamorphic Materials, Inc.

Last financial statements	Sales	Result	Total assets	Debts
31/03/2012	T$ 0	T$ -33	T$ 76	T$ 9

The book value of the investment measured at fair value on the basis of acquisition costs and prorated results corresponds to the fair value, as no other information is available.

Owing to the size of the newly acquired Raesch Group, new business segments were to be defined as from the second quarter of the 2011/2012 financial year. The following business segments were defined:

- Equipment and systems
- Adhesives
- Glass and lamps

The "equipment and systems" segment encompasses the development, production and sale of equipment and systems.
The "adhesives" segment comprises the development, production and sale of adhesives.
The "glass and lamps" segment includes the development, production and sale of tubing and semi-finished goods made of quartz glass as well as the manufacture of UV medium-pressure and low-pressure lamps.
Prior-year figures were adjusted accordingly.

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

	equipment/ systems		adhesives		glass/ lamps		t o t a l		eliminations		consolidated	
	as at 03/12 T€	as at 03/11 T€	as at 03/12 T€	as at 03/11 T€	as at 03/12 T€	as at 03/11 T€	as at 03/12 T€	as at 03/11 T€	as at 03/12 T€	as at 03/11 T€	as at 03/12 T€	as at 03/11 T€
INCOME:												
External sales	18,598	20,376	7,641	8,682	7,938	3,047	34,177	32,105			34,177	32,105
Intra-group sales	275	243	2	10	464	515	740	767	-740	-767	0	0
Total sales	18,873	20,619	7,643	8,692	8,402	3,562	34,917	32,872	-740	-767	34,177	32,105
NET EARNINGS:												
Segment result (operating result)	**1,142**	**3,390**	**789**	**919**	**1,239**	**638**	**3,170**	**4,947**	**-71**	**34**	**3,099**	**4,981**
Interest income	192	175	16	29	19	1	227	205	-185	-187	42	18
Interest expense	152	173	52	83	95	19	299	275	-103	-207	196	68
Investments accounted for using the equity method							1	0			1	0
Income from securities							34	2			34	2
Depreciation on securities							1	100			1	100
Earnings before tax and non-controlling interest											**2,981**	**4,833**
Income taxes	534	761	189	216	210	140	933	1,117	0	0	933	1,117
Deferred taxes	34	244	16	55	-4	19	46	318	-11	7	35	325
Earnings before non-controlling interest											**2,013**	**3,391**
OTHER INFORMATION:												
Segment assets:	**33,149**	**30,497**	**13,245**	**15,179**	**21,481**	**5,725**	**67,875**	**51,401**	**1,627**	**-3,948**	**69,502**	**47,453**
Non-allocated assets:												
- Investments accounted for using the equity method							208	0			208	0
- Financial assets							248	285			248	285
- Non-current receivables							675	665			675	665
- Tax refund claims							270	230			270	230
- Deferred tax assets							1,128	1,125			1,128	1,125
Consolidated assets											72,031	49,758
Segment debt	18,727	16,217	5,129	6,963	9,047	2,402	32,903	25,582	-10,234	-12,861	22,669	12,721
Deferred tax liabilities							1,536	1,121			1,536	1,121
Current income tax liabilities							2,182	1,736			2,182	1,736
Non-current loans							4,334	730			4,334	730
Consolidated liabilities (current and non-current)											**30,721**	**16,308**
Investments	**449**	**294**	**197**	**63**	**233**	**56**	**879**	**413**	**0**	**0**	**879**	**413**
Segment amortisation/ depreciation	**414**	**410**	**171**	**160**	**338**	**84**	**923**	**654**	**0**	**0**	**923**	**654**
Non-cash expenses of the segment	**107**	**232**	**14**	**53**	**24**	**91**	**146**	**376**	**0**	**0**	**146**	**376**

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 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, 15 May 2012

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 or should risks, such those as 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.

Financial Calendar

25 May 2012

Publication of this 6 Months Report 2011/2012

24 August 2012

9 Months Report 2011/2012

12-14 November 2012

German Equity Forum in Frankfurt/Main

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