9 MONTHS REPORT

2011 | 2012

hönle group

Hönle Group – at a Glance

	01.10.2011 - 30.06.2012	01.10.2010 - 30.06.2011	Changes
Statement of Comprehensive Income	**T€**	T€	%
Revenue	**51,725**	48,036	7.7
EBITDA	**6,905**	8,639	-20.1
EBIT	**5,316**	7,642	-30.4
EBT	**4,961**	7,364	-32.6
Consolidated net income	**3,285**	5,186	-36.7
Share			
Earnings per share	**0.55**	0.92	-40.2
Number of shares	**5,512,930**	5,512,930	0.0
Cash flow	**T€**	T€	
Operating Cash flow [1)]	**4,569**	8,134	-43.8
Staff			
Average number of employees	**431**	322	33.9

	30.06.2012	30.09.2011	Changes
Statement of Financial Position	**T€**	T€	%
Non-current assets	**34,169**	18,632	83.4
Current assets	**37,593**	37,119	1.3
Shareholder's equity	**42,613**	38,204	11.5
Non-current liabilities	**11,011**	4,307	155.7
Current liabilities	**18,138**	13,240	37.0
Total assets	**71,762**	55,751	28.7
Capital ratio in %	**59.4**	68.5	-13.3

1) Cash from continuing business activities

Hönle Group Report
for the nine months period from 1 October 2011 to 30 June 2012

Overview

The global economy at mid-year was characterised by a phase of subdued economic expansion. Apparently, the brightening perspectives at the turn of the year 2011/2012 were of a short-term nature only. The escalating government debt crisis in the euro zone led to a worsening mood on the financial markets.

Furthermore The Hönle Group's business development in the third quarter of financial year 2011/2012 was influenced by a reluctance to invest in the run-up to the largest print trade fair, Drupa. Fewer UV drying units were ordered and delivered in the offset and digital printing segments than in the prior year's period. The mood at the Drupa trade fair was largely assessed as good by market participants, and companies participating in the trade fair were satisfied with the course of the fair. The Hönle Group also foresees rising offset and digital printing applications sales as from the fourth quarter in the aftermath of the Drupa trade fair.

Manroland Sheetfed, Hönle Group's biggest customer in the offset printing segment, which emerged from Manroland AG's insolvency, also announced positive orders intake. In combination with the existing pre-Drupa orders, Manroland Sheetfed expects to achieve or exceed all targets for the current year. The new investor, Langley Holdings, the British engineering group, announced that the company largely completed its restructuring process during the short period of insolvency administration and that it is well underway to generating profits again in the current financial year.

Several measures were implemented with a view to improving last year acquired Mitronic GmbH's earnings power on a sustained basis and to optimising business processes.
The business location was transferred from Wolfratshausen to the Group's headquarters at Gräfelfing, near Munich. Moreover, Mitronic took over the sunlight simulation equipment segment from Dr. Hönle AG. In turn, Dr. Hönle AG took over the production, development and administration divisions for Mitronic GmbH. The number of Mitronic GmbH staff was reduced by approximately 70 % in this context. The objective is to further increase Mitronic's sales in the sunlight simulation and daylight lamps segments and to achieve a clearly positive result as from the next financial year.

In all, business development was positive in the 'Glass and Lamps' segment. Aladin GmbH and UV-Technik Speziallampen GmbH sold more UV lamps for industrial drying processes and water sterilisation than in the previous year. Raesch Quarz (Malta) Ltd, which sells refined end products in the quartz glass segment, also reported positive business development. However, the difficult environment in the photovoltaics and semiconductor markets had a dampening effect on Raesch Quarz (Germany) GmbH's business development. The managing board expects a recovery in both segments in the coming year.

The 'Adhesives' segment developed as planned; adjusted by the selling business unit 'Consumer Adhesives' the Hönle Group sold more industrial adhesives than in the previous year.

Raesch Quarz (Germany) GmbH

Sales picked up noticeably in the smart phone segment, in particular. At the same time, Hönle invested in personnel-related expansion, in particular in the development, application engineering and sales segments, in order to prepare for future growth.

Hönle is strategically well positioned with the three segments: 'Equipment and Systems', 'Glass and Lamps' and 'Adhesives'. In recent years, Hönle has successively expanded the 'Glass and Lamps' and 'Adhesives' business segments through investments and corporate acquisitions, and has thus tapped fast-growing, new sales markets. In this way, the Hönle Group succeeded in gaining greater independence from the printing industry and in increasing the share of short-lived economic assets in total sales.

In the first nine months of the current financial year, Hönle Group's sales were 7.7 % up on the previous year's period, which is mainly attributable to the consolidation of the new Group companies. In total, sales revenues climbed to T€ 51,725 in the first nine months of the financial year.

Due to the restrained purchasing pattern observed in the run-up to the Drupa trade fair and Manroland AG's insolvency, sales generated in the printing segment were below the previous year's level. Value adjustments in the amount of € 1.1 million recorded in the first quarter on receivables from the insolvent Manroland AG contributed to a decrease in the operating result (EBIT) from T€ 7,642 in the previous year to T€ 5,316 in the current financial year.

Totally Hönle has weathered the impact of the Manroland insolvency good and due to the restructuring created the basis to realize future earnings level in the sheetfed sector at the level of the previous year.

Hönle presented this year to focus on the successful structural alignment of all companies in the Hönle Group, in particular the Raesch group, UV-Technik Speziallampen GmbH and Mitronic GmbH. Thereby Hönle created the conditions, to grow in existing as well as new markets and to increase sales with short-lived goods by strengthening the segment 'Glass and Lamps'.

Results of Operations

Hönle Group generated sales revenues in the amount of T€ 51,725 in the first nine months of the current financial year, in comparison to T€ 48,036 in the previous year.

As a result of acquisition of the Raesch Group as at 1 January 2012, Hönle's business segments were reorganised as follows: 'Equipment and Systems', 'Adhesives' and 'Glass and Lamps'.

The Hönle Group generated 52.5 % of its total sales in the 'Equipment and Systems' segment. Sales revenues in this business segment dropped from T€ 29,362 in the previous year to T€ 27,207 in the financial year under review. The lower sales level is due to the restrained purchasing behaviour observed in the run-up to the Drupa trade fair, which only takes place at four-year intervals, and to lower sales revenues earned 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 in the 'Adhesives' business segment stood at T€ 11,283, which reflects an increase over the adjusted sales of the previous year.

The 'Glass and Lamps' segment comprises the business activities of Aladin GmbH, of UV-Technik Speziallampen GmbH (since January 2011), and of the Raesch Group (since January 2012). In particular, due to the consolidation of the new companies, the sales volume jumped from T€ 5,534 in the first nine months of the 2010/2011 financial year to T€ 13,235 in the first nine months of the 2011/2012 financial year.

The trend towards increasing sales outside Europe - in particular in Asia - also continued in the current financial year. While sales earned in Germany declined from T€ 20,421 in the previous year to T€ 18,007 in the current financial year, sales revenues generated in Europe outside Germany increased slightly from T€ 16,745 to T€ 17,229 in the current financial year. Sales revenues achieved outside Europe saw an even more pronounced increase, rising from T€ 10,870 to T€ 16,490 in the same period. Hönle thus achieved 34.8 % (PY: 42.5 %) of its sales revenues in Germany, 33.3 % (PY: 34.9 %) in Europe outside Germany, and 31.9 % (PY: 22.6 %) 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 the newly acquired Raesch Group. The Raesch Group has a good dealer network in Asia and earns a significant share of its sales revenues in that region.

Other operating income amounted to T€ 2,088 (PY: T€ 3,693) includes license income of T€ 720 (PY: T€ 810), which were received in the third quarter. The restrained purchasing behaviour observed in the run-up to the Drupa trade fair, a decline in sales and the value adjustment in the amount of € 1.1 million associated with Manroland's insolvency impacted negatively on the operating result (EBIT), which stood at

T€ 5,316 (PY:T€ 7,642) at the end of the first nine months of the current financial year. Earnings before tax (EBT) amounted to T€ 4,961, down from T€ 7,364 in the previous year, while consolidated net income came to T€ 3,285, after being T€ 5,186 in the previous year. This corresponds to earnings per share of € 0.55 (PY: € 0.92).

The EBIT margin thus dropped from 15.9 % in the previous year to 10.3 %. Net return on sales declined from 10.8 % to 6.4 %.

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 37.1 %. In the previous year, the cost of materials ratio stood at 41.4 %, which was partly due to a fire damage. The personnel expense ratio rose from 31.3 % to 32.7 %, while the ratio of other operating expenses climbed from 17.0 % to 20.9 %. Other operating expenses of T€ 10,875 (PY: T€ 8,194) include individual value adjustments recorded on receivables from Manroland AG in the amount of T€ 1,131.

Earnings Development

in T€	**01/10/11 – 30/06/12**	01/10/10 – 30/06/11	Change
Sales revenue	**51,725**	48,036	7.7 %
Gross profit	**34,740**	31,933	8.8 %
Operating result (EBIT)	**5,316**	7,642	30.4 %
Earnings before taxes (EBT)	**4,961**	7,364	32.6 %
Consolidated net income/loss for the year	**3,285**	5,186	36.7 %
Earnings per share in €	**0.55**	0.92	40.2 %

Financial Position

The cash flow from current activities in the first nine months of the current fiscal year amounted to T€ 4,569 (PY: T€ 8,134). After deducting interest and income taxes, cash flow provided by operating activity stood at T€ 1,566 (PY: T€ 6,122).

Cash used for investing activity amounted to T€ -5,536 (PY: T€ -1,374). This includes payments of T€ 3,674 for the purchase of Raesch group less net cash of Raesch group. Payments amounting to T€ 1.644, within T€ 764 in the third quarter, 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€ -1,492 (PY: T€ -2.070). It resulted from the taking out of a bank loan in the amount of T€ 3,000 to finance the acquisition of Raesch Group, the repayment of loans in the amount of T T€ 1,736 and the payment of a dividend in the amount of T T€ 2,756. The repayment of loans in the amount of T€ 1,736 includes the repayment of interim financing for investments of T€ 1,085, the repayment of a bank loan of T€ 150 per quarter and a repayment of borrowings of Raesch quartz (Malta) Ltd. in the amount of T€ 100 per quarter.

In all, liquid assets decreased in the first nine months of the current fiscal year by T€ 5,359 to T€ 7,504.

Cash Flow and Liquidity Development

in T€	**01.10.11 - 30.06.12**	01.10.10 - 30.06.11	Change
Cash from current activities	**4,569**	8,134	-43.8 %
Cash provided by/used for operating activity	**1,566**	6,122	-74.4 %
Cash provided by/used for investing activity	**-5,536**	-1,374	-302.9 %
Cash provided by/used for financing activity	**-1,492**	-2,070	-27.9 %
Change in liquid assets	**-5,359**	3,190	-268.0 %

Net Assets

The Raesch Group acquisition in February 2012 led to significant changes in the Hönle Group's balance sheet structure. The changes are discussed in detail in the Group's six months report.

In addition, the following changes occurred in the period from April to June 2012:

A bridge loan of T€ 1,085 has been fully repaid. The balance sheet item 'short-term debt and current portion of long-term loans' decreased especially for this reason to T€ 1,499 as at 30 June 2012.

Total assets climbed from T€ 55,751 as at 30 September 2011 to T€ 71,762 as at 30 June 2012. With an equity capital ratio of 59.4 %, the Hönle Group financing continues to be on solid ground.

Balance Sheet

In T€	**30/06/2012**	30/09/2011	Change
Non-current assets	**34,169**	18,632	83.4 %
Current assets	**37,593**	37,119	1.3 %
Shareholder's equity	**42,613**	38,204	11.5 %
Non-current liabilities	**11,011**	4,307	155.7 %
Current liabilities	**18,138**	13,240	37.0 %
Balance sheet total	**71,762**	55,751	28.7 %

Research and Development

In the first nine months of the current financial year, the average number of R&D staff rose from 43 in the previous year to 52 in the financial year under review. This means that 12.1 % of the Hönle Group's entire staff is employed in the Research and Development departments. The focus of R&D staff activities was on order-related development. Order-independent research and development expenses incurred by the Hönle Group increased from T€ 610 in the previous year to T€ 802 in the financial year under review.

In May 2012, the Hönle Group presented its latest innovations at the Drupa, which is the world's largest print trade fair. Although fewer visitors attended the trade fair in Düsseldorf than four years ago, they demonstrated genuine interest and a great willingness to invest. While the number of customer contacts was lower, the quality of those contacts was significantly higher than in the past.

In addition to the Group's world-wide, firmly established UV, thermal air and infrared drying systems, innovative new developments, in particular, were met with great interest. The new Eltosch IR/HA drying system, Eco Power Dry, which was awarded a BG certificate (issued by the employers' liability insurance) for an "energy-minimised printing process/DGUV (German social insurance) test", is an example for the above, as is the expansion of the established Hönle PureUV LED Powerline series, which also makes LED-based drying interesting for printing applications. The high-performance UV dryers of the new jetCURE equipment series were met with particularly great interest. As a result of those dryers, Hönle was once again able to confirm its leading position in the UV drying systems segment for wide-format inkjet printing.

The LOPE-C trade fair took place in Munich for the first time in June 2012. The leading trade fair in the field of printed electronics represented the entire output chain - from chemistry to printing - of this future technology. The Hönle Group presented unique systems solutions for the manufacture of printed electronics. Panacol's high-tech adhesives have been using in electronics production for many years now. Panacol also offers an array of innovative products for the printed electronics segment. Electrically conductive adhesives of the Elecolit® series, such as Elecolit®414 and Elecolit®3043, can be used for circuits that are suitable for screen printing. Elecolit®414 already cures at low temperatures and adheres excellently to many plastic substrates. Even in a hardened state, Elecolit® adhesives can be bent and crumpled, and are thus ideally suited for flexible circuits.

Supplementary Report

Since 1 July 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

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 342 to 461 employees year-on-year (as at 30 June of the respective financial years). Since sales staff has left the company in the context of the sale of the consumer goods adhesives business segment in mid-2011, the number of staff in this area increased to a below-proportionate extent.

Hönle Group's staff of 461 as at the end of the reporting period includes 44 part-time employees, which corresponds to 9.5 % of total staff. In the first nine months of the current financial year, the employees were engaged in the following functional areas:

Operational Areas

end of period	**30/06/12**	30/06/11	Change
Sales	**72**	66	9.1 %
Research & Development	**51**	45	13.3 %
Production, Service	**230**	137	67.9 %
Logistics	**46**	40	15.0 %
Administration	**62**	54	14.8 %
Total	**461**	342	34.8 %

Operational Areas

on average	**01/10/11 – 30/06/12**	01/10/10 – 30/06/11	Change
Sales	**70**	68	2.9 %
Research & Development	**52**	43	20.9 %
Production, Service	**205**	124	65.3 %
Logistics	**44**	37	18.9 %
Administration	**60**	50	20.0 %
Total	**431**	322	33.9 %

Personnel Expenses

in T€	**01/10/11 – 30/06/12**	01/10/10 – 30/06/11	Change
Wages and salaries	**13,952**	12,260	13.8 %
Social security and pension costs	**3,008**	2,840	5.9 %
Total	**16,960**	15,100	12.3 %

Due to the increase in the number of staff, in particular, personnel expenses were up 12.3 % to T€ 16,960.

Hönle also invests in occupational training in order to improve its ability to cover the future demand for qualified personnel: As at 30 June 2012, the Hönle Group provides vocational training to 21 trainees (PY: 24) in the following segments: business administration, technology, chemistry and logistics.

Outlook

Overall market

Although many economic data have improved again since the beginning of 2012, the global economy is still in a phase of comparatively weak growth. A global recession is unlikely to occur in 2012. Nevertheless, the economic risks have increased again lately. The debt crisis, for example, might intensify and the financial markets might have a negative backlash effect on the real economy. The recently weaker early indicators for the USA and China also entail risks. In addition, the recession in the eurozone could become more severe than previously assumed.

Hönle Group

As a result of the Raesch Group acquisition, the Hönle Group tapped an interesting market with a manageable number of competitors. The Raesch Group is well positioned in terms of technology and has a broad, high-quality product portfolio in the quartz glass tubing segment and components made from quartz glass. Compared to the competitors, the Raesch Group's market share is low. In the coming years, the market share is to be increased via investments in the expansion of production capacities and through the optimisation of production processes in conjunction with the expansion of sales capacities.

The Raesch Group acquisition also results in synergies in a number of segments at the Hönle Group. 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, positive effects are also expected to arise from use of the Hönle Group sales network in conjunction with the Raesch Group sales network.

Production of quartz glass tubes at Raesch Germany

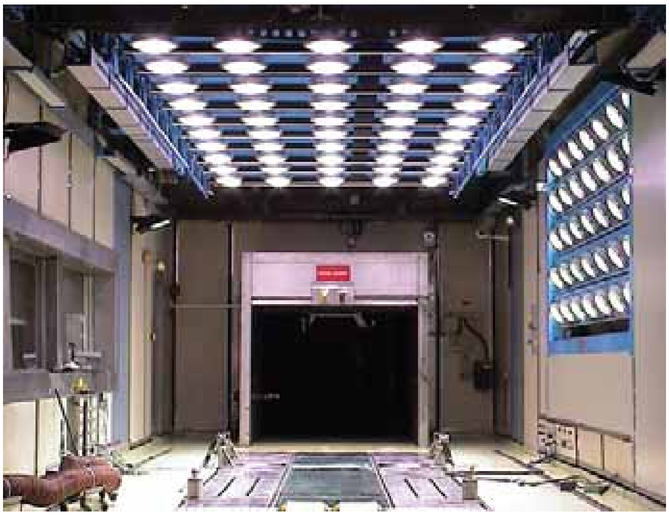
The focus is also on the capacity utilisation of melting furnaces, in particular the melting furnaces of Raesch Quarz (Germany) GmbH, which will start operations in this financial year. To increase earnings power, all expense areas are currently being analysed and corresponding cost-reduction measures are being initiated, The savings will be noticeable at next year’s electricity costs, in particular.

The Group-wide uniform merchandise management system will be implemented at the Raesch Group at the beginning of the new financial year and the IT, accounting and controlling divisions will be transferred to the Group's headquarters.

Eltosch Torsten Schmidt GmbH expects solid sales development in the fourth quarter and in the coming year. The company manufactures dryers mainly for the sheet-fed offset printing market. Its largest customer is Manroland Sheetfed. Following Manroland's insolvency at the end of 2011 and its acquisition by the Langley Group in early 2012, a good basis was formed for stable business development of Manroland Sheetfed. Eltosch expects to achieve a slight loss in the current year, but foresees a clearly positive operating result as early as in the coming financial year.

The integration of Mitronic is being pushed ahead further. The relocation of production and development activities to Dr. Hönle AG ensures the products' high quality level in the future. Intensified sales activities are aimed at opening up new sales opportunities in the lighting technology and sunlight simulation segments. Owing to the Mitronic GmbH restructuring in this financial year, the company will probably make a negative contribution to consolidated net income. However, Mitronic is also expected to make a clearly positive earnings contribution as early as next year.

The already completed restructuring measures at UV-Technik Speziallampen GmbH, which comprise an investment volume of ca. T€ 400, enable a more efficient design of production processes. In addition, production capacities were increased perceptibly.



Mitronic's sun simulation unit

In recent years, UV-Technik Speziallampen GmbH established a new business field in the water sterilisation segment. Initial, significant sales revenues were generated in the new business field, which will substantially contribute to positive business development in the future.

Positive business development is expected in the 'Adhesives' segment for the fourth quarter as a result of the pick-up in demand registered in the smart phones segment, in particular.
Panacol Elosol GmbH is investing in the expansion of the sales, development and application engineering divisions with a view to opening up new sales markets for industrial adhesives and expanding existing ones. In this context, the Panacol Group will increasingly expand its expertise in new application fields through the recruitment of proven experts. In addition, the Panacol Group will expand its sales network and, in so doing, increase its efforts in opening up regional markets with high growth potential. In this context, China and North America are

considered to be significant growth markets for the coming years.

In all, the Hönle Group foresees higher sales as from the fourth quarter particularly the segment 'Equipment and Systems' will profit of a revival of the printing market in the aftermath of the Drupa trade fair. In the 'Adhesives' segment, Hönle also expects a positive development as from the fourth quarter.

The Management Board aims at achieving sales revenues of more than € 70 million and an operating result of € 8 million for the Hönle Group in the 2011/2012 financial year.

In recent years, the Hönle Group has systematically evolved from an equipment manufacturer to a company that now generates a large portion of its sales revenues from short-lived business assets. Recurring sales revenues are generated from industrial adhesives, quartz glass tubing and lamps. In addition, Hönle is represented in markets that still offer great potential for further growth. Provided that the general economic conditions do not deteriorate significantly, the Hönle Group perceives good opportunities to exceed the sales threshold of € 100 million in the next three years.

Consolidated Statement of Comprehensive Income

for the period 1 October 2011 until 30 June 2012 according IFRS

	01.04.2012 - 30.06.2012 in T€	01.04.2011 - 30.06.2011 in T€	01.10.2011 - 30.06.2012 in T€	01.10.2010 - 30.06.2011 in T€
Revenue	**17,548**	**15,931**	**51,725**	**48,036**
Changes in inventories of finished goods and work in progress	480	103	199	137
Other operating income	1,281	1,924	2,088	3,692
Cost of purchased materials and services	6,663	6,695	19,272	19,932
Personnel expenses	5,911	5,352	16,960	15,100
Depreciation and amortization including goodwill	666	344	1,589	997
Other operating expenses	3,848	2,905	10,875	8,194
Operating result/EBIT	**2,221**	**2,662**	**5,316**	**7,642**
Profit/loss from investments accounted for at equity	3	0	4	0
Interest income	100	11	177	31
Interest expense	341	141	536	309
Financial result	-238	-130	-355	-278
Earnings before tax and non-controlling interest/EBT	**1,983**	**2,532**	**4,961**	**7,364**
Income tax	709	735	1,676	2,178
Consolidated net income	**1,274**	**1,797**	**3,285**	**5,186**
Share in earnings attributable to non-controlling interest	153	150	259	376
Share in earnings attributable to Dr. Hönle AG shareholders	1,121	1,647	3,026	4,810
Earnings per share (basic) in €			0.55	0.92
Earnings per share (diluted) in €			0.55	0.92
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 30 June 2012 according IFRS

	01.10.2011 - 30.06.2012 in T€	01.10.2010 - 30.06.2011 in T€
Consolidated net income	**3,285**	**5,187**
Other comprehensive income:		
- Valuation of investments due to IAS 39 not effecting net income	0	166
- Currency differences	106	515
Other comprehensive income after tax	106	680
Total comprehensive income for the period	**3,391**	**5,867**
Thereof account for:		
- Share in earnings attributable to non-controlling interest	259	376
- Share in earnings attributable to Dr. Hönle AG shareholders	3,132	5,491

The consolidated interim report is unaudited.

Consolidated Statement of Financial Position

as of 30 June 2012 according IFRS

A S S E T S	30.06.2012 in T€	30.09.2011 in T€
LONG-TERM ASSETS		
Goodwill	15,573	7,748
Intangible assets	3,168	1,859
Property, plant and equipment	13,117	7,040
Investments accounted for using the equity method	211	128
Financial assets	247	218
Other non-current assets	709	618
Deferred tax assets	1,144	1,021
Total non-current assets	**34,169**	**18,632**
CURRENT ASSETS		
Inventories	16,817	12,661
Trade accounts receivable	10,553	10,396
Other current assets	2,401	995
Current income tax assets	318	204
Cash and cash equivalents	7,504	12,863
Total current assets	**37,593**	**37,119**
TOTAL ASSETS	**71,762**	**55,751**

LIABILITIES AND SHAREHOLDERS´ EQUITY	30.06.2012 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	15,277	14,987
Currency differences	1,552	1,446
Equity attributable to Dr. Hönle AG's shareholders	**38,979**	**36,374**
Non-controlling interest	3,634	1,830
Total Shareholders´ Equity	**42,613**	**38,204**
NON-CURRENT LIABILITIES		
Non-current loans (less current portion)	3,944	1,409
Non-current portion of finance lease obligation	38	31
Other non-current liabilities	3,422	0
Pension accruals	1,984	1,834
Deferred taxes liabilities	1,623	1,033
Non-current liabilities	**11,011**	**4,307**
CURRENT LIABILITIES		
Trade accounts payable	3,558	3,260
Advance payments received	968	946
Current portion of finance lease obligation	18	87
Current loans towards banks and current portion of non-current loans	1,499	234
Other current liabilities	8,991	5,173
Other accruals	1,760	1,665
Current income tax liabilities	1,344	1,875
Total current liabilities	**18,138**	**13,240**
TOTAL LIABILITIES AND SHAREHOLDERS´ EQUITY	**71,762**	**55,751**

The consolidated interim report is unaudited.

Consolidated Statement of Changes in Equity

for the period 1 October 2011 until 30 June 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			-186					-186		-186
Valuation of investments due to IAS 39 not effecting net income					166			166		166
Dividend distribution						-1,574		-1,574	-65	-1,639
Currency differences							515	515		515
Non-controlling interest effecting net income								0	376	376
Change of non-controlling interest due to acquisitions								0	331	331
Change in accumulated profit due to sale of subsidiaries						-53		-53		-53
Share in earnings attributable to Dr. Hönle AG shareholders						4,810		4,810		4,810
As at 30.06.2011	**5,513**	**-2,060**	**16,139**	**49**	**-96**	**12,930**	**1,540**	**34,015**	**1,545**	**35,560**
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
Dividend distribution						-2,756		-2,756		-2,756
Currency differences						19	106	125		125
Non-controlling interest effecting net income								0	259	259
Change of non-controlling interest due to acquisitions								0	1,545	1,545
Share in earnings attributable to Dr. Hönle AG shareholders						3,026		3,026		3,026
As at 30.06.2012	**5,513**	**- 7**	**16,595**	**49**	**0**	**15,277**	**1,552**	**38,979**	**3,634**	**42,613**

The consolidated interim report is unaudited.

Consolidated Statement of Cash Flows

for the period 1 October 2011 until 30 June 2012 according to IFRS

Cash flows from operating activities:	01.10.2011-30.06.2012 in T€	01.10.2010-30.06.2011 in T€
Net income for the year before non-controlling interest and taxes	4,961	7,364
Adjustments for:		
Depreciation of fixed assets	1,689	997
Profit from investments accounted for using the equity method	-4	0
Financial income	-177	-31
Interest expenses	536	309
Non-cash expenses/income from sale of subsidiary	0	-172
Other non-cash expenses/income	471	-217
Operating result before changes to net current assets	**7,476**	**8,250**
Increase/decrease in accruals	-91	19
Increase/decrease of trade accounts receivable	3,091	-960
Increase/decrease of other assets	-737	192
Increase/decrease in inventories	-1,650	-709
Increase/decrease in trade accounts payable	-1,492	-247
Increase/decrease in advance payments received	-222	795
Increase/decrease in other liabilities	-1,806	794
Cash from continuing business activities	**4,569**	**8,134**
Interest paid	-536	-309
Income tax paid	-2,467	-1,703
Net cash from operating activities	**1,566**	**6,122**
Cash flows from investing activities:		
Acquisition of subsidiaries minus acquired net cash	-3,674	-224
Payments from at-equity investments	-79	0
Sale of company shares minus net cash sold	0	157
Payments received from the sale of fixed assets	208	3
Purchase of property, plant and equipment and intangible assets	-1,644	-1,219
Changes in financial assets	-3	-134
Payments for non-current receivables	44	48
Changes in qualifying insurance polity	-135	90
Changes in non-current liabilities	-430	-127
Payments received from interest	38	26
Payments received from dividends	139	5
Net cash used for investing activities	**-5,536**	**-1,374**
Cash flows from financing activities:		
Proceeds from sale of non-controlling interests	0	26
Payments for the purchase of non-controlling interests	0	-61
Payments received from loans and non-current liabilities to banks	3,000	0
Payments for loans and liabilities to banks	-1,736	-461
Payments for dividends	-2,756	-1,574
Net cash from financing activities	**-1,492**	**-2,070**
Currency differences	-26	183
Exchange rate differences of liquid assets	129	330
Net increase/decrease in cash	**-5,359**	**3,190**
Cash at the beginning of the reporting period	12,863	6,743
Cash at the end of the reporting period	7,504	9,933
Changes in liquid assets	**-5,359**	**3,190**

The consolidated interim report is unaudited.

Explanatory Notes

to the 9-Month Report of the Financial Year 2011/2012

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 30 June 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 30 June 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, due to its non effecting income treatment, to fair value as at 30 June 2012. The value of these shares amounted to T€ 204 as at the end of the quarter compared to T€ 183 as of 30 September 2011. The difference in the amount of T€ 21 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€ 13,930 as of the acquisition date. The amount is to be paid in cash (T€ 11,722) and in Hönle 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	26	86
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	**6,076**	**7,620**
Non-controlling interests		**-1,524**
Acquired net assets		**6,096**

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€ 7,754.

Consolidated net income for the current period includes a Raesch Group profit in the amount of T€ 750. EBIT came to T€ 931 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€ 7,263 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 North Granby, 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 30 June 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
30/06/2012	T$ 0	T$ -57	T$ 102	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		total		eliminations		consolidated	
	as at 06/12 T€	as at 06/11 T€	as at 06/12 T€	as at 06/11 T€	as at 06/12 T€	as at 06/11 T€	as at 06/12 T€	as at 06/11 T€	as at 06/12 T€	as at 06/11 T€	as at 06/12 T€	as at 06/11 T€
INCOME:												
External sales	27,207	29,362	11,283	13,140	13,235	5,534	51,725	48,036			51,725	48,036
Intra-group sales	370	353	122	13	686	779	1,178	1,145	-1,178	-1,145	0	0
Total sales	27,577	29,715	11,405	13,153	13,921	6,313	52,903	49,181	-1,178	-1,145	51,725	48,036
NET EARNINGS:												
Segment result (operating result)	**2,439**	**4,906**	**1,106**	**1,858**	**1,974**	**1,039**	**5,519**	**7,803**	**-203**	**-161**	**5,316**	**7,642**
Interest income	183	271	39	36	38	1	260	308	-223	-282	37	26
Interest expense	348	259	69	118	209	31	626	408	-90	-303	536	105
Investments accounted for using the equity method							4	0			4	0
Income from securities							139	5			139	5
Depreciation on securities							1	204			1	204
Earnings before tax and non-controlling interest											**4,961**	**7,364**
Income taxes	902	1,113	318	576	328	197	1,548	1,886	0	0	1,548	1,886
Deferred taxes	147	255	20	61	-1	20	166	336	-38	-45	128	291
Earnings before non-controlling interest											**3,285**	**5,187**
OTHER INFORMATION:												
Segment assets:	**34,277**	**31,506**	**13,655**	**15,038**	**22,363**	**6,406**	**70,295**	**52,950**	**-1,162**	**-3,180**	**69,133**	**49,770**
Non-allocated assets:												
- Investments accounted for using the equity method							211	0			211	0
- Financial assets							247	397			247	397
- Non-current receivables							709	673			709	673
- Tax refund claims							318	246			318	246
- Deferred tax assets							1,144	1,043			1,144	1,043
Consolidated assets											71,762	52,129
Segment debt	20,192	16,242	5,353	6,549	9,789	2,713	32,334	25,504	-13,152	-12,753	22,182	12,751
Deferred tax liabilities							1,623	1,067			1,623	1,067
Current income tax liabilities							1,344	1,139			1,344	1,139
Non-current loans							4,000	705			4,000	705
Consolidated liabilities (current and non-current)											**29,149**	**15,662**
Investments	597	398	418	80	626	710	1,642	1,188	0	0	1,642	1,188
Segment amortisation/ depreciation	628	602	274	237	687	158	1,589	997	0	0	1,589	997
Non-cash expenses of the segment	297	248	16	45	12	5	325	298	0	0	325	298

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, 16 August 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

24 August 2012

Publication of this 9 Months Report 2011/2012

12-14 November 2012

German Equity Forum in Frankfurt

05 December 2012

Preliminary figures for the financial year 2011/2012

14 January 2013

Annual Report 2011/2012

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