



3 MONTHS REPORT
2010 | 2011

Hönle Group – at a Glance

	01.10.2010 - 31.12.2010	01.10.2009 - 31.12.2009	Changes
<i>Statement of Comprehensive Income</i>	T€	T€	%
Revenue	14,506	12,372	17.2
EBITDA	2,454	1,513	62.2
EBIT	2,117	1,229	72.3
EBT	2,092	1,168	79.1
Consolidated net income	1,448	821	76.4
<i>Share</i>			
Earnings per share	0.27	0.15	80.0
Number of shares	5,512,930	5,512,930	0.0
<i>Cash flow</i>	T€	T€	
Operating Cash flow ¹⁾	672	312	115.4
<i>Staff</i>			
Average number of employees	282	251	12.4

	31.12.2010	30.09.2010	Changes
<i>Statement of Financial Position</i>	T€	T€	%
Non-current assets	16,965	17,124	-0.9
Current assets	28,372	27,310	3.9
Shareholder's equity	32,513	30,769	5.7
Non-current liabilities	3,610	3,705	-2.6
Current liabilities	9,214	9,960	-7.5
Total assets	45,337	44,434	2.0
Capital ratio in %	71.7	69.2	3.6

1) Cash from continuing business activities

Hönle Group Report

for the three months period from 1 October 2010 to 31 December 2010

Overview

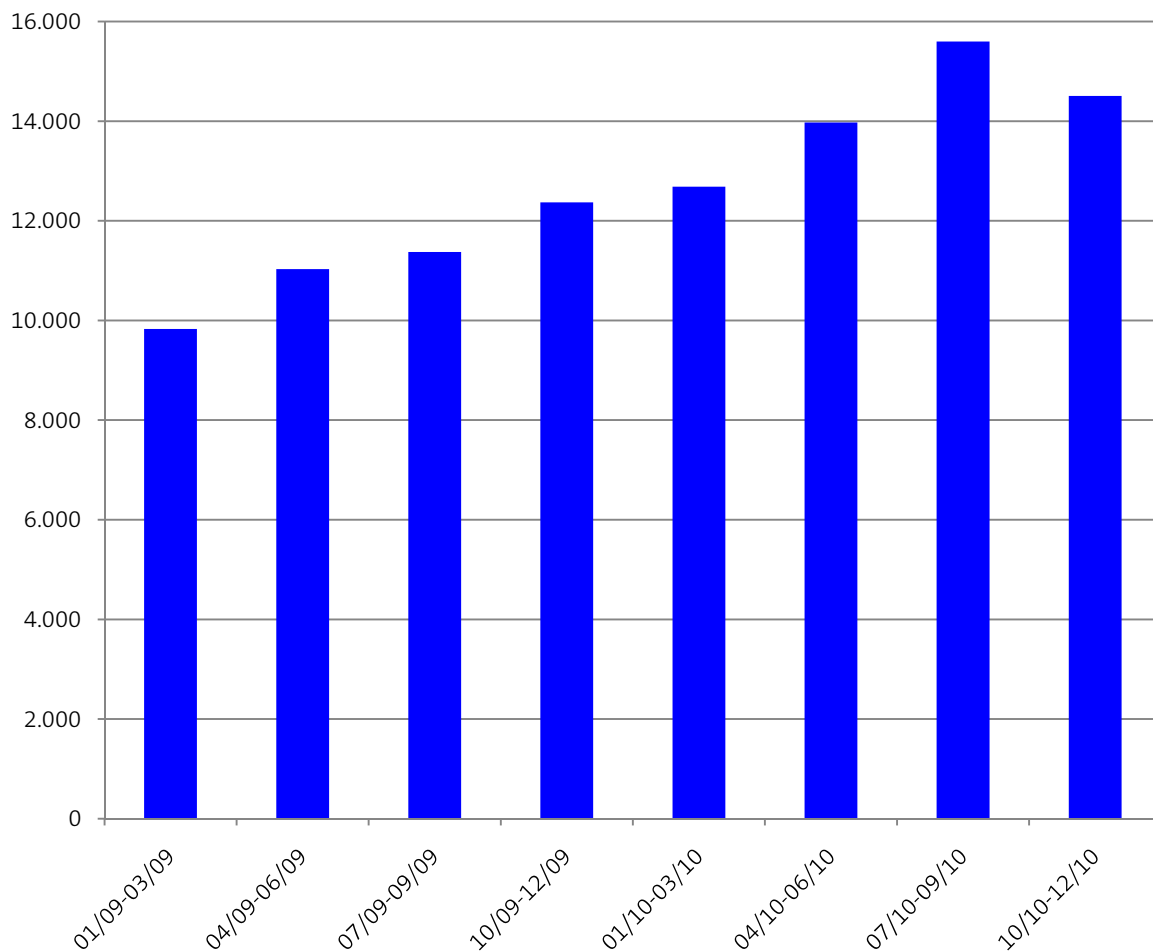
Following a strong upturn, the global economy saw a phase of moderate expansion. In addition to fiscal policy, consolidation processes in the private sector, in particular, had a dampening effect on growth. The economic recovery in Germany remained on track, and the Ifo Business Climate Index for German industry published by the Ifo Institute for Economic Research, Munich, continued to rise. In the manufacturing industry, the business climate even improved considerably.

The Hönle Group's business development reflects the sustained economic recovery: Since April of 2009, quarterly sales revenues have been increasing significantly.

In the first quarter of the 2010/2011 financial year, sales revenues increased by 17.2 % to T€ 14,506 year-on-year. Sales revenues were thus in line with expectations.

The following graph shows the development of quarterly sales revenues during the course of the economic upturn.

Development of Quarterly Sales Revenues (T€)



The Hönle Group's operating result (EBIT) increased 72.3 % to T€ 2,117.

Hönle implemented a comprehensive package of measures with a view to significantly reducing the break-even sales revenues since the corporate acquisitions in 2008. The result reported for the first quarter is proof of the effectiveness of those measures.

In December of 2010, Dr. Hönle AG acquired 51 % of the shares in UV-Technik Speziallampen GmbH, Wümbach, Ilmenau and, in so doing, tapped a sustainable growth market in the life sciences segment. UV-Technik Speziallampen GmbH has accumulated many years of know-how in the segment of UV lamps that are used in water sterilisation, in particular. The product range also includes power supply units and measuring equipment. The company also distributes special lamps for curing processes and for material analyses. With a staff level of approximately 60 employees, the company generates annual sales revenues of ca. € 6.5 million. Sales revenues of approximately € 7 million and an EBIT of about T€ 600 are planned for the 2011 calendar year. Hönle expects synergy effects to arise from the corporate acquisition particularly with respect to the development, production and sales segments over the short-to-medium term, which will lead to an increase in earnings.

As an efficient partner of systems and equipment manufacturers in the growing market for UV environmental engineering, the newly acquired company offers its customers a broad range of UV lamps and pertaining components. Water sterilisation on the basis of ultraviolet radiation is environmentally friendly as it makes the use of

chemicals unnecessary. UV-based water sterilisation is used by municipal, industrial, and private sectors. It is used in the disinfecting of drinking water and waste water and in the processing of industrial water.

Through the acquisition of UV-Technik Speziallampen GmbH, Hönle continues to pursue its strategy aimed at generating increased sales revenues from non-durable goods in addition to revenues earned with the equipment and systems business: Following the founding and expansion of the lamp specialist, Aladin, and acquisition of the Panacol Group, which markets and sells adhesives, UV-Technik Speziallampen GmbH has now joined the Hönle Group as an additional lamps specialist.

Upon signing the purchase contract, Dr. Hönle AG obtained the right to acquire the remaining 49 % stake in UV-Technik Speziallampen GmbH.

In addition, Dr. Hönle AG acquired another 35 % of the shares in Honle Spain S.A., Gavá, Barcelona, in the first quarter of the year and has held a 95 % stake in this entity since November 2010. The company distributes products of the Hönle Group on the Iberian peninsula.

In November 2010, a fire at an external warehouse destroyed part of Dr. Hönle AG's inventories. The damage incurred is fully covered by fire insurance and business interruption insurance. Hönle largely succeeded in meeting delivery deadlines despite the fire damage.

TOP 100

The Höhle Group is featured among the 100 most successful companies in Germany. According to a study conducted by the Munich Strategy Group (MSG), Höhle is ranked number 34 in the TOP 100 ranking. The ranking is based on two criteria: average revenue growth and earnings ratio, based on profit before interest and taxes. The period surveyed included the years from 2005 to 2009. MSG analysed more than 1,000 small- and medium-sized German companies for this study. Many of these companies exhibit similar success patterns: "Our observations reveal that many of the top-ranking small- and medium-sized companies are successful because they have the confidence to change the rules of the game in their segments to their advantage", says Sebastian Theopold, Managing Director of MSG. For example, they often succeed in redefining traditional sales and production processes in their industries. According to the study, technology companies are particularly successful: 38 of the 100 most successful small- to medium-sized companies develop high-tech products as Dr. Höhle AG does.



Results of Operations

Sales revenues generated by the Hönle Group in the first quarter increased by 17.2 % compared to the same period in the previous year. In the first three months of the 2010/2011 financial year, Hönle posted sales revenues amounting to T€ 14,506 (previous year: T€ 12,372).

Hönle achieved sales revenues of T€ 10,553 (PY: T€ 8,883) in the 'Equipment and Systems' business segment, which corresponds to 72.7 % of the Group's sales revenues. Hönle benefited from the printing industry's clearly heightened readiness to invest, compared to the previous year. The manufacture of equipment for curing adhesives and the special equipment engineering segment also benefited from the economic upturn. Sales revenues achieved in the 'Adhesives' segment came to T€ 3,953 (PY: T€ 3,489), which accounts for 27.3 % of consolidated sales in the adhesives segment. In addition to a rise in demand from existing customers, Hönle succeeded in gaining new customers. Moreover, many promising projects are being carried out in the adhesives segment, which can contribute to positive business development in the future.

The positive development of the domestic market is reflected in the regional sales distribution. The German mechanical engineering industry benefited in particular from the economic upswing. In Germany, sales revenues achieved in the first three months increased from T€ 5,443 in the previous financial year to T€ 6,552 in the financial year under review, which corresponds to 45.2 % (PY: 44.0 %) of total sales. In the other European countries sales revenues climbed from T€ 4,093 to

T€ 4,582, and sales in the rest of the world increased from T€ 2,835 to T€ 3,372. While the economy in the USA had not yet picked up, the favourable economic environment in Southeast Asia impacted positively on the Hönle Group's business development; this is reflected in a significant increase in sales revenues generated in that area.

Owing to the increase in sales revenues, the operating result (EBIT) rose from T€ 1,229 in the previous year to T€ 2,117 in the first quarter of the current financial year. Earnings before taxes (EBT) increased from T€ 1,168 to T€ 2,092 in the same period, while the consolidated result jumped from T€ 821 to T€ 1,448.

A fire in an external warehouse of Dr. Hönle AG led to material damage, which adversely affected earnings due to the higher cost of materials in the first quarter of the current financial year. Since the fire damage was fully covered by fire insurance and business interruption insurance, the Company generated other operating income, which, in turn, had a positive impact on the operating result.

Positive earnings development led to a marked improvement in margins: The EBIT margin increased from 9.9 % in the previous year to 14.6 % in the first quarter of the 2010/2011 financial year, while net profit on sales climbed from 6.6 % to 10.0 %. The cost of materials ratio rose from 38.8 % to 42.7 %, which is attributable to the damage caused by the fire. The personnel expense ratio decreased from 32.1 % to 30.4 %, while the ratio of other operating expenses fell from 19.2 % to 18.6 %.

Earnings Development

In T€	01.10.10 - 31.12.10	01.10.09 - 31.12.09	Change
Revenue	14,506	12,372	17.2 %
Gross profit	9,468	7,845	20.7 %
Operating result (EBIT)	2,117	1,229	72.3 %
EBT	2,092	1,168	79.1 %
Consolidated net income	1,448	821	76.4 %
Earnings per share (in €)	0.27	0.15	80.0 %

Financial Position

The Hönle Group's growth in earnings power is accompanied by increasing financial strength. Cash from ordinary activities amounted to T€ 672 in the first quarter, versus T€ 312 in the previous year. Cash used for investing activity stood at T€ 416, which includes the purchase price of

T€ 52 concerning the acquisition of another 35 % of the shares in Honle Spain S.A..

Cash used for financing activity amounted to T€ -27.

In all, liquid assets increased by T€ 374 during the first three months of the current financial year.

Cash Flow and Liquidity Development

In T€	01.10.10 - 31.12.10	01.10.09 - 31.12.09	Change
Cash from ordinary activities	672	312	115.4 %
Cash provided by/used for operating activities	489	430	13.7 %
Cash provided by/used for investing activity	-416	-86	383.7 %
Cash provided by/used for financing activity	-27	454	105.9 %
Change in liquid assets	374	902	-58.5 %

Net Assets

Hönle Group's liquid assets increased to T€ 7,117 as at 31 December 2010.

Inventories rose T€ 401 to T€ 11,298 in the first quarter, while trade accounts receivable dropped T€ 173 to T€ 8,223. The Hönle Group's total assets increased by T€ 903 to T€ 45,337.

The valuation of equity items of Group companies whose functional currency is not the euro led to an increase in shareholders' equity. Currency translation differences reported under shareholders' equity increased by T€ 332 to T€ 1,357.

With an equity capital ratio of 71.7 %, Hönle Group financing continues to be on solid ground.

Balance Sheet

In T€	31.12.2010	30.09.2010	Change
Non-current assets	16,965	17,124	-0.9 %
Current assets	28,372	27,310	3.9 %
Shareholders' equity	32,513	30,769	5.7 %
Non-current liabilities	3,610	3,705	-2.6 %
Current liabilities	9,214	9,960	-7.5 %
Balance sheet total	45,337	44,434	2.0 %

Research and Development

Hönle Group's order-independent research and development expenses decreased from T€ 188 in the previous year to T€ 175 in the first quarter of the current financial year. At 41 employees, the number of R&D staff remained unchanged during the respective period. Consequently, 14.5 % of the workforce is employed in the Research and Development departments of the Hönle Group. The activities of R&D staff were focused on order- and product-related development.

In the last quarter, Hönle developed a broadband sensor for measuring the intensity of LED wavelengths. UV measurement assures production process security, and reliable and repeatable test results in the laboratory that benefit research and development. Owing to their different sensor geometries, most measurement devices offered on the market are not suitable for the selective LED wavelengths. The objective was thus to develop a suitable measurement device that would, at the same time, enable the entire LED wavelength spectrum on offer (365nm to 405nm) to be measured with just one sensor. The new broadband sensor meets these requirements.

Hönle offers a broad range of conventional UV and also UV LED curing equipment for industrial applications. Furthermore, the Company has accumulated extensive know-how regarding this promising technology. In the future, users will benefit from this know-how to a greater extent: In cooperation with BASF, Hönle offers seminars on UV curing with LEDs for the first time in 2011. Chemical suppliers, mechanical engineering companies and also end users will thus gain comprehensive insights into this subject.

Supplementary Report

Effective as of 1 January 2011, Dr. Hönle AG acquired 51 % of the shares in UV-Technik Speziallampen GmbH, Wümbach, Ilmenau. The company will be included in the scope of consolidation as from 1 January 2011.

Personnel

Owing to the economic upturn and the positive business development, Hönle increased its staff level during the course of the year 2010. The average number of staff employed by the Hönle Group (not including the Management Board) rose from 251 to 282. The workforce was adjusted

to the improved orders situation in the production segment, in particular. Hönle Group's staff of 282 includes 30 part-time employees, which corresponds to 10.6 % of its total staff. In the first quarter of the current financial year, staff members were employed in the following functional areas:

Functional Areas

	01.10.10 - 31.12.10	01.10.09 - 31.12.09	Change
Sales	66	59	11.9 %
Research & Development	41	41	-
Production, Service	102	86	18.6 %
Logistics	31	27	14.8 %
Administration	42	38	10.5 %
Total	282	251	12.4 %

Personnel Expenses

In T€	01.10.10 - 31.12.10	01.10.09 - 31.12.09	Change
Wages and salaries	3,542	3,245	9.2 %
Social security and pension costs	808	716	12.8 %
Total	4,350	3,961	9.8 %

Personnel expenses increased from T€ 3,961 in the previous year to T€ 4,350 in the first quarter of the current financial year. This increase is mainly attributable to the higher staff level.

Hönle invests in occupational training with a view to covering the future demand for qualified personnel: As in the previous years, the number of trainees continued to rise and increased from 16 in the previous year to the present 23.

Outlook

Following the acquisition of Eltosch, Panacol and PrintConcept in 2008, UV-Technik Speziallampen GmbH was added to the Höhle Group in January of 2011. Höhle thus continues its strategy of strengthening its market position by means of acquisitions in addition to organic growth. The Management Board does not focus on achieving growth at any price, but rather aims to improve the Group's earnings power on a sustained basis. The new Höhle Group has good potential for achieving significantly higher sales revenues and earnings than in the past.

A continued positive development of the global economy is generally assumed. Although, according to the global leading indicators, growth momentum is likely to see an initial slight downturn, it is expected that growth dynamics will pick up again in the course of 2011. The Ifo Business Climate Index for German industry and trade improved further. The German economy is expected to start the year with great vigour.

The Höhle Group is also experiencing sustained positive development that encompasses almost all of its sales markets. Other print application segments, such as digital printing, will probably contribute even more strongly to sales growth than the offset printing segment. Höhle is of the opinion that the remaining equipment engineering segment will likewise experience continued positive business development.

The positive business trend also continues unabated in the adhesives segment.

Provided that the general economic conditions do not deteriorate, the Höhle Group's Management Board estimates an increase in sales revenues from € 54.6 million in the previous year to € 65 million in the current financial year while the operating result will rise from € 5.5 million to € 7.5 million in the same period.

Consolidated Statement of Comprehensive Income

for the period 1 October 2010 until 31 December 2010 according IFRS

	01.10.2010 - 31.12.2010 in T€	01.10.2009 - 31.12.2009 in T€
Revenue	14,506	12,372
Changes in inventories of finished goods and work in progress	-209	-27
Other operating income	1,281	285
Cost of purchased materials and services	6,110	4,785
Personnel expenses	4,350	3,961
Depreciation and amortization including goodwill	337	284
Other operating expenses	2,664	2,371
Operating result/EBIT	2,117	1,229
Interest income	8	7
Interest expense	33	68
Financial result	-25	-61
Earnings before tax and minority interest/EBT	2,092	1,168
Income tax	644	347
Consolidated net income	1,448	821
Share in earnings attributable to minority interest	53	64
Share in earnings attributable to Dr. Hönle AG shareholders	1,395	757
Earnings per share (basic) in €	0.27	0.15
Earnings per share (diluted) in €	0.27	0.15
Weighted average shares outstanding (basic)	5,187,091	5,187,091
Weighted average shares outstanding (diluted)	5,187,091	5,187,091

The consolidated interim report is unaudited.

Consolidated Total Comprehensive Income

for the period 1 October 2010 until 31 December 2010 according IFRS

	01.10.2010 - 31.12.2010 in T€	01.10.2009 - 31.12.2009 in T€
Consolidated net income	1,448	821
Other comprehensive income:		
- Valuation of investments due to IAS 39 not effecting net income	16	-5
- Currency differences	332	104
Other comprehensive income after tax	348	99
Total comprehensive income for the period	1,796	920
Thereof account for:		
- Share in earnings attributable to Dr. Hönle AG shareholders	1,743	856
- Share in earnings attributable to minority interest	53	64

The consolidated interim report is unaudited.

Consolidated Statement of Financial Position

as of 31 December 2010 according IFRS

ASSETS	31.12.2010 in T€	30.09.2010 in T€
LONG-TERM ASSETS		
Goodwill	6,927	6,927
Intangible assets	1,720	1,746
Property, plant and equipment	5,943	6,027
Financial assets	266	249
Other non current assets	824	810
Deferred taxes	1,285	1,365
Total non-current assets	16,965	17,124
CURRENT ASSETS		
Inventories	11,298	10,897
Trade accounts receivable	8,223	8,396
Other current assets	1,547	1,031
Tax refund claims	187	243
Liquid assets	7,117	6,743
Total current assets	28,372	27,310
TOTAL ASSETS	45,337	44,434

LIABILITIES AND SHAREHOLDERS' EQUITY	31.12.2010 <i>in T€</i>	30.09.2010 <i>in T€</i>
SHAREHOLDERS' EQUITY		
Subscribed capital	5,513	5,513
Own shares	- 2,531	- 2,531
Additional paid-in capital (capital reserves)	16,304	16,325
Legal reserve	49	49
Special item revaluation	- 246	- 262
Retained earnings	11,142	9,747
Currency differences	1,357	1,025
Equity attributable to Dr. Hönle AG's shareholders	31,588	29,866
Minority interest	925	903
Total Shareholders' Equity	32,513	30,769
NON-CURRENT DEBTS		
Non-current loans (less current portion)	635	635
Non-current portion of finance lease obligation	46	69
Other non-current liabilities	53	187
Pension accruals	1,905	1,853
Deferred taxes	971	961
Non-current liabilities	3,610	3,705
CURRENT LIABILITIES		
Trade accounts payable	2,278	2,689
Liabilities to associated companies	6	0
Advance payments received	370	640
Current portion of finance lease obligation	99	102
Current loans towards banks and current portion of non-current loans	64	68
Other current liabilities	3,728	4,122
Other accruals	1,302	1,320
Tax accruals	1,367	1,019
Total current liabilities	9,214	9,960
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	45,337	44,434

The consolidated interim report is unaudited.

Consolidated Statement of Changes in Equity

for the period 1 October 2010 until 31 December 2010

	sub- scribed capital in T€	own shares in T€	Addi- tional paid-in capital in T€	legal reserve in T€	Special item revalu- ation in T€	Consolid. retained earnings/ loss in T€	Cur- ency differ- ences in T€	Equity attribu- table to Dr. Hönle AG's shareholders in T€	Minority interest in T€	Total in T€
As at 01.10.2009	5,513	-2,531	16,427	49	- 265	5,146	484	24,823	801	25,624
Valuation of investments due to IAS 39 not effecting net income					- 5			- 5		- 5
Currency differences							104	104		104
Change of minority interest effecting net income								0	64	64
Share in earnings attributable to minority interest						757		757		757
As at 31.12.2009	5,513	-2,531	16,427	49	- 270	5,903	588	25,679	865	26,544
As at 01.10.2010	5,513	-2,531	16,325	49	- 262	9,747	1,025	29,866	903	30,769
Purchase of additional paid in capital due to purchase of minority interest			-21					-21		-21
Valuation of investments due to IAS 39 not effecting net income					16			16		16
Currency differences							332	332		332
Change of minority interest affecting net income								0	53	53
Change of minority interest due to acquisitions								0	-31	-31
Share in earnings attributable to minority interest						1,395		1,395		1,395
As at 31.12.2010	5,513	-2,531	16,304	49	- 246	11,142	1,357	31,588	925	32,513

The consolidated interim report is unaudited.

Consolidated Statement of Cash Flows

for the period 1 October 2010 until 31 December 2010 according to IFRS

	01.10.2010- 31.12.2010	01.10.2009- 31.12.2009
	in T€	in T€
<i>Cash flows from operating activities:</i>		
Net income for the year before minority interest and taxes	2,092	1,168
Adjustments for:		
Depreciation of fixed assets	337	284
Financial income	-8	-7
Interest expenses	33	68
Other non-cash expenses/income	-214	36
<i>Operating result before changes to net current assets</i>	2,240	1,549
Increase/decrease in accruals	34	25
Increase/decrease of trade accounts receivable	173	470
Increase/decrease of other assets	-516	-171
Increase/decrease in inventories	-187	-563
Increase/decrease in trade accounts payable	-411	-417
Increase/decrease in liabilities to associated companies	6	0
Increase/decrease in advance payments received	-270	-104
Increase/decrease in other liabilities	-397	-477
<i>Cash from continuing business activities</i>	672	312
Interest paid	-33	-68
Income tax paid	-151	186
<i>Net cash from operating activities</i>	489	430
<i>Cash flows from investing activities:</i>		
Purchases of company shares	-52	0
Purchase of property, plant and equipment and intangible assets	-224	-79
Payments received from non-current receivables	13	-24
Payments for non-current receivables	0	10
Changes in qualifying insurance policy	-27	0
Changes in financial assets	-134	0
Payments received from interest	6	4
Payments received from dividends	2	3
<i>Net cash used for investing activities</i>	-416	-86
<i>Cash flows from financing activities:</i>		
Payments received from loans and non-current liabilities to banks	-27	454
<i>Net cash from financing activities</i>	-27	454
Currency differences	112	79
Exchange rate differences of liquid assets	216	25
<i>Net increase/decrease in cash</i>	374	902
<i>Cash at the beginning of the reporting period</i>	6,743	3,158
<i>Cash at the end of the reporting period</i>	7,117	4,060
<i>Changes in liquid assets</i>	374	902

The consolidated interim report is unaudited.

Explanatory Notes

to the 3-Month Report of the Financial Year 2010/2011

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

The consolidated statement of financial position as at 31 December 2010, the consolidated statement of comprehensive income, the consolidated total comprehensive income and cash flow statement, the consolidated statement of changes in equity and the consolidated statement of cash flows for the reporting periods ending on December 31, 2010 and 2009, respectively, as well as the explanatory notes have not been audited. These consolidated financial statements were prepared in accordance IAS 34 "Interim financial reporting" and should be read in the context of the consolidated financial statements as published by the company for financial year 2009/2010. The significant accounting, valuation and consolidation methods have not changed in comparison with the consolidated accounts for 2009/2010.

Securities held as financial assets and which were measured in accordance with IAS Standard 39 for the first time in financial year 2001/2002, were adjusted to fair value as at 31 December 2010 and treated with neutral effect on profits. The value of these securities amounted to T€ 235 at the end of the quarter, in comparison with T€ 219 as at 30 September 2010. The difference of T€ 16 was netted with the special item, Revaluation, in equity capital with neutral effect on profits.

Dr. Hönle AG acquired at 18 November 2010 a further 35 % stake in Honle Spain S.A., Gavá, Barcelona. Consequently, since November 2010, Dr. Hönle AG has held 95 % of the shares in Honle Spain S.A..

Dr. Hönle AG acquired 51% of the shares and voting rights in UV-Technik Speziallampen GmbH, Wümbach, Ilmenau, with effect as of 1 January 2011. The acquisition date (1 January 2011) is the date of obtaining control, i.e., the possibility to determine the financial and business policy of the acquired enterprise. UV-Technik Speziallampen GmbH is included in the consolidated group as of 1 January 2011. At this date, Dr. Hönle AG exerts control in terms of IFRS 3 for the first time.

UV-Technik Speziallampen GmbH develops, produces, and markets UV lamps and pertaining components, in particular in the water sterilisation segment.

Upon signature of the purchase agreement on 7 December 2010, Dr. Hönle AG acquired the right to purchase the residual 49% of shares in UV-Technik Speziallampen GmbH. In addition, Dr. Hönle acquired the right to purchase UV-Electronic GmbH, Durchhausen, which develops, manufactures and markets among other things electronic power supplies for UV lamps.

According to the national accounting regulations, UV-Technik Speziallampen GmbH was not required to prepare financial statements, based on international accounting regulations. The purchase price is allocated to the identifiable assets, debts, and contingent liabilities at fair values within the scope of the purchase price allocation under IFRS 3 (rev. 2008). The allocation of the purchase price - in particular the valuation of fixed assets, valuation of inventories and receivables - had not been completed for the first quarter of the 2010/2011 financial statements.

The information required under IFRS 3 (rev. 2008) is presented on the basis of the most recently available financial statements of UV-Technik Speziallampen GmbH as at 31 December 2009, in accordance with German accounting provisions:

31 December 2009

Fixed assets	T€ 756
Current assets	T€ 1,907
Equity capital	T€ 1,130
Outside capital	T€ 1,533
Sales revenues	T€ 5,457
Net income for the year	T€ 255

Shareholdings and Option Rights

Securities portfolio as at 31 December 2010:

	<i>Number of shares</i>	<i>Shares as percentage of nominal capital</i>	<i>Number of options</i>
<i>Board of Management</i>			
Norbert Haimerl	25,000	0.45	0
Heiko Runge	16,100	0.29	0
<i>Supervisory Board</i>			
Dr. Hans-Joachim Vits	353,444	6.41	0
Prof. Dr. Karl Hönle	221,000	4.01	0
Eckhard Pergande	3,200	0.06	0
<i>Dr. Hönle AG</i>	325,839	5.91	
<i>Sum</i>	944,583	17.13	0
<i>Shares total</i>	5,512,930	100.00	

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

	<i>Equipment/ Systems</i>		<i>Adhesives</i>		<i>Elimi- nations</i>		<i>Consolidated</i>	
	<i>as at 12/10 T€</i>	<i>as at 12/09 T€</i>	<i>as at 12/10 T€</i>	<i>as at 12/09 T€</i>	<i>as at 12/10 T€</i>	<i>as at 12/09 T€</i>	<i>as at 12/10 T€</i>	<i>as at 12/09 T€</i>
INCOME:								
External sales	10,553	8,883	3,953	3,489			14,506	12,372
Intra-group sales	99	58	7	28	-106	-86	0	0
Total sales	10,652	8,941	3,960	3,517	-106	-86	14,506	12,372
NET EARNINGS:								
Segment result (operating result)	1,872	1,041	309	230	-64	-42	2,117	1,229
Interest income	86	75	18	34	-98	-105	6	4
Interest expense	88	135	43	41	-98	-105	33	71
Income from securities							2	3
Depreciation on securities							0	3
Earnings before tax and minority interest							2,092	1,168
Income taxes	508	146	77	44	0	-1	585	189
Deferred taxes	26	75	57	96	-24	-12	59	158
Earnings before minority interest							1,448	821
OTHER INFORMATION:								
Segment assets:	31,546	29,407	14,615	13,643	-3,386	-5,750	42,775	37,300
Non-allocated assets:								
- Financial assets							266	236
- Non-current receivables							824	737
- Tax refund claims							187	308
- Deferred tax assets							1,285	597
Consolidated assets							45,337	39,178
Segment debt	14,362	17,006	6,670	7,517	-11,325	-14,212	9,707	10,311
Deferred tax liabilities							971	973
Tax accruals							1,367	513
Non-current loans							779	935
Consolidated liabilities (current and non-current)							12,824	12,732
Investments:	200	31	24	24	0	0	224	55
Segment amortisation/depreciation	255	207	82	77	0	0	337	284
Non-cash expenses of the segment	76	63	18	12	0	0	94	75

Segment assets are defined as the sum total of intangible assets, property, plant and equipment, inventories, current receivables and liquid assets. Segment debt comprises non-current and current liabilities. Non-cash segment expenses take changes in pension accruals and changes in other accruals into account.

Transfer prices relating to intercompany services and supplies including the pertaining calculation basis are based on the same terms and conditions as those applied for third parties. In this respect no changes have been recorded in comparison with previous years.

Statement of the Company's Management

We affirm that, to the best of our knowledge, the consolidated financial statement gives a true and fair view of the net assets, financial position and results of operations of the Group in accordance with generally accepted accounting principles. The group management report provides a suitable understanding of the course of business including the business results and the Group's position and suitably presents the opportunities and risks of future development.

Gräfelfing, 15 February 2011

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

16 March 2011

Shareholders' Meeting in Munich

27 May 2011

6 Months Report 2010/2011

25 August 2011

9 Months Report 2010/2011

Investor Relations
Peter Weinert
Telephone +49 (0)89 85608-173
E-Mail ir@hoenle.de

Dr. Hönle AG • UV Technology
Lochhamer Schlag 1 • D- 82166 Gräfelfing/Munich
Telephone +49 (0)89 85608-0 • Fax +49 (0)89 85608-148
E-Mail: uv@hoenle.de • Internet: www.hoenle.de

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