



6 MONTHS REPORT
2010 | 2011

Hönle Group – at a Glance

	01.10.2010 - 31.03.2011	01.10.2009 - 31.03.2010	Changes
Statement of Comprehensive Income			
	T€	T€	%
Revenue	32,105	25,056	28.1
EBITDA	5,635	2,673	110.8
EBIT	4,981	2,098	137.4
EBT	4,833	1,981	144.0
Consolidated net income	3,390	1,282	164.4
Share			
Earnings per share	0.60	0.22	172.7
Number of shares	5,512,930	5,512,930	0.0
Cash flow			
	T€	T€	
Operating Cash flow ¹⁾	3,311	1,439	130.1
Staff			
Average number of employees	312	253	23.3

	31.03.2011	30.09.2010	Changes
Statement of Financial Position			
	T€	T€	%
Non-current assets	17,677	17,124	3.2
Current assets	32,076	27,310	17.5
Shareholder's equity	33,445	30,769	8.7
Non-current liabilities	3,846	3,705	3.8
Current liabilities	12,462	9,960	25.1
Total assets	49,753	44,434	12.0
Capital ratio in %	67.2	69.2	-2.9

1) Cash from continuing business activities

Hönle Group Report

for the six months period from 1 October 2010 to 31 March 2011

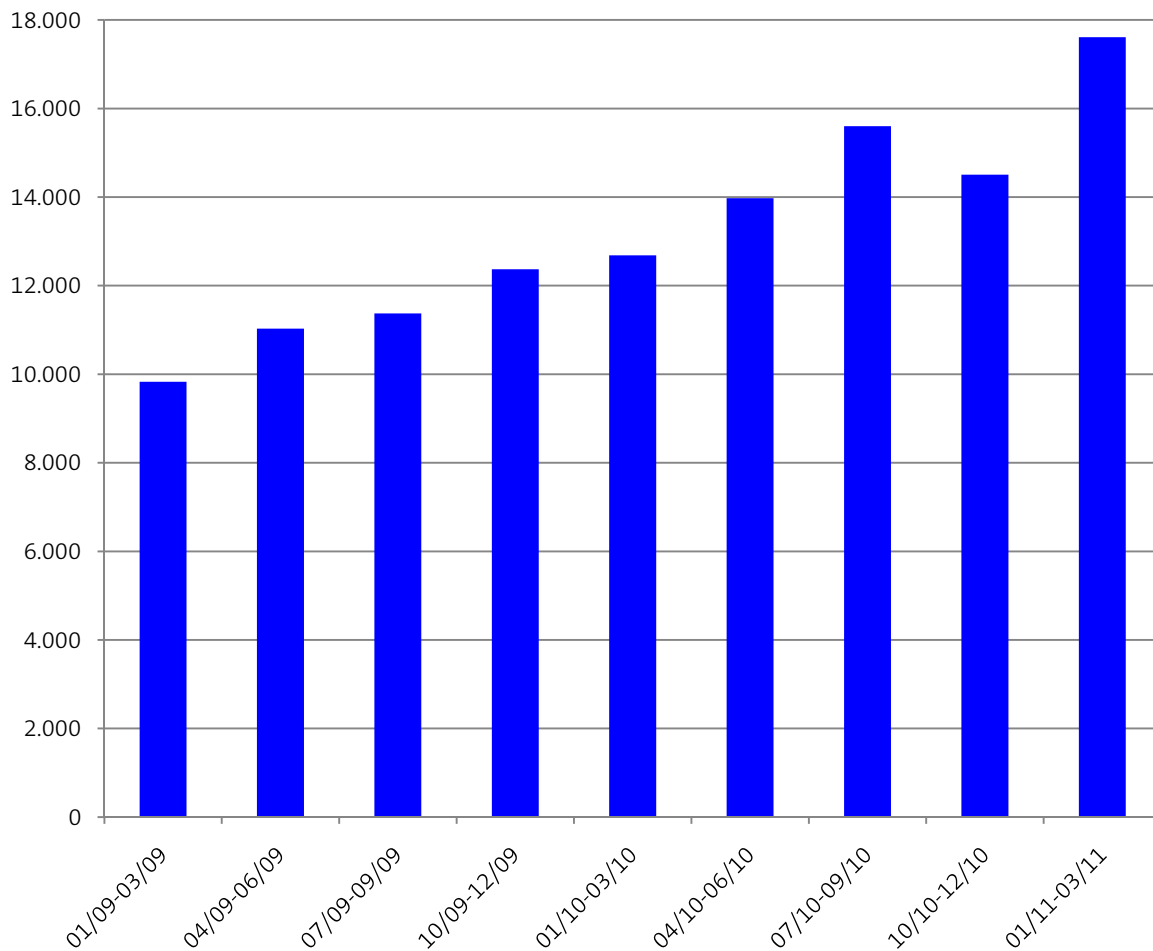
Overview

In the spring of 2011, the global economy saw an upturn, which was driven by the momentum in the emerging markets, in particular. Germany also experienced a sharp upswing: The Ifo Business Climate Index published by the Ifo Institute for Economic Research, Munich, continued to improve. Despite existing risks at an international level, companies in Germany performed excellently.

The Hönle Group's business development reflects the sustained economic recovery: Since the spring of 2009, sales revenues have been increasing vigorously. Moreover, UV-Technik Speziallampen GmbH has been included in the scope of consolidation since January 2011.

In the first six months of the 2010/2011 financial year, sales were up 28.1 % from the previous year and amounted to T€ 32,105. The following graph describes the development of quarterly sales revenues during the course of the economic upturn.

Development of Quarterly Sales (T€)



Owing to the positive business development, the Hönle Group's operating result (EBIT) rose by 137.4 % to T€ 4,981 in the first half of the year.

With effect from 1 January 2011, Dr. Hönle AG acquired 51% of the shares in UV-Technik Speziallampen GmbH, Wümbach, Ilmenau.

Hönle thus tapped a sustainable growth market in the life sciences segment. Plans are in place to improve the profitability of UV-Technik Speziallampen GmbH. A comprehensive package of measures was adopted, and, to a large extent, has already been implemented, with a view to achieving this objective. The Company's management team was supplemented by a Commercial Manager and is now made up of two persons. In the future, the Company will focus on its core business, i.e., the development and manufacture of lamps for the sterilisation market, in particular for water sterilisation. The segment 'medium-pressure lamps for non-sterilisation applications' was transferred to the Aladin GmbH Group company. In addition, the unprofitable business field of the former UV Systec GmbH, which had a minor share in total sales, was sold. The staff level at UV-Technik Speziallampen GmbH was reduced by a total of ca. 20 per cent in the course of the restructuring process. Moreover, the Company acquired the business premises, which was hired in the past.

Relocation of the medium-pressure lamps segment, staff reductions, and the sale of the former UV Systec business field as well as the real estate purchase will improve the Company's earnings power.

The Company will generate sales revenues of approximately € 7.5 million this year.

Hönle has increased in the second quarter their participation in the PrintConcept GmbH from 90% to 100%. The preliminary price for the acquisition of the last 10% of the shares amounts to T€ 607.

The Panacol GmbH subsidiary, which markets and sells adhesives, has a new top management. The new managing director is responsible for the sales and technology divisions: He is a proven expert in the field of connection technology with many years of professional experience, which he acquired at Robert Bosch GmbH and at other companies.

In January 2011, the Hönle Group opened a sales office in Italy to enable the optimum provision of services for the important Italian market. The sales office is responsible for the sale and servicing of UV equipment supplied by the Group parent, Hönle, and of industrial adhesives supplied by Hönle's subsidiary, Panacol.

In January 2011, a trading company was also established in the free trade area in Shanghai. The target is to speed with the new company into the Chinese market. The company operates under the name of "Hoenle UV-Technology (Shanghai) Trading Co. Ltd.". In the future, the Shanghai site, which is responsible for both the adhesives and the systems segment, is to be expanded further.

Results of Operations

At T€ 17,599, sales revenues generated by the Hönle Group reached a new record high in the second quarter. Sales were up 21.3 % from the previous quarter, and 38.7 % from the previous year's quarter. In the first six months, sales thus increased from T€ 25,056 in the previous year to T€ 32,105 in the current financial year.

Hönle achieved sales revenues of T€ 23,423 (PY: T€ 17,402) in the 'Equipment and Systems' business segment, which corresponds to 73.0% of the Group's sales revenues. Hönle experienced a significant rebound in demand in the capital goods sector, which also benefited the printing industry. Sales revenues achieved in the 'Adhesives' business segment came to T€ 8,682 (PY: T€ 7,654) and accounted for the remaining 27.0 % of consolidated sales.

The German mechanical engineering industry benefited, in particular, from the economic upturn. The strong domestic demand was also felt by the Hönle Group: Domestic sales increased 42.4 % to T€ 14,232 year-on-year, with the result that 44.3 % of Hönle's total sales were generated in Germany. In the other European countries,

sales revenues climbed 21.0 % to T€ 10,862, and sales in the rest of the world increased 15.2 % to T€ 7,011. Growth impetus was provided especially by Asia.

As a consequence of the higher sales level, the operating result (EBIT) improved considerably, climbing from T€ 2,098 in the previous year to T€ 4,981 in the first six months of the current financial year. Earnings before taxes (EBT) picked up from T€ 1,981 to T€ 4,833 in the same period, while the consolidated result increased from T€ 1,282 to T€ 3,390.

The encouraging earnings development led to a significant improvement in margins: The EBIT margin jumped from 8.4 % in the previous year to 15.5 % in the first half of the 2010/2011 financial year, while net profit on sales doubled from 5.1 % to 10.6 %.

The cost of materials ratio increased from 38.8 % to 41.2 %, due, among other things, to the damage caused by fire in the first quarter. The personnel expense ratio decreased from 33.0 % to 30.4 % owing to the higher sales level, and the ratio of other operating expenses fell from 19.7 % to 16.5 %.

Earnings Development

in T€	01.10.10 - 31.03.11	01.10.09 - 31.03.10	Change
Revenue	32,105	25,056	28.1 %
Gross profit	20,670	15,834	30.5 %
Operating result/EBIT	4,981	2,098	137.4 %
EBT	4,833	1,981	144.0 %
Consolidated net income	3,390	1,282	164.4 %
Earnings per share in €	0.60	0.22	172.7 %

Financial Position

Hönle Group's higher earnings power led to increasing financial strength for the Group. Cash from ordinary activities increased from T€ 1,439 in the previous year to T€ 3,311 in the current financial year.

The UV-Technik Speziallampen GmbH acquisition led to a T€ 224 decrease in liquid assets. Cash used for investing activity amounted to T€ 622 within the Group.

The cash flow from investing activity amounted to T€ -1,952; this was due, in particular, to a dividend distribution in the amount of T€ 1,572.

Despite the dividend payment and the acquisition of UV-Technik Speziallampen GmbH, liquid assets have increased by a total of T€ 347 since the beginning of the financial year.

Cash Flow and Liquidity Development

in T€	01.10.10 - 31.03.11	01.10.09 - 31.03.10	Change
Cash from			
Continuing business activities	3,311	1,439	130.1 %
Net cash from operating activities	2,778	814	241.3 %
Net cash used for investing activities	-622	98	-734.7 %
Net cash from financing activities	-1,952	-983	-98.6 %
Changes in liquid assets	347	383	-9.4 %

Net Assets

The Hönle Group's liquid assets amounted to T€ 7,090 as at 31 March 2011.

Due to the UV-Technik Speziallampen GmbH acquisition, several balance sheet items underwent change as at 31 March 2011: Inventories and trade accounts receivables rose T€ 1,727 to T€ 12,624 respectively T€ 2,504 to T€ 10,900 in connection with the acquisition and the rise in sales revenues achieved by the Hönle Group. A portion of the purchase price was paid by means of treasury stock, and own shares thus

decreased by T€ 471 to T€ 2,060. At the same time, the 'non-controlling interests' stated under shareholders' equity increased by T€ 520 to T€ 1,423. In particular, the bank liabilities of UV-Technik Speziallampen GmbH led to a T€ 675 increase in the balance sheet item 'current loans towards banks and current portion of non-current loans' to T€ 743.

With an equity capital ratio of 67.2 %, Hönle Group financing continues to be on very solid ground.

Balance Sheet

in T€	31.03.2011	30.09.2010	Change
Long term assets	17,677	17,124	3.2 %
Current assets	32,076	27,310	8.7 %
Shareholders' Equity	33,445	30,769	3.8 %
Non-current debts	3,846	3,705	2.5 %
Current liabilities	12,462	9,960	25.1 %
Balance sheet total	49,753	44,434	12.0 %

Research and Development

Hönle Group's order-independent research and development expenses increased from T€ 356 in the previous year to T€ 428 in the first six months of the current financial year. The number of staff employed in the Research and Development department was 43 (previous year: 42). Consequently, 13.8 % of the workforce is employed in research and development. R&D staff activities were focused on order- and product-related development.

For more than 30 years, Dr. Hönle AG has manufactured high-quality UV equipment and systems for the curing of photo reactive coatings. To date, these UV lamps make up the major portion of the curing systems in the radiation curing segment. Steadily increasing diversity in the application fields also requires the constant enhancement of UV lamps. For example, the ratio of power input to UV power output has been significantly improved in recent years due to optimised reflector geometry and electronic power supply units.

In recent years, a new concept for UV curing based on UV LEDs has been developing in parallel to conventional systems. Thanks to this technology, the application field of UV curing is expanding since UV LEDs have advantages over electrodes lamps with regard to some applications. For example, UV LEDs offer advantages in connection with temperature-sensitive substrates and with respect to applications that require lower installation sizes. Since the clock rate of the LED modules can be adjusted, their energy-saving potential can be used in an optimised manner.

Dr. Hönle AG recognised the potential offered by UV LED technology at an early stage and has continuously developed this technology. As a result of the increasing demand in the LED segment, larger LED flood lights and LED line lamps with high intensity were developed relatively quickly, in addition to point sources. But not only the diversity of LED equipment continued to evolve over time. The improvement of LED efficiency and the optimisation of cooling and optics for increased intensity also led to groundbreaking success.

Just recently, Hönle delivered the thousandth LED system to the manufacturing industry.

Meanwhile, LED technology has become fully established and offers an alternative to conventional UV technology not only for the adhesives industry, but also with respect to many segments in the printing and coating industry. Owing to its broad UV LED systems product range, the Hönle Group is well positioned in this growth segment.

Personnel

In view of the positive business development and the acquisition of UV-Technik Speziallampen GmbH, Höhle's staff level increased significantly in the current financial year. As at 31 March 2011, Höhle employed a staff of 341. The average number of staff employed by the Höhle Group rose from 253 to 312. Compared to the previous

year, the workforce increased in the production, service and logistics divisions, in particular. Höhle Group's staff of 312 included 31 part-time employees, which corresponds to 9.1 % of total staff. In the first six months of the current financial year, the employees were engaged in the following functional areas:

Functional Areas

	01.10.10 - 31.03.11	01.10.09 - 31.03.10	Change
Sales	70	60	16.7 %
Research & Development	43	42	2.4 %
Production, Service	116	87	33.3 %
Logistics	36	25	44.0 %
Administration	47	39	20.5 %
Total	312	253	23.3 %

Personnel expenses

in T€	01.10.10 - 31.03.11	01.10.09 - 31.03.10	Change
Wages and salaries	7,852	6,758	16.2 %
Social security and pension costs	1,896	1,486	27.6 %
Total	9,748	8,244	18.2 %

Personnel expenses increased from T€ 8,244 in the prior-year's period to T€ 9,748 in the first half of the current financial year due, in particular, to the increase in staff numbers.

Höhle invests in occupational training with a view to partially covering the future demand for qualified personnel from in-house staff also: As in the previous years, the number of trainees continued to rise and increased from 16 in the previous year to 25 as at 31 March 2011.

Subsequent Report

In April 2011, Panacol AG has acquired further 20% of the shares of Tangent Industries Inc., Winsted, USA. Thus, the Panacol AG now holds 25% of the shares in the company. The investment was increased in order to secure an important supplier of adhesives.

Outlook

The prospects for further development of the economy are good: Experts predict that the gross domestic product will increase by 2.8 % and 2.0 % in 2011 and 2012, respectively. The factors that continue to boost the economy will gradually increase domestic demand. The greatest risks stem from abroad: If the growing unrest in the Arab World should lead to oil supply bottlenecks or to intensification of the debt crisis, this would put a significant strain on the economy.

The Hönle Group's economic outlook has improved further. Consequently, the Management Board raises the forecast for the current year. The Company aims to increase sales revenues from € 54.6 million in the previous year to € 65 million in the current financial year, and the operating result from € 5.5 million to € 9 million during the same period.

In this context, the Management Board expects increasing sales and earnings contributions from the 'Equipment and Systems' and 'Adhesives' business segments.

The integration of UV-Technik Speziallampen GmbH, which was acquired in January, is proceeding swiftly. Following relocation of the manufacturing process for medium-pressure lamps, the sale of the former UV Systec GmbH and the acquisition of the company premises in Wüm-

bach, Ilmenau, the following further steps are now planned: The production processes are to be optimised with a view to achieving higher productivity. To this end, investments are being made in new machines for lamp production. The objective is thus to reduce the production time per lamp or floodlight. Moreover, UV-Technik Speziallampen GmbH is analysing the issue of in-house production vs. third-party production. All measures are to be implemented by the end of 2011. In all, the Company's main business field – i.e. water sterilisation – is proving to be a very interesting business field, and offers good growth potential.

Expansion of the production and office areas at the Gräfelfing, Munich, production site is scheduled to start in June. About 1,700 square metres of expansion space will be created and will be ready for use by the end of the year.

The Hönle Group's Management Board has proven in the past that it can successfully expand the Company's market position through company acquisitions and increase sales and earnings on a sustained basis. The acquisition of companies in the lamps and adhesives technology segments will continue to play an important role in the further development of the Group's structure.

Consolidated Statement of Comprehensive Income

for the period 1 October 2010 until 31 March 2011 according IFRS

	01.01.2011 - 31.03.2011 in T€	01.01.2010 - 31.03.2010 in T€	01.10.2010 - 31.03.2011 in T€	01.10.2009 - 31.03.2010 in T€
Revenue	17,599	12,684	32,105	25,056
Changes in inventories of finished goods and work in progress	243	-9	34	-37
Other operating income	487	241	1,768	526
Cost of purchased materials and services	7,127	4,926	13,237	9,711
Personnel expenses	5,398	4,283	9,748	8,244
Depreciation and amortization including goodwill	317	292	654	575
Other operating expenses	2,624	2,547	5,287	4,917
Operating result/EBIT	2,863	868	4,981	2,098
Interest income	12	427	20	434
Interest expense	134	483	168	551
Financial result	-122	-56	-148	-117
Earnings before tax and non-controlling interests/EBT	2,741	812	4,833	1,981
Income tax	799	352	1,443	699
Consolidated net income	1,942	460	3,390	1,282
Share in earnings attributable to non-controlling interests	173	53	226	117
Share in earnings attributable to Dr. Hönle AG shareholders	1,769	407	3,164	1,165
Earnings per share (basic) in €			0.60	0.22
Earnings per share (diluted) in €			0.60	0.22
Weighted average shares outstanding (basic)			5,247,697	5,187,091
Weighted average shares outstanding (diluted)			5,247,697	5,187,091

Consolidated Total Comprehensive Income

for the period 1 October 2010 until 31 March 2011 according IFRS

	01.10.2010 - 31.03.2011 in T€	01.10.2009 - 31.03.2010 in T€
Consolidated net income	3,390	1,282
Other comprehensive income:		
- Valuation of investments due to IAS 39 not effecting net income	125	15
- Currency differences	147	265
Other comprehensive income after tax	272	280
Total comprehensive income for the period	3,662	1,562
Thereof account for:		
- Share in earnings attributable to non-controlling interests	226	117
- Share in earnings attributable to Dr. Hönle AG shareholders	3,436	1,445

Consolidated Statement of Financial Position

as of 31 March 2011 according IFRS

ASSETS	31.03.2011	30.09.2010
	in T€	in T€
LONG-TERM ASSETS		
Goodwill	7,294	6,927
Intangible assets	1,873	1,746
Property, plant and equipment	6,435	6,027
Financial assets	285	249
Other non current assets	665	810
Deferred taxes	1,125	1,365
Total non-current assets	17,677	17,124
CURRENT ASSETS		
Inventories	12,624	10,897
Trade accounts receivable	10,900	8,396
Other current assets	1,232	1,031
Tax refund claims	230	243
Cash and cash equivalents	7,090	6,743
Total current assets	32,076	27,310
TOTAL ASSETS	49,753	44,434

LIABILITIES AND SHAREHOLDERS' EQUITY	31.03.2011 in T€	30.09.2010 in T€
SHAREHOLDERS' EQUITY		
Subscribed capital	5,513	5,513
Own shares	- 2,060	- 2,531
Additional paid-in capital (capital reserves)	16,146	16,325
Legal reserve	49	49
Special item revaluation	- 137	- 262
Retained earnings	11,339	9,747
Currency differences	1,172	1,025
Equity attributable to Dr. Höhle AG's shareholders	32,022	29,866
Non-controlling interests	1,423	903
Total Shareholders' Equity	33,445	30,769
NON-CURRENT LIABILITIES		
Non-current loans (less current portion)	612	635
Non-current portion of finance lease obligation	21	69
Other non-current liabilities	115	187
Pension accruals	1,977	1,853
Deferred taxes	1,121	961
Non-current liabilities	3,846	3,705
CURRENT LIABILITIES		
Trade accounts payable	2,775	2,689
Advance payments received	1,111	640
Current portion of finance lease obligation	97	102
Current loans towards banks and current portion of non-current loans	743	68
Other current liabilities	4,504	4,122
Other accruals	1,496	1,320
Tax liabilities	1,736	1,019
Total current liabilities	12,462	9,960
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	49,753	44,434

Consolidated Statement of Changes in Equity

for the period 1 October 2010 until 31 March 2011

	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- rency differ- ences in T€	Equity attribu- table to Dr. Hönle AG's shareholders in T€	non-con- trolling interests 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
Purchase of additional paid in capital due to purchase of non-controlling interests			-30					-30		-30
Valuation of investments due to IAS 39 not effecting net income					15			15		15
Dividend disbursement								0	-31	-31
Currency differences							264	264		264
Change of non-controlling interests effecting net income								0	117	117
Change of non-controlling interests due to acquisitions								0	-72	-72
Share in earnings attributable to non-controlling interests						1,165		1,165		1,165
As at 31.03.2010	5,513	-2,531	16,397	49	- 250	6,311	748	26,237	815	27,052
As at 01.10.2010	5,513	-2,531	16,325	49	- 262	9,747	1,025	29,866	903	30,769
Purchase of own shares		471						471		471
Purchase of additional paid in capital due to purchase of non-controlling interests			-179					-179		-179
Valuation of investments due to IAS 39 not effecting net income					125			125		125
Dividend disbursement						-1,572		-1,572	-65	-1,637
Currency differences							147	147		147
Change of non-controlling interests affecting net income								0	226	226
Change of non-controlling interests due to acquisitions								0	359	359
Share in earnings attributable to non-controlling interests						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	1,422	33,445

Consolidated Statement of Cash Flows

for the period 1 October 2010 until 31 March 2011 according to IFRS

	01.10.2010- 31.03.2011 in T€	01.10.2009- 31.03.2010 in T€
Cash flows from operating activities:		
Net income for the year before non-controlling interests and taxes	4,833	1,981
Adjustments for:		
Depreciation of fixed assets	654	575
Losses on disposal of fixed assets	0	2
Financial income	-20	-434
Interest expenses	168	551
Other non-cash expenses/income	-242	92
Operating result before changes to net current assets	5,393	2,767
Increase/decrease in accruals	75	-5
Increase/decrease of trade accounts receivable	-2,015	-230
Increase/decrease of other assets	-31	-136
Increase/decrease in inventories	-715	-1,131
Increase/decrease in trade accounts payable	-45	25
Increase/decrease in liabilities to associated companies	0	6
Increase/decrease in advance payments received	309	148
Increase/decrease in other liabilities	340	-5
Cash from continuing business activities	3,311	1,439
Interest paid	-168	-551
Income tax paid	-365	-74
Net cash from operating activities	2,778	814
Cash flows from investing activities:		
Purchases of company shares minus net cash acquired	-224	0
Proceeds from sale of fixed assets	3	5
Purchase of property, plant and equipment and intangible assets	-486	-314
Changes in financial assets	-9	0
Payments received from non-current receivables	33	-48
Payments for non-current receivables	0	21
Changes in qualifying insurance policy	113	0
Changes in financial assets	-72	0
Payments received from interest	18	431
Payments received from dividends	2	3
Net cash used for investing activities	-622	98
Cash flows from financing activities:		
Payments for the acquisition of non-controlling interests	-52	-268
Payments received from loans and non-current liabilities to banks	-328	-715
Payments for dividends	-1,572	0
Net cash from financing activities	-1,952	-983
Currency differences	89	404
Exchange rate differences of liquid assets	54	49
Net increase/decrease in cash	-347	383
Cash at the beginning of the reporting period	6,743	3,158
Cash at the end of the reporting period	7,090	3,541
Changes in cash and cash equivalents	347	383

Explanatory Notes

to the 6-Month Report of the Financial Year 2010/2011

Hönle prepares the interim consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) and the respective interpretations approved by the European Union, as published by the International Financial Reporting Standards Board (IASB). Hönle prepares and publishes the interim consolidated financial statements in euro currency (€).

These interim consolidated financial statements were prepared in agreement with IAS 34 "Interim financial reporting" and should be read in the context of the consolidated financial statements published by the Company for financial year 2009/2010.

The consolidated balance sheet as at 31 March 2011 and the consolidated income statement, the statement of comprehensive income, the statement of consolidated cash flows and the statement on changes in consolidated equity for the reporting periods ending on 31 March 2011 and 2010 as well as the notes to the financial statements (Notes) are neither audited nor subjected to a review.

The significant recognition, measurement and consolidation methods have remained unchanged in comparison with the 2009/2010 consolidated financial statements.

The shares held as financial assets that were measured in accordance with IAS 39 for the first time in the 2001/2002 financial year were adjusted to fair value as at 31 March 2011 within the scope of their being treated with neutral effects on profits. At the end of the quarter, the value of these shares stood at T€ 243 compared to T€ 219 as at 30 September 2010. The difference of T€ 24 was netted in equity capital in the revaluation reserve position with neutral effects on profits.

Dr. Hönle AG acquired in the second quarter of fiscal year 2010/2011 the remaining 10 % stake in PrintConcept UV-Systeme GmbH at a preliminary purchase price of T€ 607. Dr. Hönle AG thus holds 100 % shares in PrintConcept UV-Systeme GmbH.

Hoenle UV Technology (Shanghai) Trading Limited, with head office in Shanghai, China, was established in the second quarter of financial year 2010/2011. The company's nominal capital amounts to € 200,000. The shares are held to 100% by Dr. Hönle AG. The company is included in the Hönle Group consolidated financial statements as at 31 March 2011 for the first time.

As from the foundation date (26 January 2011) through to the end of the second quarter of 2010/2011 (31/03/2011), the financial statements information of Hoenle UV Technology (Shanghai) Trading Limited was examined with a view to the materiality of the qualitative requirements.

The financial statements information of Hoenle UV Technology (Shanghai) Trading Limited for the above-stated period impacts has an insignificant impact on the presentation of a true and fair view of the net assets, financial position and results of operations of the Hönle Group.

The second quarter of 2010/2011 also saw the business combination with UV-Technik Speziallampen GmbH, Wümbach, Ilmenau, described below. Dr. Hönle AG acquired 51% of the shares and voting rights in UV-Technik Speziallampen GmbH, Wümbach, Ilmenau, with effect as from 1 January 2011. The acquisition date (1 January 2011), is the day when control over the acquired company is transferred to the acquirer and, consequently, the acquirer has the possibility to determine the finance- and business policy of the acquired enterprise. UV-Technik Speziallampen GmbH is included in the scope of consolidation from 1 January 2011 onwards.

Upon signing the purchase agreement on 7 December 2010, Dr. Hönle AG was entitled to acquire step-by-step the remaining 49% of the shares in UV-Technik Speziallampen GmbH, that can be exercised the first time from 1 January 2013.

UV-Technik Speziallampen GmbH develops, manufactures and sells UV lamps and pertaining components for water sterilisation, in particular. The company generated sales of ca. € 6.8 million in financial year 2010 with some 60 employees.

In addition, Dr. Höhle AG has a right to acquire step-by step UV-Electronic GmbH, Durchhausen, that can be exercised the first time from 1 January 2013. UV-Electronic GmbH develops, manufactures and sells electronic power supplies for UV lamps.

With the acquisition of UV-Technik Speziallampen GmbH, Höhle continues its strategy of increasing its sales in the segment of short-lived economic goods in addition to the equipment and systems business: UV-Technik Speziallampen GmbH has been included in the consolidated financial statements of Dr. Höhle AG since 1 January 2011. The inclusion took place on the basis of preliminary accounts preparation as determining the purchase price allocation, in particular, the measurement of acquired intangible assets, is time-intensive and had not been concluded as at the balance sheet date. The best possible available information at the financial statements preparation date was used to this end.

The fair values of the acquired assets and transferred liabilities recognised as at the acquisition date as well as the respective carrying amounts directly prior to the business combination are as follows:

	Carrying amounts in T€	Fair Value in T€
Non-current assets		
Intangible assets	94	244
Property, plant and equipment	615	577
Financial assets	2	2
Current assets		
Inventories	847	847
Trade accounts receivable	489	489
Other assets	171	171
Cash and cash equivalents	96	96
Deferred tax assets	0	12
Liabilities		
Provisions	216	225
Trade accounts payable	292	292
Financial liabilities	933	933
Other liabilities	126	37
Deferred tax liabilities	0	63
Net assets	747	888
Non-controlling interests		-435
Acquired net assets		453

Acquired trade accounts receivable are recorded at the amount of T€ 623 and include value adjustments of T€ 134. The acquired cash funds amounted to T€ 96. Consequently, an outflow of cash in the amount of T€ 224 was recorded.

These cash flows and the acquired assets and transferred liabilities resulted in goodwill of T€ 367. The main factors leading to goodwill recognition include expected synergies in the fields of development, production and sales.

The consolidated net income for the current period includes profit of UV-Technik Speziallampen GmbH in the amount of T€ 216. EBIT amounted to T€ 221 for the same period. Consolidated net income would have been higher by T€ 70 if the business combination had already taken place as at 1 October 2010.

Consolidated sales increased by T€ 1,785 due to the UV-Technik Speziallampen GmbH acquisition. Had the business combination already taken place on 1 October 2010, consolidated sales would have been higher by T€ 1,693 compared to the sales actually achieved.

The corporate acquisition of UV-Technik Speziallampen GmbH resulted in further equity investments: UV-Technik Speziallampen GmbH holds a 99% stake in UV-Technik Polska Sp. z o.o.. UV-Technik Polska Sp. z o.o. is an indirect investment. Despite a holding of 99%, UV-Technik Polska Sp. z o.o. was not

included in consolidation as the company is of immaterial importance for providing a true and fair view of the net assets, financial position and results of operations of the Group. UV-Technik Polska Sp. z o.o. was founded on 22 July 2010. According to a careful analysis, no synergy effects resulted from the corporate foundation, and liquidation of the company at the earliest possible date was therefore resolved by a shareholders' resolution on 11 March 2011.

UV-Technik Speziallampen GmbH holds a 90% shares in UV-Technik France S.à.r.l.. The indirect UV-Technik France S.à.r.l. investment has existed since 7 January 2011. Despite a holding of 90%, UV-Technik France S.à.r.l. was not included in consolidation as the company is of immaterial importance for providing a true and fair view of the net assets, financial position, and results of operations of the Group.

In the 2010/2011 financial year in the consolidated cash flow statement the identity of "payments for the acquisition of non-controlling interests" is represented in the field cash flow from financing activities. The prior year figures have been adjusted to reflect the new structure.

In fiscal year 2010/2011 in the segment reporting the disclosure of cash is shown in the range of segment assets. The prior year figures have been adjusted to reflect the new structure.

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

	Equipment/ systems		adhesives		Elimina- tions		Consolidated	
	per 03/11	per 03/10	per 03/11	per 03/10	per 03/11	per 03/10	per 03/11	per 03/10
	T€	T€	T€	T€	T€	T€	T€	T€
INCOME:								
External sales	23,423	17,402	8,682	7,654			32,105	25,056
Intra-group sales	247	136	10	64	-257	200	0	0
Total sales	23,670	17,538	8,692	7,718	-257	200	32,105	25,056
NET EARNINGS:								
Segment result (operating result)	4,028	1,540	919	618	34	-60	4,981	2,098
Interest income	176	570	29	69	-187	-208	18	431
Interest expense	192	261	83	81	-207	-208	68	134
Income from securities							2	3
Depreciation on securities							100	417
Earnings before tax and non-controlling interests							4,833	1,981
Income taxes	901	442	216	76	0	0	1,117	518
Deferred taxes	263	37	55	159	7	-15	325	181
Earnings before non-controlling interests							3,390	1,282
OTHER INFORMATION:								
Segment assets:	36,222	29,457	15,179	14,269	-3,953	-5,856	47,448	37,869
Non-allocated assets:								
- Financial assets							285	256
- Non-current receivables							665	721
- Tax refund claims							230	316
- Deferred tax assets							1,125	543
Consolidated assets							49,753	39,705
Segment liabilities	18,618	16,639	6,964	7,591	-12,861	-14,587	12,721	9,643
Deferred tax liabilities							1,121	960
Tax accruals							1,736	573
Non-current loans							730	886
Investments:	350	527	63	76	0	0	413	603
Segment amortisation/depreciation	494	419	160	155	0	0	654	575
Non-cash expenses of the segment	323	130	53	52	0	0	376	182

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, 18 May 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

27 May 2011

6 Months Report 2010/2011

25 August 2011

9 Months Report 2010/2011

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