2007 2008

6 MONTHS REPORT

hönle uv technology

Hönle at a Glance

Hönle Group Figures	2007/2008 6 Months	2006/2007 6 Months	Changes
Income Statement	**T €**	**T €**	**in %**
Revenues	**18,036**	12,771	41.2
EBITDA	**3,862**	2,409	60.3
EBIT	**3,416**	2,076	64.5
EBT	**3,702**	2,408	53.7
Net income	**2,785**	1,473	89.1
Share			
Earnings per share	**0.51**	0.27	88.9
Number of shares	**5,512,930**	5,432,500	1.5
Cashflow			
Operating Cashflow 1)	**2,240**	1,002	123.6
Balance Sheet 2)			
Long-term assets	**11,606**	6,492	78.8
Current assets	**30,240**	28,029	7.9
Shareholders' equity	**29,806**	28,913	3.1
Long-term debts	**3,955**	2,199	79.9
Current liabilities	**8,085**	3,409	137.2
Total assets	**41,846**	34,521	21.2
Capital ratio in %	**71.2**	83.8	- 15.0
Staff			
at the end of the quarter	**219**	129	69.8

1) Cashflow from operating activities reported in the cashflow statement
2) as of 31/03/2008 and 30/09/2007

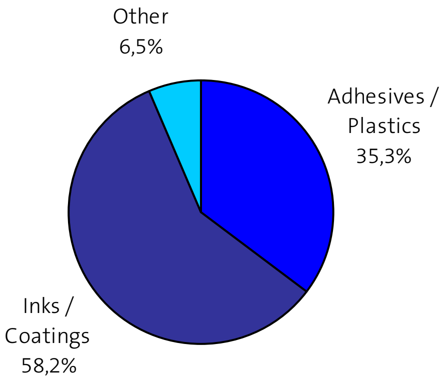
Hönle Group Report

for the six months from 01 Oktober 2007 to 31 March 2008

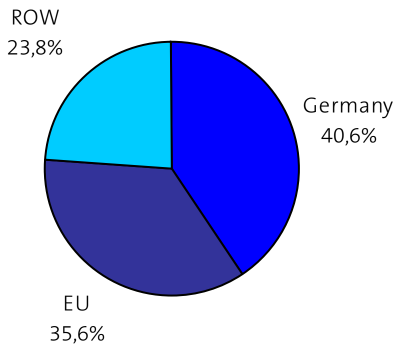
Overview

The Panacol Group and PrintConcept GmbH were consolidated for the first time in the second quarter of 2007/2008. Consolidated revenue thus increased by 41.2 % to T€ 18,036 in the first half year.

Sales revenue in the inks and coatings segment picked up by 15.1 %, climbing to T€ 10,506. Positive business development in digital print and coating applications contributed to the sales increase experienced in this segment. The adhesives and synthetics segment grew by 138.5 % to T€ 6,366 during the first six months, primarily due to the Panacol consolidation. Sales revenue in the "Other" segment, which comprises disinfection and sunlight simulation equipment climbed by 19.4 % to T€ 1,164.



Regionally, Hönle achieved the highest level of sales revenues of T€ 7,315 in Germany (+ 24.2 %), even after consolidation of the new companies. However, sales revenues generated in the European Union within the year increased even more strongly, climbing by 62.7 % to T€ 6,423, and revenue generated outside Europe grew by 46.6 % to T€ 4,298. The perceptible sales growth abroad is primarily due to the strong sales achieved by the new companies in the EU and a rising demand for digital printing and surface coating outside Europe.



Hönle worked out a concept aimed at integration of the new Panacol and PrintConcept Group companies. The concept is focused on revenue increases and the realisation of cost savings potential. Hönle analysed synergies in the sales, development, and administrative sectors and has taken pertaining implementation measures. In so doing, Hönle Group sales staff received training regarding the technical specifications and utilisation possibilities of Panacol products. In the future, Wellomer development capacities will also be available for Panacol. The bookkeeping function is to be centralised in Gräfelfing within the current financial year. All companies will be integrated into a Group-wide uniform ERP and IT structure. This will enable Hönle to obtain important information reliably and at an early stage from all Group companies.

Results of Operations

The operating result (EBIT) jumped by 64.5 % to T€ 3,416. The EBIT margin was 18.9 % in comparison with 16.3 % in the previous year. This remarkable increase is due to the higher revenue level and a special effect in the amount of T€ 705. Within the scope of purchase price allocation concerning the Panacol Group, which was acquired as at 1 January 2008, a higher reportable corporate value arose in comparison with the purchase price that was disclosed under Other operating income.

The pretax result (EBT) rose by 53.7 % to T€ 3,702. The net income for the period rose by 89.1 % and amounted to T€ 2,785, which corresponds to earnings per share of € 0.51 (PY: € 0.27) in the first six months of the financial year. Net profit on sales amounted to 15.4 % after 11.5 % in the previous year.

After consolidation of the new companies, the cost of materials ratio rose from 33.8 % in the past financial year to 35.9 % in the current financial year, whereas the personnel expense ratio remained almost unchanged at 29.3 % (PY: 29.1 %). At 19.2 %, the ratio of other operating expenses was identical with the previous year's value.

Financial Position

The net cash flow provided by operating activity was T€ 2,240 in the first six months of the financial year (PY: T€ 1,002).

Payments amounting to T€ 4,129 were made for the acquisition of company shares. Dividend payouts led to a decline in cash of T€ 2,075. In all, cash and cash equivalents declined by T€ 4,442 in the first six months of the financial year.

Net Assets

Initial consolidation of the Panacol Group and PrintConcept GmbH led to some changes in the consolidated balance sheet for the first six months of the year:

On the assets side, the purchase price allocation resulted in a T€ 1,272 increase in intangible assets. Property, plant and equipment rose by T€ 1,865, associated in particular with the assets of the acquired companies. Owing to the capitalisation of goodwill for PrintConcept GmbH the respective balance sheet item rose by T€ 2,002. Liquid assets declined by T€ 4,442 to T€ 13,313, mainly due to the two above-stated corporate acquisitions. Taken together, liquid assets, financial assets and treasury stock amount to T€ 16,118 which corresponds to a cash proportion of € 2.92 per share.

The T€ 901 increase in deferred tax disclosed on the balance sheet liabilities results from applying accounting standards in conformity with IFRS for the first time at the new companies, and the revaluation of assets and debts within the scope of purchase price allocation.

The increase in other short term liabilities includes the purchase price of T€ 1,102, which will probably still have to be paid for the Panacol Group.

Research and Development

Innovative products form the basis for future success as a successful UV systems supplier. The Hönle Group is therefore presently extending its research and development activities.

A staff of 30 is engaged in performing order-based as well as customer-related development projects. The number of employees in the R&D departments prior to the corporate acquisitions was 18 in the previous year. R&D activities that are independent of orders amounted to T€ 410 in the first half of the year after T€ 273 in the previous year's periode.

Personnel

In the past three months, the number of staff working for the Hönle Group rose from 134 to 229 as of the end of the quarter. The figures include the new Panacol and PrintConcept companies for the first time. In the previous year, the number of Hönle Group employees was 129.

Supplementary Report

Dr. Hönle AG signed a purchase agreement concerning the acquisition of all shares in Eltosch Thorsten Schmidt GmbH after the end of the reporting period. Eltosch is among the leading drying technology companies for printing machines. For more than 30 years now, the Company has developed, produced and sold UV, infrared and hot air dryers which are primarily used in offset printing. The company generated sales revenue of more than € 20 million with about 60 employees in the past financial year.

Due to the acquisition of Eltosch, the Hönle Group market share in the offset printing segment increased considerably. At the same time, it enabled the company to open up a direct access to the sheet-fed offset printing industry. Renowned companies in the printing segment are among the major customers, and strategic partnerships lasting many years have existed with some of them.

The acquisition is aimed at achieving synergy effects in the production, development, sales and administration segments, as well as at gaining sustained EBIT margin growth concerning Eltosch GmbH. Hönle's efforts are geared at reaching an EBIT margin of approximately 10% for Eltosch GmbH by the end of the 2010/2011 financial year.

Outlook

The Eltosch GmbH acquisition in May 2008 represents a significant milestone in the Hönle Group's corporate development. For more than 30 years now, Eltosch has developed, produced and sold drying plants for the sheet-fed offset printing industry. Through the acquisition, Hönle succeeded in tapping directly into one of the largest UV markets.

Moreover, Hönle acquired powerful, high quality products, fully fledged equipment technology that is secured through several patents, and longstanding competence in the UV, infrared, and hot air drying segments.

The business environment continues to be very positive for UV technology. Incoming orders and the orders portfolio of the Hönle Group are above the previous year's level. Hönle expects positive effects on revenue from the largest printing machine trade fair of the world, DRUPA, where Hönle will present a new generation of UV dryers. The equipment, which is based on a patented reflector geometry, is characterised by higher UV intensity with simultaneously reduced temperature development. In addition, new micro controllers for controlling plants and, in particular, compact dryers for small plants will be exhibited.

The broad range of industrial adhesives acquired with the Panacol takeover substantially increases the proportion of recurring consumer goods revenues generated by the Hönle Group. It also enables the Hönle marketing division to serve a large number of new applications through the extended product spectrum, and it opens up new sales opportunities - including those for UV equipment.

Given the present stable economic environment and the acquisitions undertaken, Hönle is aiming to achieve an 85% sales increase and a 40 % increase in the operating result (EBIT) for the current financial year. Hönle expects income-increasing effects from the Eltosch GmbH acquisition to be felt as early as in the coming financial year.

Consolidated Income Statement

for the period 1 October 2007 until 31 March 2008 according IFRS

	01.01.2008 - 31.03.2008 in T€	01.01.2007 - 31.03.2007 in T€	01.10.2007 - 31.03.2008 in T€	01.10.2006 - 31.03.2007 in T€
Revenues	**10,755**	**7,173**	**18,036**	**12,771**
Other operating income	935	63	1,037	125
Changes in inventories of finished goods and work in progress	5	- 231	24	- 32
Cost of purchased materials and services	- 4,018	- 2,302	- 6,481	- 4,308
Personnel expenses	- 3,203	- 1,861	- 5,289	- 3,704
Depreciation and amortization inclusive goodwill	- 274	- 178	- 446	- 333
Other operating expenses	- 2,165	- 1,221	- 3,465	- 2,443
Operating income/EBIT	**2,035**	**1,443**	**3,416**	**2,076**
Interest income	*168*	*200*	*371*	*377*
Interest expense	*- 63*	*- 22*	*- 85*	*- 45*
Financial result	105	178	286	332
Result before income taxes (and minority interest)/EBT	**2,140**	**1,621**	**3,702**	**2,408**
Income tax	- 443	- 567	- 858	- 848
Result before minority interest	**1,697**	**1,054**	**2,844**	**1,560**
Minority interest	- 35	- 50	- 59	- 87
Net income	**1,662**	**1,004**	**2,785**	**1,473**
Accumulated income brought forward			6,245	5,307
Accumulated net income			**9,030**	**6,780**
Net income per share (basic) in €			0.54	0.29
Net income per share (diluted) in €			0.52	0.27
Weighted average shares outstanding (basic)			5,198,415	5,143,758
Weighted average shares outstanding (diluted)			5,356,505	5,401,841

The consolidated interim report is unaudited.

Consolidated Balance Sheet

as of 31 March 2008 according IFRS

ASSETS	31.03.2008 in T€	30.09.2007 in T€
LONG-TERM ASSETS		
Intangible assets	2,081	809
Tangible assets	5,691	3,826
Goodwill	2,365	363
Financial assets	274	346
Long term portion of prepaid expenses		
and other long term assets	711	826
Deferred taxes	484	322
Total long-term assets	**11,606**	**6,492**
CURRENT ASSETS		
Inventories	8,567	4,741
Trade accounts receivable	6,797	4,669
Current portion of prepaid expenses		
and other current assets	1,208	635
Tax refund claims	355	229
Cash and cash equivalents	13,313	17,755
Total current assets	**30,240**	**28,029**
TOTAL ASSETS	**41,846**	**34,521**

The consolidated interim report is unaudited.

LIABILITIES AND SHAREHOLDERS´ EQUITY	31.03.2008 in T€	30.09.2007 in T€
SHAREHOLDERS´ EQUITY		
Share capital	5,513	5,513
Own shares	- 2,531	- 2,219
Additional paid in capital	16,787	16,778
Legal reserve	49	49
Special item revaluation	- 232	- 160
Retained earnings	9,030	8,320
Currency disparities	301	45
Equity attributable to Dr. Hönle AG's shareholders	**28,917**	**28,326**
Minority interest	889	587
Total Shareholders´ Equity	**29,806**	**28,913**
LONG-TERM DEBTS		
Long-term debts, less current portion	778	800
Long-term portion of finance lease obligation	289	2
Other long-term debts	100	1
Pension accruals	1,714	1,223
Deferred taxes	1,074	173
Total long term debts	**3,955**	**2,199**
CURRENT LIABILITIES		
Trade accounts payable	2,220	802
Liabilities to associated companies	1	2
Advance payments received	542	259
Current portion of finance lease obligation	84	5
Current liabilities and current portion of long term debts	831	0
Other current liabilities	3,125	1,440
Other accrued expenses	917	589
Income tax payable	321	312
Deferred revenues	44	0
Total current liabilities	**8,085**	**3,409**
TOTAL LIABILITIES AND SHAREHOLDERS´ EQUITY	**41,846**	**34,521**

The consolidated interim report is unaudited.

Consolidated Statement of Changes in Equity

for the period 1 October 2007 until 31 March 2008

	Share capital in T€	Own shares in T€	Additional paid-in capital in T€	Legal reserve in T€	Special item revaluation in T€	Consol. retained earnings/ loss in T€	Currency disparities in T€	Minority interest in T€	Total in T€
As at 01.10.2006	**5,433**	**- 2,178**	**16,721**	**49**	**- 193**	**6,850**	**28**	**433**	**27,143**
Dividend disbursement						- 1,543			- 1,543
Conditional capital increase	8		2						10
Purchase of own shares		- 41							- 41
Currency disparities							1		1
Change of minority interest effecting net income								87	87
Valuation of investments due to IAS 39 not effecting net income					36				36
Change of additional paid in capital due to IFRS 2			20						20
Net income						1,473			1,473
As at 31.03.2007	**5,441**	**- 2,219**	**16,743**	**49**	**- 157**	**6,780**	**29**	**520**	**27,186**
As at 01.10.2007	**5,513**	**- 2,219**	**16,778**	**49**	**- 160**	**8,320**	**45**	**587**	**28,913**
Dividend disbursement						- 2,075			- 2,075
Conditional capital increase									0
Purchase of own shares		- 312							- 312
Currency disparities							256		256
Change of minority interest effecting net income								59	59
Change of minority interest due to acquisitions								243	243
Valuation of investments due to IAS 39 not effecting net income					- 72				- 72
Change of additional paid in capital due to IFRS 2			9						9
Net income						2,785			2,785
As at 31.03.2008	**5,513**	**- 2,531**	**16,787**	**49**	**- 232**	**9,030**	**301**	**889**	**29,806**

The consolidated interim report is unaudited.

Consolidated Statement of Cashflows

for the period 1 October 2007 until 31 March 2008 according to IFRS

	01.10.2007- 31.03.2008 in T€	01.10.2006- 31.03.2007 in T€
Cashflows from operating activities:		
Net income for the year before minority interest and taxes	3,702	2,408
Adjustments for:		
Depreciation of fixed assets	446	333
Interest income	- 371	- 377
Interest expenses	85	45
Income due to the release of the debit difference Panacol	- 705	0
Other expenses/income not relating payments	45	12
Change of additional paid-in capital due to IFRS 2 not relating payments	9	20
exchange rate disparities not relating payments	-78	0
Operating result before changes to net current assets	**3,133**	**2,441**
Increase/decrease of accrued expenses *	34	249
Increase/decrease of trade accounts receivable	1,065	- 342
Increase/decrease of other assets and the prepaid expenses (without premiums on participation certificates)	- 178	- 341
Increase/decrease in inventories	- 1,130	- 328
Increase/decrease in trade accounts payable	- 174	- 517
Increase/decrease in liabilities to associated companies	- 1	0
Increase/decrease in advance payments received	273	85
Increase/decrease in other liabilities *	- 771	- 245
Increase / decrease in deferred revenues	- 11	0
Cash from ongoing business activities	**2,240**	**1,002**
Interest paid	- 85	- 45
Tax paid from income	- 1,239	- 488
Net cash from operating activities	**916**	**469**
Cashflows from investment:		
Purchase of company shares	- 4,129	0
Purchase of tangible assets and intangible assets	- 354	- 381
Receipt of payments from long-term demands	188	54
Payments for long-term demands	- 41	- 22
Interest and dividend received	371	497
Net cash used for investment	**- 3,965**	**148**
Cashflows from financing activities:		
Receipt of payments from conditional capital surplus	0	10
Payments for debts and liabilities towards banks	660	338
Dividends paid	- 2,075	- 1,543
Purchase of own shares	- 312	- 41
Net cash from financing activities	**- 1,727**	**- 1,236**
Currency disparities with neutral effect and recorded in equity	256	1
Change of cash	78	0
Net increase/decrease in cash	**- 4,442**	**- 618**
Cash at the beginning of the period under review	**17,755**	**10,453**
Cash at the end of the period under review	**13,313**	**9,835**
Changes in cash	**- 4,442**	**- 618**

*) Due to the changed disclosure concerning personnel-related accruals, the previous year's accruals and other liabilties values were adjusted.
The consolidated interim report is unaudited.

Explanatory Notes

to the 6-Month Report of the Financial Year 2007/2008

Hönle prepares the consolidated interim financial statements in accordance with International Financial Reporting Standards (IFRS) published by the International Financial Reporting Standards Board (IFRIC) and their interpretations, to be applied in the European Union (EU). Hönle prepares and publishes the consolidated interim financial statements in euro currency (€).

The consolidated interim financial statements as at 31 March 2008 has not been provided with an audit certificate. It has been prepared in accordance with IAS 34 "Interim Financial Reporting" and should be read in the context of the consolidated financial statements prepared by the company for the 2006/2007 financial year. The significant accounting, valuation and consolidation methods have not undergone any significant change compared with the Annual Report 2006/2007.

The shares, which were valued according to IAS standard 39 for the first time in financial year 2001/2002 and which are held as financial investments, were adjusted to the fair value as at 31 March 2008 and treated with neutral effect on profits. The value of these shares amounted to T€ 248 at the end of the quarter, compared to T€ 320 as at 30 September 2007. The difference amounting to T€ -72 was set off against the special item revaluation with neutral effect on profits and recorded under equity capital.

In the first six months of financial year 2007/2008, Dr. Hönle AG acquired 35,550 of its own shares (treasury stock) in the amount of T€ 312. The average price was € 8.77. The total number of own shares held by Dr. Hönle AG rose from 290,289 shares of stock at the end of the last financial year to 325,839 as at 31 March 2008. In accordance with IAS 32, own shares are accounted for as a deduction of acquisition costs in the total amount of T€ 2,531 as of 31 March 2008 (compared with T€ 2,219 as of 30 September 2007); they are disclosed on an equity capital adjustment item.

Notes to the Business Combinations

Financial year 2007/2008 saw the two significant business combinations described below:

- Agita Holding AG, Zurich, including the Panacol Group (hereinafter “Panacol” or the “Panacol Group”);
- PrintConcept UV-Systeme GmbH, Köngen (hereinafter “PrintConcept GmbH”).

Agita Holding AG, Zurich, including the Panacol Group

As of 1 January 2008, Dr. Hönle AG acquired all shares in Swiss Agita Holding AG which, in turn, is the 100% parent company of the Panacol Group, a supplier of industrial adhesives.

The Panacol Group is represented at three sites in France, Germany, and Switzerland, and generated sales revenue of approximately € 14 million with about seventy employees in 2007. The Panacol Group offers a broad-based product range that extends from UV-reactive epoxides and acrylates to structural adhesives and constructive adhesives through to instant adhesives and silicones. The Group also sells UV equipment, dosage systems and hot bar soldering.

Through this acquisition, Dr. Hönle AG aims at significantly extending its product range in the adhesives segment, at increasing the share of recurring revenue in the form of consumer goods relative to total revenue and, in so doing, become more independent from cyclical fluctuations in the capital goods segment.

The Panacol Group is included in the Dr. Hönle AG consolidated financial statements as from 1 January 2008.

The acquisition costs for the share purchases totaled T€ 5,622; thereof, the amount of T€ 4,520 has been paid in cash. In addition, other potential purchase price liabilities are payable, depending on the final EBIT of the Panacol Group in financial years 2007 and 2008. The amount currently expected to be paid is T€ 1,102. The incidental acquisition costs included in the purchase price amount to T€ 165.

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

	Book value in TEUR	**Fair Value in TEUR**
Long term assets		
Intangible assets	34	305
Tangible assets	1,285	1,797
Other assets	96	96
Deferred taxes	155	155
Current assets		
Inventories	2,493	2,493
Trade accounts receivable	2,744	2,744
Other assets	321	321
Cash and cash equivalents	2,795	2,795
Liabilities		
Other accrued expenses	731	731
Trade accounts payable	1,325	1,325
Financial liabilities	480	480
Other liabilities	1,230	1,230
Deferred taxes	343	593
Net assets	**5,814**	**6,347**
Minority interest		-20
Acquired net assets		**6,327**

The cash acquired amounted to T€ 2,795. Purchase price netted against acquired cash results in a cash outflow in the amount of T€ 1,725 overall.

A debit difference of T€ 705 resulted from these payment flows and the newly valued acquired assets and debts transferred, and this amount was credited to income and is disclosed in the income statement under other operating income.

The land and building acquired in France within the context of the corporate acquisition is based on a contractual finance lease relationship. The present value of land and building was capitalised during the purchase price allocation. The liability net of repayments made was reported on the liability side in the total amount of T€ 367 as at 31 March 2008.

The result of the acquired companies from the date of acquisition, i.e., 1 January 2008 to 31 March 2008, amounted to T€ 168. This amount does not include other operating income from the release of debit differences from capital consolidation.

Sales revenues in the period from 1 October 2007 through to the acquisition date amounted to T€ 3,401. Sales revenues from 1 October 2007 to 31 March 2008 came to T€ 6,898.

No business divisions were discontinued or sold within the scope of the business combination.

PrintConcept UV-Systeme GmbH, Köngen

As of 1 January 2008, Dr. Hönle AG acquired a total of 70 % of the shares in PrintConcept GmbH, Köngen near Stuttgart. The purchase agreement also stipulates acquisition of another 10 % of the shares at the beginning of the years 2009, 2010 and 2011, respectively.

PrintConcept GmbH develops, produces and sells high-quality UV systems, primarily for the graphics industry. The company generated sales revenue of approximately € 3.5 million in financial year 2007.

With this acquisition, Dr. Hönle AG aims at significantly improving its market position in the offset printing segment. The business combination already brought Dr. Hönle AG a significantly increased market share in the rotary offset printing segment. The goal is to extend existing contacts with printing machine manufacturers jointly with the new subsidiary, and open up new sales potential.

PrintConcept GmbH is included in the consolidated financial statements of Dr. Hönle AG as from 1 January 2008.

The acquisition costs for the share purchases totaled T€ 2,519 as of the acquisition date and were paid in cash. The incidental acquisition costs included in the purchase price amount to T€ 69.

The fair values of the acquired assets and debt transferred as at the acquisition date as well as their book values immediately before the business combination is as follows:

	Book value in TEUR	Fair Value in TEUR
Long term assets		
Intangible assets	3	1,047
Tangible assets	85	85
Other assets	0	0
Deferred taxes	12	12
Current assets		
Inventories	244	244
Trade accounts receivable	449	449
Other assets	10	10
Cash and cash equivalents	115	115
Liabilities		
Accrued expenses	335	335
Trade accounts payable	271	271
Financial liabilities	54	54
Other liabilities	262	262
Deferred taxes	0	297
Net assets	**-4**	**743**
Minority interest		-223
Acquired net assets		**520**

The cash acquired amounted to T€ 115, leading to an overall outflow of cash in the amount of T€ 2,404.

These cash flows and the acquired assets and debt transferred result in goodwill of T€ 1,998. The main factors leading to the recording of goodwill are the expected synergies in sales, whereby the corporate contacts to the printing machine manufacturers the existing business relation shall be strengthened and new sales potentials shall be developed.

Assuming that the planned earnings targets (EBIT) will be achieved for the years 2008-2010, the financial obligations arising from the planned acquisition of another 30% of the shares during the years 2009 to 2001 will amount to T€ 2,190.

The result of the acquired companies from the date of acquisition through to 31 March 2008 amounted to T€ -83.

Sales revenues in the period from 1 October 2007 to the acquisition date amounted to T€ 1,388. Sales revenue in the period from 1 October 2007 to 31 March 2008 came to T€ 1,762.

No business divisions were discontinued or sold within the scope of the business combination.

Assuming that the two business combinations had already occurred at the beginning of the reporting period on 1 October 2007, total consolidated net income would have increased by T€ 4,789 to T€ 22,825. The contribution to total consolidated net income would have risen by T€ 127 to T€ 2,912 under this assumption.

Events after the balance sheet date

Dr. Hönle AG acquires all shares and all voting rights in the Hamburg-based Eltosch Torsten Schmidt GmbH from Advanced Photonics Technologies AG and thus further extends its position as a systems supplier on the market for industrial UV technology. After the acquisition, Hönle considers itself to be the second largest systems supplier worldwide in this strongly growing market.

Eltosch is among the leading companies in drying technology for printing machines. For more than 30 years now, the company has developed, produced and sold UV, infrared and hot air dryers that are primarily used in offset printing. The company generated sales revenues of more than € 20 million with about 60 employees in the last financial year.

By purchase agreement of 8 May 2008, Dr. Hönle AG acquired 100% of the shares in Eltosch Torsten Schmidt GmbH and 49% of the shares in Adphos Eltosch Service GmbH, Hamburg, which were held by Advanced Photonics Technologies AG. In addition, receivables of Advanced Photonics Technologies AG vis à vis the companies stated were acquired. The total purchase price for the business shares and receivables amounts to € 3.1 million and is payable within a period of 7 working days after conclusion of the purchase agreement. Control is transferred upon payment of the full purchase price, which is expected to take place on 15 May.

More detailed disclosures concerning the corporate acquisition cannot be made at present due to the non-availability of respective information and the short time period between acquisition and publication of these interim financial statements.

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

	Germany as at 03/08 T€	Germany as at 03/07 T€	Europe as at 03/08 T€	Europe as at 03/07 T€
External sales	7,315	5,892	6,423	3,948
Intra-group sales	927	370	960	897
Total sales	8,242	6,262	7,383	4,845
RESULTS:				
Segment result (operating result)	**1,227**	**1,008**	**825**	**597**
Interest received				
Interest paid				
Income from securities				
Results from operating activities				
Taxes on income				
Net income before minority interest				
OTHER INFORMATION				
Segment assets:				
- by sales areas	10,236	7,853	10,636	5,170
- by location of assets	18,298	15,358	5,791	1,276
Non-allocated assets:				
- Financial assets				
- Long term receivables				
- Tax refund claims				
- Deferred tax assets				
- cash and cash equivalents				
Consolidated assets				
Segment liabilities (by sales areas)	**4,826**	**2,506**	**6,316**	**2,930**
Deferred tax liabilities				
Income tax payable				
Long term debts				
Consolidated liabilities (current and long term portion)				
Investments:				
- by sales areas	2,722	225	1,347	84
- by location of assets	3,536	379	656	2
Segment depreciation (by sales areas)	239	180	124	85
Non-cash segment expenses (by sales areas)	204	246	154	163

	Rest of the world as at 03/08 T€	Rest of the world as at 03/07 T€	Eliminations as at 03/08 T€	Eliminations as at 03/07 T€	Consolidated as at 03/08 T€	Consolidated as at 03/07 T€
External sales	4,298	2,931			18,036	12,771
Intra-group sales	49	0	- 1,936	- 1,267		
Total sales	4,347	2,931	- 1,936	- 1,267	18,036	12,771
RESULTS:						
Segment result (operating result)	**754**	**450**	**610**	**21**	**3,416**	**2,076**
Interest received					369	195
Interest paid					- 85	- 45
Income from securities					2	182
Results from operating activities					**3,702**	**2,408**
Taxes on income					0	0
Net income before minority interest					- 858	- 848
OTHER INFORMATION					**2,844**	**1,560**
Segment assets:						
- by sales areas	5,295	3,611	542	- 1,507	26,709	15,127
- by location of assets	2,078	0	542	- 1,507	26,709	15,127
Non-allocated assets:						
- Financial assets					274	6,490
- Long term receivables					711	842
- Tax refund claims					355	38
- Deferred tax assets					484	265
- cash and cash equivalents					13,313	9,835
Consolidated assets					**41,846**	**32,597**
Segment liabilities (by sales areas)	**2,021**	**991**	**- 3,585**	**- 2,412**	**9,578**	**4,015**
Deferred tax liabilities					1,074	56
Income tax payable					321	540
Long term debts					1,067	800
Consolidated liabilities (current and long term portion)					**12,040**	**5,411**
Investments:						
- by sales areas	123	72			4,192	381
- by location of assets	0	0			4,192	381
Segment depreciation (by sales areas)	83	68			446	333
Non-cash segment expenses (by sales areas)	122	125			480	534

The parameters to be segmented by sales areas are allocated using an allocation formula derived in a uniform manner from revenues.

The segmental assets are defined as the sum total of intangible assets, property, plant and equipment, inventories and current receivables. Segment liabilities comprise long term and current liabilities. Non-cash segment expenses include alterations to pension accruals and other accruals.

As in the 2006/2007 Annual Report, tax accruals and long-term loans were shown separately from the segment debts in this quarter, also. Furthermore, personnel-related liabilities were disclosed under Other short term liabilities whereas in the previous year they had been recorded under Other accruals. This resulted in a change in the previous year's value for segment debts and in non-cash expenses.

The transfer prices of intra-group deliveries and services are subject to the same conditions as those applicable for third parties.

The Group figures to be segmented are allocated to individual secondary segments as follows (unaudited):

	Adhesives / Plastics [1]		Inks / Coatings [2]		Other [3]		Eliminations		Consolidated	
	as at 03/08 T€	as at 03/07 T€	as at 03/08 T€	as at 03/07 T€	as at 03/08 T€	as at 03/07 T€	as at 03/08 T€	as at 03/07 T€	as at 03/08 T€	as at 03/07 T€
INCOME:										
External sales	6,366	2,669	10,506	9,127	1,164	975			18,036	12,771
Intra-group sales	815	199	1,035	984	86	84	- 1,936	- 1,267		
Total sales	7,181	2,868	11,541	10,111	1,250	1,059	- 1,936	- 1,267	18,036	12,771
Segment assets:										
- by business segments	11,933	3,596	12,924	11,824	1,310	1,214	542	- 1,507	26,709	15,127
Investments:										
- by business segments	870	96	3,295	259	27	26			4,192	381

Allocation of the figures to be segmented according to sales areas is based on an allocation key that is uniformly derived from sales revenues.

The segmental assets are defined as the sum total of intangible assets, property, plant and equipment, inventories and current receivables.

The transfer prices of intra-group deliveries and services are subject to the same conditions as those applicable for third parties.

[1] The adhesives/plastics segment includes amongst others adhesives and UV-units for curing adhesives and plastics
[2] The segment inks/coatings includes amongst others UV-driers for printing machineries and coatings
[3] The segment others includes amongst others UV-disinfection units and sun simulation units

Shareholdings and Option Rights of the Corporate Bodies

Securities portfolio as at 31 March 2008:

	Number of shares	Shares as percentage of nominal capital	Number of options
Board of Management			
Norbert Haimerl	25,000	0.45	10,000
Heiko Runge	16,100	0.29	10,000
Supervisory Board			
Dr. Hans-Joachim Vits	353,444	6.41	0
Prof. Dr. Karl Hönle	220,000	3.99	0
Eckhard Pergande	4,200	0.07	0
Dr. Hönle AG	325,839	5.91	
Sum	**944,583**	**17.13**	**20,000**
Shares total	**5,512,930**	**100.00**	

Statement of the Company's Management

We affirm that, to the best of our knowledge, the consolidated financial statements give 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, 14 May 2008

Dr. Hönle AG
The Board of Management

Note
This quarterly report contains statements and information concerning the Hönle Group that are related to future periods. These future-oriented statements can be recognized by formulations such as "plan", "expect", "intend", "endeavour", "will", "estimate", "assume", "aim is" or similar expressions. Such statements have been made due to the present situation and current expectations, and may deviate considerably both positively or negatively from actual developments. Uncertainties arise due to the following factors, among others: Changes in the overall national and international economic environment, changes to the underlying political conditions, the introduction of new products or technologies by other companies, a change in the investment pattern of customer segments that are significant for the Hönle Group, changes to exchange and interest rates, the integration of acquired businesses, and also to other factors. Hönle is not obligated to adjust or update future-oriented statements.

Financial Calendar

15 May 2008

6 Months Report 2007/2008

14 August 2008

9 Months Report 2007/2008

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