2007
2008

9 MONTHS REPORT

hönle uv technology

Hönle at a Glance

Group Figures	2007/2008 9 Months	2006/2007 9 Months	Changes
Income Statement	**T €**	**T €**	**in %**
Revenues	**32,887**	19,055	72.6
EBITDA	**5,543**	3,504	58.2
EBIT	**4,808**	3,005	60.0
EBT	**5,117**	3,622	41.3
Net income	**3,812**	2,207	72.7
Share			
Earnings per share	**0.69**	0.40	72.5
Number of shares	**5,512,930**	5,512,930	0
Cashflow			
Operating Cashflow [1)]	**2,543**	2,316	9.8
Balance Sheet [2)]			
Long-term assets	**16,371**	6,492	152.2
Current assets	**31,937**	28,029	13.9
Shareholders' equity	**30,958**	28,913	7.1
Long-term debts	**4,120**	2,199	87.4
Current liabilities	**13,230**	3,409	288.1
Total assets	**48,308**	34,521	39.9
Capital ratio in %	**64.1**	83.8	- 23.5
Staff			
at the end of the quarter	**297**	132	125.0

1) Cashflow from operating activities reported in the cashflow statement
2) as of 30/06/2008 and 30/09/2007

Hönle Group Report

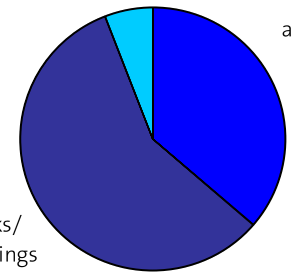
for the nine months from 01 October 2007 to 30 June 2008

Overview

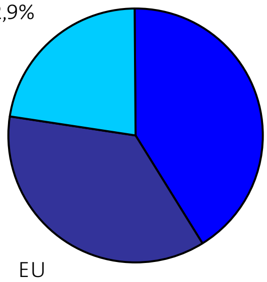
With the purchase of Eltosch GmbH on May 15 2008, Dr. Hönle AG acquired a company that specialises in drying technology for printing machines, thus gaining direct access to one of the biggest markets for UV technology, namely the sheet-fed offset printing industry. At the same time, Hönle also advanced to become the second largest systems supplier worldwide for UV technology. Through this acquisition, the Company expanded the consolidated Group for the third time during the current financial year which, since 1 January 2008, also includes the Panacol Group and PrintConcept GmbH, which were acquired at the end of 2007.

Integration of the new subsidiaries and the positive development of the operational business led to an increase in the Group's sales revenue by 72.6 % to T€ 32,887 in the first nine months of 2007/2008, while the net income for the period improved by 72.7 % to T€ 3,812. All companies acquired during this financial year - including Eltosch GmbH - contributed to these positive results.

The Hönle Group's sales revenue in the inks and coatings segment picked up by 45.0 % in the first nine months of the current financial year, climbing to T€ 19,058. One the one hand, the increase experienced in this segment is attributable to the positive business development in digital print and coating applications, and, on the other hand, the consolidation of Eltosch and PrintConcept led to an increase in sales revenue from print applications. The adhesives and synthetics segment grew by 164.9 % to T€ 11,969 during the first nine months, primarily due to the Panacol consolidation. Sales revenue in the "Other" segment, which comprises disinfection and sunlight simulation equipment, climbed by 33.3 % to T€ 1,860.



Regionally, Hönle achieved the highest level of sales revenue in Germany (+ 58.1 %) at T€ 13,491, even after consolidation of the new companies. However, there was an even stronger increase in sales revenue generated abroad: Sales revenue generated in the European Union climbed by 86.0 % to T€ 11,860, while sales revenue generated outside Europe increased by 81.8 % to T€ 7,536. The over-proportional sales growth abroad is primarily due to the strong sales figures achieved by the new companies in the EU, and a rising demand for UV equipment for digital printing outside Europe.



DRUPA, the largest printing machines trade fair in the world, ended on 11 June 2008. At this time it can already be stated that Hönle's expectations with regard to the trade fair were fully met and that the number of newly established contacts increased significantly compared to the last DRUPA trade show. The acquisition of Eltosch, which was announced in the run-up to the trade fair, was of particular interest to the industry. Several printing machine manufacturers had set up equipment with Hönle UV driers at their exhibition stands, thus providing Hönle with diverse opportunities for establishing a dialogue with its clients

Speedy Integration of Eltosch

Just as with the acquisitions of Panacol and PrintConcept, Hönle is also very much interested in the speedy integration of Eltosch in order to benefit from synergies and to improve the profitability of the new subsidiary. Since Eltosch has completely outsourced its production to date, the re-organisation of the production structures and a corresponding decrease in the cost of materials are of central importance. Hönle will expand the existing production lines at the head office of the Company in Gräfelfing, near Munich, and in this way increase the proportion of components manufactured directly by Eltosch, thus leading to improved gross yield margins. Hönle also expects to exploit synergies with regard to sourcing terms and conditions, which is to lead to a reduction in the manufacturing costs for Hönle and Eltosch products. For example, initial synergy effects are already reported in the segments: emitters and coated reflectors; Aladin GmbH and Dr. Hönle AG already supply Eltosch GmbH with products from these segments today.

In order to optimise the operational structure at Eltosch, the company will also be linked to the uniform ERP and EDP structure of the Hönle Group, which — in conjunction with the centralisation of accounting activities — will lead to a significant improvement in the information basis and flow of information.

Results of Operations

The operating result (EBIT) increased by 60.0 % to T€ 4,808 in the first nine months of the financial year. The EBIT margin was 14.6 %, compared to 15.8 % in the previous year. Earnings before taxes (EBT) rose by 41.3 % to T€ 5,117. Net income for the period increased by 72.7 % to T€ 3,812. The Hönle Group thus achieved earnings per share of € 0.69 (PY: € 0.40). Net profit on sales remained unchanged at 11.6 %.

After consolidation of the new companies (in particular of Eltosch with its still completely outsourced production), the cost of materials rose from 33.7 % in the first nine months of the past financial year to 41.3 % in the current financial year. The personnel expense ratio dropped from 29.8 % to 28.1 % during the same period. The ratio of other operating expenses improved from 19.2 % to 18.0 %

Financial Situation

Cash provided by operating activity amounted to T€ 2,543 (PY: T€ 2,316) in the first nine months.

The acquisition of shares in other companies led to payments totalling T€ 7,247 during the same period. Cash in the amount of T€ 2,075 was used for the distribution of dividends. In addition, cash in the amount of T€ 1,519 was used for a corresponding increase in inventories. In total, cash in hand thus decreased by T€ 9,907 to T€ 7,848 during the first nine months.

Net Assets

Compared to the consolidated interim balance sheet as at 31 March 2008, the first-time consolidation of Eltosch GmbH also led to some changes in the consolidated interim balance sheet as at 30 June 2008:

Owing to the capitalisation of goodwill for Eltosch GmbH, in particular, the respective balance sheet item rose by T€ 4,395 to T€ 6,760. Inventories increased by T€ 2,356 to T€ 10,923 in the last quarter, while trade receivables increased by T€ 4,438 to T€ 11,235. Liquid assets declined by T€ 5,465 to T€ 7,848 during the same period, mainly due to the acquisition of Eltosch. Liquid assets, financial assets and treasury stock thus amounted to T€ 10,629 as at 30 June 2008, which corresponds to a cash proportion of € 1.93 per share.

Research and Development

Innovative products provide the basis for future success. Through the acquisitions of Eltosch, PrintConcept and Panacol, the Hönle Group gained access to additional R & D capacities and was thus able to further expand its research and development activities. Against this background, the number of people employed in the R & D departments increased from 19 to 35 as at 30 June 2008. These employees carry out order-independent as well as customer-related development projects. R & D expenses that are independent of orders increased from T€ 421 in the previous year to T€ 650 in the current financial year.

Personnel

As of the end of the third quarter of 2007/2008, the Hönle Group employed a staff of 297, 78 more people when compared to the staff level as at 31 March. The acquisition of Eltosch alone saw 63 more people join the Hönle Group. In the previous year, the number of Hönle Group employees was 132.

Important Events after the Balance Sheet Date

In the course of the purchase of Eltosch, Dr. Hönle AG acquired 49 % of the shares in Adphos Eltosch Service GmbH (AES GmbH) in the period under review. After the end of the reporting period, Hönle will acquire the remaining 51 % stake in the company, which performs all service-related activities for Eltosch GmbH, in August 2008. AES GmbH employs a staff of around 20 and generates annual sales revenues of ca. € 4 million.

With the acquisition of the remaining stake in Adphos Eltosch Service GmbH after the end of the reporting period, Hönle aims to further integrate the service company in Eltosch GmbH, optimise processes, and further improve the service quality.

Outlook

Nine months into the current financial year, the number of Hönle Group's new contracts and contracts in hand continues to be above the previous year's level. The digital and ink jet segment as well as coating applications are the principal growth drivers. The forecasts of clients in those segments continue to be positive. Against this background, Hönle reinforces its targets for the current financial year: The Company plans an 85 % increase in sales revenue and an increase in the operating result (EBIT) by 40 %.

Special focus is placed on speedy integration of the companies that were taken over during the course of the year. In this connection, Hönle already anticipates positive results in the current financial year due to preliminary cost synergies to be exploited at Eltosch and its service company. A further increase in profitability will be possible as of next year due to the resuming of in-house manufacturing activities and as a result of synergies expected from sales and administrative activities. Hönle also expects positive sales revenue and profits from the integration of Panacol GmbH, which was acquired in January of this year. In this context, the business activities in China developed particularly well. Promising adhesives projects led to initial orders; more are to follow in the next quarters. In order to further increase profitability in the adhesives segment, Hönle will, among other things, merge Panacol Deutschland with the Wellomer subsidiary at one location in the next financial year.

In addition to durable appliances and equipment, Hönle is increasingly offering nondurable goods and consumer items. The broad range of industrial adhesives, which was obtained in the course of the acquisition of Panacol, significantly increases the proportion of recurrent sales revenue generated from consumer goods in the Hönle Group. The expansion of business activities in connection with UV emitters at Aladin GmbH also increases the proportion of recurrent sales revenue in the Hönle Group and thus decreases the company's dependency on cyclical investment fluctuations.

Consolidated Income Statement

for the period 1 October 2007 until 30 June 2008 according IFRS

	01.04.2008 - 30.06.2008 in T€	01.04.2007 - 30.06.2007 in T€	01.10.2007 - 30.06.2008 in T€	01.10.2006 - 30.06.2007 in T€
Revenues	**14,851**	**6,284**	**32,887**	**19,055**
Other operating income	266	109	1,303	234
Changes in inventories of finished goods and work in progress	424	- 104	448	- 136
Cost of purchased materials and services	- 7,273	- 2,071	- 13,754	- 6,379
Personnel expenses	- 4,065	- 1,939	- 9,354	- 5,643
Depreciation and amortization inclusive goodwill	- 290	- 166	- 735	- 499
Other operating expenses	- 2,520	- 1,184	- 5,987	- 3,627
Operating income/EBIT	**1,393**	**929**	**4,808**	**3,005**
Interest income	*116*	*308*	*488*	*685*
Interest expense	*- 94*	*- 23*	*- 179*	*- 68*
Financial result	22	285	309	617
Result before income taxes (and minority interest)/EBT	**1,415**	**1,214**	**5,117**	**3,622**
Income tax	- 309	- 460	- 1,168	- 1,308
Result before minority interest	**1,106**	**754**	**3,949**	**2,314**
Minority interest	- 79	- 20	- 137	- 107
Net income	**1,027**	**734**	**3,812**	**2,207**
Accumulated income brought forward			6,245	5,307
Accumulated net income			**10,057**	**7,514**
Net income per share (basic) in €			0.73	0.43
Net income per share (diluted) in €			0.71	0.41
Weighted average shares outstanding (basic)			5,194,640	5,167,057
Weighted average shares outstanding (diluted)			5,351,933	5,401,306

The consolidated interim report is unaudited.

Consolidated Balance Sheet

as of 30 June 2008 according IFRS

ASSETS	30.06.2008 in T€	30.09.2007 in T€
LONG-TERM ASSETS		
Intangible assets	2,166	809
Tangible assets	5,995	3,826
Goodwill	6,760	363
Financial assets	250	346
Long term portion of prepaid expenses and other long term assets	703	826
Deferred taxes	497	322
Total long-term assets	**16,371**	**6,492**
CURRENT ASSETS		
Inventories	10,923	4,741
Trade accounts receivable	11,235	4,669
Current portion of prepaid expenses and other current assets	1,258	635
Tax refund claims	673	229
Cash and cash equivalents	7,848	17,755
Total current assets	**31,937**	**28,029**
TOTAL ASSETS	**48,308**	**34,521**

LIABILITIES AND SHAREHOLDERS´ EQUITY	30.06.2008 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	16,791	16,778
Legal reserve	49	49
Special item revaluation	- 256	- 160
Retained earnings	10,057	8,320
Currency disparities	217	45
Equity attributable to Dr. Hönle AG's shareholders	**29,840**	**28,326**
Minority interest	1,118	587
Total Shareholders´ Equity	**30,958**	**28,913**
LONG-TERM DEBTS		
Long-term debts, less current portion	773	800
Long-term portion of finance lease obligation	268	2
Other long-term debts	101	1
Pension accruals	1,756	1,223
Deferred taxes	1,222	173
Total long term debts	**4,120**	**2,199**
CURRENT LIABILITIES		
Trade accounts payable	5,783	802
Liabilities to associated companies	1	2
Advance payments received	552	259
Current portion of finance lease obligation	85	5
Current liabilities and current portion of long term debts	474	0
Other current liabilities	4,351	1,440
Other accrued expenses	1,574	589
Income tax payable	403	312
Deferred revenues	7	0
Total current liabilities	**13,230**	**3,409**
TOTAL LIABILITIES AND SHAREHOLDERS´ EQUITY	**48,308**	**34,521**

The consolidated interim report is unaudited.

Consolidated Statement of Changes in Equity

for the period 1 October 2007 until 30 June 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	80		2						82
Purchase of own shares		- 41							- 41
Currency disparities							- 3		- 3
Change of minority interest effecting net income								107	107
Valuation of investments due to IAS 39 not effecting net income					22				22
Change of additional paid in capital due to IFRS 2			43						43
Net income						2,207			2,207
As at 30.06.2007	**5,513**	**- 2,219**	**16,766**	**49**	**- 171**	**7,514**	**25**	**540**	**28,017**
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							172		172
Change of minority interest effecting net income								137	137
Change of minority interest due to acquisitions								394	394
Valuation of investments due to IAS 39 not effecting net income					- 96				- 96
Change of additional paid in capital due to IFRS 2			13						13
Net income						3,812			3,812
As at 30.06.2008	**5,513**	**- 2,531**	**16,791**	**49**	**- 256**	**10,057**	**217**	**1,118**	**30,958**

The consolidated interim report is unaudited.

Consolidated Statement of Cashflows

for the period 1 October 2007 until 30 June 2008 according to IFRS

Cashflows from operating activities:	01.10.2007-30.06.2008 in T€	01.10.2006-30.06.2007 in T€
Net income for the year before minority interest and taxes	5,117	3,622
Adjustments for:		
Depreciation of fixed assets	735	499
Interest income	- 488	- 685
Interest expenses	179	68
Income from the sale of shares	0	- 38
Income due to the release of the debit difference Panacol	- 619	0
Other expenses/income not relating payments	85	12
Change of additional paid-in capital due to IFRS 2 not relating payments	13	43
exchange rate disparities not relating payments	- 32	0
Operating result before changes to net current assets	**4,990**	**3,521**
Increase/decrease of accrued expenses *	- 11	121
Increase/decrease of trade accounts receivable	596	- 475
Increase/decrease of other assets and the prepaid expenses (without premiums on participation certificates)	37	- 122
Increase/decrease in inventories	- 1,519	- 366
Increase/decrease in trade accounts payable	- 1,610	- 352
Increase/decrease in liabilities to associated companies	- 1	4
Increase/decrease in advance payments received	134	- 18
Increase/decrease in other liabilities *	- 25	3
Increase / decrease in deferred revenues	- 48	0
Cash from ongoing business activities	**2,543**	**2,316**
Interest paid	- 179	- 68
Tax paid from income	- 1,936	- 983
Net cash from operating activities	**428**	**1,265**
Cashflows from investment:		
Receipt of payments for the sale of assets (incl. reimbursement of participation certificates)	0	6,022
Receipt of payments from financial assets due to sale of shares	0	157
Purchase of company shares (without outstanding purchase price rates)	- 7,247	0
Purchase of tangible assets and intangible assets	- 557	- 487
Receipt of payments from long-term demands	217	100
Payments for long-term demands	- 62	- 34
Interest and dividend received	488	968
Net cash used for investment	**- 7,161**	**6,726**
Cashflows from financing activities:		
Receipt of payments from conditional capital surplus	0	82
Receipt of debts and liabilities towards banks	- 991	- 112
Dividends paid	- 2,075	- 1,543
Purchase of own shares	- 312	- 41
Net cash from financing activities	**- 3,378**	**- 1,614**
Currency disparities with neutral effect and recorded in equity	172	- 3
Change of cash	32	0
Net increase/decrease in cash	**- 9,907**	**6,374**
Cash at the beginning of the period under review	**17,755**	**10,453**
Cash at the end of the period under review	**7,848**	**16,827**
Changes in cash	**- 9,907**	**6,374**

*) 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 9-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 30 June 2008, as well as the consolidated income statement of changes in equity, the statement of cash flows and the explanatory notes for the periods ending as at 30 June 2008 and 2007 have 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 are classified as “available for sale” according to IAS 39, were adjusted to the fair value as at 30 June 2008 and treated with neutral effect on profits. The value of theses shares amounted to T€ 225 at the end of the quarter, compared to T€ 320 as at 30 September 2007. The difference amounting to T€ -95 was recognised under equity capital with neutral effect on profits.

In the first nine 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 30 June 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 30 June 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”);
- Eltosch Torsten Schmidt GmbH, Hamburg (hereinafter „Eltosch GmbH“);
- Adphos Eltosch Service GmbH, Hamburg (hereinafter „AES GmbH“).

There were no other business combinations in financial year 2007/2008.

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 inclusion is based on a preliminary preparation of the balance sheet, since the purchase price allocation—in particular the evaluation of acquired intangible assets—is very time-consuming and could not yet be effected as at the balance sheet date. The best available information was taken into account at the time of preparation of the financial statements.

The acquisition costs for the share purchases totaled T€ 5,707; thereof, the amount of T€ 4,605 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€ 214.

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 T€	Fair Value in T€
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€ 1,810 overall. A debit difference of T€ 619 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€ 348 as at 30 June 2008.

The Group's net income for the current period includes profit in the amount of T€ 394 generated by the acquired companies of the Panacol Group. The operating result (EBIT) amounted to T€ 545 for the same period. The Group's net income would have increased by a further T€ 79—in line with the profit of the acquired companies of the Panacol Group—if the merger had already taken place on 1 October 2007.

This amount does not include other operating income from the release of debit differences from capital consolidation.

The Group's sales revenue increased by T€ 7,677 due to acquisition of the Panacol Group. If the merger had already taken place on 1 October 2007, the Group's sales revenue would have been T€ 3,401 higher than the sales revenue actually achieved. Sales revenue during the period from 1 October through to 30 June 2008 amounted to T€ 11,078.

No business divisions will be 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 UV-Systeme 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 inclusion was based on a preliminary preparation of the balance sheet, since the purchase price allocation—in particular the evaluation of acquired intangible assets—is very time-consuming and could not yet be effected as at the balance sheet date. The best available information was taken into account at the time of preparation of the financial statements.

The acquisition costs for the share purchases totaled T€ 2,539 as of the acquisition date and were paid in cash. The incidental acquisition costs included in the purchase price amount to T€ 89.

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€ 2,424.

These cash flows and the acquired assets and debt transferred result in goodwill of T€ 2,019. 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 Group's net income for the current period includes profit in the amount of T€ 104 generated by PrintConcept GmbH. The operating result (EBIT) amounted to T€ 232 for the same period. The Group's net income would have increased by a further T€ 48—in line with the profit of PrintConcept GmbH—if the merger had already taken place on 1 October 2007.

The Group's sales revenue increased by T€ 1,202 due to acquisition of PrintConcept GmbH. If the merger had already taken place on 1 October 2007, the Group's sales revenue would have been T€ 1,388 higher than the sales revenue actually achieved. Sales revenue during the period from 1 October through to 30 June 2008 amounted to T€ 2,590.

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

Eltosch Torsten Schmidt GmbH, Hamburg

Pursuant to a contract dated 8 May 2008, Dr. Hönle AG acquired 100 % of the shares in Eltosch Torsten Schmidt GmbH, Hamburg, from Advanced Photonics Technologies AG. The transfer of control was effected upon payment of the entire purchase price on 15 May 2008.

The receivables of Advanced Photonics Technologies AG from Eltosch GmbH were acquired in connection with the acquisition of the company.

Eltosch is one of the leading companies in the segment of drying technology for printing machines. For more than 30 years now, the company has been developing, producing and selling UV, infrared and hot-air driers that are mainly used in off-set printing. With a staff level of ca. 60 employees, the company achieved sales revenue of more than € 20 million in the last financial year. After the acquisition, Dr. Hönle AG advanced to become the second largest systems supplier in the strongly growing market for UV technology.

Eltosch GmbH is included in the Dr. Hönle AG consolidated financial statements as from 15 May 2008. The inclusion is based on a preliminary preparation of the balance sheet since the purchase price allocation—in particular the evaluation of acquired intangible assets—is very time-consuming and could not yet be effected as at the balance sheet date. The best available information was taken into account at the time of preparation of the financial statements.

The acquisition costs for the share purchases totaled T€ 3,230 as of the acquisition date and were paid in cash. The incidental acquisition costs included in the purchase price amount to T€ 372.

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 T€	**Fair Value in T€**
Long term assets		
Intangible assets	7	122
Tangible assets	285	285
Current assets		
Inventories	1,769	1,769
Trade accounts receivable	2,951	2,951
Other assets	175	175
Cash and cash equivalents	499	499
Liabilities		
Accrued expenses	864	864
Trade accounts payable	4,372	4,372
Financial liabilities	1,269	1,269
Other liabilities	211	211
Deferred taxes	0	168
Net assets	**-1,030**	**-1,083**
Minority interest		0
Acquired net assets		**-1,083**

The Group-related receivables and liabilities between Eltosch GmbH and Dr. Hönle AG, which were obtained by Dr. Hönle AG in the course of acquisition of the company, are not included in the summary presented above.

The cash acquired amounted to T€ 499, leading to an overall outflow of cash in the amount of T€ 2,731.

These cash flows and the acquired assets and debt transferred result in goodwill of T€ 4,313. The main factors leading to the recording of goodwill are the synergies to be exploited by Dr. Hönle AG and its subsidiaries, which are expected in the areas of sales, production and administration, in particular.

The Group's net income for the current period includes profit in the amount of T€ 238 generated by Eltosch Torsten Schmidt GmbH. The operating result (EBIT) amounted to T€ 252 for the same period. The Group's net income would have decreased by a further T€ -1,527—in line with the result of Eltosch Torsten Schmidt GmbH—if the merger had already taken place on 1 October 2007.

The Group's sales revenue increased by T€ 2,908 due to acquisition of Eltosch Torsten Schmidt GmbH. If the merger had already taken place on 1 October 2007, the Group's sales revenue would have been T€ 12,277 higher than the sales revenues actually achieved. Sales revenue during the period from 1 October through to 30 June 2008 amounted to T€ 15,185.

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

Adphos Eltosch Service GmbH, Hamburg

Pursuant to a contract dated 8 May 2008, Dr. Hönle AG acquired 49 % of the shares in Adphos Eltosch Service GmbH (AES GmbH), Hamburg, from Advanced Photonics Technologies AG. However, Dr. Hönle AG already possessed further potential voting rights within the meaning of IAS 27.14 et seq., that amounted to 26 % on May 15 (payment of the entire purchase price for 49 % of the shares in the company), so that the transfer of control took place on 15 May 2008.

A purchase and assignment contract concerning the remaining 51 % of the shares in the company was concluded on 3 July 2008. The transfer is subject to the condition precedent that the purchase price is paid.

At the same time, receivables of Advanced Photonics Technologies AG from AES GmbH were acquired in the course of this company acquisition.

AES GmbH is a service company performing assembling and maintenance services for its fellow subsidiary, Eltosch GmbH, and its clients, and it also manages large parts of the spare parts business.

AES GmbH is included in the Dr. Hönle AG consolidated financial statements as from 15 May 2008. The inclusion is based on a preliminary preparation of the balance sheet, since the purchase price allocation—in particular the evaluation of acquired intangible assets—is very time-consuming and could not yet be effected as at the balance sheet date. The best available information was taken into account at the time of preparation of the financial statements.

The acquisition costs for the share purchases totaled T€ 305 as of the acquisition date and were paid in cash. The incidental acquisition costs included in the purchase price amount to T€ 35.

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 T€	**Fair Value in T€**
Long term assets		
Intangible assets	30	30
Tangible assets	34	34
Current assets		
Inventories	243	243
Trade accounts receivable	1,019	1,019
Other assets	90	90
Cash and cash equivalents	23	23
Liabilities		
Accrued expenses	173	173
Trade accounts payable	777	777
Other liabilities	95	95
Net assets	**394**	**394**
Minority interest		-150
Acquired net assets		**244**

The Group-related receivables and liabilities between AES GmbH and Dr. Hönle AG, which were obtained by Dr. Hönle AG in the course of the company's acquisition, are not included in the summary presented above.
The cash acquired amounted to T€ 23, leading to an overall outflow of cash in the amount of T€ 282.

These cash flows and the acquired assets and debt transferred result in goodwill of T€ 61. The main factors leading to the recording of goodwill are the synergies to be exploited by Dr. Hönle AG and its subsidiaries, which are expected in the services segment, in particular.

The Group's net income for the current period includes profit in the amount of T€ 21 generated by Adphos Eltosch Service GmbH. The operating result (EBIT) amounted to T€ 60 for the same period. The Group's net income would have increased by a further T€ 50—in line with the profit of Adphos Eltosch Service GmbH —if the merger had already taken place on 1 October 2007.

The Group's sales revenue increased by T€ 392 due to acquisition of Adphos Eltosch Service GmbH. If the merger had already taken place on 1 October 2007, the Group's sales revenue would have been T€ 2,264 higher than the sales revenue actually achieved. Sales revenues during the period from 1 October through 30 June 2008 amounted to T€ 2,656.

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

If all mergers had already taken place on 1 October 2007, the Group's sales revenue of T€ 51,731 would have been T€ 18,844 higher than the actually achieved sales revenue. The Group's net income would have decreased by T€ -1,349 to T€ 2,463 if the mergers had already taken place on 1 October 2007.

Events after the balance sheet date

Dr. Hönle AG concluded a purchase and assignment contract concerning the remaining 51 % of the shares in the company as at 3 July 2008. The transfer is subject to the condition precedent that the purchase price is paid. It amounts to T€ 160 and the payment is done until 31 August 2008.

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

	Germany		Europe		Rest of the world		Elimina-tions		Consolidated	
	as at 06/08 T€	as at 06/07 T€	as at 06/08 T€	as at 06/07 T€	as at 06/08 T€	as at 06/07 T€	as at 06/08 T€	as at 06/07 T€	as at 06/08 T€	as at 06/07 T€
External sales	13.491	8.534	11.860	6.376	7.536	4.145			32.887	19.055
Intra-group sales	2.029	579	1.605	1.326	123	0	- 3.757	- 1.905		
Total sales	15.520	9.113	13.465	7.702	7.659	4.145	- 3.757	- 1.905	32.887	19.055
RESULTS:										
Segment result (operating result)	**1.887**	**1.410**	**1.349**	**973**	**1.088**	**611**	**484**	**11**	**4.808**	**3.005**
Interest received									469	311
Interest paid									- 179	- 68
Income from securities									19	374
Results from operating activities									**5.117**	**3.622**
Taxes on income									0	0
Net income before minority interest									- 1.168	- 1.308
OTHER INFORMATION									**3.949**	**2.314**
Segment assets:										
- by sales areas	16.758	7.478	13.282	5.476	8.108	3.347	189	- 1.446	38.337	14.855
- by location of assets	30.049	14.902	6.122	1.399	1.977	0	189	- 1.446	38.337	14.855
Non-allocated assets:									250	335
- Financial assets									703	808
- Long term receivables									673	12
- Tax refund claims									497	279
- Deferred tax assets										
- cash and cash equivalents									7.848	16.827
Consolidated assets									**48.308**	**33.116**
Segment liabilities (by sales areas)	**12.355**	**2.277**	**8.567**	**2.850**	**3.404**	**904**	**- 9.642**	**- 2.282**	**14.684**	**3.749**
Deferred tax liabilities									1.222	56
Income tax payable									403	540
Long term debts									1.041	800
Consolidated liabilities (current and long term portion)									**17.350**	**5.145**
Investments:										
- by sales areas	6.294	284	2.216	116	525	88			9.035	488
- by location of assets	8.358	484	677	4	0	0			9.035	488
Segment depreciation (by sales areas)	372	270	226	134	137	95			735	499
Non-cash segment expenses (by sales areas)	327	233	226	225	172	114			725	571

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 06/08 T€	**as at 06/07 T€**	**as at 06/08 T€**	**as at 06/07 T€**	**as at 06/08 T€**	**as at 06/07 T€**	**as at 06/08 T€**	**as at 06/07 T€**	**as at 06/08 T€**	**as at 06/07 T€**
INCOME:										
External sales	11.969	4.518	19.058	13.142	1.860	1.395			32.887	19.055
Intra-group sales	1.461	329	2.122	1.460	174	116	- 3.757	- 1.905		
Total sales	13.430	4.847	21.180	14.602	2.034	1.511	- 3.757	- 1.905	32.887	19.055
Segment assets:										
- by business segments	13.391	3.948	22.994	11.187	1.763	1.166	189	- 1.446	38.337	14.855
Investments:										
- by business segments	995	134	8.001	321	39	33			9.035	488

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 30 June 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 August 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

14 August 2008

9 – Months Report 2007/2008

11 November 2008

Analyst Conference at the Deutsches Eigenkapitalforum in Frankfurt

15 December 2008

Preliminary Figures for Financial Year 2007/2008

16. January 2009

Company Report 2007/2008

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