# Q2

2012/2013

HALF-YEAR INTERIM REPORT 2012/2013
1 APRIL TO 30 SEPTEMBER 2012

GESCO

THE INDUSTRIAL GROUP

# THE FIRST SIX MONTHS OF FINANCIAL YEAR 2012/2013 AT A GLANCE

- BUSINESS ACTIVITIES FOR THE FIRST SIX MONTHS AT HIGH LEVEL
- ROBUST DEMAND CONTINUES IN THE THIRD QUARTER
- THREE ACQUISITIONS EXPAND GESCO GROUP
- ORDER BACKLOG OF AROUND € 190 MILLION AT THE END OF SEPTEMBER
- FULL-YEAR GUIDANCE CONFIRMED

# GESCO GROUP KEY FIGURES FOR THE FIRST HALF YEAR OF THE 2012/2013 FINANCIAL YEAR

| 01.04.-30.09. | | I. Half year 2012/2013 | I. Half year 2011/2012 | Change |
|---|---|---|---|---|
| Incoming orders | (€'000) | 225,108 | 233,479 | -3.6% |
| Sales revenues | (€'000) | 220,684 | 211,148 | 4.5% |
| EBITDA | (€'000) | 26,549 | 25,796 | 2.9% |
| EBIT | (€'000) | 20,153 | 20,016 | 0.7% |
| Earnings before tax | (€'000) | 18,540 | 18,580 | -0.2% |
| Group net income after minority interest | (€'000) | 11,678 | 11,647 | 0.3% |
| Earnings per share acc. to IFRS | (€) | 3.52 | 3.85 | -8.6% |
| Employees | (No.) | 2,046 | 1,847 | 10.8% |

# DEAR SHAREHOLDERS,

In the first half (1 April to 30 September 2012) of financial year 2012/2013 (1 April 2012 to 31 March 2013), GESCO Group's business activities continued to be at a high level; the third quarter also saw robust demand. In the full-year guidance, which we published at the accounts press conference on 28 June 2012, we estimated that business activities would calm down somewhat and margins would normalise as a result. The Group's current economic performance is in line with this estimate.

Overall, incoming orders levelled off in the first half of the year. In contrast, sales increased, on the one hand due to the time lag between incoming orders and sales for the production of larger machinery and plants, and on the other hand due to changes in the scope of consolidation, which are described below. While key earnings figures rose far above average during the boom period, they now grew less strongly than sales. This is also due to increased depreciation resulting from the increased investment volume as well as the effects from the first-time consolidation of the new companies. Additionally, margins in times of upswing are typically better, but these are now normalising.

Based on the information available to us at this time, we can confirm the guidance for Group sales, which we had increased in August 2012 from € 430 million to € 438 million due to acquisitions, as well as the guidance for Group net income for the year after minority interest of € 20.5 million and earnings per share pursuant to IFRS of € 6.17.

In the reporting period, the dividend of € 2.90 per share, which had been resolved at the Annual General Meeting on 30 August 2012, was paid to the shareholders, corresponding to a total dividend of € 9.6 million. This is the highest dividend ever paid out by GESCO AG. The previous year had seen a dividend of € 2.00 per share.

## CHANGES TO THE SCOPE OF CONSOLIDATION

**Werkzeugbau-Laichingen Group**, which was acquired in December 2011, is included in the consolidated income statement in this half-year interim report. The group was not yet included in the previous year's income statement; however, it was included in the Group balance sheet as of 31 March 2012.

GESCO AG acquired an 80 % share in **C.F.K. CNC-Fertigungstechnik Kriftel GmbH**, Kriftel, at the end of May 2012. CFK is an erosion and laser melting specialist that employs 46 people and generates annual sales of around € 7.5 million. The company is reported in the consolidated balance sheet as of 30 September 2012 and is included in the consolidated income statement for the first half year with one month.

At the beginning of July 2012, GESCO AG acquired 82.17 % of **Protomaster Riedel & Co. GmbH**, Wilkau-Hasslau. Protomaster produces high-quality body parts, primarily for premium producers in the automotive industry, and also develops and produces the necessary tools for its tasks. With a workforce of 75 employees, the company generates approximately € 9.5 million in total income. Protomaster is reported in the consolidated balance sheet as of 30 September 2012 and will be included in the consolidated income statement from the third quarter onward for a total period of six months.

In the middle of July 2012, GESCO AG acquired 100 % of **Modell Technik GmbH & Co. Formenbau KG**, Sömmerda. Modell Technik develops and produces complex tools for aluminium die cast components. 107 employees generate sales of some € 12 million. Modell Technik is also already included in the Group balance sheet as of 30 September 2012. The company will be reported in the consolidated income statement from the third quarter onward for a total period of five months.

**Ackermann Fahrzeugbau GmbH**, which was sold in April 2012, is no longer included in the interim financial statements as of 30 September 2012.

## GROUP INTERIM MANAGEMENT REPORT

The financial year of GESCO AG and GESCO Group runs from 1 April to 31 March the following year, while the financial years of the subsidiaries coincide with the calendar year. The interim report for the first half of financial year 2012/2013 therefore encompasses the operating months January to June 2012 of the Group's subsidiaries.

## DEVELOPMENT OF GROUP SALES AND EARNINGS IN THE SECOND QUARTER

Incoming orders in the second quarter amounted to € 108.8 million after the extraordinarily high figure of € 117.6 million in the previous year. At € 113.9 million, Group sales were up slightly on the previous year's figure of € 111.4 million.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to € 13.6 million, almost exactly the same as in the previous year's period (€ 13.5 million). Increased depreciation of € 3.3 million (previous year's period: € 2.9 million) resulted in earnings before interest and taxes (EBIT) of € 10.3 million (€ 10.6 million). Group net income after minority interest amounted to € 5.9 million (€ 6.2 million). Earnings per share pursuant to IFRS decreased from € 2.05 to € 1.78 as a result of the number of shares being increased by almost 10 % during the capital increase in February 2012.

## DEVELOPMENT OF GROUP SALES AND EARNINGS IN THE FIRST HALF OF THE YEAR

When looking at the first half of the current financial year 2012/2013 at a whole, business activities continue to be at a high level.

Incoming orders amounted to € 225.1 million compared to € 233.5 million in the first half of the previous year. Group sales came to € 220.7 million (€ 211.1 million). Key earnings figures did not grow as strongly as sales. Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to € 26.5 million, up 2.9 % on the previous year's period (€ 25.8 million). Earnings before interest and taxes (EBIT) came to € 20.2 million (€ 20.0 million) and Group net income after minority interest to € 11.7 million (€ 11.6 million). Earnings per share pursuant to IFRS also declined during the first half of the year due to the increased number of shares, amounting to € 3.52 after € 3.85 in the previous year's period.

## SEGMENT REPORTING

The tool manufacture and mechanical engineering segment is still the much larger of the two segments. At € 211.1 million, incoming orders here were almost exactly on par with the figure in the previous year's period (€ 211.2 million). Segment sales increased by 8.2 % to € 205.3 million (€ 189.7 million). EBIT rose to € 21.9 million (€ 21.3 million).

The deconsolidation of Ackermann Fahrzeugbau GmbH, which was sold in April 2012 and is no longer included in the consolidated financial statements in the reporting period, left its impact on the plastics technology segment. Incoming orders fell from € 22.0 million to € 13.8 million. Sales declined from € 21.2 million to € 15.2 million. EBIT amounted to € 2.8 million (€ 2.5 million).

## ASSETS AND FINANCIAL POSITION

The three company acquisitions since the beginning of the financial year as well as the continuously lively operating business resulted in a rise in total assets to € 370.5 million (31 March 2012: € 321.1 million).

On the asset side, the 21.4 % rise in non-current assets was primarily driven by the expansion of the scope of consolidation as well as investments in the existing Group's property, plant and equipment. Current assets increased by 16.7 %. As of the reporting date, liquid assets amounted to € 34.9 million (€ 42.9 million); a dividend of € 9.6 million was paid in the reporting period.

On the liabilities side, equity went up further to € 157.7 million despite the dividend payment (€ 154.9 million). As total assets rose by more than equity, the equity ratio dropped to 42.6 % (48.2 %). Non-current liabilities increased by 18.2 % and current liabilities by 39.9 %; this was also primarily due to the company acquisitions.

Overall, the Group balance sheet continues to show an exceptionally healthy structure and sufficient liquid assets, high equity and moderate indebtedness. Despite the three acquisitions, goodwill only amounts to 8.1 % of equity, an exceptionally low level.

## INVESTMENTS

In the first half of the year, the GESCO Group companies invested approximately € 6.3 million in property, plant and equipment and intangible assets (€ 6.8 million). These funds were focused on MAE Maschinen- und Apparatebau Götzen GmbH and Setter Group.

## EMPLOYEES

The number of people employed by GESCO Group increased by 10.8 % year on year, from 1,847 to 2,046. This growth reflects the total number of employees after some being taken over as part of the Werkzeugbau Laichingen and CFK acquisitions and others leaving after the sale of Ackermann. The employees of Protomaster and Modell Technik are not yet included in this half-year interim report; they will be reported as from the third quarter, when the companies will also be recognised in the income statement.

## OPPORTUNITIES, RISKS AND RISK MANAGEMENT

Our explanations on the subject of opportunities and risks in the consolidated financial statements as of 31 March 2012 remain essentially unchanged and valid. For more details, please refer to the Annual Report 2011/2012, which is available online at www.gesco.de.

The negative impact of the sovereign debt crisis in the eurozone on the economic climate has risen somewhat since the Annual Report was published in June 2012; it has become more difficult to give an accurate forecast overall. We believe that the greatest risk at present is posed by a stronger negative effect of the sovereign debt crisis on economic development.

## OUTLOOK AND EVENTS AFTER THE REPORTING DATE

This half-year interim report comprises the subsidiaries' operating business from January to June. In the following third quarter, the months July to September in the case of the subsidiaries, Group incoming orders amounted to approximately € 112 million (previous year's period: € 103.6 million) and Group sales to around € 114 million (€ 98.1 million). The figures for the current financial year include Protomaster Riedel & Co. GmbH and Modell Technik GmbH & Co. Formenbau KG, which were acquired in July, with their pro rata incoming orders and sales. These two acquisitions resulted in the full-year sales guidance being increased from € 430 million to € 438 million in August.

We had already explained in the interim report for the first quarter that individual subsidiaries are recording a decreasing customer demand or are finding that customers are placing their orders more hesitantly. This continues to be the case. Nevertheless, incoming orders and sales were both significantly in excess of € 100 million in each individual quarter of the current financial year, thereby proving that demand is robust overall. There are no specific signs at present of economic performance within GESCO Group suffering a serious slump. Order backlog, which amounted to € 190 million at the end of September, is creating a certain buffer against potential economic setbacks. For the first time, this figure includes order backlog from Protomaster and Modell Technik.

As mentioned at the beginning, we can confirm the guidance for the full year of € 438 million in sales and € 20.5 million in Group net income for the year after minority interest, based on the information available to us at this time. We expect some of the new companies to make a greater contribution to Group earnings than originally anticipated; on the other hand, the performance of individual existing companies is somewhat more restrained than had previously been planned. These effects are likely to offset each other on the whole, meaning that we can confirm the earnings guidance. At present, we only expect to fall significantly short of this guidance if the delivery of some larger orders would be delayed until the next financial year or if a significant drop in the price for raw materials or pre-materials at the end of the year would mean a considerable write-down on inventories. There are no signs of either.

The portfolio changes made in the past 11 months have significantly strengthened GESCO Group. Although we have acquired three companies since the beginning of the financial year, goodwill only amounts to 8.1 % of equity, an exceptionally low figure. Due to the effects from the first-time consolidation, the newly acquired subsidiaries will often not be able to contribute their entire share of earnings to Group earnings in the first two years after acquisition. In positive terms, this means that as soon as the effects from the first-time consolidation have been absorbed, GESCO Group is expected to become more profitable as a result of the new companies – with balance sheet risks remaining low. We accept the temporary impact on earnings for medium- and long-term financial stability and strength. Recent years have strengthened our belief that a strong balance sheet offers substantial benefits for the operating business as well as for acquisition activities. We intend to continue to capitalise on these strengths to achieve sustainable and successful growth for GESCO Group.

Yours sincerely,

GESCO AG
The Executive Board

Wuppertal, 12 November 2012

# GESCO GROUP BALANCE SHEET
# AS AT 30 SEPTEMBER 2012 AND 31 MARCH 2012

| €'000 | | 30.09.2012 | 31.03.2012 |
|---|---|---|---|
| **Assets** | | | |
| A. | NON-CURRENT ASSETS | | |
| I. | Intangible assets | | |
| 1. | Industrial property rights and similar rights and assets as well as licences | 12,305 | 8,282 |
| 2. | Goodwill | 12,708 | 8,840 |
| 3. | Prepayments made | 258 | 340 |
| | | **25,271** | **17,462** |
| II. | Property, plant and equipment | | |
| 1. | Land and buildings | 34,158 | 28,639 |
| 2. | Technical plant and machinery | 33,830 | 26,668 |
| 3. | Other plant, fixtures and fittings | 20,131 | 18,869 |
| 4. | Prepayments made and plant under construction | 3,187 | 1,786 |
| 5. | Property held as financial investments | 2,610 | 2,687 |
| | | **93,916** | **78,649** |
| III. | Financial investments | | |
| 1. | Shares in affiliated companies | 15 | 240 |
| 2. | Shares in associated companies | 1,650 | 1,525 |
| 3. | Investments | 38 | 38 |
| 4. | Securities held as fixed assets | 1,000 | 1,000 |
| 5. | Other loans | 205 | 236 |
| | | **2,908** | **3,039** |
| IV. | Other assets | 2,547 | 2,728 |
| V. | Deferred tax assets | 2,462 | 2,804 |
| | | **127,104** | **104,682** |
| B. | CURRENT ASSETS | | |
| I. | Inventories | | |
| 1. | Raw materials and supplies | 23,267 | 18,966 |
| 2. | Unfinished products and services | 48,508 | 36,746 |
| 3. | Finished products and goods | 60,322 | 53,223 |
| 4. | Prepayments made | 1,582 | 354 |
| | | **133,679** | **109,289** |
| II. | Receivables and other assets | | |
| 1. | Trade receivables | 63,277 | 47,762 |
| 2. | Amounts owed by affiliated companies | 696 | 813 |
| 3. | Amounts owed by companies with which a shareholding relationship exists | 1,020 | 1,035 |
| 4. | Other assets | 9,235 | 6,179 |
| | | **74,228** | **55,789** |
| III. | Securities | 18 | 18 |
| IV. | Cash in hand and credit balances with financial institutions | 34,905 | 42,940 |
| V. | Accounts receivable and payable | 591 | 532 |
| | | **243,421** | **208,568** |
| C. | ASSETS HELD FOR SALE | 0 | 7,885 |
| | | **370,525** | **321,135** |

| €'000 | | 30.09.2012 | 31.03.2012 |
|---|---|---|---|
| **Equity and liabilities** | | | |
| A. | EQUITY | | |
| I. | Subscribed capital | 8,645 | 8,645 |
| II. | Capital reserves | 54,631 | 54,631 |
| III. | Revenue reserves | 84,369 | 82,588 |
| IV. | Own shares | -634 | -634 |
| V. | Exchange equalisation items | -370 | -500 |
| VI. | Minority interests (incorporated companies) | 11,105 | 10,161 |
| | | **157,746** | **154,891** |
| B. | NON-CURRENT LIABILITIES | | |
| I. | Minority interests (partnerships) | 3,049 | 3,986 |
| II. | Provisions for pensions | 12,103 | 12,038 |
| III. | Other long-term provisions | 2,058 | 1,713 |
| IV. | Liabilities to financial institutions | 53,751 | 41,171 |
| V. | Other liabilities | 1,250 | 2,478 |
| VI. | Deferred tax liabilities | 6,839 | 5,495 |
| | | **79,050** | **66,881** |
| C. | CURRENT LIABILITIES | | |
| I. | Other provisions | 14,258 | 9,613 |
| II. | Liabilities | | |
| 1. | Liabilities to financial institutions | 33,891 | 22,007 |
| 2. | Trade creditors | 24,425 | 14,896 |
| 3. | Prepayments received on orders | 25,244 | 18,918 |
| 4. | Liabilities on bills | 378 | 279 |
| 5. | Liabilities to affiliated companies | 0 | 7 |
| 6. | Liabilities to companies with which a shareholding relationship exists | 4 | 74 |
| 7. | Other liabilities | 35,264 | 29,562 |
| | | **119,206** | **85,743** |
| III. | Accounts receivable and payable | 265 | 219 |
| | | **133,729** | **95,575** |
| D. | LIABILITIES HELD FOR SALE | **0** | **3,788** |
| | | **370.525** | **321.135** |

## GESCO GROUP INCOME STATEMENT FOR THE SECOND QUARTER (1 JULY TO 30 SEPTEMBER)

| €'000 | II. Quarter 2012/2013 | II. Quarter 2011/2012 |
|---|---|---|
| **Sales revenues** | **113,872** | **111,448** |
| Change in stocks of finished and unfinished products | 195 | -3,956 |
| Other company produced additions to assets | 209 | 49 |
| Other operating income | 1,514 | 814 |
| **Total income** | **115,790** | **108,355** |
| Material expenditure | -61,164 | -58,694 |
| Personnel expenditure | -27,282 | -24,537 |
| Other operating expenditure | -13,782 | -11,602 |
| **Earnings before interest, tax, depreciation and amortisation (EBITDA)** | **13,562** | **13,522** |
| Depreciation on tangible and intangible assets | -3,286 | -2,893 |
| **Earnings before interest and tax (EBIT)** | **10,276** | **10,629** |
| Earnings from investments in associated companies | 72 | 55 |
| Other interest and similar income | 83 | 109 |
| Interest and similar expenditure | -789 | -755 |
| Minority interest in partnerships | -101 | -93 |
| **Financial result** | **-735** | **-684** |
| **Earnings before tax (EBT)** | **9,541** | **9,945** |
| Taxes on income and earnings | -3,104 | -3,156 |
| **Group net income** | **6,437** | **6,789** |
| Minority interest in incorporated companies | -534 | -579 |
| **Group net income after minority interest** | **5,903** | **6,210** |
| Earnings per share (€) acc. to IFRS | 1.78 | 2.05 |
| Weighted average number of shares | 3,315,212 | 3,018,429 |

# GESCO GROUP INCOME STATEMENT FOR THE FIRST HALF YEAR (1 APRIL TO 30 SEPTEMBER)

| €'000 | I. Half year 2012/2013 | I. Half year 2011/2012 |
|---|---|---|
| **Sales revenues** | **220.684** | **211.148** |
| Change in stocks of finished and unfinished products | 7,006 | 2,010 |
| Other company produced additions to assets | 361 | 164 |
| Other operating income | 2,589 | 1,710 |
| **Total income** | **230,640** | **215,032** |
| Material expenditure | -123,746 | -117,784 |
| Personnel expenditure | -54,118 | -47,930 |
| Other operating expenditure | -26,227 | -23,522 |
| **Earnings before interest, tax, depreciation and amortisation (EBITDA)** | **26,549** | **25,796** |
| Depreciation on tangible and intangible assets | -6,396 | -5,780 |
| **Earnings before interest and tax (EBIT)** | **20,153** | **20,016** |
| Earnings from investments in associated companies | 48 | 74 |
| Other interest and similar income | 174 | 202 |
| Interest and similar expenditure | -1,554 | -1,526 |
| Third party profit share in incorporated companies | -281 | -186 |
| **Financial result** | **-1,613** | **-1,436** |
| **Earnings before tax (EBT)** | **18,540** | **18,580** |
| Taxes on income and earnings | -5,966 | -5,897 |
| **Group net income** | **12,574** | **12,683** |
| Third party profit share in incorporated companies | -896 | -1,036 |
| **Group net income after minority interest** | **11,678** | **11,647** |
| Earnings per share (€) acc. to IFRS | 3.52 | 3.85 |
| Weighted average number of shares | 3,315,212 | 3,022,048 |

# STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST HALF YEAR (1 APRIL TO 30 SEPTEMBER)

| €'000 | I. Half year 2012/2013 | I. Half year 2011/2012 |
|---|---|---|
| **Group net income** | 12,574 | **12,683** |
| Difference from currency translation | 131 | -119 |
| **Income and expenditure recorded directly in equity** | 131 | **-119** |
| **Total result for the period** | 12,705 | **12,564** |
| of which shares held by minority interest | 897 | 1,038 |
| of which shares held by GESCO shareholders | 11,808 | 11,526 |

# GESCO GROUP CASH FLOW STATEMENT
# FOR THE FIRST HALF YEAR (1 APRIL TO 30 SEPTEMBER)

| €'000 | I. Half year 2012/2013 | I. Half year 2011/2012 |
|---|---|---|
| **Result for the period (including share attributable to minority interest in incorporated companies)** | **12,574** | **12,683** |
| Depreciation on fixed assets | 6,396 | 5,780 |
| Result from investments in associated companies | -48 | -74 |
| Share attributable to minority interests in partnerships | 281 | 186 |
| Increase in long-term provisions | 410 | 158 |
| Other non-cash result | 350 | -121 |
| **Cash flow for the period** | **19,963** | **18,612** |
| Losses from the disposal of property, plant and equipment/intangible assets | 10 | 66 |
| Gains from the disposal of property, plant and equipment/intangible assets | -87 | -88 |
| Gains from the disposal of financial assets | -222 | 0 |
| Increase in stocks, trade receivables and other assets | -23,392 | -36,775 |
| Increase in trade creditors and other liabilities | 10,919 | 17,390 |
| **Cash flow from ongoing business activity** | **7,191** | **-795** |
| Incoming payments from disposals of tangible assets/intangible assets | 109 | 102 |
| Disbursements for investments in property, plant and equipment | -5,763 | -6,667 |
| Disbursements for investments in intangible assets | -559 | -313 |
| Incoming payments from raising (financial) loans | 31 | 19 |
| Disbursements for investments in financial assets | 0 | -67 |
| Disbursements for the acquisition of consolidated companies | -14,284 | 0 |
| Incoming payments from the sale of consolidated companies | 1,900 | 50 |
| **Cash flow from investment activity** | **-18,566** | **-6,876** |
| Disbursements to shareholders (dividend) | -9,615 | -6,050 |
| Disbursements to minority shareholders | -2,292 | -337 |
| Incoming payments from minority interests | 635 | 0 |
| Disbursements for the purchase of own shares | 0 | -486 |
| Incoming payments from raising (financial) loans | 20,326 | 11,931 |
| Outflow for repayment of (financial) loans | -5,714 | -6,595 |
| **Cash flow from funding activities** | **3,340** | **-1,537** |
| **Cash increase in cash and cash equivalents** | **-8,035** | **-9,208** |
| Financial means on 01.04. | 42,958 | 38,512 |
| **Financial means on 30.09.** | **34,923** | **29,304** |

# GESCO GROUP STATEMENT OF CHANGES IN EQUITY CAPITAL

| €'000 | Subscribed capital | Capital reserves | Revenue reserves |
|---|---|---|---|
| **As at 01.04.2011** | **7,860** | **36,167** | **64,879** |
| Dividends | | | -6,050 |
| Acquisition of own shares | | | |
| Other neutral changes | | | 321 |
| Result for the period | | | 11,647 |
| **As at 30.09.2011** | **7,860** | **36,167** | **70,797** |
| | | | |
| **As at 01.04.2012** | **8,645** | **54,631** | **82,588** |
| Dividends | | | -9,616 |
| Other neutral changes | | | -281 |
| Result for the period | | | 11,678 |
| **As at 30.09.2012** | **8,645** | **54,631** | **84,369** |

# GESCO GROUP SEGMENT REPORT FOR THE FIRST HALF YEAR (1 APRIL TO 30 SEPTEMBER)

| €'000 | Tool manufacture and mechanical engineering | | Plastics technology | |
|---|---|---|---|---|
| | I. Half year 2012/2013 | I. Half year 2011/2012 | I. Half year 2012/2013 | I. Half year 2011/2012 |
| Order backlog | 179,761 | 145,176 | 4,451 | 7,009 |
| Incoming orders | 211,059 | 211,161 | 13,796 | 22,057 |
| Sales revenues | 205,237 | 189,682 | 15,195 | 21,205 |
| of which with other segments | 0 | 0 | 0 | 0 |
| Depreciation | 4,581 | 3,988 | 681 | 834 |
| EBIT | 21,951 | 21,323 | 2,800 | 2,475 |
| Investments | 4,838 | 5,290 | 1,260 | 1,591 |
| Employees | 1,882 | 1,626 | 151 | 209 |

| Own shares | Exchange equalisation items | Total | Minority interest incorporated companies | Equity capital |
|---|---|---|---|---|
| **-3** | **-252** | **108,651** | **5,710** | **114,361** |
| | | -6,050 | -62 | -6,112 |
| -486 | | -486 | | -486 |
| | | 321 | 502 | 823 |
| | -121 | 11,526 | 1,038 | 12,564 |
| **-489** | **-373** | **113,962** | **7,188** | **121,150** |
| **-634** | **-500** | **144,730** | **10,161** | **154,891** |
| | | -9,616 | -887 | -10,503 |
| | | -281 | 934 | 653 |
| | 130 | 11,808 | 897 | 12,705 |
| **-634** | **-370** | **146,641** | **11,105** | **157,746** |

| GESCO AG | | Other/Consolidation | | Group | |
|---|---|---|---|---|---|
| I. Half year 2012/2013 | **I. Half year 2011/2012** | I. Half year 2012/2013 | **I. Half year 2011/2012** | I. Half year 2012/2013 | **I. Half year 2011/2012** |
| 0 | 0 | 0 | 0 | 184,212 | 152,185 |
| 0 | 0 | 253 | 261 | 225,108 | 233,479 |
| 0 | 0 | 252 | 261 | 220,684 | 211,148 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 74 | 51 | 1,060 | 907 | 6,396 | 5,780 |
| -2,359 | -3,515 | -2,239 | -267 | 20,153 | 20,016 |
| 175 | 0 | 2 | 0 | 6,275 | 6,881 |
| 13 | 12 | 0 | 0 | 2,046 | 1,847 |

# EXPLANATORY NOTES

## ACCOUNTS, ACCOUNTING AND VALUATION METHODS

The report of GESCO Group for the first half (1 April to 30 September 2012) of financial year 2012/2013 was prepared on the basis of the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB). It was drawn up in compliance with IAS 34.

The accounting and valuation principles applied generally correspond with those in the Group financial statements as of 31 March 2012. The financial statements are affected by the accounting and valuation methods as well as assumptions and estimates which affect the level and recognition of assets, liabilities and contingent liabilities on the balance sheet and of the income and expenditure items. Sales-related figures are accrued throughout the year.

## CHANGES TO THE SCOPE OF CONSOLIDATION/ BUSINESS COMBINATIONS PURSUANT TO IFRS 3

WBL Holding GmbH and its wholly-owned subsidiaries Werkzeugbau Laichingen GmbH and Werkzeugbau Leipzig GmbH, in which an 85 % share was acquired in December 2011, were consolidated for the first time on 31 December 2011. They are included for the first time in the consolidated income statement in financial year 2012/2013.

The assets and liabilities of C.F.K. CNC-Fertigungstechnik Kriftel GmbH, acquired in May 2012, are included in the balance sheet as of 30 September 2012. The purchase price allocation carried out in the present balance sheet is temporary according to IFRS 3.45 et seqq. The company is included for one month in the income statement for the first half of 2012/2013.

The assets and liabilities of Protomaster Riedel & Co. GmbH, acquired in July 2012, are included in the balance sheet as of 30 September 2012. The purchase price allocation carried out in the present balance sheet is temporary according to IFRS 3.45 et seqq. The company is not yet included in the income statement for the first half of 2012/2013.

The assets and liabilities of Modell Technik GmbH & Co. Formenbau KG, acquired in July 2012, are included in the balance sheet as of 30 September 2012. The purchase price allocation carried out in the present balance sheet is temporary according to IFRS 3.45 et seqq. The company is not yet included in the income statement for the first half of 2012/2013.

## RELATED PARTY TRANSACTIONS

Business relationships between fully consolidated and not fully consolidated companies within the Group are conducted under regular market terms and conditions. Receivables from related companies are mainly due from Connex SVT Inc., USA, Frank Lemeks TOW, Ukraine, and MAE.ch GmbH, Switzerland.

## FINANCIAL AUDIT

The condensed half-year interim financial statements as of 30 September 2012 and the interim management report were neither audited in accordance with Section 317 HGB nor reviewed by an auditor.

## STATEMENT OF THE LEGAL REPRESENTATIVES

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

# FINANCIAL CALENDAR

**12 November 2012**
Publication of the report for the first six months (1 April to 30 September 2012)

**February 2013**
Publication of the figures for the first nine months (1 April to 31 December 2012)

**11 June 2013**
Accounts press conference and analysts' meeting

**25 July 2013**
Annual General Meeting in the Stadthalle, Wuppertal

**August 2013**
Publication of the figures for the first three months (1 April to 30 June 2013)

**November 2013**
Publication of the report for the first six months (1 April to 30 September 2013)

## DEAR SHAREHOLDERS,

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