



Q1

2012/2013



INTERIM REPORT
1 APRIL TO 30 JUNE 2012



THE
INDUSTRIAL
GROUP

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

- LIVELY BUSINESS DEVELOPMENT CONTINUES IN THE FIRST QUARTER
- THREE ACQUISITIONS SIGNIFICANTLY EXPAND GESCO GROUP
- SALES FORECAST FOR THE FULL YEAR RAISED SLIGHTLY DUE TO ACQUISITIONS, EARNINGS GUIDANCE CONFIRMED

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

01.04.-30.06.		I. Quarter 2012/2013	I. Quarter 2011/2012	Change
Incoming orders	(€'000)	116,275	115,871	0.3%
Sales revenues	(€'000)	106,812	99,700	7.1%
EBITDA	(€'000)	12,987	12,274	5.8%
EBIT	(€'000)	9,877	9,387	5.2%
Earnings before tax	(€'000)	8,999	8,635	4.2%
Group net income after minority interest	(€'000)	5,775	5,437	6.2%
Earnings per share acc. to IFRS	(€)	1.74	1.80	-3.3%
Employees	(No.)	2,008	1,807	11.1%

DEAR SHAREHOLDERS,

In the first quarter (1 April to 30 June 2012) of financial year 2012/2013 (1 April 2012 to 31 March 2013), GESCO Group's economic performance continued at a similar level as that seen in the second half of 2011/2012. The economic environment turned out to be largely robust despite the crisis in the Eurozone and the recession in southern Europe. The GESCO Group companies were able to translate this into lively business. GESCO AG also considerably expanded its portfolio with three acquisitions.

CHANGES TO THE SCOPE OF CONSOLIDATION

Werkzeuga-bau-Laichingen Group, which was acquired in December 2011, is included for the first time in the consolidated income statement of the GESCO Group in this interim report. Werkzeugbau Laichingen was already included in the consolidated balance sheet as of 31 March 2012.

Ackermann Fahrzeugbau GmbH, which was sold in April 2012, is no longer included in the interim financial statements as of 30 June 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 June 2012 and will be included in the consolidated income statement from the second quarter onwards for a total period of seven months.

At the beginning of July 2012, i.e. after the reporting date, GESCO AG acquired 82.17 % of **Protomaster Riedel & Co. GmbH**, Willkau-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 sales. Protomaster will be included in the consolidated balance sheet in the second quarter. The company will be reported in the consolidated income statement from the second quarter onwards 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 diecast components. 107 employees generate sales of some € 12 million. Modell Technik will also be included in the consolidated balance sheet in the second quarter. The company will be reported in the consolidated income statement from the second quarter onwards for a total period of five months.

DEVELOPMENT OF GROUP SALES AND EARNINGS

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 three months of financial year 2012/2013 therefore encompasses the operating months January to March 2012 of the Group's subsidiaries.

Economic development was stable in the first quarter of 2012/2013. Incoming orders in the GESCO Group came to € 116.3 million in the first quarter of the current financial year 2012/2013, on par with the very high prior-year's period level of € 115.9 million. Group sales rose by 7.1 % to € 106.8 million (previous year's period: € 99.7 million).

Earnings before interest, taxes, depreciation and amortisation (EBITDA) grew by 5.8 % to € 12.9 million (€ 12.3 million). Earnings before interest and taxes (EBIT) rose by 5.2 % to € 9.9 million (€ 9.4 million). The financial result amounted to € -878 thousand compared to € -752 thousand in the previous year's period. Group net income after minority interest went up by 6.2 % to € 5.8 million (€ 5.4 million). Earnings per share pursuant to IFRS decreased from € 1.80 to € 1.74 as a result of the number of shares being increased by almost 10 % during the capital increase in February 2012.

Order backlog reached a record high at € 192 million at the end of the first quarter. This figure includes the acquired order backlog of Werkzeugbau-Laichingen Group of roughly € 27 million. Even without this addition, order backlog would have grown considerably compared to € 146 million on the reporting date of the previous year's period.

SEGMENT REPORTING

Tool manufacture and mechanical engineering is still the larger of the two segments. In the first quarter, incoming orders went up 5.7 % to € 108.9 million (€ 103.1 million). Sales rose by 11.5 % to € 98.6 million (€ 88.4 million). EBIT grew by 22.7 %, considerably higher than sales, and came to € 11.7 million (€ 9.4 million).

The deconsolidation of Ackermann Fahrzeugbau GmbH after the company was sold in April 2012 left its impact on the plastics technology segment. Incoming orders fell from € 12.6 million to € 7.2 million. Sales amounted to € 8.0 million compared to € 11.1 million in the previous year's period. EBIT came to € 1.6 million (€ 1.4 million).

ASSETS AND FINANCIAL POSITION

The balance sheet total went up by 9.3 % to € 351.0 million (31 March 2012: € 321.1 million) as a result of sales growth and the first-time consolidation of CFK.

On the asset side, non-current assets increased slightly by 4.8 % after the acquisition and investments, whereas current assets rose more steeply by 15.7 %. Inventories and trade receivables rose, in particular, due to the sales growth. Liquid assets climbed further to € 51.1 million (€ 42.9 million)

On the liabilities side, equity went up to € 160.4 million due to the result for the period (€ 154.9 million). The equity ratio dropped slightly to 45.7 % (48.2 %) as a result of the increased balance sheet total. Current liabilities to financial institutions and trade payables in particular went up on account of the strongly growing operating business.

Overall, the GESCO Group continues to show a very healthy structure and sufficient liquid assets, high equity and moderate debt. Goodwill amounted to just under 6 % of equity on the reporting date.

EMPLOYEES

The Group employed 2,008 people on the reporting date, 11.1 % more than on the previous year's reporting date (1,807). This growth reflects the total number of employees after some being taken over as part of the Werkzeugbau Laichingen acquisition and others leaving after the sale of Ackermann. We also slightly increased headcounts at some of our subsidiaries. The employees of the new companies acquired during the financial year are not yet included in this interim report; they will be reported as from the second quarter, when the companies will also be recognised in the income statement.

OUTLOOK AND EVENTS AFTER THE REPORTING DATE

The two companies Protomaster and Modell Technik mentioned at the beginning were acquired after the reporting date.

The second quarter of financial year 2012/2013 encompasses the operating months April to June 2012 of the subsidiaries. The number of incoming orders flattened out compared to the first quarter, as expected in the full-year guidance, while sales increased once again. Incoming orders came to around € 108 million, down on the high prior-year figure of € 117.6 million but still at a very high level. Group sales amounted to approximately € 114 million (€ 111.4 million). Order backlog came to around € 184 million at the end of the second quarter.

We published our guidance for financial year 2012/2013 at the accounts press conference on 28 June 2012. It expects Group sales of € 430 million and Group net income after minority interest of € 20.5 million, corresponding to earnings per share pursuant to IFRS of € 6.17. We estimate that economic developments will calm down somewhat in the second half of the year and margins will normalise as a result. We are raising our sales guidance for the current financial year 2012/2013 to € 438 million on account of the first-time consolidation of Protomaster and Modell Technik. We are leaving our forecast for Group net income after minority interest unaltered, as newly acquired companies often do not make any material contributions to earnings in the first two years after acquisition due to effects from first-time consolidation.

The indicators and economic forecasts are showing an uncertain and subdued picture overall with regard to future economic developments. No sustainable solution to the structural problems in the Eurozone has been found as yet. It cannot be reliably forecast to which extent these problems and the recession in some European countries will influence the requirements and investment decisions of GESCO Group customers. GESCO Group's operating business currently remains at a high level overall. Individual companies are recording a decreasing customer demand or are finding that customers are placing their orders more hesitantly. There are no specific signs at present of economic performance within the Group suffering a massive slump. Our strong balance sheet continues to put us in a good position both to benefit from positive economic developments and to face setbacks. The high order backlog is also creating a certain buffer against potential economic slumps.

We have considerably expanded GESCO Group with four company acquisitions since the end of 2011/beginning of 2012 and laid the foundations for future growth. We still believe the environment for acquisitions to be favourable and see realistic acquisition opportunities during the course of the current financial year.

Yours sincerely,

GESCO AG
The Executive Board

Wuppertal, 15 August 2012

GESCO GROUP BALANCE SHEET AS AT 30 JUNE 2012 AND 31 MARCH 2012

€'000	30.06.2012	31.03.2012
Assets		
A. NON-CURRENT ASSETS		
I. Intangible assets		
1. Industrial property rights and similar rights and assets as well as licences	9,476	8,282
2. Goodwill	9,456	8,840
3. Prepayments made	199	340
	19,131	17,462
II. Property, plant and equipment		
1. Land and buildings	28,536	28,639
2. Technical plants and machinery	29,515	26,668
3. Other plants, fixtures and fittings	19,308	18,869
4. Prepayments made and plants under construction	2,772	1,786
5. Property held as financial investments	2,649	2,687
	82,780	78,649
III. Financial investments		
1. Shares in affiliated companies	15	240
2. Shares in associated companies	1,532	1,525
3. Investments	38	38
4. Securities held as fixed assets	1,000	1,000
5. Other loans	205	236
	2,790	3,039
IV. Other assets	2,720	2,728
V. Deferred tax assets	2,312	2,804
	109,733	104,682
B. CURRENT ASSETS		
I. Inventories		
1. Raw materials and supplies	20,254	18,966
2. Unfinished products and services	44,372	36,746
3. Finished products and goods	55,237	53,223
4. Prepayments made	1,195	354
	121,058	109,289
II. Receivables and other assets		
1. Trade receivables	57,478	47,762
2. Amounts owed by affiliated companies	1,013	813
3. Amounts owed by companies with which a shareholding relationship exists	1,066	1,035
4. Other assets	8,823	6,179
	68,380	55,789
III. Securities	18	18
IV. Cash in hand and credit balances with financial institutions	51,121	42,940
V. Accounts receivable and payable	685	532
	241,262	208,568
C. ASSETS HELD FOR SALE	0	7,885
	350,995	321,135

€'000	30.06.2012	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	88,363	82,588
IV. Own shares	-634	-634
V. Exchange equalisation items	-440	-500
VI. Minority interest (incorporated companies)	9,794	10,161
	160,359	154,891
B. NON-CURRENT LIABILITIES		
I. Minority interest (partnerships)	3,624	3,986
II. Provisions for pensions	12,089	12,038
III. Other long-term provisions	1,908	1,713
IV. Liabilities to financial institutions	47,935	41,171
V. Other liabilities	2,358	2,478
VI. Deferred tax liabilities	5,732	5,495
	73,646	66,881
C. CURRENT LIABILITIES		
I. Other provisions	12,252	9,613
II. Liabilities		
1. Liabilities to financial institutions	25,721	22,007
2. Trade creditors	19,427	14,896
3. Prepayments received on orders	24,988	18,918
4. Liabilities on bills	250	279
5. Liabilities to affiliated companies	0	7
6. Liabilities to companies with which a shareholding relationship exists	108	74
7. Other liabilities	33,962	29,562
	103,952	85,743
III. Accounts receivable and payable	283	219
	116,990	95,575
D. LIABILITIES HELD FOR SALE	0	3,788
	350,995	321,135

GESCO GROUP INCOME STATEMENT FOR THE FIRST QUARTER (1 APRIL TO 30 JUNE)

C'000	I. Quarter 2012/2013	I. Quarter 2011/2012
Sales revenues	106,812	99,700
Change in stocks of finished and unfinished products	6,811	5,966
Other company-produced additions to assets	152	115
Other operating income	1,075	896
Total income	114,850	106,677
Material expenditure	-62,582	-59,090
Personnel expenditure	-26,836	-23,393
Other operating expenditure	-12,445	-11,920
Earnings before interest, tax, depreciation and amortisation (EBITDA)	12,987	12,274
Depreciation on tangible and intangible assets	-3,110	-2,887
Earnings before interest and tax (EBIT)	9,877	9,387
Earnings from investments in associated companies	-24	19
Other interest and similar income	154	93
Interest and similar expenditure	-828	-771
Minority interest in partnerships	-180	-93
Financial result	-878	-752
Earnings before tax (EBT)	8,999	8,635
Taxes on income and earnings	-2,862	-2,741
Group net income	6,137	5,894
Minority interest in incorporated companies	-362	-457
Group net income after minority interest	5,775	5,437
Earnings per share (€) acc. to IFRS	1.74	1.80
Weighted average number of shares	3,315,212	3,020,262

STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER (1 APRIL TO 30 JUNE)

€'000	I. Quarter 2012/2013	I. Quarter 2011/2012
Group net income	6,137	5,894
Currency translation differences	60	-40
Income and expenditure recorded directly in equity	60	-40
Total result for the period	6,197	5,854
of which shares held by minority interests	362	457
of which shares held by GESCO shareholders	5,835	5,397

GESCO GROUP STATEMENT OF CHANGES IN EQUITY CAPITAL

€'000	Subscribed capital	Capital reserves	Revenue reserves	Own shares
As at 01.04.2011	7,860	36,167	64,879	-3
Other neutral changes			339	
Result for the period			5,419	
As at 30.06.2011	7,860	36,167	70,637	-3
As at 01.04.2012	8,645	54,631	82,588	-634
Dividends				
Disposal of holdings				
Result for the period			5,775	
Addition from first time consolidation				
As at 30.06.2012	8,645	54,631	88,363	-634

GESCO GROUP SEGMENT REPORT FOR THE FIRST QUARTER (1 APRIL TO 30 JUNE)

€'000	Tool manufacture and mechanical engineering		Plastics technology	
	I. Quarter 2012/2013	I. Quarter 2011/2012	I. Quarter 2012/2013	I. Quarter 2011/2012
Order backlog	186,746	138,233	4,903	7,764
Incoming orders	108,986	103,144	7,164	12,596
Sales revenues	98,644	88,449	8,043	11,120
of which with other segments	0	0	0	0
Depreciation	2,232	1,992	334	430
EBIT	11,566	9,423	1,579	1,423
Investments	2,165	2,542	862	813
Employees (No./reporting date)	1,843	1,584	154	211

Exchange equalisation items	Revaluation IAS 39	Total	Minority interest incorporated companies	Equity capital
-252	0	108,651	5,710	114,361
		339	502	841
-40		5,379	457	5,836
-292	0	114,369	6,669	121,038
-500	0	144,730	10,161	154,891
			-739	-739
			-819	-819
60		5,835	362	6,197
			829	829
-440	0	150,565	9,794	160,359

GESCO AG		Other/Consolidation		Group	
I. Quarter 2012/2013	I. Quarter 2011/2012	I. Quarter 2012/2013	I. Quarter 2011/2012	I. Quarter 2012/2013	I. Quarter 2011/2012
0	0	0	0	191,649	145,997
0	0	125	131	116,275	115,871
0	0	125	131	106,812	99,700
0	0	0	0	0	0
37	25	507	440	3,110	2,887
-1,130	-1,258	-2,138	-201	9,877	9,387
10	10	0	0	3,037	3,365
11	12	0	0	2,008	1,807

GESCO GROUP CASH FLOW STATEMENT FOR THE FIRST QUARTER (1 APRIL TO 30 JUNE)

C'000	I. Quarter 2012/2013	I. Quarter 2011/2012
Group net income for the period (including share attributable to minority interest in incorporated companies)	6,137	5,894
Depreciation on property, plant and equipment	3,110	2,887
Result from investments in associated companies	24	-19
Share attributable to minority interest in partnerships	180	93
Increase in long-term provisions	246	46
Other non-cash result	253	-40
Cash flow for the period	9,950	8,861
Losses from the disposal of property, plant and equipment/intangible assets	11	34
Gains from the disposal of property, plant and equipment/intangible assets	-51	-24
Gains from the disposal of financial assets	-222	0
Increase in stocks, trade receivables and other assets	-14,398	-29,281
Increase in trade creditors and other liabilities	10,534	19,438
Cash flow from ongoing business activity	5,824	-972
Incoming payments from disposals of property, plant and equipment/intangible assets	64	75
Disbursements for investments in property, plant and equipment	-2,896	-3,463
Disbursements for investments in intangible assets	-171	0
Incoming payments from disposals of financial assets	225	0
Disbursements for investments in financial assets	-24	0
Incoming payments from the sale of consolidated companies	1,900	50
Disbursements for the acquisition of consolidated companies	-2,497	0
Cash flow from investment activity	-3,399	-3,338
Incoming payments from minority interests	635	0
Disbursements to minority interests	-2,005	-268
Incoming payments from raising (financial) loans	21,420	8,353
Outflow for repayment of (financial) loans	-14,294	-4,000
Cash flow from funding activities	5,756	4,085
Cash increase in cash and cash equivalents	8,181	-225
Financial means on 01.04.	42,958	38,512
Financial means on 30.06.	51,139	38,287

EXPLANATORY NOTES

ACCOUNTS, ACCOUNTING AND VALUATION METHODS

The report of GESCO Group for the first quarter (1 April to 30 June 2012) of the 2012/2013 financial year (1 April 2012 to 31 March 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 Kriffel GmbH, acquired in May 2012, are included in the balance sheet as of 30 June 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 quarter of 2012/2013.

FINANCIAL CALENDAR

30 August 2012

Annual General Meeting in the Stadthalle, Wuppertal

November 2012

Publication of the figures for the first six months (1 April to 30 September 2012) and dispatch of the interim report

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

August 2013

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

November 2013

Publication of the figures for the first six months (1 April to 30 September 2013) and dispatch of the interim report

DEAR SHAREHOLDERS,

If you would like to receive regular information on GESCO AG, please add your name to our mailing list. Please print this page, fill it out and return it to us by post or fax. You can also register on our website www.gesco.de, send us an e-mail at info@gesco.de or call us on +49 202 24820-18.

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