Interim Report Q1/2013

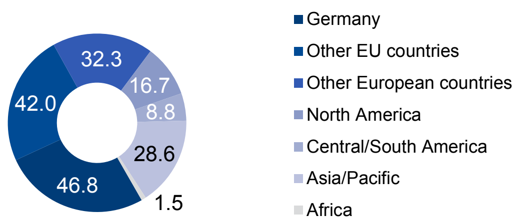
KEY GROUP FIGURES

		3 months 2013	3 months 2012	3 months 2011	3 months 2010
Total sales revenue	EUR m	176.7	187.7	175.6	165.0
Sales revenue Germany	EUR m	46.8	46.7	37.0	31.9
Sales revenue other EU countries	EUR m	42.0	54.4	57.2	63.3
Sales revenue other European countries	EUR m	32.3	35.6	23.6	18.4
Sales revenue North America	EUR m	16.7	12.0	13.5	10.0
Sales revenue Central/South America	EUR m	8.8	11.4	9.3	10.2
Sales revenue Asia/Pacific	EUR m	28.6	27.2	34.3	30.4
Sales revenue Africa	EUR m	1.5	0.4	0.7	0.8
operative EBITDA[1) 2)]	EUR m	13.4	16.7	14.6	12.7
operative EBITDA[1) 2)]	as % of sales revenue	7.6	8.9	8.3	7.7
EBIT[1)]	EUR m	5.8	9.8	6.9	5.2
EBIT[1)]	as % of sales revenue	3.3	5.2	3.9	3.2
EBT	EUR m	3.6	6.8	3.4	2.8
EBT	as % of sales revenue	2.0	3.6	1.9	1.7
Net profit/loss - after non-controlling interests	EUR m	1.8	3.2	1.5	1.7
Earnings per share[3)]	EUR	0.12	0.21	0.10	0.08
ROCE[4)] after taxes	as %	5.6	9.8	6.9	4.9
HVA[5)]	as %	-3.9	0.2	-2.6	-4.2
Free cash flow[6)]	EUR m	-3.6	3.9	-2.4	6.3
Equity as of the reporting date	EUR m	167.4	163.9	169.8	161.3
Equity ratio	as %	30.2	28.6	28.7	27.9
Net liabilities to banks	EUR m	92.5	77.4	59.5	89.6
Net debt to EBITDA ratio[7)]		1.7	1.2	1.0	1.8
Investments / capitalized intangible assets[8)]	EUR m	7.2	3.8	3.9	3.1
Investments property, plant and equipment[8)]	EUR m	1.5	3.6	2.0	2.1
Amortization of intangible assets[8)]	EUR m	3.6	2.8	2.8	2.6
Depreciation of property, plant and equipment[8)]	EUR m	3.4	3.4	3.5	3.6
Employees	average of the period	5,031	5,121	5,058	4,947
thereof trainees	average of the period	334	346	375	384
Order intake accumulated[9)]	EUR m	182.3	170.6	187.8	165.6
Order backlog as of the reporting date[9)]	EUR m	230.9	208.9	218.5	200.5

1) Before taking into account employee participation
2) Before restructuring/non-recurring expenses
3) Net profit/loss after non-controlling interests, based on 15,668,000 shares
4) (Adjusted EBIT[1) 2)] for the first quarter x 4 x 70 %) / capital employed (non-current assets + net working capital) (assumed effective tax rate of 30 %)
5) ROCE after taxes less weighted average cost of capital employed
6) Cash flow from operating activities plus cash flow from investing activities
7) Net liabilities to banks / operative EBITDA (before employee participation and restructuring/non-recurring expenses) for the first quarter x 4
8) Excluding leases
9) Order intake and order backlog only contain own machines without merchandise, spare parts and services

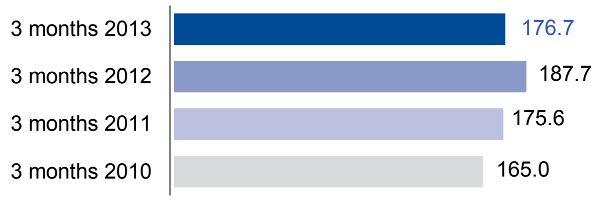
SALES REVENUE BY REGION 3 months 2013

EUR million



SALES REVENUE

EUR million

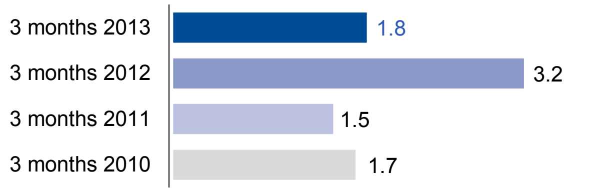


operative EBITDA[1)]

EUR million

NET PROFIT/LOSS after non-controlling interests

EUR million

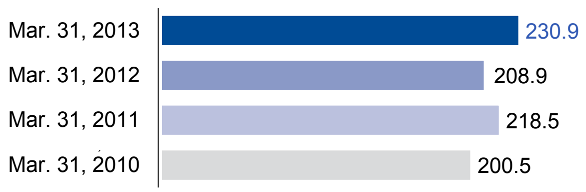


ORDER INTAKE [2)]

EUR million

ORDER BACKLOG [2)]

EUR million



[1)] Before taking into account employee participation and before restructuring/non-recurring expenses
[2)] Order intake and order backlog only contain own machines without merchandise, spare parts and services

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FOREWORD BY THE MANAGEMENT BOARD

From left to right:
Dr. Markus Flik
Harald Becker-Ehmck

DEAR SHAREHOLDERS,

Just a few days ago, on May 10, 2013, LIGNA – the leading trade fair in our industry that takes place every two years – came to a close in Hanover. The HOMAG Group had to rise to the challenge as the largest exhibitor. Customers had high expectations for us as the global market and technology leader. We gladly accepted this challenge and took the opportunity again this year to win over our customers with new plant and machinery, brimming with our innovative power, and fulfill expectations.

LIGNA presented a challenge to our entire team. Correspondingly, the first quarter of 2013 was marked by preparations for what is by far the most important trade fair. Our nearly 7 percent growth in order intake in the first three months compared to the prior year is thus even more remarkable. In this way, we saw growth, contrary to the trend in the industry, although many customers typically wait until LIGNA before making investment decisions. Our order backlog also grew further and reached the highest first-quarter figure since 2008. In addition to the good order intake, this is also due to slight delays in some deliveries. Some customers postponed the delivery dates for their plant or machinery. In addition, our employees were tied up in preparations for LIGNA. On the other hand, numerous complex projects were in an early phase of processing at the end of the quarter.

As a result of the slightly fewer deliveries, our sales revenue was down by approximately 6 percent compared to the prior-year months. The not yet realized sales revenue, however, has to some extent been shifted to the coming months. Moreover, sales revenue of EUR 5.5 million from the large-scale project for our customer Mekran, which had an above-average proportion of merchandise, was also included in the prior-year figure. The slightly lower level of sales revenue had a direct impact on our results of operations, as a result of which we were unable to match the prior-year level. Our results were also burdened by higher personnel expenses relating to the collectively bargained wage increase of 2012, the capacities temporarily committed to the implementation of the large-scale IT project ProFuture, LIGNA preparations and processing of projects. The higher elimination of intercompany profits in connection with the rising stocks in the first quarter has also burdened the results, although we will compensate for this to a large extent in the coming quarters.

From left to right:
Jürgen Köppel
Hans-Dieter Schumacher

OUTLOOK

We are confident that we will be able to compensate for a somewhat weaker first quarter of 2013 compared to the prior year with regard to sales revenue and earnings over the remainder of the year. Although the general environment has certainly not gotten easier, we are confident thanks to our high order backlog and good order intake.

For these reasons, we are confirming our forecasts and still aim to exceed the prior-year order intake figure and generate sales revenue for the Group of around EUR 800 million in 2013, subject to the condition that there are no major disruptions in the global economy. We aim to reach an operative EBITDA before employee participation expenses and before extraordinary expenses of around EUR 75 million and expect to return a net profit of the Group for the year of around EUR 15 million.

We are also encouraged by our success at LIGNA. With the presentation of our innovations we received very positive feedback and also new orders from customers. We aim to keep this momentum moving forward over the course of fiscal 2013.

Schopfloch, May 2013

The management board

DR. MARKUS FLIK

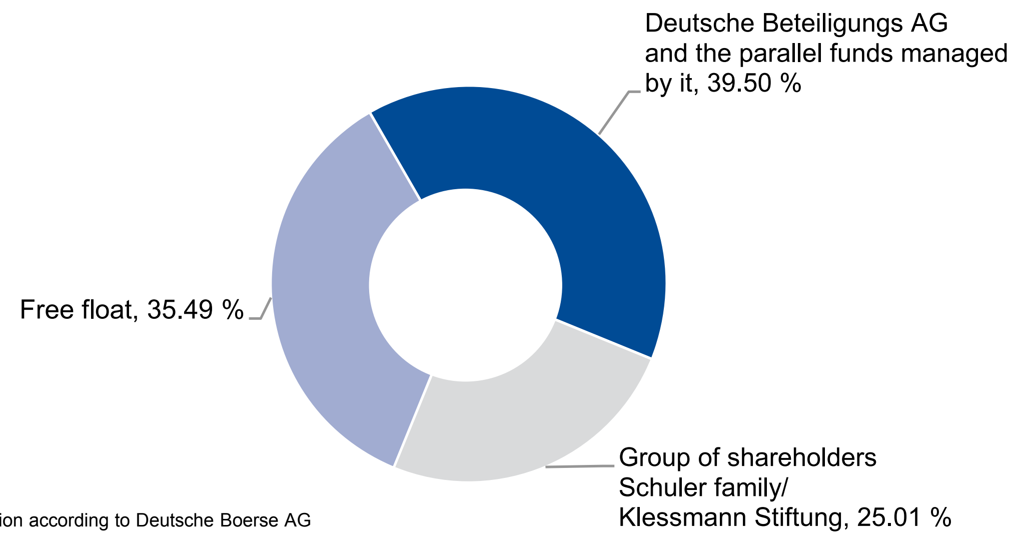
HARALD BECKER-EHMCK

JÜRGEN KÖPPEL

HANS-DIETER SCHUMACHER

THE HOMAG GROUP SHARE

SHAREHOLDER STRUCTURE AS OF APRIL 30, 2013*



*Method of calculation according to Deutsche Boerse AG

Following the good stock exchange year 2012, German stock markets continued to develop positively at the beginning of 2013. This was due to the global economy, among other things, which gained momentum in February. However, the Italian parliamentary elections, which remained without a clear winner, and in particular the debt crisis in Cyprus that caused uncertainty in the eurozone to increase further put a damper on growth in March. Nevertheless, stock indices saw growth in the first quarter of 2013. While the DAX only grew by just over 2 percent, the MDAX and TecDAX each grew by 12 percent and the SDAX rose by nearly 9 percent.

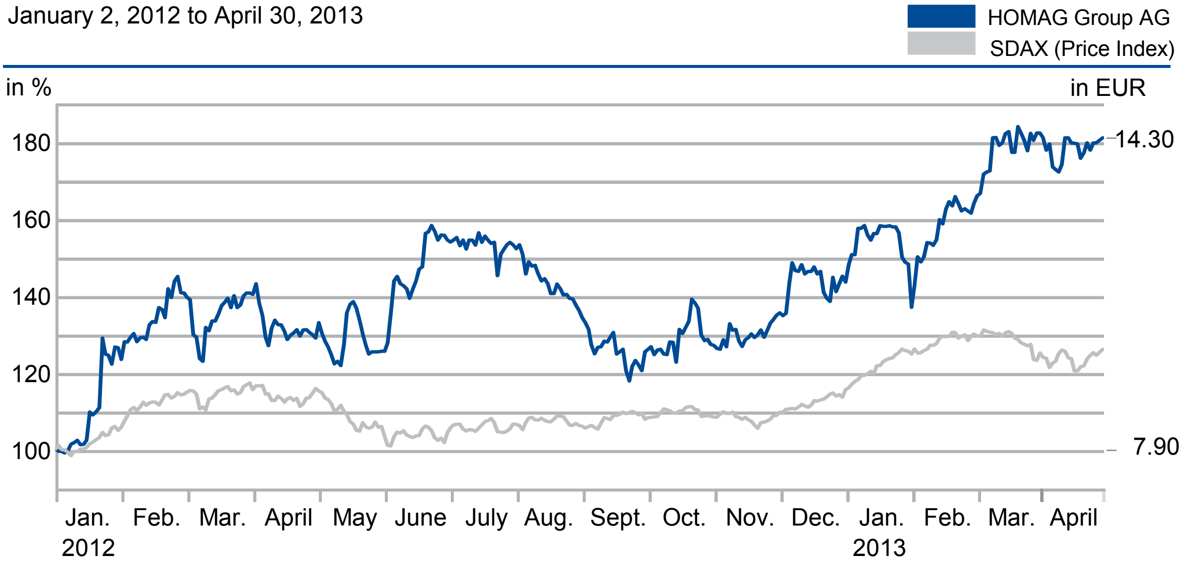
The HOMAG share developed even better and saw growth of more than 25 percent in the first three months of 2013 and stood at EUR 14.40 at the end of March.

The German stock markets recorded stable development in April, although the DAX, MDAX and SDAX each saw slight growth. Our share price also remained relatively stable with the HOMAG share standing at EUR 14.30 at the end of April.

The presentation of our annual report was the focal point of our capital market communication in the first quarter of 2013. At the end of March we presented it at a press briefing on the annual results and an analyst conference. Our CEO and CFO were available to hold discussions with and answer the questions of the journalists and analysts in attendance. We also kept the general public informed with three press releases and an investor newsletter concerning all key developments at the HOMAG Group in the first three months of the year.

PERFORMANCE OF THE HOMAG GROUP SHARE IN COMPARISON WITH SDAX

January 2, 2012 to April 30, 2013



Source: XETRA, stock performance indexed (January 2, 2012 = 100)

SHARE PERFORMANCE INDICATORS

ISIN code		DE0005297204
Stock exchange segment		Prime Standard
XETRA code		HG1
IPO	July 13, 2007	
Number of shares	no-par value ordinary bearer shares	15,688,000
Price high* (January 2, 2012-March 28, 2013)	March 20, 2013	EUR 14.53
Price low* (January 2, 2012-March 28, 2013)	January 5, 2012	EUR 7.82
Price* as at March 28, 2013		EUR 14.40
Earnings per share		EUR 0.12
Market capitalization (March 31, 2013)		EUR 225.9 million

* XETRA closing quote

INTERIM MANAGEMENT REPORT AS OF MARCH 31, 2013

ECONOMIC ENVIRONMENT

In their current Joint Economic Forecast, Germany's leading economic institutes conclude that the global economy has picked up slightly in the spring of 2013. In this context, business and consumer expectations have improved and global trade has also picked up again. Hard indicators such as order intake and industrial production, however, have not yet shown a clear upward trend, meaning that economic growth continues to be very low. Demand in advanced economies was subdued on account of consolidation efforts in the public and private sectors. The economic vitality in emerging economies is considerably higher, although it has not been possible to reach the growth rates seen in past years. The still restrictive budgetary policy in Europe also continues to have a negative impact, as the economy in the eurozone is only stabilizing at a very slow pace.

According to the spring report, the economy in Germany exhibits an upward trend again, due to the somewhat accelerated expansion outside of the eurozone among other things. Nevertheless, total economic output recovered only slightly in the first quarter of 2013 and investment in capital goods is likely to have decreased again. The ifo business climate index fell considerably in April 2013. Both the business situation as well as expectations of many companies have deteriorated.

According to the VDMA ["Verband Deutscher Maschinen- und Anlagenbau e.V.": German Engineering Federation], the German mechanical engineering industry recorded a 2 percent decline in order intake for the first three months of 2013. In this context, orders abroad stagnated while orders in Germany fell by 7 percent. The industry association within the VDMA responsible for the wood processing machines segment of relevance to HOMAG reports a decrease of 1 percent in order intake (HOMAG: +6.9 percent) in the first quarter of 2013. Indeed, sales revenue decreased by 12 percent (HOMAG: -5.9 percent).

BUSINESS DEVELOPMENT

The first quarter of 2013 was marked by the HOMAG Group's preparations for the leading LIGNA trade fair, which took place at the beginning of May in Hanover. The industry meets every two years at what is by far its most important trade fair worldwide. As the global market leader, we worked hard to take this opportunity to present to our customers the complete power of innovation of the HOMAG Group. We are glad to accept this challenge and have made great efforts to prepare for LIGNA with our entire team.

Despite this large workload, we were able to significantly increase our order intake by almost 7 percent to EUR 182.3 million in the first three months of 2013 (prior year: EUR 170.6 million), contrary to the trend in the industry. This improvement was even more remarkable in light of the fact that many customers typically wait until LIGNA before making investment decisions and we consciously turned down a few projects due to the attainable margin.

With an order backlog of EUR 230.9 million as of March 31, 2013, we were not only able to significantly exceed the prior-year figure of EUR 208.9 million, but also reached the highest first-quarter figure since 2008. The order backlog rose by more than EUR 50 million compared to year-end 2012. In addition to the good order intake, this is also due to slight delays in some deliveries. On the one hand, these delays were due to customers' requests for later delivery dates for their plant or machinery. On the other, our employees were tied up in preparations for LIGNA. Furthermore, numerous complex projects were in an early phase of processing at the end of the quarter.

The decrease in sales revenue to EUR 176.7 million in the first quarter of 2013 (prior year: EUR 187.7 million) should be considered in the context of the smaller number of deliveries. A portion of this sales revenue has thus been shifted to the coming months. In addition, sales revenue in the first quarter of the prior year also included EUR 5.5 million relating to the large-scale project with our customer, Mekran. Total operating performance came to EUR 194.8 million between January and March 2013 (prior year: EUR 200.0 million) and thus decreased much less than sales revenue compared to the prior year. This is due to the significant increase in finished goods and work in process to EUR 15.5 million (prior year: EUR 9.5 million) on account of the changed product mix, the high order backlog and fewer deliveries.

Relative to our global sales markets, the domestic market was again the strongest single market in the first quarter of 2013. Nevertheless, the excellent level of the prior year was not reached in this market or the central European region as a whole. This was primarily attributable to the project business, which settled at a normal level following record figures in 2011 and 2012. For central Europe, as well as globally, we again expect positive impulses from LIGNA, the world's leading trade fair for the industry, which took place in Hanover at the beginning of May.

Western Europe was able to considerably exceed the prior-year figure in spite of the weakness of individual markets such as Spain and Portugal. Order intake in Italy was particularly striking, where we won important projects. Order intake in western Europe was thus stronger than central Europe and was only outperformed by eastern Europe. Based on the good demand for series machines, Russia as well as other smaller markets in the region performed better than in the corresponding prior-year period. The excellent project business in Poland rounded off the strong development in the eastern European region in the first quarter of 2013.

The upward trend continued in the United States in the first three months of 2013 and made a good contribution to order intake in the region. As a result, the prior-year figure was also exceeded in this region. This is due to continuously winning market shares, which confirms the validity of the long-term strategy in North America in particular. Despite winning a few important projects, business in Asia, and in China in particular, was not able to fulfill expectations and did not reach the prior-year level in the first quarter of 2013. However, our strategic measures to expand local sales and service capacities as well as local production will make a positive impact in the medium term.

RESULTS OF OPERATIONS

Lower sales revenue in the first three months of 2013 compared to the prior year has had a direct impact on our results of operations. Additionally, the higher elimination of intercompany profits in connection with the rising stocks in the first quarter has also burdened the key earnings indicators. In spite of the slightly lower total operating performance, we were unable to scale back our personnel capacities due to the preparations for LIGNA and work on projects in the reporting quarter.

Overall, the operative EBITDA before employee profit participation expenses and before extraordinary expenses decreased as a result to EUR 13.4 million (prior year: EUR 16.7 million).

The increase in personnel expenses to EUR 73.2 million (prior year: EUR 71.1 million) also contributed to this decrease, even though the headcount at the HOMAG Group was down 90 employees on average for the quarter, partly due to the restructuring. The increase is primarily attributable to a collectively bargained wage increase of 4.3 percent in Germany as well as wage increases abroad. Combined with the lower sales revenue, the ratio of personnel expenses to total operating performance thus came to 37.6 percent (prior year: 35.5 percent). By contrast, the ratio of cost of materials to total operating performance fell to 42.9 percent in the first quarter of 2013 (prior year: 43.2 percent). One reason for this is that the proportion of merchandise was down following the completion of the large-scale project with Mekran.

Extraordinary expenses in both the reporting quarter as well as the prior-year quarter were of little significance (EUR 0.1 million; prior year: EUR 0.05 million). Employee participation expenses rose to EUR 1.2 million (prior year: EUR 1.0 million) due to the good development of the companies in which employees hold participations, particularly in the earnings pursuant to German GAAP. Amortization, depreciation and impairment increased to EUR 7.5 million (prior year: EUR 6.9 million) due to higher amortization of intangible assets. This relates to the start of amortization of investments in the large-scale IT project ProFuture, a group-wide implementation of a Microsoft Office suite version upgrade as well as the active use of development services capitalized in prior years for the newly developed **power**Control concept.

Our EBIT before employee profit participation expenses and after extraordinary expenses thus came to EUR 5.8 million in the first quarter of 2013 (prior year: EUR 9.8 million). The generally low interest rate level, the lower interest rates since the repayment of participation rights and the cash pool (which enables central management of cash reserves at numerous subsidiaries) resulted in an improvement in the interest result to EUR -1.5 million (prior year: EUR -2.1 million). Combined with the higher profit from associates, the financial result comes to EUR -1.0 million (prior year: EUR -2.0 million). EBT after employee participation expenses and after extraordinary expenses fell to EUR 3.6 million (prior year: EUR 6.8 million).

At 47 percent, the tax expense rate in the first quarter of 2013 was below the prior-year level (51 percent). The interest limitation regulations and losses incurred at some subsidiaries for which no deferred tax assets could be recognized continued to prevent an even lower rate. This brings the net profit for the period before non-controlling interests to EUR 1.9 million (prior year: EUR 3.4 million) and after non-controlling interests to EUR 1.8 million (prior year: EUR 3.2 million). Earnings per share comes to EUR 0.12 (prior year: EUR 0.21).

NET ASSETS AND FINANCIAL POSITION

As is typical in the first quarter, total assets rose to EUR 555.0 million as of March 31, 2013 compared to year-end 2012 (December 31, 2012: EUR 541.0 million). The main reason for this increase on the assets side of the statement of financial position is the rising stocks on account of the changed product mix and the increased order volume. The increase in intangible assets stems from the higher investments relating to the large-scale IT project ProFuture as well as the group-wide Microsoft Office update.

By contrast, receivables from long-term construction contracts decreased considerably as we have completed some large projects in the meantime and several new large projects are still in their initial phases. The decrease in cash and cash equivalents is due to rising stocks.

Equity rose slightly to EUR 167.4 million on the equity and liabilities side of the statement of financial position (December 31, 2012: EUR 165.8 million). At 30.2 percent, the equity ratio was thus close to the level as of year-end 2012 (30.6 percent). On account of continuous repayments, our current and non-current financial liabilities declined further as planned. Other current liabilities increased at the end of the first quarter particularly due to normal seasonal movements at the beginning of the year, such as the increase in vacation provisions and overtime accounts. In addition to the LIGNA preparations, the high workload on IT employees was reflected in this item. For instance, as part of the large-scale IT project ProFuture, we are working on the SAP ERP extension for production at the subsidiary BRANDT, which is scheduled to go live on July 1, 2013.

Our net liabilities to banks rose slightly to EUR 92.5 million as of March 31, 2013 despite the further reduction of financial liabilities compared to year-end 2012 (December 31, 2012: EUR 89.5 million). This is due to the decrease in cash and cash equivalents on account of rising stocks. We expect net liabilities to banks to decrease once inventories are scaled back.

The return on capital employed (ROCE) before taxes on the basis of EBIT before expenses from employee participation and before extraordinary expenses fell to 8.0 percent between January and March 2013 (prior year: 14.0 percent). After taxes (tax rate used in calculation: 30 percent), ROCE on the basis of EBIT before the result from employee participation and before extraordinary expenses came to 5.6 percent (prior year: 9.8 percent). This decrease is primarily due to temporary build-up of stocks, the significant increase in fixed assets compared to the first quarter of 2012 due to the higher intangible assets as well as the lower EBIT before employee profit participation and before extraordinary expenses.

Further measures to complete the restructuring at the companies also had an effect on liquidity as planned in the first quarter of 2013. This led to a decrease in operating cash flow (cash flow from operating activities) to EUR 4.9 million between January and March 2013 (prior year: EUR 10.6 million). This is also due to the higher net working capital compared to the prior-year quarter as well as a decline in the net profit for the period. Primarily on account of the high investments in intangible assets, the cash flow from investing activities decreased to EUR -8.5 million (prior year: EUR -6.7 million). This results in free cash flow of EUR -3.6 million (prior year: EUR 3.9 million). On account of the fact that more financial liabilities were able to be repaid in the reporting quarter, the cash flow from financing activities decreased to EUR -3.7 million as of the end of the first quarter (prior year: EUR 1.8 million). Cash and cash equivalents amount to EUR 37.4 million as of March 31, 2013 (prior year: EUR 63.1 million).

EMPLOYEES

The Group headcount decreased slightly in the reporting period primarily on account of the continued implementation of restructuring measures at BÜTFERING, FRIZ and TORWEGGE. The Group has 5,031 employees as of March 31, 2013, after 5,104 at the end of the first quarter of 2012 and 5,048 at year-end 2012. In addition, the HOMAG Group employed 60 contract workers (prior year: 80 contract workers).

CAPITAL EXPENDITURE

Our capital expenditure on intangible assets and property, plant and equipment rose to EUR 8.7 million (without leases) in the first quarter of 2013 (prior year: EUR 7.4 million). The focal point of our investment was the further automation of the warehouse of HOMAG Holzbearbeitungssysteme GmbH, the large-scale IT project ProFuture as well as a group-wide Microsoft Office update. Capital expenditure contains own work capitalized of EUR 2.3 million (prior year: EUR 2.6 million). We expect investment volume for the full fiscal year to remain at the level of fiscal year 2012.

RESEARCH AND DEVELOPMENT

Research and development in the first quarter of 2013 was geared towards LIGNA, the leading trade fair in the industry. We had the opportunity to present numerous innovations that demonstrate our technology leadership and our system and plant competence. We focused again on showing benefits to customers with respect to productivity, differentiation and sustainability.

Under the slogan “Touch the innovation – touch the future”, we introduced the new control generation **power**Control together with the new standardized user interface of HOMAG Group power**Touch**. The system unites design with functionality in a completely new user interface. Standardized control elements and software modules ensure that all HOMAG Group machines can be operated and cross-linked with the same familiar look and feel.

We presented a new dividing center in the Industry segment. Precise division and separation of workpieces speed up material flow. Gentle action part guidance at the same time helps protect surface quality. Our customers can further improve productivity by combining the system with a new storage system capable of handling workpieces of greater width and length.

In the Cabinet Shops segment, we showed new prospects for flexible production and premiered new no-contact technology for sanding in surface processing. With this technology, the workpiece is measured automatically and the machine is also set up automatically. We also presented a new generation of vertical drilling for the first time in the field of CNC technology. The vertical part guidance has a much lower space requirement. Moreover, it offers an extremely precise and considerably quicker processing of rows of holes and can also be used for automatic dowel driving in furniture construction.

We also unveiled more than 20 new developments in processing unit technology. For instance, grip handle profiles are increasingly used in high-quality designer furniture instead of door handles. A newly developed trimming unit allows for fully automated profile trimming without a need for manual reworking and thus improved processing quality. In this way, customers are able to distinguish themselves from the competition.

In software technology, the HOMAG Group presented a further development in the field of warehouse logistics that optimizes storage movements and documents the storage system's efficiency factor. The warehouse software adjusts precisely to match production conditions and offers improved performance and flexibility while utilizing less storage space.

RISIK AND OPPORTUNITIES REPORT

The risk management system in place and the individual business risks and opportunities are described in the annual report 2012, pages 79 to 85. The comments made there are still essentially valid. There are no discernible risks at present that could jeopardize the continuation of HOMAG Group as a going concern.

SUBSEQUENT EVENTS

The DPR ["Deutsche Prüfstelle für Rechnungslegung e.V.": Financial Reporting Enforcement Panel] reviewed HOMAG Group AG's accounting over the past six months. The DPR reviewed the group management report, which has been combined in the management report of HOMAG Group AG, and the consolidated financial statements of HOMAG Group AG for the 2011 fiscal year. This review concluded in April 2013 without any objections from DPR.

OUTLOOK

In their current Joint Economic Forecast, leading economic institutes expect the global economy to gain momentum this year, even though economic growth is expected to remain moderate. GDP growth of 2.5 percent is forecast worldwide, although emerging economies are expected to see growth of 5.9 percent. With expected growth of 8.2 percent, China remains the driving force. Advanced economies will only see slight growth of 1.1 percent. The United States is expected to grow 2.0 percent and Japan 1.4 percent. The EU will continue to be a global economic area of concern in 2013, where the economy is expected to stagnate. Indeed, in the eurozone economic output is expected to see a 0.4 percent decline.

In Germany, research institutes expect a 0.8 percent increase in GDP in 2013. Demand from abroad is expected to accelerate gradually over the course of the year. Growth is expected to stem from advanced economies outside of the eurozone as well as from emerging economies in particular.

The VDMA reconfirmed its forecast for the German mechanical engineering industry for 2013 and anticipates machinery production to increase by 2 percent. The industry association within the VDMA responsible for the wood processing machines segment also confirmed its forecast of 2 percent growth for 2013 in the run up to LIGNA.

Although the general environment has certainly not gotten easier, we confirm our growth forecasts for the HOMAG Group for 2013. This is still subject to the condition that there are no major disruptions in the global economy. We continue to aim to exceed prior-year order intake in 2013 and estimate group sales revenue of EUR 800 million. We aim to reach an operative EBITDA before employee profit participation expenses and before extraordinary expenses of around EUR 75 million and expect to return a net profit of the Group for the year of around EUR 15 million.

We are convinced that we will be able to compensate for a somewhat weaker first quarter with respect to sales revenue and earnings during the remainder of the year. We are confident about the future thanks to the good order intake and the high order backlog as of the end of March 2013 as well as the positive way the recently held LIGNA went. This event allowed us to once again impress our customers with our innovations and we received a lot of positive feedback and new orders. We aim to keep this momentum moving forward over the course of fiscal 2013.

INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

EUR k	2013 01/01-03/31	2012 01/01-03/31
SALES REVENUE	**176,696**	**187,698**
Increase or decrease in inventories of finished goods and work in progress	15,510	9,489
Own work capitalized	2,612	2,856
	18,122	12,345
TOTAL OPERATING PERFORMANCE	**194,818**	**200,043**
Other operating income	3,895	3,512
	198,713	**203,555**
Cost of materials	83,567	86,321
Personnel expenses before employee participation	73,206	71,084
Amortization of intangible assets	3,602	2,797
Depreciation of property, plant and equipment	3,905	4,060
Other operating expenses	28,667	29,470
	192,947	**193,732**
OPERATING RESULT BEFORE EMPLOYEE PARTICIPATION	**5,766**	**9,823**
Expenses from employee participation	-1,208	-1,022
NET OPERATING PROFIT	**4,558**	**8,801**
Profit/loss from associates	536	114
Interest income	314	541
Interest expenses	1,843	2,669
EARNINGS BEFORE TAXES	**3,565**	**6,787**
Income taxes	-1,670	-3,433
NET PROFIT FOR THE PERIOD	**1,895**	**3,354**
Profit attributable to non-controlling interests	50	135
Profit attributable to owners of Homag Group AG	**1,845**	**3,219**
Earnings per share attributable to owners of Homag Group AG in EUR (basic and diluted)	0.12	0.21

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR k	**2013 01/01-03/31**	2012 01/01-03/31
NET PROFIT FOR THE PERIOD	**1,895**	**3,354**
Currency effects	15	-96
thereof share in associates included using the equity method	*323*	*-142*
Gains and losses from cash flow hedges	-129	0
Taxes attributable to gains and losses from cash flow hedges	36	0
OTHER INCOME AND EXPENSES THAT CAN BE RECLASSIFIED TO THE INCOME STATEMENT UNDER CERTAIN CONDITIONS IN FUTURE PERIODS	**-78**	**-96**
Acturial gains and losses	-91	0
Income tax on other comprehensiv income	0	0
OTHER INCOME AND EXPENSES THAT CANNOT BE RECLASSIFIED TO THE INCOME STATEMENT IN FUTURE PERIODS	**-91**	**0**
OTHER COMPREHENSIVE INCOME	**-169**	**-96**
TOTAL COMPREHENSIVE INCOME	**1,726**	**3,258**
Total comprehensive income attributable to non-controlling interests	122	60
Total comprehensive income attributable to owners of Homag Group AG	**1,604**	**3,198**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

EUR k		Mar. 31, 2013	Dec. 31, 2012
NON-CURRENT ASSETS			
I.	Intangible assets	73,357	69,793
II.	Property, plant and equipment	130,411	132,594
III.	Investments in associates	9,097	8,732
IV.	Other financial assets	496	501
V.	Receivables and other assets		
	Trade receivables	1,427	1,538
	Sundry financial assets	852	1,136
	Other assets and prepaid expenses	80	73
	Income tax receivables	1,754	1,750
VI.	Deferred taxes	12,364	12,056
		229,838	**228,173**
CURRENT ASSETS			
I.	Inventories	148,883	127,967
II.	Receivables and other assets		
	Trade receivables	88,139	84,959
	Receivables from long-term construction contracts	16,204	23,231
	Receivables due from associates	13,041	13,792
	Other assets and prepaid expenses	17,149	13,022
	Income tax receivables	1,931	1,811
III.	Cash and cash equivalents	37,350	45,557
		322,697	**310,339**
IV.	Non-current assets held for sale	2,505	2,505
		325,202	**312,844**
TOTAL ASSETS		**555,040**	**541,017**

EQUITY AND LIABILITIES

EUR k		Mar. 31, 2013	Dec. 31, 2012
EQUITY			
I.	Issued capital	15,688	15,688
II.	Capital reserves	32,976	32,976
III.	Revenue reserves	108,897	96,361
IV.	Net profit for the period	1,845	12,680
	Equity attributable to owners	159,406	157,705
V.	Non-controlling interests	7,977	8,056
		167,383	**165,761**
NON-CURRENT LIABILITIES AND PROVISIONS			
I.	Non-current financial liabilities	69,660	71,698
II.	Other non-current liabilities	9,418	9,606
III.	Pensions and other post employment benefits	3,459	3,368
IV.	Obligations from employee participation	13,250	13,133
V.	Other non-current provisions	4,983	5,088
VI.	Deferred taxes	13,351	12,900
		114,121	**115,793**
CURRENT LIABILITIES AND PROVISIONS			
I.	Current financial liabilities	69,306	70,894
II.	Trade payables	72,455	60,936
III.	Payments on account	33,750	34,956
IV.	Liabilities from long-term construction contracts	2,467	3,316
V.	Liabilities to associates	4,687	2,714
VI.	Other financial liabilities	179	7
VII.	Other current liabilities and deferred income	70,510	65,496
VIII.	Tax liabilities	6,112	6,463
IX.	Pensions and other post employment benefits	72	72
X.	Other current provisions	13,998	14,609
		273,536	**259,463**
TOTAL LIABILITIES		**387,657**	**375,256**
TOTAL EQUITY AND LIABILITIES		**555,040**	**541,017**

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR k	**2013 01/01-03/31**	2012 01/01-03/31
1. CASH FLOW FROM OPERATING ACTIVITIES		
Profit or loss before taxes	**3,565**	**6,787**
Income tax paid (-)	-1,779	-1,308
Interest result	1,529	2,128
Interest paid (-)	-1,680	-2,352
Interest received (+)	314	532
Write-downs (+)/write-ups (-) of non-current assets (netted)	7,507	6,857
Increase (+)/decrease (-) in provisions	-783	-1,097
Share of profit (-) or loss (+) of associates	-536	-114
Gain (-)/loss (+) on disposals of non-current assets	-97	-134
Increase (-)/decrease (+) in inventories, trade receivables and other assets	-18,839	-9,325
Increase (+)/decrease (-) in trade payables and other liabilities	15,652	8,577
CASH FLOW FROM OPERATING ACTIVITIES	**4,853**	**10,551**
2. CASH FLOW FROM INVESTING ACTIVITIES		
Cash received (+) from disposals of property, plant and equipment	186	706
Cash paid (-) for investments in property, plant and equipment	-1,501	-3,565
Cash received (+) from disposals of intangible assets	4	0
Cash paid (-) for investments in intangible assets	-7,159	-3,831
Cash received (+) from disposals of financial assets	6	0
Cash paid (-) for investments in financial assets	0	24
CASH FLOW FROM INVESTING ACTIVITIES	**-8,464**	**-6,666**

EUR k	2013 01/01-03/31	2012 01/01-03/31
3. CASH FLOW FROM FINANCING ACTIVITIES		
Cash received (+) from allocations to equity	305	0
Cash received (+) from the issue of (financial) liabilities	5,254	6,803
Cash repayment (-) of bonds and (financial) liabilities	-9,294	-4,990
CASH FLOW FROM FINANCING ACTIVITIES	**-3,735**	**1,813**
4. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		
Change in cash and cash equivalents (subtotal 1-3)	-7,345	5,698
Effect of currency translation adjustments and change in scope of consolidation on cash and cash equivalents	-862	932
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**45,557**	**56,469**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD [1)]	**37,350**	**63,099**

[1)] Cash and cash equivalents at the end of the period correspond to the line item cash and cash equivalents in the statement of financial position.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR k	Issued capital	Capital reserves	Revenue Revenue reserves
Jan. 1, 2012	**15,688**	**32,976**	**95,275**
Other changes			**-21**
Changes from non-controlling interests			-1,114
Transactions with owners			**-1,114**
Reclassification to revenue reserves			**-4,718**
Net result for the period			
Other income and expense			
Total comprehensive income			
Mar. 31, 2012	**15,688**	**32,976**	**89,422**
Jan. 1, 2013	**15,688**	**32,976**	**90,446**
Other changes			**-410**
Changes from non-controlling interests			507
Transactions with owners			**507**
Reclassification to revenue reserves			**12,680**
Net result for the period			
Other income and expense			
Total comprehensive income			
Mar. 31, 2013	**15,688**	**32,976**	**103,223**

reserves					
Other comprehensive income	Translation reserve	Group result	Equity before non-controlling interests	Non-controlling interests	Total
-134	**6,062**	**-4,718**	**145,149**	**16,506**	**161,655**
			-21		**-21**
			-1,114	92	**-1,022**
			-1,114	**92**	**-1,022**
		4,718	**0**	**0**	**0**
		3,219	3,219	135	**3,354**
	-21		-21	-75	**-96**
	-21	**3,219**	**3,198**	**60**	**3,258**
-134	**6,041**	**3,219**	**147,212**	**16,658**	**163,870**
-377	**6,292**	**12,680**	**157,705**	**8,056**	**165,761**
			-410	**306**	**-104**
			507	-507	**0**
			507	**-507**	**0**
		-12,680	**0**	**0**	**0**
		1,845	1,845	50	**1,895**
-184	-57		-241	72	**-169**
-184	**-57**	**1,845**	**1,604**	**122**	**1,726**
-561	**6,235**	**1,845**	**159,406**	**7,977**	**167,383**

SELECTED EXPLANATORY NOTES

GENERAL

These interim condensed consolidated financial statements for the first three months of 2013 were released for publication by resolution of the management board on May 13, 2013.

COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

The interim condensed consolidated financial statements of Homag Group AG (Homag Group) as of March 31, 2013, like the consolidated financial statements as of December 31, 2012, were prepared in accordance with the International Financial Reporting Standards (IFRSs) of the International Accounting Standards Board (IASB), the interpretations of the IFRS Interpretations Committee (IFRIC) as adopted by the EU and applicable as of the reporting date. The provisions of IAS 34 on interim financial reporting were applied.

The same accounting policies generally apply for this interim report as for the 2012 consolidated financial statements. These policies are explained in detail in the 2012 annual report. In addition, the amendments to IFRSs and the new policies mandatory as of January 1, 2013 have been adopted in the interim financial statements. The amendments to the following IFRSs became applicable for the first time in the reporting period:

Amendments to IFRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to IFRS 7 and IAS 32	Offsetting of Financial Assets and Financial Liabilities
IFRS 13	Fair Value Measurement
Amendments to IAS 1	Presentation of Items of Other Comprehensive Income
Amendments to IAS 12	Deferred Tax: Recovery of Underlying Assets
Amendments to IAS 19	Employee Benefits (as revised in 2011)
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

Of the standards mentioned above, only the amendments to IAS 1 and IFRS 13 have an effect on the consolidated quarterly financial statements:

Amendment of IAS 1 – *Presentation of Items of Other Comprehensive Income*

The amendment to IAS 1 was issued in June 2011 and became effective for fiscal years beginning on or after July 1, 2012. The amendment to IAS 1 concerns the presentation of the items of other comprehensive income. Items that could be reclassified to profit or loss at a future point in time would be presented separately from items that will remain in equity. The amendment merely affected presentation in the consolidated statement of comprehensive income and has no impact on the Homag Group’s net assets, financial position and results of operations.

IFRS 13 – *Fair Value Measurement*

The Group only has a minor amount of assets that are measured at fair value. As a result, this standard did not have any material effect on the Group's net assets, financial position and results of operations. IFRS 13, however, leads to changes in IAS 34, according to which additional disclosures in the notes to the financial statements would become necessary for the interim financial statements.

All mandatory new and amended IFRSs were described in detail in the annual report 2012.

The interim consolidated financial statements have been prepared in euro (group currency) and presented in thousands of euros (EUR k). Besides the income statement and statement of financial position, a statement of cash flows, a statement of changes in equity and a statement of comprehensive income have been presented separately.

The income statement has been prepared using the function of expenses method.

BASIS OF CONSOLIDATION

The interim consolidated financial statements are based on the separate financial statements of Homag Group AG and the subsidiaries included in consolidation, prepared in accordance with uniform accounting policies.

The interim condensed consolidated financial statements do not contain all of the information required for consolidated financial statements and should therefore be read in conjunction with the published consolidated financial statements as of December 31, 2012.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

SALES REVENUE

In the first three months of 2013, the Homag Group generated sales revenue of EUR 176,696 k, down 5.9 percent on the comparable period in 2012.

EUR k	2013 01/01-03/31	%	2012 01/01-03/31	%	% change on the prior year
Germany	**46,825**	**26.5%**	**46,654**	**24.9%**	**0.4%**
Other EU countries	41,954	23.7%	54,369	29.0%	-22.8%
Rest of Europe	32,294	18.3%	35,691	19.0%	-9.5%
North America	16,693	9.4%	12,031	6.4%	38.7%
Central/South America	8,829	5.0%	11,397	6.1%	-22.5%
Asia/Pacific	28,602	16.3%	27,156	14.4%	5.3%
Africa	1,499	0.8%	400	0.2%	274.8%
Other countries	**129,871**	**73.5%**	**141,044**	**75.1%**	**-7.9%**
TOTAL	**176,696**	**100.0%**	**187,698**	**100.0%**	**-5.9%**

The regions North America (38.7 percent) and Africa (274.8 percent) saw the greatest percentage increase in sales revenue in the first three months of 2013 in comparison to the same period of the prior year. Growth was also recorded in the region Asia/Pacific (5.3 percent). Down 9.5 percent, the region rest of Europe registered a slight decrease. Sales revenue in the regions Central/South America and other EU countries fell by 22.5 percent and 22.8 percent, respectively, in comparison to the comparable period of 2012. The share of sales revenue earned in Germany increased from 24.9 percent in the first three months of 2012 to 26.5 percent in the reporting period.

COST OF MATERIALS

EUR k	2013 01/01-03/31	2012 01/01-03/31
Cost of raw materials, consumables and supplies and purchased merchandise	79,255	80,620
Cost of purchased services	4,312	5,701
	83,567	**86,321**

The ratio of cost of materials to total operating performance decreased slightly to 42.9 percent in the first three months of 2013, as compared to 43.2 percent in the corresponding period of the prior year. One reason for this is that the proportion of merchandise was down following the completion of the large-scale project Mekran.

PERSONNEL EXPENSES

EUR k	**2013** **01/01-03/31**	2012 01/01-03/31
Wages and salaries	62,224	60,132
Social security, pension and other benefit costs	10,982	10,952
thereof pension benefits	*4,144*	*4,298*
	73,206	**71,084**

EUR k	**2013** **01/01-03/31**	2012 01/01-03/31
Expenses from employee participation	-1,208	-1,022

After 5,104 employees as of March 31, 2012 and 5,048 as of December 31, 2012, the Homag Group employed 5,031 persons as of March 31, 2013.

Personnel expenses in the first quarter of 2013 were up 3.0 percent on the comparable period of the prior year. The increase is primarily attributable to a collectively bargained wage increase of 4.3 percent in Germany as well as wage increases abroad. Combined with the lower sales revenue, the ratio of personnel expenses to total operating performance thus came to 37.6 percent (prior year: 35.5 percent).

Employee profit participation expenses rose to EUR 1,208 k in the first three months of 2013 (prior year: EUR 1,022 k) due to the good development of the companies in which employees hold participations, particularly in the earnings pursuant to German GAAP.

NET PROFIT FOR THE PERIOD

Operative EBITDA before employee participation expenses and before restructuring/non-recurring expenses amounted to EUR 13,376 k in the first three months of 2013 (prior year: EUR 16,726 k). EBIT before employee participation expenses and after restructuring/non-recurring expenses amounted to EUR 5,766 k in the first quarter of 2013 (prior year: EUR 9,823 k).

The financial result of EUR -993 k for the first three months of 2013 improved by 50.7 percent compared to the prior-year period (prior year: EUR -2,014 k) thanks to improvements in both the interest result and the investment result.

EBT in the first three months of 2013 came to EUR 3,565 k (prior year: EUR 6,787 k). The net profit for the period stood at EUR 1,895 k (prior year: EUR 3,354 k). After non-controlling interests, the net profit for the period came to EUR 1,845 k (prior year: EUR 3,219 k) which leads to earnings per share of EUR 0.12 (prior year: EUR 0.21).

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

Inventories rose by EUR 20,916 k to EUR 148,883 k in comparison to December 31, 2012, an increase of 16.3 percent. The changed product mix and the increased order volume are responsible for this rise.

Receivables from long-term construction contracts were down EUR 7,027 k or 30.2 percent. Other current assets and prepaid expenses rose by EUR 4,127 k or 31.7 percent compared to December 31, 2012.

Cash and cash equivalents decreased by EUR 8,207 k compared to year-end 2012.

Current trade payables rose by EUR 3,180 k.

The line item “Non-current assets held for sale” remained unchanged compared to December 31, 2012. The building held for sale at Friz Kaschiertechnik GmbH was sold after the reporting date in April 2013. The aim is to complete the sale of the assets held for sale at Torwegge Holzbearbeitungsmaschinen GmbH in the near future.

EQUITY

The change in equity, including other comprehensive income, is presented in the statement of changes in equity.

The equity ratio stood at 30.2 percent as of March 31, 2013, and was thus slightly below the level as of December 31, 2012 (December 31, 2012: 30.6 percent).

Pursuant to IAS 33, earnings per share are determined by dividing the group’s net profit or loss for the period by the average number of shares. Earnings per share stood at EUR 0.12 in the first three months of 2013 (prior year: EUR 0.21).

	2013 01/01-03/31	2012 01/01-03/31
Profit for the period attributable to owners of Homag Group AG for the calculation of the basic earnings in EUR k	1,845	3,219
BASIC EARNINGS PER SHARE ACCORDING TO IAS 33 IN EUR	**0.12**	**0.21**
Number of shares (basis for the calculation of the earnings per share)	15,688,000	15,688,000

There were no dilutive effects in the reporting period.

At its meeting of March 21, 2013, the supervisory board seconded the management board's recommendation to propose to the annual general meeting of May 28, 2013 to pay out a dividend of EUR 0.25 per share for the fiscal year 2012.

LIABILITIES

On the equity and liabilities side of the statement of financial position, current and non-current financial liabilities decreased by EUR 3,626 k. Trade payables rose by EUR 11,519 k, an increase of 18.9 percent. Other current liabilities increased by EUR 5,014 k (7.7 percent) in the reporting period due to normal seasonal movements at the beginning of the year, such as the increase in vacation provisions and overtime accounts.

Net liabilities to banks increased slightly from EUR 89,470 k as of December 31, 2012 to EUR 92,534 k as of March 31, 2013. This is due to the decrease in cash and cash equivalents on account of rising stocks.

FINANCIAL INSTRUMENTS

Book values, carrying amounts and fair values by measurement categories

EUR k	Book value Mar. 31, 2013
ASSETS	
Cash and cash equivalents	37,350
Trade receivables	102,607
Receivables from long-term construction contracts	16,204
Other financial assets	496
Other non-derivative financial assets	7,916
Derivative financial assets	
Derivatives without hedging relationship	35
EQUITY AND LIABILITIES	
Trade payables	77,142
Liabilities from long-term construction contracts	2,467
Financial liabilities	
Liabilities to banks	129,884
Profit participation capital	9,082
Derivative financial liabilities	
Derivatives without hedging relationship	50
Derivatives with hedging relationship	129
THEREOF COMBINED ACCORDING TO THE MEASUREMENT CATEGORIES IN ACCORDANCE WITH IAS 39	
Loans and receivables	147,873
Held-for-sale financial assets	496
Financial assets held for trading	35
Financial liabilities measured at amortized cost	207,026
Financial liabilities held for trading	50

Carrying amount in balance sheet IAS 39					
Amortized cost	Acquisition cost	Fair value through profit or loss	Carrying amount according to IAS 11	Carrying amount according to IAS 17	Fair value Mar. 31, 2013
37,350					37,350
102,607					102,607
			16,204		16,204
	496				--
7,916					7,916
		35			35
77,142					77,142
			2,467		2,467
129,884					130,435
				9,082	9,165
		50			50
		129			129
147,873					147,873
	496				--
		35			35
207,026					207,577
		50			50

Cash and cash equivalents, trade receivables and other non-derivative assets fall due in the short term for the most part. Consequently, their carrying amounts as of the end of the reporting period approximate their fair value.

Available-for-sale financial assets relate exclusively to equity instruments for which a quoted price on an active market is not available. Consequently, their fair value cannot be measured reliably. This concerns strategic investments for which there is no intent to sell at present.

The fair value of derivative financial instruments, which are essentially interest rate hedges and forward exchange contracts, is determined using standardized actuarial methods (mark-to-market method).

For trade payables, it is assumed that the fair values correspond to the carrying amounts of these financial instruments due to the short terms to maturity.

As regards financial liabilities, non-current liabilities due to banks are determined using a fixed interest rate, while the fair value of the finance lease liabilities and in the prior year the liabilities from profit participation rights was determined based on the present value ofthe expected future cash flows. Discounting is based on the prevailing market interest rates with reference to the terms concerned; terms are classified into those falling due between one and five years and terms of more than five years. If there is objective evidence that the credit risk has changed since the liability was entered into, this is taken into account when determining the discount rate. As regards the current liabilities to banks, it is assumed that the carrying amount of these financial instruments approximates their fair values owing to the short terms to maturity.

The interest derivatives concluded in 2010 at HOMAG Group AG expired in Q1 2013. In Q1 2013, new interest rate hedges (interest rate swaps) were concluded for existing loans of EUR 60 million for this reason. The changes in cash flows from the hedged transactions resulting from changes in the Euribor rate are offset by changes in cash flows (compensation payments) from the interest rate swaps. The aim of the hedging measures is to transform the variable-rate financial liabilities into fixed-interest financial liabilities and thus to hedge the risks in the cash flow from the financial liabilities. Credit risks are not hedged. The effectiveness of the hedge is prospectively and retrospectively tested using the critical terms match method. All hedges of this kind were effective as of the reporting date.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial assets at fair value through profit or loss:

	March 31, 2013			
EUR k	Total	Level 1	Level 2	Level 3
Derivatives without hedging relationship	35	0	35	0
Derivatives with hedging relationship	0	0	0	0
	35	**0**	**35**	**0**

Financial liabilities at fair value through profit or loss:

	March 31, 2013			
EUR k	Total	Level 1	Level 2	Level 3
Derivatives without hedging relationship	50	0	50	0
Derivatives with hedging relationship	129	0	129	0
	179	**0**	**179**	**0**

SEGMENT REPORTING

Intersegment transfers are performed at arm's length. Transactions between group segments are eliminated in the consolidation column.

Details on the breakdown into the individual segments can be found on page 164 of the annual report 2012.

Sales revenue grew strongest in the Other segment, up EUR 5,700 k (or 39.6 percent). In absolute terms, the largest growth was generated by Homag Machinery Środa Sp. z o.o. (up EUR 2,235 k or 54.6 percent). Moreover, Homag Machinery (Shanghai) Co., Ltd. recorded a gain of EUR 1,687 k (39.6 percent). The Cabinet Shops segment registered an increase of EUR 1,914 k (4.0 percent) in total. By contrast, the segments Industry and Sales & Service decreased (down EUR 7,560 k and EUR 5,543 k, respectively). Here it should be noted that sales revenue from the large-scale project Mekran was included in this figure in the prior year in the Industry segment.

	Industry		Cabinet Shops		Sales & Service	
	2013	2012	**2013**	2012	**2013**	2012
EUR k	**01/01-03/31**	01/01-03/31	**01/01-03/31**	01/01-03/31	**01/01-03/31**	01/01-03/31
Third-party sales	70,205	83,464	23,731	23,804	53,094	58,479
Sales with group companies from other segments	24,821	24,084	21,621	19,137	369	541
Sales with investments recognized at equity	14,093	9,131	4,462	4,959	14	0
TOTAL SALES REVENUE	**109,119**	**116,679**	**49,814**	**47,900**	**53,477**	**59,020**
operative EBITDA[1)]	**12,203**	**15,019**	**3,311**	**2,225**	**199**	**1,726**
Restructuring/non-recurring expenses[2)]	-40	-39	0	0	-45	0
Depreciation of property, plant and equipment and amortization of intangible assets	-4,938	-4,462	-1,361	-1,351	-540	-546
Expenses from employee participation	-1,088	-951	-90	-136	0	-26
Share in result of associates	182	114	0	0	354	0
Interest result	-399	-490	-89	-210	-127	-71
SEGMENT RESULT[3)]	**5,920**	**9,192**	**1,771**	**528**	**-159**	**1,083**
EMPLOYEES[4)]	**2,611**	**2,696**	**987**	**1,017**	**737**	**744**

[1)] Operative EBITDA before expenses from employee participation and restructuring/non-recurring expenses
[2)] Contained in personnel expenses and other operating expenses
[3)] The segment result is equivalent to EBT
[4)] Average of the period

The development of operative EBITDA before employee participation expenses and before restructuring/non-recurring expenses varied between segments. Operative EBITDA in the Industry segment fell by EUR 2,816 k and by EUR 1,527 k in the Sales & Service segment. By contrast, the Cabinet Shops segment recorded an increase of EUR 1,086 k and the Other segment an increase of EUR 940 k. In the Industry segment, Homag Holzbearbeitungssysteme GmbH was the entity which recorded the largest decline in absolute terms (down EUR 2,329 k or 20.6 percent). The largest percentage decrease was seen at Bargstedt Handlingsysteme GmbH (down 80.6 percent or EUR 580 k). The change in the Sales & Service segment was allocable almost proportionately to several companies. In the Other segment, Homag Machinery (Shanghai) Co., Ltd. in particular recorded a gain of EUR 603 k (309.6 percent) and Homag Machinery (São Paulo) Ltda. a gain of EUR 204 k (623.2 percent). In the Cabinet Shops segment, the largest improvement in earnings was seen at Brandt Kantentechnik GmbH (EUR 433 k or 45.7 percent).

Other		Total segments		Consolidation		Group	
2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
01/01-03/31	01/01-03/31	**01/01-03/31**	01/01-03/31	**01/01-03/31**	01/01-03/31	**01/01-03/31**	01/01-03/31
5,829	4,531	152,859	170,278	0	0	152,859	170,278
8,995	6,531	55,806	50,293	-55,806	-50,293	0	0
5,268	3,330	23,837	17,420	0	0	23,837	17,420
20,092	**14,392**	**232,502**	**237,991**	**-55,806**	**-50,293**	**176,696**	**187,698**
-954	**-1,894**	**14,759**	**17,076**	**-1,383**	**-350**	**13,376**	**16,726**
-18	-7	-103	-46	0	0	-103	-46
-668	-498	-7,507	-6,857	0	0	-7,507	-6,857
-30	91	-1,208	-1,022	0	0	-1,208	-1,022
0	0	536	114	0	0	536	114
-914	-1,357	-1,529	-2,128	0	0	-1,529	-2,128
-2,584	**-3,666**	**4,948**	**7,137**	**-1,383**	**-350**	**3,565**	**6,787**
696	**664**	**5,031**	**5,121**	**0**	**0**	**5,031**	**5,121**

OTHER NOTES

CONTINGENT LIABILITIES

As had already been reported as of year-end 2012, a German production company has set up a provision of EUR 455 k for litigation risks concerning legal proceedings with a customer.

The Homag Group or its group entities were not involved in any other litigation or arbitration proceedings that could have a considerable influence on the economic situation of the entities or the Group in the past two years, nor are they involved in any such proceedings at present. The group entities concerned have made adequate provision for any financial burdens from other litigation or arbitration proceedings which do not have a significant influence on the economic situation of the group or there is adequate coverage for these items.

RELATED PARTIES

Goods and services amounting to EUR 23,839 k were sold to associates in the first three months of the year (prior year: EUR 17,350 k). Goods and services worth EUR 855 k were received from associates (prior year: EUR 827 k).

SUBSEQUENT EVENTS AFTER MARCH 31, 2013

The DPR [“Deutsche Prüfstelle für Rechnungslegung e.V.”: Financial Reporting Enforcement Panel] reviewed HOMAG Group AG’s accounting over the past quarter. The DPR reviewed the group management report, which has been combined in the management report of HOMAG Group AG, and the consolidated financial statements of HOMAG Group AG for the 2011 fiscal year. This review concluded in April 2013 without any objections from DPR.

Schopfloch, May 13, 2013

Homag Group AG
The management board

FINANCIAL CALENDAR, CONTACTS AND DISCLAIMER

FINANCIAL CALENDAR

May 28, 2013	Annual General Meeting, Freudenstadt
August 14, 2013	Six-months report 2013
November 12, 2013	Nine-months report 2013

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DISCLAIMER

SERVICE

Our annual and interim reports as well as other up-to-the-minute information about HOMAG Group AG can be downloaded from the internet at: **www.homag-group.com**

FUTURE-ORIENTED STATEMENTS

This interim report contains certain statements relating to the future. Future-oriented statements are all those statements that do not pertain to historical facts and events or expressions pertaining to the future such as “believes”, “estimates”, “assumes”, “forecasts”, “intend”, “may”, “will”, “should” or similar expressions. Such future-oriented statements are subject to risks and uncertainty since they relate to future events and are based on current assumptions of the company, which may not occur in the future or may not occur in the anticipated form. The company points out that such future-oriented statements do not guarantee the future; actual results including the financial position and the profitability of HOMAG Group AG as well as the development of economic and regulatory framework conditions may deviate significantly (and prove unfavorable) from what is expressly or implicitly assumed or described in these statements. Even if the actual results of HOMAG Group AG including the financial position and profitability as well as the economic and regulatory framework conditions should coincide with the future-oriented statements in this interim report, it cannot be guaranteed that the same will hold true in the future.

OTHER INFORMATION

This interim report is published in German and in English. In case of doubt, the German version shall prevail. Minor differences may arise from use of amounts and percentages rounded to the nearest whole number.

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