

# SEPARATE FINANCIAL STATEMENTS AG



## FINANCIAL STATEMENTS (AG)

### \_ INCOME STATEMENT (AG)

#### \_ F1\_Income Statement (AG)

EUR	2014	2013
Other operating income	19,840,723.63	13,299,276.09
Personnel expenses		
Wages and salaries	- 12,108,099.92	- 6,379,480.37
Social security, pension and other benefit costs	- 561,103.95	- 437,696.53
Amortization of intangible assets and depreciation of property, plant and equipment	- 215,331.62	- 167,287.56
Other operating expenses	- 12,254,312.52	- 10,632,937.14
	<b>- 5,298,124.38</b>	<b>- 4,318,125.51</b>
Income from equity investments	4,279,836.95	2,563,000.00
Income from profit and loss transfer agreement	28,764,547.95	29,415,422.44
Other interest and similar income	1,038,508.83	778,250.87
Write-downs on financial assets	- 1,000,000.00	- 1,500,000.00
Interest and similar expenses	- 2,738,495.53	- 3,567,316.87
<b>Profit from ordinary activities</b>	<b>25,046,273.82</b>	<b>23,371,230.93</b>
Extraordinary expenses	- 22,989.00	- 22,991.00
<b>Extraordinary result</b>	<b>- 22,989.00</b>	<b>- 22,991.00</b>
Income taxes	- 850,515.08	- 4,302,611.72
Other taxes	- 8,022.13	18,265.96
<b>Net income for the year</b>	<b>24,164,747.61</b>	<b>19,063,894.17</b>
Profit brought forward from prior year	40,317,090.30	26,743,996.13
<b>Retained earnings</b>	<b>64,481,837.91</b>	<b>45,807,890.30</b>

**\_ BALANCE SHEET (AG)****\_ F2\_Balance Sheet (AG) – Assets**

EUR	Dec. 31, 2014	Dec. 31, 2013
<b>A. Fixed assets</b>		
I. Intangible assets		
1. Purchased industrial and similar rights	667,461.00	286,212.00
II. Property, plant and equipment		
1. Furniture and fixtures	44,486.00	35,038.00
III. Financial assets		
1. Shares in affiliates	188,490,425.65	170,606,500.23
2. Equity investments	0.00	1.00
	<b>188,490,425.65</b>	<b>170,606,501.23</b>
<b>B. Current assets</b>		
I. Receivables and other assets		
1. Trade receivables	28,814.70	5,614.70
2. Receivables from affiliates	53,882,346.17	54,438,916.22
3. Other assets	6,406,451.64	2,141,125.31
	<b>60,317,612.51</b>	<b>56,585,656.23</b>
II. Bank balances	19,071,385.90	15,420,389.64
<b>C. Prepaid expenses</b>	<b>14,062.50</b>	<b>77,920.00</b>
<b>Total assets</b>	<b>268,605,433.56</b>	<b>243,011,717.10</b>

**\_ F3\_Balance Sheet (AG) – Equity and liabilities**

EUR	Dec. 31, 2014	Dec. 31, 2013
<b>A. Equity</b>		
I. Issued capital	15,688,000.00	15,688,000.00
II. Capital reserves	33,799,650.00	33,799,650.00
III. Revenue reserves		
Other revenue reserves	1,456,134.50	1,456,134.50
IV. Retained earnings	64,481,837.91	45,807,890.30
	<b>115,425,622.41</b>	<b>96,751,674.80</b>
<b>B. Provisions</b>		
1. Pension provisions	590,121.00	572,354.00
2. Tax provisions	3,546,196.16	8,435,108.39
3. Other provisions	6,182,994.09	3,205,540.32
	<b>10,319,311.25</b>	<b>12,213,002.71</b>
<b>C. Liabilities</b>		
1. Liabilities to banks	57,500,000.00	77,500,000.00
2. Trade payables	407,657.27	287,176.72
3. Liabilities to affiliates	80,434,059.42	55,807,804.84
4. Liabilities to indirect investees and investors	0.00	2,030.00
5. Other liabilities	4,518,783.21	445,028.03
	<b>142,860,499.90</b>	<b>134,042,039.59</b>
<b>D. Deferred income</b>	<b>0.00</b>	<b>5,000.00</b>
<b>Total equity and liabilities</b>	<b>268,605,433.56</b>	<b>243,011,717.10</b>

## NOTES TO THE FINANCIAL STATEMENTS (AG) FOR FISCAL YEAR 2014

### \_ GENERAL INFORMATION

These financial statements were prepared in accordance with Sec. 242 et seq. and 264 et seq. HGB [“Handelsgesetzbuch”: German Commercial Code] as well as in accordance with the relevant provisions of the AktG [“Aktiengesetz”: German Stock Corporation Act]. The Company qualifies as a large corporation pursuant to Sec. 267 (3) HGB.

The income statement has been prepared using the nature of expense method.

In order to improve the clarity of the financial statements, we have summarized individual items in the balance sheet and in the income statement, and have disclosed them separately in the notes to the financial statements. For the same reason, we have also indicated in the notes where individual items are related to “thereof” items.

### \_ ACCOUNTING POLICIES

The following accounting and valuation methods, which have remained unchanged in comparison to the prior year, have been used to prepare the financial statements.

The balance sheet classification complies with Sec. 266 (2) and (3) HGB.

Purchased **intangible assets** are capitalized at acquisition cost and, if they have a limited life, are reduced by amortization in accordance with their useful lives using the straight-line method.

**Property, plant and equipment** are measured at cost and, if they have a limited life, are depreciated in accordance with their useful lives using the straight-line method.

With regard to **financial assets**, equity investments are recorded at the lower of cost or net realizable value assuming that any impairment in value is permanent. The market value is reviewed based on the calculation of the individual subsidiaries’ earnings value using current five-year planning. The values used in the budget are based on numerous assumptions, so that the calculation of fair value is based on discretionary decisions and on projections of future business developments.

**Receivables and other assets** are always stated at their nominal value.

**Pension provisions** are determined using the projected unit credit method and the 2005 G mortality tables. Discounting was calculated using the mean market interest rate of 4.66 percent (prior year: 4.89 percent) for a remaining term of 15 years in accordance with the RückAbzinsV [“Rückstellungsabzinsungsverordnung”: German Ordinance on the Discounting of Provisions]. Expected pension increases were again taken into account at 2.0 percent.

Exercising the option under Art. 67 (1) Sentence 1 EGHGB [“Einführungsgesetz zum Handelsgesetzbuch”: Introductory Law of the German Commercial Code], the allocation amount resulting from the change in the accounting for provisions pursuant to Sec. 249 (1) Sentence 1 and Sec. 253 (1) Sentence 2, (2) HGB due to the BilMoG [“Bilanzrechtsmodernisierungsgesetz”: German Accounting Law Modernization Act] is spread evenly over a period of 5 years.

**Tax provisions and other provisions** account for all uncertain liabilities and potential losses from pending transactions. They are recorded at the settlement amount deemed necessary according to prudent business judgment. Provisions due in more than 1 year are discounted.

**Liabilities** are stated at the settlement amount.

To determine **deferred taxes** arising due to timing or temporary differences between the carrying amounts of assets, liabilities, prepaid expenses and deferred income in the statutory accounts and their tax carrying amounts or due to tax loss carryforwards, the resulting tax burden and relief are valued using the company-specific tax rates at the time the differences reverse; these amounts are not discounted. Deferred tax assets and deferred tax liabilities are determined and subsequently offset against each other. The option to recognize deferred tax assets was not exercised. Deferred taxes were calculated using a tax rate of 28.4 percent.

When **hedge accounting** is used in accordance with Sec. 254 HGB, the following accounting and valuation principles apply:

Economic hedging relationships are accounted for by designating hedges. When it is possible to apply either the net method, under which offsetting changes in value attributable to the hedged risk are not accounted for, or the gross method, where offsetting changes in value attributable to the hedged risk of both the hedged item and the hedging instrument are accounted for, the net method is applied. Offsetting positive and negative changes in value are not recognized in the income statement.

## \_ NOTES TO THE BALANCE SHEET

### FIXED ASSETS

The development of the individual fixed asset items, including amortization, depreciation and write-downs for the fiscal year, is shown in the statement of changes in fixed assets.

#### \_F4\_Statement of Changes in Fixed Assets

EUR	Acquisition and production cost				
	Jan. 1, 2014	Additions	Disposals	Dec. 31, 2014	
I. Intangible assets					
1. Purchased industrial and similar rights	780,658.41	582,362.00	0.00	1,363,020.41	
II. Property, plant and equipment					
1. Furniture and fixtures	53,841.00	23,666.62	1,507.24	76,000.38	
III. Financial assets					
1. Shares in affiliates	186,010,553.72	9,620,925.42	0.00	195,631,479.14	
2. Equity investments	4,274,310.74	0.00	4,274,310.74	0.00	
	190,284,864.46	9,620,925.42	4,274,310.74	195,631,479.14	
	<b>191,119,363.87</b>	<b>10,226,954.04</b>	<b>4,275,817.98</b>	<b>197,070,499.93</b>	

	Accumulated amortization, depreciation and write-downs					Carrying amounts	
	Jan. 1, 2014	Additions	Disposals	Write-ups	Dec. 31, 2014	Dec. 31, 2014	Dec. 31, 2013
	494,446.41	201,113.00	0.00	0.00	695,559.41	667,461.00	286,212.00
	18,803.00	14,218.62	1,507.24	0.00	31,514.38	44,486.00	35,038.00
	15,404,053.49	1,000,000.00	0.00	9,263,000.00	7,141,053.49	188,490,425.65	170,606,500.23
	4,274,309.74	0.00	4,274,309.74	0.00	0.00	0.00	1.00
	19,678,363.23	1,000,000.00	4,274,309.74	9,263,000.00	7,141,053.49	188,490,425.65	170,606,501.23
	20,191,612.64	1,215,331.62	4,275,816.98	9,263,000.00	7,868,127.28	189,202,372.65	170,927,751.23



## FINANCIAL ASSETS

The composition of the shareholdings of Homag Group AG is presented in the following list of shareholdings:

### F5 List of Shareholdings – Germany

	Currency	Issued capital Dec. 31, 2014	Share in capital % Dec. 31, 2014	Equity EUR k Dec. 31, 2014	Net profit EUR k 2014
<b>Direct shareholdings</b>					
Homag Holzbearbeitungssysteme GmbH, Schopfloch	EUR	30,000,000.00	100.00	82,284	PLTA
SCHULER Consulting GmbH, Pfalzgrafenweiler	EUR	5,150,000.00	100.00 <sup>1</sup>	534	142
Torwegge Holzbearbeitungsmaschinen GmbH, Löhne	EUR	1,600,000.00	100.00 <sup>2</sup>	-477	-122
HOLZMA Plattenaufteiltechnik GmbH, Calw	EUR	5,600,000.00	100.00 <sup>3</sup>	14,025	EAV
Brandt Kantentechnik GmbH, Lemgo	EUR	4,000,000.00	100.00	19,602	EAV
Weeke Bohrsysteme GmbH, Herzebrock-Clarholz	EUR	17,550,000.00	100.00	29,018	111
BENZ GmbH Werkzeugsysteme, Haslach i. K.	EUR	25,000.00	51.00	7,460	1,535
Homag eSolution GmbH, Schopfloch	EUR	50,000.00	51.00	995	212
<b>Indirect shareholdings</b>					
Homag Finance GmbH, Schopfloch	EUR	7,200,000.00	100.00	46,482	11,575
Homag Automation GmbH, (formerly: Ligmatech Automationssysteme GmbH), Lichtenberg/Erzgeb.	EUR	6,650,000.00	100.00	15,488	PLTA
Friz Kaschiertechnik GmbH, Weinsberg	EUR	2,400,000.00	100.00	2,927	-123
Weinmann Holzbausystemtechnik GmbH, St. Johann-Lonsingen	EUR	1,000,000.00	75.90	1,707	-1,069
Homag GUS GmbH, Schopfloch	EUR	100,000.00	100.00	100	PLTA
Homag India GmbH, Schopfloch	EUR	400,000.00	100.00	1 <sup>4</sup>	-1 <sup>4</sup>
Homag Vertrieb & Service GmbH, Schopfloch	EUR	300,000.00	100.00	1,211	73
Hüllhorst GmbH, Barntrop	EUR	255,645.94	100.00	264 <sup>4</sup>	3 <sup>4</sup>
Futura GmbH, Schopfloch	EUR	25,000.00	100.00	25	0

1 Thereof 94.00% held by Homag Holzbearbeitungssysteme GmbH and 6.00% by Homag Group AG.

2 Thereof 39.95% held by Homag Holzbearbeitungssysteme GmbH and 60.05% by Homag Group AG.

3 Thereof 54.46% held by Homag Holzbearbeitungssysteme GmbH and 45.54% by Homag Group AG.

4 Figures from fiscal year from January 1 to December 31, 2013.

PLTA Profit and loss transfer agreement with Homag Group AG or Homag Holzbearbeitungssysteme GmbH or Homag Finance GmbH

## F6\_List of Shareholdings – Other Countries

	Currency	Issued capital Dec. 31, 2014	Share in capital % Dec. 31, 2014	Equity EUR k Dec. 31, 2014	Net profit EUR k 2014
<b>Direct shareholdings</b>					
Homag Machinery Bangalore Pvt. Ltd., Bangalore/India	INR EUR	190,000,000.00 2,479,903.00	100.00 <sup>5</sup>	99,761 1,302	-29,060 -360
Homag Machinery (São Paulo) Maquinas Especiais para Madeira Ltda., Taboão da Serra/Brazil	BRL EUR	6,812,180.00 2,108,968.76	100.00	8,958 2,773	-302 -97
Homag US, Inc., Grand Rapids/USA	USD EUR	8,133,948.00 6,691,853.56	100.00	7,713 6,346	-421 -319
Homag Machinery Środa Sp. z o.o., Środa Wielkopolska/Poland	PLN EUR	6,001,000.00 1,401,447.92	100.00	25,387 5,929	4,759 1,135
<b>Indirect shareholdings</b>					
Holzma Plattenaufteiltechnik S.A., Unipersonal L'Ametlla del Valles/Spain	EUR	2,047,748.40	100.00	3,583	1,020
Homag Machinery (Shanghai) Co. Ltd., Shanghai/China	CNY EUR	70,715,635.06 9,508,240.23	81.25	143,959 19,356	20,436 2,506
Homag Austria Gesellschaft mbH, Oberhofen am Irrsee/Austria	EUR	370,000.00	100.00	664	-191
Homag Italia S.p.A., Giussano/Italy	EUR	1,100,000.00	100.00	1,129	-69
Homag France S.A.S., Schiltigheim/France	EUR	1,500,000.00	100.00	5,048	1,920
Homag Asia (PTE) Ltd., Singapore/Singapore	SGD EUR	100,000.00 62,270.38	100.00	4,307 2,682	876 522
Homag Canada Inc., Mississauga, Ontario/Canada	CAD EUR	4,367,800.00 3,103,453.18	100.00	8,165 5,801	1,087 743
Homag Polska Sp. z o.o., Środa Wielkopolska/Poland	PLN EUR	1,050,000.00 245,212.52	100.00	6,968 1,627	5,621 1,340
Homag Japan Co. Ltd., Higashiosaka/Japan	JPY EUR	206,000,000.00 1,420,395.78	100.00	654,500 4,513	49,704 354
Homag Danmark A/S, Galtén/Denmark	DKK EUR	1,970,000.00 264,600.01	100.00	11,109 1,492	9,283 1,245
Homag U.K. Ltd., Castle Donington/England	GBP EUR	2,716,778.00 3,489,311.58	100.00	2,403 3,086	761 947
Homag Korea Co. Ltd., Bucheon-city/Korea	KRW EUR	320,970,000.00 242,266.21	54.55	2,058,696 1,554	642,417 462
Homag Group Trading SEE EOOD, (formerly: Holtzma Tech GmbH), Plovdiv/Bulgaria	BGN EUR	370,000.00 189,224.44	100.00	1,090 557	609 311
Stiles Machinery Inc., Grand Rapids/USA	USD EUR	19,749.00 16,247.63	100.00	22,579 18,576	2,786 2,108
Weeke North America Inc., Grand Rapids/USA	USD EUR	20,000.00 16,454.13	100.00	-72 -59	176 133

5 Thereof 99.99% held by Homag Group AG and 0.01% by Homag Holzbearbeitungssysteme GmbH.

**\_F7\_ List of Shareholdings – Other Countries**

	Currency	Issued capital Dec. 31, 2014	Share in capital % Dec. 31, 2014	Equity EUR k Dec. 31, 2014	Net profit EUR k 2014
Homag España Maquinaria S.A., Llinars del Vallés (Barcelona)/Spain	EUR	1,211,300.00	100.00	999	904
Homag China Golden Field Ltd., Hong Kong/China	HKD EUR	27,000,000.00 2,864,417.57	25.00	174,183 <sup>6</sup> 18,479	18,597 <sup>6</sup> 1,814
Homag South America Ltda., Taboão da Serra/Brazil	BRL EUR	16,260,031.00 5,033,909.48	100.00	- 5,142 - 1,592	- 1,865 - 601
Homag Australia Pty. Ltd., Sydney/Australia	AUD EUR	7,209,158.62 4,867,764.09	100.00	2,418 1,633	218 148
Homag (Schweiz) AG, Höri/Switzerland	CHF EUR	200,000.00 166,334.00	100.00	7,243 6,024	1,704 1,405
OOO „FAYZ-Homag GUS“, Taschkent/Usbekistan	USD EUR	174,000.00 126,389.19	33.00	- <sup>7</sup> - <sup>7</sup>	- <sup>7</sup> - <sup>7</sup>
OOO „Homag Russland“, Moscow/Russia	RUB EUR	357,215.00 4,913.55	100.00	- 9,768 - 134	- 37,610 - 724
Homag India Private Ltd., Bangalore/India	INR EUR	312,511,010.00 4,078,931.53	99.90	52,880 690	19,725 244
HA Malaysia SDN Bhd, Puchong/Malaysia	MYR EUR	500,000.00 117,652.60	100.00	- 926 - 218	165 38
HA (Thailand) Co. Ltd., Bangkok/Thailand	THB EUR	2,000,000.00 50,041.28	100.00	2,586 65	589 14
BENZ INCORPORATED, Charlotte/USA	USD EUR	100.00 82.27	100.00 <sup>8</sup>	274 225	133 101
Howard S. Twichell Company, Inc., Coppell/Texas/USA	USD EUR	589,016.21 484,587.59	100.00	712 586	232 176
Homag Equipment Machinery Trading L.L.C., Dubai/United Arab Emirates	AED EUR	300,000.00 67,198.28	80.00 <sup>9</sup>	- 1,376 - 308	- 1,676 - 345
Homag New Zealand Limited, Auckland/New Zealand	NZD EUR	100.00 64.47	100.00	0 0	0 0

<sup>6</sup> Preliminary figures

<sup>7</sup> Not available

<sup>8</sup> Exactly calculated share in capital: 51%

<sup>9</sup> In derogation from this, voting rights 100%

## RECEIVABLES AND OTHER ASSETS

**F8\_ Receivables and Other Assets**

EUR k	Dec. 31, 2014	Dec. 31, 2013
Trade receivables	29	6
thereof due in more than one year	0	0
Receivables from affiliates	53,882	54,439
thereof due in more than one year	0	0
Other assets	6,407	2,141
thereof due in more than one year	390	576
	<b>60,318</b>	<b>56,586</b>

Of the receivables from affiliates, an amount of EUR 1,511 k (prior year: EUR 1,581 k) relates to trade and EUR 23,544 k (prior year: EUR 23,442 k) to loans (including cash pooling).

**DEFERRED TAXES**

Deferred taxes were calculated using a tax rate of 28.4 percent. Deferred tax assets mainly stem from accounting differences in pension provisions and other provisions. Deferred tax assets have not been recognized.

**ISSUED CAPITAL**

As of the reporting date, the issued capital of Homag Group AG, Schopfloch, came to EUR 15,688 k (prior year: EUR 15,688 k). It is divided into 15,688,000 no-par value shares with an imputed value of EUR 1.00 each.

**CAPITAL RESERVES**

The capital reserve of Homag Group AG, Schopfloch, remained unchanged at EUR 33,800 k as of the reporting date.

**REVENUE RESERVES**

The revenue reserves of Homag Group AG, Schopfloch, remained unchanged at EUR 1,456 k as of the reporting date.

## RETAINED EARNINGS

**F9\_ Total Assets**

EUR k	
Carried forward January 1, 2014	45,808
Profit distribution	-5,491
	<b>40,317</b>
Net income for 2014	24,165
<b>December 31, 2014</b>	<b>64,482</b>

**PENSION PROVISIONS**

The pension provisions pertain to 3 individual contractual commitments to former members of the management board of IMA AG which was merged into Homag Group AG in 1999. The pension payments made in the reporting year for these former board members come to EUR 61 k (prior year: EUR 60 k).

The allocation amount pursuant to Art. 67 (1) Sentence 1 EGHGB, which is spread evenly over a period of 5 years, was added in the reporting year in full. There is no longer a deficit to be eliminated by recognizing provisions in future periods pursuant to Art. 67 (2) EGHGB.

**OTHER PROVISIONS**

Other provisions account for recognizable risks; provisions are set up for the following items:

- Bonuses
- Outstanding invoices
- Remuneration of the supervisory board
- Other personnel expenses
- Cost of preparing the financial statements, including the annual report

## LIABILITIES

### \_F10\_Liabilities

EUR k	Due in			Total	
	less than 1 year	1 to 5 years	more than 5 years	Dec. 31, 2014	Dec. 31, 2013
1. Liabilities to banks (prior year)	5,000 (25,000)	52,500 (52,500)	0 (0)	57,500	(77,500)
2. Trade payables (prior year)	408 (287)	0 (0)	0 (0)	408	(287)
3. Liabilities to affiliates (prior year)	80,434 (55,808)	0 (0)	0 (0)	80,434	(55,808)
4. Liabilities to other investees and investors (prior year)	0 (2)	0 (0)	0 (0)	0	(2)
5. Other liabilities (prior year)	4,519 (445)	0 (0)	0 (0)	4,519	(445)
thereof for taxes (prior year)	2,303 (215)	0 (0)	0 (0)	2,303	(215)
thereof for social security (prior year)	2 (1)	0 (0)	0 (0)	2	(1)

As regards the amounts accrued in connection with the syndicated loan agreement (EUR 57,500 k; prior year: EUR 77,500 k) and the related collateral we refer to the disclosures made under contingent liabilities.

Of the liabilities to affiliates, EUR 727 k (prior year: EUR 1,114 k) relates to trade payables and EUR 76,517 k (prior year: EUR 52,833 k) to liabilities in connection with cash pooling and loans.

## CONTINGENT LIABILITIES

### \_F11\_Contingent Liabilities

EUR k	Dec. 31, 2014	Dec. 31, 2013
From guarantees	51,248	37,147
thereof for liabilities of affiliates	51,248	37,147
From warranties	4,436	4,359
thereof in favor of affiliates	4,436	4,359
	55,684	41,506

The guarantees mainly pertain to guarantees obtained by subsidiaries from credit insurers resulting in joint liability.

Under the syndicated loan agreement concluded in September 2012 and amendments from May 16, 2014 between Homag Group AG, Schopfloch, Homag Holzbearbeitungssysteme GmbH, Schopfloch, and a syndicate of banks, Homag Group AG assigned the following collateral: Guarantee. The funds drawn under the prolonged syndicated loan agreement amount to EUR 60,000 k. Following the scheduled redemption as of September 30, 2014, the funds drawn amount to EUR 57,500 k and are reported under liabilities to banks. In addition, affiliates had drawn a total of EUR 9,907 k under the syndicated loan agreement as of the reporting date.

The risk of a claim relating to the above contingent liabilities is deemed to be low because of the net assets, financial position and results of operations of the companies for which the guarantee has been given.

**OTHER FINANCIAL OBLIGATIONS**

There are also other financial obligations from leases amounting to EUR 200 k. The lease agreements expire between 2015 and 2017.

**DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGES**

Interest-related transactions pertain to interest rate swaps with a nominal value of EUR 52,500 k in total. The interest rate risk on a variable-interest (3-month EURIBOR) bank liability of originally EUR 60,000 k was hedged (December 31, 2014: EUR 52,500 k). Micro hedges were formed.

The changes in value of the hedged items and hedging instruments of EUR 406 k are expected to offset each other over the term of the hedge because risk positions (hedged items) are hedged immediately after their inception. This means that the critical contractual terms and conditions (and in turn the determinants of the value) of the hedged item and hedging instrument match in each case (nominal value, variable interest rate, interest adjustment and payment terms, term, expiry date). None of the items have a carrying amount owing to their designation to hedges. The assessment of the effectiveness of hedges was based on the critical-terms-match method. Fair values were determined using the mark-to-market method.

**\_F12\_Derivative Financial Instruments and Hedges**

Hedging instrument	End date	End date (EUR k)	Fair value (EUR k)
Interest swap	2016	13,125	- 101
Interest swap	2016	17,500	- 141
Interest swap	2016	17,500	- 130
Interest swap	2016	4,375	- 34
<b>Total</b>		<b>52,500</b>	<b>- 406</b>

**\_NOTES TO THE INCOME STATEMENT****OTHER OPERATING INCOME**

Other operating income contains income relating to other periods from the release of provisions amounting to EUR 4 k (prior year: EUR 80 k) and other items relating to other periods of EUR 56 k (prior year: EUR 338 k). Also included are write-ups to the equity investment Weeke Bohrsysteme GmbH, Herzebrock-Clarholz, amounting to EUR 9,263 k (prior year: EUR 4,000 k).

**PERSONNEL EXPENSES**

Pension expenses totaled EUR 20 k (prior year: EUR 29 k) and relate to 3 beneficiaries.

**INCOME FROM INVESTMENTS AND PROFIT AND LOSS TRANSFER AGREEMENTS**

All items pertain to affiliates.

**WRITE-DOWNS ON FINANCIAL ASSETS**

These concern extraordinary write-downs on Homag Machinery (São Paulo) Maquinas Especiais para Madeira Ltda., Taboão da Serra, Brazil.

**INTEREST RESULT**

Interest income of EUR 998 k (prior year: EUR 727 k) was received from affiliates, while interest expenses of EUR 249 k (prior year: EUR 134 k) were attributable to affiliates. The interest expenses in connection with unwinding the discount on pension provisions amount to EUR 37 k (prior year: EUR 35 k).

**EXTRAORDINARY EXPENSES**

The application of Art. 66 and Art. 67 (1) to (5) EGHGB (transitional BilMoG provisions) leads to the following extraordinary expenses:

Pursuant to Art. 67 (1) EGHGB, the difference between the previous GAAP and BilMoG accounting treatment is determined at the start of the reporting year. The difference has to be accrued by at least 1/15 (distribution amount) per year and by December 31, 2024 at the latest. The distribution amount is expensed over 5 years at EUR 23 k per annum under "Extraordinary expenses" pursuant to Art. 67 (7) EGHGB.

## \_ OTHER NOTES

### MEMBERS OF THE SUPERVISORY BOARD

- (1) Membership in statutory supervisory boards and
- (2) Membership in other comparable domestic and foreign control bodies of entities that do not belong to the HOMAG Group (as of December 31, 2014)

#### \_F13\_Supervisory Boards

<b>Torsten Grede, Frankfurt am Main<sup>2</sup></b> Chairman of the supervisory board Spokesperson of the management board of Deutsche Beteiligungs AG, Frankfurt am Main	(2)	<ul style="list-style-type: none"> <li>_ Clyde Bergemann Power Group, Inc., Delaware, USA</li> <li>_ Treuburg Beteiligungsgesellschaft mbH, Ingolstadt, since April 9, 2014</li> <li>_ Treuburg GmbH &amp; Co. Familien KG, Ingolstadt, since April 9, 2014</li> </ul>
<b>Ralf W. Dieter, Stuttgart<sup>3</sup></b> Chairman of the supervisory board CEO of Dürr AG, Stuttgart	(1)	<ul style="list-style-type: none"> <li>_ Schuler AG, Göppingen</li> <li>_ Körber AG, Hamburg</li> <li>_ Andritz AG, Graz, Austria</li> <li>_ Carl Schenck AG, Darmstadt (chairman)</li> <li>_ Dürr Systems GmbH, Stuttgart (chairman)</li> </ul>
	(2)	<ul style="list-style-type: none"> <li>_ Dürr Paintshop Systems Engineering (Shanghai) Co. Ltd., Shanghai, V.R. China (supervisor)</li> </ul>
<b>Reiner Neumeister, Wildberg<sup>1</sup></b> Deputy chairman of the supervisory board Main representative and managing director of Freudenstadt branch of IG Metall trade union, Freudenstadt and main representative and managing director of the Villingen-Schwenningen branch of IG Metall trade union, Villingen-Schwenningen		
<b>Richard Bauer, Wentorf<sup>3</sup></b> CEO of Körber AG, Hamburg	(1)	<ul style="list-style-type: none"> <li>_ Hauni Maschinenbau AG, Hamburg (chairman)</li> </ul>
	(2)	<ul style="list-style-type: none"> <li>_ United Grinding, Bern, Switzerland (chairman)</li> <li>_ Körber Medipak, Winterthur, Switzerland (chairman)</li> </ul>
<b>Dr. Jochen Berninghaus, Herdecke<sup>3</sup></b> Lawyer, auditor, tax advisor, law firm Spieker & Jaeger, Dortmund	(1)	<ul style="list-style-type: none"> <li>_ Geno Bank eG, Essen (deputy chairman)</li> </ul>
	(2)	<ul style="list-style-type: none"> <li>_ Kludi Gruppe, Menden</li> <li>_ MWH Märkisches Werk, Halver</li> <li>_ Halbach-Gruppe, Schwerte</li> </ul>
<b>Ernst Esslinger, Alpirsbach<sup>1</sup></b> Head of IT engineering at Homag Holzbearbeitungssysteme GmbH, Schopfloch		
<b>Dipl.-Ing. Hans Fahr, Munich<sup>2</sup></b> Business consultant	(1)	<ul style="list-style-type: none"> <li>_ Sumida AG, Obernzell (chairman)</li> <li>_ Oechsler AG, Ansbach</li> </ul>
	(2)	<ul style="list-style-type: none"> <li>_ König Metall GmbH, Gaggenau</li> <li>_ Vollack Management Holding GmbH, Karlsruhe</li> <li>_ BOA Luxembourg Investment S.a.r.l., Luxembourg, Luxembourg</li> </ul>
<b>Gerhard Federer, Offenburg</b> Former CEO of Schunk GmbH, Heuchelheim		

**F13\_Supervisory Boards**

<b>Dr. Horst Heidsieck, Bidingen<sup>2</sup></b> Managing partner of Value Consult Management- und Unternehmensberatungsgesellschaft mbH, Bidingen and managing director of DOMINO GmbH, Bidingen	(1)	_ Mansfelder Kupfer und Messing GmbH, Hettstedt (chairman), until March 31, 2014
<b>Carmen Hettich-Günther, Rottenburg<sup>1</sup></b> Strategic sourcing employee and chair of the works' council of Homag Holzbearbeitungssysteme GmbH, Schopfloch		
<b>Dr. Dieter Japs, Reichenberg<sup>2</sup></b> Consulting engineer	(2)	_ Leitz GmbH & Co. KG, Oberkochen _ Vollert Anlagenbau GmbH, Weinsberg
<b>Thomas Keller, Freiburg<sup>2</sup></b> Managing director and regional director at Privat- und Firmenkundenbank Württemberg and spokesperson for Stuttgart of Deutsche Bank AG, Stuttgart	(1) (2)	_ GEZE GmbH, Leonberg _ Deutsche Clubholding GmbH, Frankfurt am Main _ Gühring oHG, Albstadt _ Cronimet Holding GmbH, Karlsruhe
<b>Hannelore Knowles, Calw<sup>1</sup></b> Chair of the Group's works' council of Homag Group AG, Schopfloch and chair of the works' council of HOLZMA Plattenaufteiltechnik GmbH, Calw-Holzbronn		
<b>Jochen Meyer, Herzebrock-Clarholz<sup>1</sup></b> Deputy chairman of the group works' council of Homag Group AG, Schopfloch Chairman of the group work's council of Weeke Bohrsysteme GmbH, Herzebrock-Clarholz, until February 28, 2014 and works' council of Weeke Bohrsysteme GmbH, Herzebrock-Clarholz, since March 1, 2014		
<b>Dr. Anja Schuler, Zurich, Schweiz<sup>3</sup></b> Specialist for psychiatry and psychotherapy, Basel, Switzerland		
<b>Dr. Hans Schumacher, Schönaich<sup>3</sup></b> CEO of Dürr Systems GmbH, Stuttgart		
<b>Reinhard Seiler, Lemgo<sup>1</sup></b> Main representative of IG Metall trade union, Detmold, until April 30, 2014	(1)	_ Dorma Holding GmbH & Co. KGaA, Ennepetal, until July 31, 2014

1 Employee representative

2 until October 10, 2014

3 since October 13, 2014



## SUPERVISORY BOARD COMMITTEES

### \_F14\_ Supervisory Board Committees

Audit committee	<ul style="list-style-type: none"> <li>_ Gerhard Federer (chairman)</li> <li>_ Carmen Hettich-Günther<sup>1</sup></li> <li>_ Reiner Neumeister<sup>1</sup></li> <li>_ Thomas Keller until October 10, 2014</li> <li>_ Dr. Jochen Berninghaus since October 24, 2014</li> </ul>
Personnel committee	<ul style="list-style-type: none"> <li>_ Torsten Grede (chairman) until October 10, 2014</li> <li>_ Ralf W. Dieter (chairman) since October 24, 2014</li> <li>_ Hannelore Knowles<sup>1</sup></li> <li>_ Jochen Meyer<sup>1</sup></li> <li>_ Reiner Neumeister<sup>1</sup></li> <li>_ Hans Fahr until October 10, 2014</li> <li>_ Dr. Horst Heidsieck until October 10, 2014</li> <li>_ Dr. Anja Schuler since October 24, 2014</li> <li>_ Gerhard Federer since October 24, 2014</li> </ul>
Nomination committee	<ul style="list-style-type: none"> <li>_ Torsten Grede (chairman) until October 10, 2014</li> <li>_ Ralf W. Dieter (chairman) since October 24, 2014</li> <li>_ Hans Fahr until October 10, 2014</li> <li>_ Dr. Dieter Japs until October 10, 2014</li> <li>_ Dr. Anja Schuler since October 24, 2014</li> <li>_ Richard Bauer since October 24, 2014</li> </ul>
Mediation committee pursuant to Sec. 27 (3) MitbestG ["Mitbestimmungsgesetz": German Codetermination Act]	<ul style="list-style-type: none"> <li>_ Torsten Grede (chairman) until October 10, 2014</li> <li>_ Ralf W. Dieter (chairman) since October 24, 2014</li> <li>_ Jochen Meyer<sup>1</sup></li> <li>_ Reiner Neumeister<sup>1</sup></li> <li>_ Dr. Horst Heidsieck until October 10, 2014</li> <li>_ Gerhard Federer since October 24, 2014</li> </ul>
1 Employee representative	

## MEMBERS OF THE MANAGEMENT BOARD

- (1) Membership in statutory supervisory boards  
and  
(2) Other comparable domestic and foreign control  
bodies of entities that do not belong to the HOMAG  
Group (as of December 31, 2014)

### \_F15\_ Management Board

<b>Dr.-Ing./U. Cal. Markus Flik, Stuttgart/ Freudenstadt</b> Chairman and board member for corporate develop- ment, research and development, communication and management until November 30, 2014	(1)	_ Benteler International AG, Salzburg, Austria
	(2)	_ Trumpf GmbH + Co. KG Ditzingen, since January 1, 2014
<b>Ralph Heuwing, Stuttgart</b> Board member since October 27, 2014 and chairman since December 1, 2014 corporate development, research and development, communication and management	(1)	_ MCH Management Capital Holding AG, Munich
	(2)	_ Carl Schenk AG, Darmstadt
<b>Harald Becker-Ehmck, Nagold</b> Board member for production, procurement, quality management and affiliates	(1)	_ Dürr India Pvt. Ltd., Chennai, India
	(2)	
<b>Jürgen Köppel, Beckum</b> Board member for sales, service and marketing		
<b>Hans-Dieter Schumacher, Tuttlingen</b> Board member for finance, IT and personnel		

## TOTAL REMUNERATION OF MANAGEMENT AND SUPERVISORY BOARD MEMBERS

The remuneration of the members of the management board for fiscal year 2014 amounted to EUR 5,323 k (prior year: EUR 3,124 k). This includes a performance-based remuneration component of EUR 3,821 k (prior year: EUR 1,684 k), of which EUR 2,138 k pertained to long-term incentives (LTI) (prior year: EUR 1,166 k). One management board member received compensation of EUR 2,083 k for the premature termination of his contract (prior year: EUR 0 k). Figures given for the LTI are not actual values, but rather fair values on the date of granting calculated using financial modeling methods. The share-based payments relate exclusively to cash-settled share-based payment transactions, meaning the volume disclosures are not relevant. As regards the disclosures pursuant to Sec. 285 No. 9a Sentences 5 to 8 HGB, we refer to the combined management report of Homag Group AG and the Group.

In connection with the termination of service on the management board by the former CEO Dr. Markus Flik as of November 30, 2014 due to the change of control, it was agreed to terminate his current employment contract as of December 31, 2014. The contractually arranged benefits were granted up until that date. A compensation payment of EUR 3,332 k was agreed with Dr. Flik in connection with the early termination of his management board duties. This includes the right earned to the LTI bonus 2013–2015 and 2014–2016 amounting to EUR 1,249 k. In addition, a post-contractual non-compete clause was arranged with Dr. Markus Flik for a period of 12 months, i.e., until December 31, 2015. For the non-complete clause, he is entitled to compensation of EUR 574 k. He additionally receives a severance payment of EUR 1,509 k.

The remuneration of the supervisory board members in fiscal 2014 amounted to EUR 543 k (prior year: EUR 364 k). As in the prior year, all remuneration is current.

## HEADCOUNT

### F16 Annual Average Headcount


	Number
Salaried employees	41
Management board members	4
<b>Total</b>	<b>45</b>

## GROUP RELATIONSHIPS

HOMAG Group AG, Schopfloch, prepares consolidated financial statements published in the Bundesanzeiger [German Federal Gazette] for the smallest group of companies in accordance with Sec. 315a HGB (IFRS). The consolidated financial statements for the largest group of companies are prepared by Dürr Aktiengesellschaft, Stuttgart, also in accordance with Sec. 315a HGB (IFRS) and published in the Bundesanzeiger.

## DECLARATION OF COMPLIANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE

A declaration of compliance with the German Corporate Governance Code pursuant to Sec. 161 AktG was issued by the management board and the supervisory board in January 2015. An up-to-date version is made permanently available to shareholders on Homag Group AG's homepage at [www.homag-group.com](http://www.homag-group.com).

 [www.homag-group.com](http://www.homag-group.com)

## AUDIT FEES

The annual financial statements of Homag Group AG, the main German subsidiaries and the consolidated financial statements were audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart. The auditor's fee is not disclosed in accordance with Sec. 285 (1) No. 17 HGB. The total fees paid to Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart are disclosed in the consolidated financial statements of Homag Group AG.

## NOTIFICATIONS SUBJECT TO MANDATORY DISCLOSURE

The following notifications were issued pursuant to Sec. 21 (1) in conjunction with Sec. 26 (1) Sentence 1 WpHG [“Wertpapierhandelsgesetz”: German Securities Trading Act]:

- \_ On December 14, 2010, Gerhard Schuler, Germany, informed us pursuant to Sec. 21 (1) WpHG that as of December 9, 2010 his voting interest in Homag Group AG, Schopfloch, Germany, ISIN: DE0005297204, WKN: 529720, exceeded the threshold of 25% of the voting rights and amounted to 25.000019% on that date (3,922,003 voting rights).

14.67% of the voting rights (2,300,959 voting rights) are allocable to Gerhard Schuler pursuant to Sec. 22 (2) WpHG.

Voting rights from the following shareholders whose share in voting rights in Homag Group AG amounts to 3% or more respectively are allocable to Gerhard Schuler:

- \_ Mareike Hengel,
- \_ Dr. Anja Schuler,
- \_ Silke Schuler-Gunkel,
- \_ Erich und Hanna Klessmann Stiftung.

- \_ On December 14, 2010, Mareike Hengel, Germany, informed us pursuant to Sec. 21 (1) WpHG that as of December 9, 2010 her voting interest in Homag Group AG, Schopfloch, Germany, ISIN: DE0005297204, WKN: 529720, exceeded the threshold of 25% of the voting rights and amounted to 25.000019% on that date (3,922,003 voting rights).

21.70% of the voting rights (3,404,834 voting rights) are allocable to Mareike Hengel pursuant to Sec. 22 (2) WpHG.

Voting rights from the following shareholders whose share in voting rights in Homag Group AG amounts to 3% or more respectively are allocable to Mareike Hengel:

- \_ Gerhard Schuler,
- \_ Dr. Anja Schuler,
- \_ Silke Schuler-Gunkel,
- \_ Erich und Hanna Klessmann Stiftung.

- \_ On December 14, 2010, Dr. Anja Schuler, Switzerland, informed us pursuant to Sec. 21 (1) WpHG that as of December 9, 2010 her voting interest in Homag Group AG, Schopfloch, Germany, ISIN: DE0005297204, WKN: 529720, exceeded the threshold of 25% of the voting rights and amounted to 25.000019% on that date (3,922,003 voting rights).

21.70% of the voting rights (3,404,834 voting rights) are allocable to Dr. Anja Schuler pursuant to Sec. 22 (2) WpHG.

Voting rights from the following shareholders whose share in voting rights in Homag Group AG amounts to 3% or more respectively are allocable to Dr. Anja Schuler:

- \_ Gerhard Schuler,
- \_ Mareike Hengel,
- \_ Silke Schuler-Gunkel,
- \_ Erich und Hanna Klessmann Stiftung.

- \_ On December 14, 2010, Silke Schuler-Gunkel, Germany, informed us pursuant to Sec. 21 (1) WpHG that as of December 9, 2010 her voting interest in Homag Group AG, Schopfloch, Germany, ISIN: DE0005297204, WKN: 529720, exceeded the threshold of 25% of the voting rights and amounted to 25.000019% on that date (3,922,003 voting rights).

21.70% of the voting rights (3,404,834 voting rights) are allocable to Silke Schuler-Gunkel pursuant to Sec. 22 (2) WpHG.

Voting rights from the following shareholders whose share in voting rights in Homag Group AG amounts to 3% or more respectively are allocable to Silke Schuler-Gunkel:

- \_ Gerhard Schuler,
- \_ Mareike Hengel,
- \_ Dr. Anja Schuler,
- \_ Erich und Hanna Klessmann Stiftung.

— On December 14, 2010, Erich und Hanna Klessmann Stiftung, Gütersloh, Germany, informed us pursuant to Sec. 21 (1) WpHG that as of December 9, 2010 its voting interest in Homag Group AG, Schopfloch, Germany, ISIN: DE0005297204, WKN: 529720, exceeded the threshold of 25% of the voting rights and amounted to 25.000019% on that date (3,922,003 voting rights).

20.22% of the voting rights (equivalent to 3,172,551 voting rights) are allocable to Erich und Hanna Klessmann Stiftung pursuant to Sec. 22 (2) WpHG.

Voting rights from the following shareholders whose share in voting rights in Homag Group AG amounts to 3% or more respectively are allocable to Erich und Hanna Klessmann Stiftung:

- Gerhard Schuler,
- Mareike Hengel,
- Dr. Anja Schuler,
- Silke Schuler-Gunkel.

— Dürr Aktiengesellschaft, Stuttgart, Germany, informed us pursuant to Sec. 21 (1) WpHG that as of October 10, 2014 its voting interest in Homag Group AG, Schopfloch, Germany, ISIN: DE 0005297204, WKN: 529720, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75% of the voting rights on October 10, 2014 and amounted to 75.76% on that date (11,885,556 voting rights).

53.71% of the voting rights (8,426,254 voting rights) are allocable to the company pursuant to Sec. 22 (1) Sentence 1 No. 1 WpHG.

The voting rights allocated to it are held by the following entities which it controls whose share in the voting rights in Homag Group AG exceeds 3% or more: Dürr Technologies GmbH with registered offices in Stuttgart.

22.05% of the voting rights (3,459,302 voting rights) are allocable to the company pursuant to Sec. 22 (2) WpHG. The voting rights allocated to it are held by the following shareholders whose share in the voting rights in Homag Group AG exceeds 3% or more: pool of voting rights including with Gerhard Schuler, Mareike Hengel, Silke Schuler-Gunkel, Dr. Anja Schuler, Erich und Hanna Klessmann Stiftung.

— Dürr Technologies GmbH, Stuttgart, Germany, informed us pursuant to Sec. 21 (1) WpHG that as of October 10, 2014 its voting interest in Homag Group AG, Schopfloch, Germany, ISIN: DE0005297204, WKN: 529720, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75% of the voting rights on October 10, 2014 and amounted to 75.76% on that date (11,885,556 voting rights).

22.05% of the voting rights (3,459,302 voting rights) are allocable to the company pursuant to Sec. 22 (2) WpHG. The voting rights allocated to it are held by the following shareholders whose share in the voting rights in Homag Group AG exceeds 3% or more: pool of voting rights including with Gerhard Schuler, Mareike Hengel, Silke Schuler-Gunkel, Dr. Anja Schuler, Erich und Hanna Klessmann Stiftung.

— On October 13, 2014, Baden-Württembergische Versorgungsanstalt für Ärzte, Zahnärzte und Tierärzte, Tübingen, Germany, informed us pursuant to Sec. 21 (1) WpHG that as of October 10, 2014 its voting interest in Homag Group AG, Schopfloch, Germany, ISIN: DE0005297204, WKN: 529720, fell below the threshold of 5% and 3% of the voting rights and amounted to 0% on that date (0 voting rights).

— On October 13, 2014, DBAG Fund V International GmbH & Co. KG, Frankfurt am Main, Germany, informed us pursuant to Sec. 21 (1) WpHG that as of October 10, 2014 its voting interest in Homag Group AG, Schopfloch, Germany, ISIN: DE 0005297204, WKN: 529720, fell below the threshold of 5% and 3% of the voting rights and amounted to 0% on that date (0 voting rights).

- On October 13, 2014, DBG Investment Team GmbH & Co. KG, Frankfurt am Main, Germany, informed us pursuant to Sec. 21 (1) WpHG that as of October 10, 2014 its voting interest in Homag Group AG, Schopfloch, Germany, ISIN: DE 0005297204, WKN: 529720, fell below the threshold of 30%, 25%, 20%, 15%, 10%, 5% and 3% of the voting rights and amounted to 0% on that date (0 voting rights).
  - On October 13, 2014, DBAG Fund IV GmbH & Co. KG, Frankfurt am Main, Germany, informed us pursuant to Sec. 21 (1) WpHG that as of October 10, 2014 its voting interest granted on the basis of shares in Homag Group AG, Schopfloch, Germany, ISIN: DE 0005297204, WKN: 529720, fell below the threshold of 5% and 3% of the voting rights and amounted to 0% on that date (0 voting rights).
  - On October 13, 2014, DBG Advisors V Verwaltungs GmbH, Frankfurt am Main, Germany, informed us pursuant to Sec. 21 (1) WpHG that as of October 10, 2014 its voting interest in Homag Group AG, Schopfloch, Germany, ISIN: DE 0005297204, WKN: 529720, fell below the thresholds of 30%, 25%, 20%, 15%, 10%, 5% and 3% of the voting rights and amounted to 0% on that date (0 voting rights).
  - On October 13, 2014, DBG Advisors IV GmbH & Co. KG, Frankfurt am Main, Germany, informed us pursuant to Sec. 21 (1) WpHG that as of October 10, 2014 its voting interest in Homag Group AG, Schopfloch, Germany, ISIN: DE 0005297204, WKN: 529720, fell below the threshold of 30%, 25%, 20%, 15%, 10%, 5% and 3% of the voting rights and amounted to 0% on that date (0 voting rights).
  - On October 13, 2014, DBG Advisors V GmbH & Co. KG, Frankfurt am Main, Germany, informed us pursuant to Sec. 21 (1) WpHG that as of October 10, 2014 its voting interest in Homag Group AG, Schopfloch, Germany, ISIN: DE 0005297204, WKN: 529720, fell below the threshold of 30%, 25%, 20%, 15%, 10%, 5% and 3% of the voting rights and amounted to 0% on that date (0 voting rights).
  - On October 13, 2014, Deutsche Beteiligungs AG, Frankfurt am Main, Germany, informed us pursuant to Sec. 21 (1) WpHG that as of October 10, 2014 its voting interest in Homag Group AG, Schopfloch, Germany, ISIN: DE 0005297204, WKN: 529720, fell below the thresholds of 30%, 25%, 20%, 15%, 10%, 5% and 3% of the voting rights and amounted to 0% on that date (0 voting rights).
  - On October 13, 2014, the LBBW Asset Management Investmentgesellschaft mbH, Stuttgart, Germany, informed us pursuant to Sec. 21 (1) WpHG that as of October 10, 2014 its voting interest in Homag Group AG, Schopfloch, Germany, ISIN: DE 0005297204, WKN: 529720, fell below the threshold of 5% and 3% of the voting rights and amounted to 0% on that date (0 voting rights).
  - On October 15, 2014, Anna GbR, Freudenstadt, Germany, informed us pursuant to Sec. 21 (1) WpHG that as of October 10, 2014 its voting interest in Homag Group AG, Schopfloch, Germany, ISIN: DE 0005297204, WKN: 529720, exceeded the thresholds of 3%, 5%, 10%, 15%, 20% and 25% of the voting rights and amounted to 25.05% on that date (3,929,942 voting rights).
- 25.05% of the voting rights (3,929,942 voting rights) are allocable to the company pursuant to Sec. 22 (2) WpHG. The voting rights allocated to it are held by the following shareholders whose share in the voting rights in Homag Group AG exceeds 3% or more: Gerhard Schuler, Mareike Hengel, Silke Schuler-Gunkel, Dr. Anja Schuler, Erich und Hanna Klessmann Stiftung, Dürr Technologies GmbH.

— On October 15, 2014, Lea Gunkel, Germany, informed us pursuant to Sec. 21 (1) WpHG that as of October 10, 2014 her voting interest in Homag Group AG, Schopfloch, Germany, ISIN: DE0005297204, WKN: 529720, exceeded the thresholds of 3%, 5%, 10%, 15%, 20% and 25% of the voting rights and amounted to 25.05% on that date (3,929,942 voting rights).

25.05% of the voting rights (3,929,942 voting rights) are allocable to Ms. Gunkel pursuant to Sec. 22 (2) WpHG. The voting rights allocated to it are held by the following shareholders whose share in the voting rights in Homag Group AG exceeds 3% or more: Gerhard Schuler, Mareike Hengel, Silke Schuler-Gunkel, Dr. Anja Schuler, Erich und Hanna Klessmann Stiftung, Dürr Technologies GmbH.

— On October 15, 2014, Mira Gunkel, Germany, informed us pursuant to Sec. 21 (1) WpHG that as of October 10, 2014 her voting interest in Homag Group AG, Schopfloch, Germany, ISIN: DE0005297204, WKN: 529720, exceeded the thresholds of 3%, 5%, 10%, 15%, 20% and 25% of the voting rights and amounted to 25.05% on that date (3,929,942 voting rights).

25.05% of the voting rights (3,929,942 voting rights) are allocable to Ms. Gunkel pursuant to Sec. 22 (2) WpHG. The voting rights allocated to it are held by the following shareholders whose share in the voting rights in Homag Group AG exceeds 3% or more: Gerhard Schuler, Mareike Hengel, Silke Schuler-Gunkel, Dr. Anja Schuler, Erich und Hanna Klessmann Stiftung, Dürr Technologies GmbH.

— On October 15, 2014, Hengel MST GbR, Freudenstadt, Germany, informed us pursuant to Sec. 21 (1) WpHG that as of October 10, 2014 its voting interest in Homag Group AG, Schopfloch, Germany, ISIN: DE 0005297204, WKN: 529720, exceeded the thresholds of 3%, 5%, 10%, 15%, 20% and 25% of the voting rights and amounted to 25.05% on that date (3,929,942 voting rights).

25.05% of the voting rights (3,929,942 voting rights) are allocable to the company pursuant to Sec. 22 (2) WpHG. The voting rights allocated to it are held by the following shareholders whose share in the voting rights in Homag Group AG exceeds 3% or more: Gerhard Schuler, Mareike Hengel, Silke Schuler-Gunkel, Dr. Anja Schuler, Erich und Hanna Klessmann Stiftung, Dürr Technologies GmbH.

— On October 15, 2014, Simon Hengel, Germany, informed us pursuant to Sec. 21 (1) WpHG that as of October 10, 2014 his voting interest in Homag Group AG, Schopfloch, Germany, ISIN: DE 0005297204, WKN: 529720, exceeded the thresholds of 3%, 5%, 10%, 15%, 20% and 25% of the voting rights and amounted to 25.05% on that date (3,929,942 voting rights).

25.05% of the voting rights (3,929,942 voting rights) are allocable to Mr. Hengel pursuant to Sec. 22 (2) WpHG. The voting rights allocated to it are held by the following shareholders whose share in the voting rights in Homag Group AG exceeds 3% or more: Gerhard Schuler, Mareike Hengel, Silke Schuler-Gunkel, Dr. Anja Schuler, Erich und Hanna Klessmann Stiftung, Dürr Technologies GmbH.

— On October 15, 2014, Tobias Hengel, Germany, informed us pursuant to Sec. 21 (1) WpHG that as of October 10, 2014 his voting interest in Homag Group AG, Schopfloch, Germany, ISIN: DE 0005297204, WKN: 529720, exceeded the thresholds of 3%, 5%, 10%, 15%, 20% and 25% of the voting rights and amounted to 25.05% on that date (3,929,942 voting rights).

25.05% of the voting rights (3,929,942 voting rights) are allocable to Mr. Hengel pursuant to Sec. 22 (2) WpHG. The voting rights allocated to it are held by the following shareholders whose share in the voting rights in Homag Group AG exceeds 3% or more: Gerhard Schuler, Mareike Hengel, Silke Schuler-Gunkel, Dr. Anja Schuler, Erich und Hanna Klessmann Stiftung, Dürr Technologies GmbH.

— On October 15, 2014, Runa Schuler, Switzerland, informed us pursuant to Sec. 21 (1) WpHG that as of October 10, 2014 her voting interest in Homag Group AG, Schopfloch, Germany, ISIN: DE 0005297204, WKN: 529720, exceeded the thresholds of 3%, 5%, 10%, 15%, 20% and 25% of the voting rights and amounted to 25.05% on that date (3,929,942 voting rights).

25.05% of the voting rights (3,929,942 voting rights) are allocable to Ms. Schuler pursuant to Sec. 22 (2) WpHG. The voting rights allocated to it are held by the following shareholders whose share in the voting rights in Homag Group AG exceeds 3% or more: Gerhard Schuler, Mareike Hengel, Silke Schuler-Gunkel, Dr. Anja Schuler, Erich und Hanna Klessmann Stiftung, Dürr Technologies GmbH.

— On October 15, 2014, Wood Generations GbR, Freiburg, Germany, informed us pursuant to Sec. 21 (1) WpHG that as of October 10, 2014 its voting interest in Homag Group AG, Schopfloch, Germany, ISIN: DE 0005297204, WKN: 529720, exceeded the thresholds of 3%, 5%, 10%, 15%, 20% and 25% of the voting rights and amounted to 25.05% on that date (3,929,942 voting rights).

25.05% of the voting rights (3,929,942 voting rights) are allocable to the company pursuant to Sec. 22 (2) WpHG. The voting rights allocated to it are held by the following shareholders whose share in the voting rights in Homag Group AG exceeds 3% or more: Gerhard Schuler, Mareike Hengel, Silke Schuler-Gunkel, Dr. Anja Schuler, Erich und Hanna Klessmann Stiftung, Dürr Technologies GmbH.

— On October 15, 2014, Luisa Gunkel, Germany, informed us pursuant to Sec. 21 (1) WpHG that as of October 10, 2014 her voting interest in Homag Group AG, Schopfloch, Germany, ISIN: DE 0005297204, WKN: 529720, exceeded the thresholds of 3%, 5%, 10%, 15%, 20% and 25% of the voting rights and amounted to 25.05% on that date (3,929,942 voting rights).

25.05% of the voting rights (3,929,942 voting rights) are allocable to Ms. Gunkel pursuant to Sec. 22 (2) WpHG. The voting rights allocated to it are held by the following shareholders whose share in the voting rights in Homag Group AG exceeds 3% or more: Gerhard Schuler, Mareike Hengel, Silke Schuler-Gunkel, Dr. Anja Schuler, Erich und Hanna Klessmann Stiftung, Dürr Technologies GmbH.



Ralph Heuwing



Harald Becker-Ehmck



Jürgen Köppel



Hans-Dieter Schumacher

## DECLARATION OF THE LEGAL REPRESENTATIVES (AG)

### DECLARATION OF THE LEGAL REPRESENTATIVES

DECLARATION PURSUANT TO SEC. 264 (2) SENTENCE 3 HGB AND SEC. 289 (1) SENTENCE 5 HGB  
[“HANDELSGESETZBUCH”: GERMAN  
COMMERCIAL CODE]

We confirm that, to the best of our knowledge, the financial statements give a true and fair view of the net assets, financial position and results of operations of the Company and the management report of the Company, which has been combined with the group management report, gives a true and fair view of business performance including the results of operations and the situation of the Company, and describes the main opportunities and risks and anticipated development of the Company in accordance with the applicable financial reporting framework.

Schopfloch, March 17, 2015  
Homag Group AG

The management board



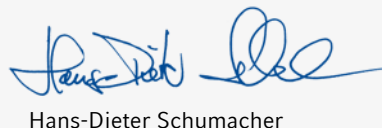
Ralph Heuwing



Harald Becker-Ehmck



Jürgen Köppel



Hans-Dieter Schumacher



## AUDIT OPINION ON THE ANNUAL FINANCIAL STATEMENTS (AG)

### \_ AUDIT OPINION

We have issued the following opinion on the financial statements and the management report of the Company, which has been combined with the group management report:

"We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report, which has been combined with the group management report, of Homag Group AG, Schopfloch, for the fiscal year from January 1 to December 31, 2014. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law and supplementary provisions of the articles of incorporation and bylaws are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with Sec. 317 HGB ["Handelsgesetzbuch": German Commercial Code] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with [German] principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and

expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and supplementary provisions of articles of incorporation and bylaws and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development."

Stuttgart, March 17, 2015

Ernst & Young GmbH

Wirtschaftsprüfungsgesellschaft

Blesch

Wirtschaftsprüfer

[German Public Auditor]

Difflipp

Wirtschaftsprüfer

[German Public Auditor]