

HOMAG Group AG

**Invitation to the
Annual General Meeting**

**10:30 a.m., May 8, 2015
at the Kurhaus Freudenstadt**

2015

HOMAG Group

Key Figures

FIGURES IN EUR MILLION	2014	2013	2012	2011
Total sales revenue ¹⁾	914.8	788.8	767.0	798.7
Central Europe ¹⁾ (incl. Germany)	210.9	230.6	261.4	245.6
Western Europe ¹⁾	169.1	131.8	137.3	157.6
Eastern Europe ¹⁾	177.9	171.2	151.9	178.1
North America ¹⁾	168.7	69.9	53.6	56.5
South America ¹⁾	20.1	37.2	34.1	34.9
Asia/Pacific ¹⁾	157.6	138.0	117.8	114.8
Africa ¹⁾	10.5	10.1	10.9	11.2
operative EBITDA ^{2) 3)}	93.2	75.8	71.0	70.5
operative EBITDA ^{2) 3)} as % of sales revenue	10.2	9.6	9.3	8.8
EBIT ²⁾	45.3	41.6	38.4	20.8
EBIT ²⁾ as % of sales revenue	4.9	5.3	5.0	2.6
EBT	32.6	30.9	24.3	6.4
EBT as % of sales revenue	3.6	3.9	3.2	0.8
Net profit after non-controlling interests	18.9	18.4	12.7	-4.7
Earnings per share ⁴⁾	1.21	1.17	0.81	-0.30
ROCE ⁵⁾ after taxes as %	16.9	11.3	10.4	10.5
HVA ⁶⁾ as %	5.3	1.1	0.8	0.9
Free cash flow ⁷⁾	50.1	28.5	-2.8	9.3
Equity as of the reporting date	194.7	177.7	165.8	161.7
Equity ratio as %	31.9	32.7	30.6	29.0
Net liabilities to banks	28.5	69.2	89.5	80.9
Net debt to EBITDA ratio ⁸⁾	0.3	0.9	1.3	1.1
Investments / capitalized intangible assets ⁹⁾	19.0	16.7	19.2	18.2
Investments in property, plant and equipment ⁹⁾	13.6	7.6	17.7	15.6
Amortization of intangible assets ⁹⁾	15.2	16.0	11.7	13.3
Depreciation of property, plant and equipment ⁹⁾	13.5	13.3	13.5	15.7
Employees (annual average)	5.482	5.038	5.075	5.110
thereof trainees (annual average)	309	334	343	368
Order intake accumulated ¹⁰⁾	802.6	734.3	702.1	736.0
Order backlog as of the reporting date ¹⁰⁾	307.3	207.6	188.4	169.1

1) Conversion to allocation of sales revenue by geographical segment similar to order intake

2) Before taking into account employee participation

3) Before restructuring/non-recurring expenses

4) Net profit/loss after non-controlling interests, based on 15,668,000 shares

5) (Adjusted EBIT^{2) 3)} * 70 %) / capital employed (non-current assets + net working capital)

6) ROCE after taxes less weighted average cost of capital employed

7) Cash flow from operating activities plus cash flow from investing activities

8) Net liabilities to banks / operative EBITDA^{2) 3)}

9) Excluding leases

10) Order intake and order backlog only contain own machines without merchandise, spare parts and services

Homag Group AG
Schopfloch

ISIN: DE 000 5 297 204
Security identification number: 529720

Invitation to the 2015 Annual General Meeting

We hereby invite you, our shareholders, to the annual general meeting of HOMAG Group AG, to be held on

Friday, May 8, 2015, at 10:30 a.m.

at the Kurhaus Freudenstadt, Lauterbadstrasse 5,
72250 Freudenstadt.

1. Presentation of the approved financial statements and the ratified consolidated financial statements as of December 31, 2014, the combined management report for HOMAG Group AG and the Group, the report of the supervisory board and the explanatory report of the management board on the disclosures pursuant to Sec. 289 (4) and (5) and Sec. 315 (4) HGB [“Handelsgesetzbuch”: German Commercial Code], in each case for the 2014 fiscal year ended December 31, 2014

Explanations as to why a resolution is not to be passed on this item of the agenda are available on the Company's website under

www.homag-group.com/annual-general-meeting.

2. Resolution on the appropriation of net retained profit

The management board and the supervisory board propose that the net retained profit for fiscal year 2014 of EUR 64,481,837.91 reported in the approved financial statements of HOMAG Group AG be used as follows:

- Distribution of a dividend of
EUR 0.40 per participating no-par
value share to 15,688,000 participating
no-par value shares EUR 6,275,200.00

- Profit carryforward EUR 58,206,637.91

Net retained profit	EUR 64,481,837.91
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3. Resolution to exonerate the members of the management board

The management board and supervisory board propose to exonerate the members of the management board for the fiscal year 2014.

4. Resolution to exonerate the members of the supervisory board

The management board and supervisory board propose to exonerate the members of the supervisory board for the fiscal year 2014.

5. Election of auditor of the financial statements and the consolidated financial statements for the fiscal year 2015

Upon the recommendation of the audit committee, the supervisory board proposes engaging

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart,

as auditor of the financial statements and the consolidated financial statements for the fiscal year 2015. This auditor will also perform any review of the interim financial reports, if such a review is performed.

6. Resolution on the non-disclosure of itemized emoluments of individual members of the management board

Pursuant to Sec. 286 (5) HGB and Sec. 314 (2) Sentence 2 HGB, the annual general meeting can resolve for a duration of at most five years not to make itemized disclosures on the emoluments of each individual member of the management board in contravention of the provisions of Sec. 285 No. 9 a) Sentences 5 to 8 HGB and Sec. 314 (1) No. 6 a) Sentences 5 to 8 HGB. Management is of the opinion that an obligation to itemized disclosure of management board remuneration constitutes an unreasonably severe invasion of the protected private sphere of the persons concerned.

In light of this, the management board and the supervisory board propose that the following resolution be passed:

“The disclosures prescribed in Sec. 285 No. 9 a) Sentences 5 to 8 and Sec. 314 (1) No. 6 a) Sentences 5 to 8 HGB are not made in the separate financial statements and consolidated financial statements of the Company. This resolution applies to the separate financial statements and consolidated financial statements of the Company for the fiscal years from 2015 up to and including 2019, but not later than May 7, 2020.”

Attendance of the annual general meeting

Only those shareholders who have registered for the annual general meeting ("registration") and who have demonstrated to the Company their entitlement to attend the annual general meeting and to exercise their right to vote ("proof") are entitled to attend the annual general meeting and exercise their right to vote. Written substantiation of the shareholding as issued by the custodian bank suffices as proof.

The Proof must be issued with reference to the beginning of the twenty-first day prior to the annual general meeting, that is by the beginning of April 17, 2015 (i.e., 0:00 hours on April 17, 2015) ("record date"). The above authorization is exclusively determined by reference to the shareholding of the shareholder on the record date without this entailing a restriction on the ability to sell the shareholding. Even in the event of the full or partial sale of the shareholding after the record date, the entitlement is based solely on the shareholding of the shareholder as of the record date, which means that the sale or purchase of shares after the record date do not affect entitlement to attend the annual general meeting and exercise the right to vote.

The Registration and the Proof must be received by the Company in German or English no later than:

Friday, May 1, 2015, 24:00 hours

Please use the following address for this purpose (the day received is also authoritative for fax or e-mail responses for the purpose of meeting the deadline):

HOMAG Group AG
c/o Commerzbank AG
GS-MO 4.1.1 General Meetings
60261 Frankfurt am Main,
or
fax: +49 (0) 69/136-26351,
or
email: hv-eintrittskarten@commerzbank.com

Voting by proxy

- a) Shareholders who cannot or do not wish to attend the annual general meeting in person may provide for their vote or other shareholder right to be exercised by a proxy including a shareholders' association by granting a corresponding proxy. Timely Registration for the annual general meeting and Proof of shareholdings are also required in the event of voting by proxy. The right of proxy must be granted, rescinded and demonstrated to the Company in writing. A form that can be used to grant a right of proxy will be provided to the shareholders together with their admission tickets to the annual general meeting. A form can also be downloaded from the internet under:

www.homag-group.com/annual-general-meeting

and will be dispatched without delay and free of charge to each shareholder. Such a request must be addressed to:

HOMAG Group AG
Hauptversammlungsservice
Homagstraße 3-5
72296 Schopfloch,
 or
fax: +49 (0) 7443/13-8-2461,
 or
email: HV@homag-group.de

This address (including the fax number and e-mail address) is available from the date on which the annual general meeting is convened, also for the granting of right of proxy to the Company, the notification of the substantiation of the right of proxy granted to the proxy and for rescinding rights of proxy.

If a bank, a shareholders' association or a similar legal entity within the meaning of Sec. 135 AktG is to be granted right of proxy, there is no text form requirement, neither under the law nor under the articles of incorporation and bylaws of the Company – with the exception of the aforementioned principle. However, we point out that in such cases the banks, shareholders' associations, or similar legal entities that are to be granted right of proxy might request

a special form of proxy as they will have to have their proxy ready for inspection in accordance with Sec. 135 AktG. Shareholders who wish to grant right of proxy to a bank, a shareholders' association or another similar legal entity within the meaning of Sec. 135 AktG, should therefore consult with them as regards any potential form requirements for the proxy.

- b) Company offers its shareholders a service under which they have the option of granting right of proxy to a proxy appointed by the Company with authorization to cast votes on their instructions. Proxies appointed by the Company solely exercise their voting rights in line with the instructions issued by the shareholder. Shareholders wishing to issue a right of proxy to the proxies appointed by the Company require an admission ticket to the annual general meeting. The granting of the right of proxy to the proxies appointed by the Company, the rescinding of said proxies and the issue of instructions require the text form. A form that can be used to grant a right of proxy and issue instructions and other information will be provided to the shareholders together with their admission tickets to the annual general meeting.

Unless the rights of proxy are granted during the annual general meeting, rights of proxy for the proxies appointed by the Company together with instructions must be received by the Company by 24:00 hours on Thursday, May 7, 2015 at the latest, at the following address:

HOMAG Group AG
Hauptversammlungsservice
Homagstraße 3-5
72296 Schopfloch,
 or
fax: +49 (0) 7443/13-8-2461,
 or
email: HV@homag-group.de

Total number of shares and voting rights on the date of issue of the invitation to the annual general meeting

The Company's share capital amounts to EUR 15,688,000.00 divided into 15,688,000 no-par value

shares. Each no-par value share entitles the holder to one vote at the annual general meeting. The total number of shares and voting rights on the date of issue of the invitation to the annual general meeting thus amount to 15,688,000.

Shareholder rights in accordance with Sec. 122 (2), Sec. 126 (1), Sec. 127 and Sec. 131 (1) AktG

In accordance with Sec. 122 (2) AktG, shareholders with shares totaling one twentieth of total share capital or the proportionate amount of EUR 500,000.00 are entitled to request that items be added to the agenda and announced. Said request must be addressed to the management board in writing and be received by the Company by 24:00 hours on Tuesday, April 7, 2015. Please send such demands to the following address:

**HOMAG Group AG
Hauptversammlungsservice
Homagstraße 3-5
72296 Schopfloch**

In accordance with Sec. 126 (1) AktG any shareholder of the Company can send a countermotion to each proposal of the management board and supervisory board on a specific item of the agenda. In accordance with Sec. 126 (1) and (2) AktG, a countermotion must be made available on the Company's website if it is received by the Company under the address announced below by 24:00 hours on Thursday, April 23, 2015 at the latest.

As specified in Sec. 127 AktG, every shareholder can additionally propose nominations for the election of supervisory board members or auditors. In accordance with Sec. 127 and Sec 126 (1) and (2) AktG, a nomination must be made available on the Company's website if it is received by the Company under the address announced below by 24:00 hours on Thursday, April 23, 2015 at the latest.

We will provide access to counter motions and nominations received on time on the internet at:

www.homag-group.com/annual-general-meeting

provided they comply with the legal requirements. Any regulatory statements are also made available at the aforementioned internet address. We will announce supplementary motions received on time, provided they comply with the legal requirements.

Countermotions and nominations from shareholders are to be submitted to the following address only:

HOMAG Group AG
Hauptversammlungsservice
Homagstraße 3-5
72296 Schopfloch,
or
fax: +49 (0) 7443/13-8-2461,
or
email: HV@homag-group.de

Countermotions and nominations sent to any other address will not be considered.

At the annual general meeting, every shareholder is entitled to request information from the management board on the Company's affairs, insofar as the information is necessary to properly assess an item on the agenda (Sec. 131 (1) AktG). The right to information can be exercised in the annual general meeting without it requiring prior announcement or other notification.

Further explanations on shareholder rights pursuant to Sec. 122 (2), Sec 126 (1), Sec. 127 and Sec. 131 (1) AktG are available on the Company's website at:

www.homag-group.com/annual-general-meeting

Reference to the Company's website and the information available there pursuant to Sec. 124a AktG

Information on the annual general meeting pursuant to Sec. 124a AktG is available on the Company's website at

www.homag-group.com/annual-general-meeting

Available and accessible documents

From the date on which the annual general meeting is convened through to the end of the same, the approved financial statements, the ratified consolidated financial statements, the combined management report of the HOMAG Group AG and the Group and the report of the supervisory board as well as the explanatory report of the management board on the disclosures pursuant to Sec. 289 (4) and (5) and Sec. 315 (4) HGB, in each case for the fiscal year 2014, together with the proposal of the management board on the appropriation of the retained earnings will be available for review by shareholders at the premises of the Company in Homagstraße 3-5, 72296 Schopfloch. Every shareholder is entitled to request a copy of these documents, which will be dispatched free of charge and without delay. Such a request must be addressed to:

HOMAG Group AG
Hauptversammlungsservice
Homagstraße 3-5
72296 Schopfloch,
 or
fax: +49 (0) 7443/13-8-2461,
 or
email: HV@homag-group.de

The aforementioned documents are also available on the Company's website under:

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Schopfloch, March 2015

Homag Group AG with registered offices in Schopfloch
The management board

A close-up photograph of a Homag wood processing machine. The top right corner shows a dark, metallic machine head with various rollers and guides. Below it, several layers of light-colored wood are visible, showing a clear grain pattern. The wood appears to be in the process of being processed or cut. The background is a plain, light color.

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