

Letter to the Shareholders

August 2013

Dear shareholders and business associates,

In the first half of 2013 consolidated Group turnover totalled EUR 306.4 million (compared with EUR 357.5 million during the same period last year). Net result amounted to EUR 105.3 million (compared with EUR 9.1 million in 2012), and Group net income rose from EUR -1.3 million to EUR 124.1 million, essentially owing to the sale of the K+S Group, which was agreed in the first quarter. Operative investments achieved net income of EUR -3.6 million compared with EUR -7.8 million the previous year, and compared with the same period in 2012, net earnings developed as follows:

In EUR thousands	1. HY 2013	1. HY 2012
Serial Production/Automotive	3.664	9.988
Plant Engineering & Construction	-3.933	-139
Business Services	-3.327	-17.694
Holding	124.138	-1.289
Consolidating Entry	-15.248	18.270

Net income from the Serial Production / Automotive business excluding the K+S Group rose from EUR 0.4 million to EUR 3.2 million. Plant Engineering & Construction generated a loss of EUR -3.9 million, partly for seasonal reasons. This compares with EUR -0.1 during the same period one year earlier. Business Services once more delivered a worrying performance, although losses were down from EUR -17.7 million in 2012 to EUR -3.3 million in 2013.

Total liquidity amounted to EUR 140.1 million (EUR 44.0 million at year-end). Within the holding it totalled EUR 108.6 million (EUR 6.3 million at year-end), mainly attributable to revenues generated by the sale of the K+S Group. The first six months of this year saw financial liabilities rise from EUR 30.0 million to EUR 35.1 million, meaning a rise in net liquidity over the same period from EUR 13.1 million to EUR 105.1 million. Consolidated pensions liabilities amounted to EUR 13.1 million (EUR 59.8 million at year-end).

In the first half of 2013 we spent a total of EUR 1.9 million on share buybacks and invested a total of EUR 7.7 million in fixed assets.

As well as selling the K+S Group and R+E Automationstechnik, we can report two acquisitions: fire engine producer SIDES was taken over retroactively on 1 January, and ASTERION International, the pan-European outsourcing services provider for document management, was taken over on 5 July.

Even though the economic crisis in Europe is affecting earnings development in all companies, our directors managed to raise net margins in the majority of cases. We would like to take this opportunity to thank you and everybody involved for placing your trust in us. If you have any ideas or suggestions as to how we could improve, or if you have any news about possible new transactions, we would be happy to know more.

We would like to thank you for your continued trust. Please do not hesitate to contact us with any suggestions for improvements or with any promising leads for new transactions.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'R. Scholz', with a long horizontal stroke extending to the right.

Reimar Scholz
Spokesman of the Executive Board

A handwritten signature in blue ink, appearing to read 'H. Ender', with a long horizontal stroke extending to the right.

Harald Ender
Head of Operations