

# ANNUAL REPORT 2010

## ■ M.A.X. AUTOMATION AG

M.A.X. AUTOMATION AG IS A GLOBALLY OPERATING GROUP OF COMPANIES WITH THE TWO CORE SEGMENTS OF ENVIRONMENTAL TECHNOLOGY AND INDUSTRIAL AUTOMATION. THE COMPANY'S ACTIVITIES FOCUS ON THE FURTHER DEVELOPMENT OF MEDIUM-SIZED AUTOMATION SPECIALIST COMPANIES ON A SUSTAINABLE BASIS. THE RANGE OF PRODUCTS AND SERVICES COMPRISES HIGH-QUALITY TECHNOLOGY PRODUCTS AND SERVICES BOTH FOR ORDER-BASED SPECIALTY MECHANICAL ENGINEERING AND FOR STANDARD SYSTEMS.

KEY FEATURES OF M.A.X. AUTOMATION AG ARE ITS ENTREPRENEURIAL MANAGEMENT BY THE PARENT COMPANY, AND ITS SUBSIDIARIES' POSITIONING AS SOLUTION-ORIENTED PROVIDERS OF INTEGRATED AUTOMATION SYSTEMS.

## ■ HIGHLIGHTS OF THE YEAR

**January 2010**  
**altmayerBTD,**  
**Environmental Technology**

Large-scale process systems engineering order for a bulk material processing system in the power plant industry. altmayerBTD carries out the development, delivery, assembly and commissioning of a turnkey system for handling fluidised-bed lignite in RWE power plants.



**Summer 2010**  
**Vecoplan,**  
**Environmental Technology**

Drawing on biomass and pellets, Vecoplan unleashes tremendous untapped energy potentials at NRW Pellets, Europe's most advanced pellet plant. Vecoplan delivered, assembled and commissioned four sections of the plant, which boasts leading-edge technologies.

**April 2010**  
**IWM Automation,**  
**Industrial Automation**

Successful entry into the market for electric motor manufacturing technology. IWM is in charge of project planning, construction, manufacture and commissioning of the entire production facility of a leading international car manufacturer.

**Spring 2010**  
**Vecoplan,**  
**Environmental Technology**

And the story continues with energy: Launch of the VEBS, a shredder that produces alternative fuel from production waste as an energy source for the cement works and power plant sectors.



**September 2010**  
**NSM Magnettechnik,**  
**Industrial Automation**

Stacking the odds in favour of the car industry with NSM: NSM develops technologically sophisticated stacking systems for a German car manufacturer, as well as two additional stacking facilities for the Chinese market.

**Spring 2010**  
**BARTEC Dispensing Technology,**  
**Industrial Automation**

Successful introduction of plasma pre-treatment for the improved adhesion of material surfaces and a heat staking process for the effective shaping of thermoplastics.

## ■ KEY FIGURES IN OVERVIEW

	2010	2009
<b>Results of operations in EUR mill.</b>		
New orders received (consolidated)	210.6	164.6
Book-to-bill ratio	1.11	1.05
Order book position as of the year-end*	92.5	73.8
Revenue	189.7	156.5
– of which from Germany	88.3	73.6
– of which from abroad	101.4	82.9
EBITDA	13.2	4.4
EBIT	9.5	0.5
as % of total output	5.0	0.4
Net income for the year	6.2	0.2
Earnings per share (in EUR)	0.23	0.01
<b>Cashflow</b> in EUR mill.		
Cash flow from operating activities	8.6	19.2
Cash flow from investing activities	–3.6	–1.0
– of which investments	4.5	2.3
Cash flow from financing activities	–2.3	–5.1
Cash and cash equivalents at the year-end	27.3	24.4
<b>Balance sheet</b> in EUR mill.		
Total assets	162.3	148.4
Net debt	–0.1	–4.4
Equity	77.1	71.8
Equity ratio in %	47.5	48.4
<b>Employees</b> (number)		
Average number of employees	964	1,002
– of which trainees	95	92
<b>The share</b>		
Number of shares (in millions)	26.8	26.8
Market capitalization (in EUR mill.)	91.1	63.8
Dividend per share (in EUR)	0.10**	0.05
Price on balance sheet date in EUR (XETRA closing price)	3.40	2.38

\* adjusted for IFRS effects

\*\* Dividend proposal for M.A.X. Automation AG's 2010 fiscal year, subject to approval by the 20 June 2011 Annual General Meeting

## ■ CORE SEGMENTS

### Environmental technology – responsibility for a cleaner world

Worldwide, mature industrial solutions enabling the efficient, sparing utilization of resources will continue to gain significance in the light of long-term global trends, such as the rising demand for energy and the need to make prudent use of natural resources while reducing CO<sub>2</sub> emissions. Our systems for the shredding, conveying and preparation of primary and secondary raw materials support the international recycling sector, thereby making valuable contributions to global environmental protection efforts.

	2010 in EUR mill.	2009 in EUR mill.
New orders received (consolidated)	120.9	105.5
Segment revenue	114.6	94.9
Segment EBIT	5.7	2.2
Employees * (number)	403	408

\* Annual average excluding trainees

### Industrial automation – efficient system solutions open up growth opportunities

Demand for industrially produced goods is experiencing constant growth worldwide. This demand is driven both by technical innovations and the increasing purchasing power of emerging economies. Our customers require innovative automation solutions in order to structure their production capacities in line with demand, on a cost-effective basis, and in a manner that is sparing on resources. We supply customized automation systems featuring sophisticated technologies. These systems provide the basis for reducing the costs of industrial manufacturing, while making the most prudent use of natural resources at the same time. Our subsidiaries' strength lies in the development, assembly, commissioning and maintenance of individual automation systems.

	2010 in EUR mill.	2009 in EUR mill.
New orders received (consolidated)	89.7	59.1
Segment revenue	75.5	62.7
Segment EBIT	5.7	–0.3
Employees * (number)	462	498

\* Annual average excluding trainees

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■ MARKET PRESENCE



## ■ REPORT OF THE MANAGEMENT BOARD

### Dear shareholders,

M.A.X. Automation AG, your company, enjoyed a highly successful 2010 financial year. Driven by the rapid economic recovery and strong growth in the mechanical and plant engineering sector, the measures we initiated were successful in contributing to a strong increase in demand for the automation solutions offered by our subsidiaries. In the first half of the year, we already registered growth in our revenues and operating results compared to the previous year. In the second half of the year, this growth gathered further momentum. For M.A.X. Automation AG, this means that the recessionary blip in the Group's business evolution has been overcome, demonstrating the Group's true potential:

- Owing to the strong growth boost in our two core segments, Environmental Technology and Industrial Automation, consolidated incoming orders increased by about 28 % to approx. € 211 million in 2010. In the period January to June 2010, orders had risen by approx. 17 %.
- Consolidated revenue increased to about € 190 million, or 21 % year-on-year. Consolidated revenue had increased only by around 6 % in the first six months.
- The earnings position also showed significant improvement due to the market upturn. The Group's earnings before interest and tax (EBIT) totaled € 9.5 million, whereas it was only € 0.5 million in the previous year. Of this amount, € 7.7 million was generated in the second half of the year. As a result, we once again surpassed our earnings forecast for the fourth quarter, which had been raised to around € 8 million. The EBIT margin on total output rose to 5 % in 2010.



Bernd Priske

- Our Group continues to boast highly solid and extensive financial resources. At the end of 2010, liquid assets amounted to more than € 27 million, exceeding the already high level of the previous year. At the same time, we reduced our net debt to nearly zero as at the balance sheet date for 2010.

Although signs of a trend reversal were seen at the end of 2009, the rate at which business picked up in 2010 exceeded our expectations. However, strong increases in demand have to be managed at an operational level. In the past year, our subsidiaries successfully met this demand growth, demonstrating our employees' excellent know-how and high degree of efficiency. The Management Board wishes to thank the various Management Boards, the managing directors of our subsidiaries and all employees for their hard work. Their commitment has put our Group back on track for success.

The surprisingly strong economy last year naturally benefitted our Group. The German Engineering Federation (VDMA), our industry association, repeatedly revised its growth forecast for the mechanical and plant engineering sector upwards during 2010. At the end of the year, machine production stood 8.8 % above the 2009 figure in real terms – while still remaining about 18 % below the figure of the pre-crisis year 2008. Nevertheless, this strong increase in orders is evidence that our sector's growth is not just a flash in the pan. Orders in the German mechanical and plant engineering sector in 2010 increased by 36 % year-on-year.

Alongside of the positive economic climate, the speedy trend reversal of our Group is due to our tried and tested, forward-looking strategic positioning. M.A.X. Automation AG has a worldwide presence and operates in markets with long-term growth potential. As a system provider, our operational strength derives from our ability to deliver high-quality turnkey solutions based on our component expertise. The subsidiaries in our two core segments – Environmental Technology and Industrial Automation – specialize in cost-effective automation systems and benefit from long-term trends such as climate protection, rising prices for raw and waste materials and the constant variability seen in consumer demand. The automation solutions offered by

the M.A.X. Automation Group enable our customers to adapt their production methods to these trends while retaining flexibility and keeping costs to a minimum, whether in the automotive sector, the recycling industry, power generation or the other main industrial sectors. This is yet another reason why we repeatedly received large-scale orders worth millions of euros in both core segments, for instance at Vecoplan, altmayerBTD, NSM Magnet-technik and IWM Automation, in 2010.

Our success is also due to our competitive Group structure. In 2009 we took measures to reduce costs and increase efficiency, which paved the way for further gains in profitability. In the 2010 financial year, our efficient, lean structure significantly contributed to the positive business trend.

We are pleased to note that the capital market is once again showing an increasingly positive response to the good performance of the Group. At the end of 2010, the price of the M.A.X. share was approximately 43 % above its price at the end of December 2009. This performance is significantly higher than that of the benchmark CDAX index. In the first quarter of 2011, our share price continued to rise. Considering the obvious growth prospects of the Group, we are confident that our share still has a significant value growth potential.

As a dividend-oriented company, we are always keen to let you, our shareholders, benefit from the positive business trends of M.A.X. Automation AG. This year is no exception to the rule. Therefore the Management and Supervisory Boards will propose a dividend payment of 10 eurocents per share to the Annual General Meeting on June 20, 2011. With this dividend proposal we aim to reward our shareholders for their commitment and at the same time further strengthen our equity base to give the Group sufficient room to maneuver for planned future growth.



## ■ REPORT OF THE MANAGEMENT BOARD

Although 2010 has been a highly positive year for us, we have to note that the M.A.X. Automation Group has not yet returned to its pre-crisis revenue and profitability levels. This will be our challenge for the current year. The signs give rise to optimism: The worldwide economy is likely to expand further in 2011, even if risk factors for growth, such as the debt crisis of some European countries, political unrest in the Middle East and natural disasters such as those suffered by Japan, should not be underestimated. The mechanical and plant engineering sector will likely benefit from increasing worldwide demand for investment goods and experience a sustained recovery. This outlook fills us with optimism for the business trend in our core segments. The excellent order situation at the beginning of this year suggests that we will be able to continue along this growth trend.

Even though organic growth for our subsidiaries remains our priority, we would not be disinclined to bolster our existing engineering competence and geographical coverage in our core segments by making strategic acquisitions.

The positive performance of the Group continued through the first quarter of 2011. As a result, and in view of the very good order situation, we anticipate consolidated revenue for the whole year to increase to more than € 200 million, based on our current investment portfolio. As in the previous year, Group EBIT should outpace revenue growth and reach a level between € 12.5 and € 13.5 million.

Our medium-term target, to increase consolidated revenue to more than € 300 million at a target EBIT margin of 10 %, remains unchanged. The conditions for this growth path have been created. We would be very pleased if you accompanied M.A.X. Automation AG on this path.

Düsseldorf, March 2011

The Management Board



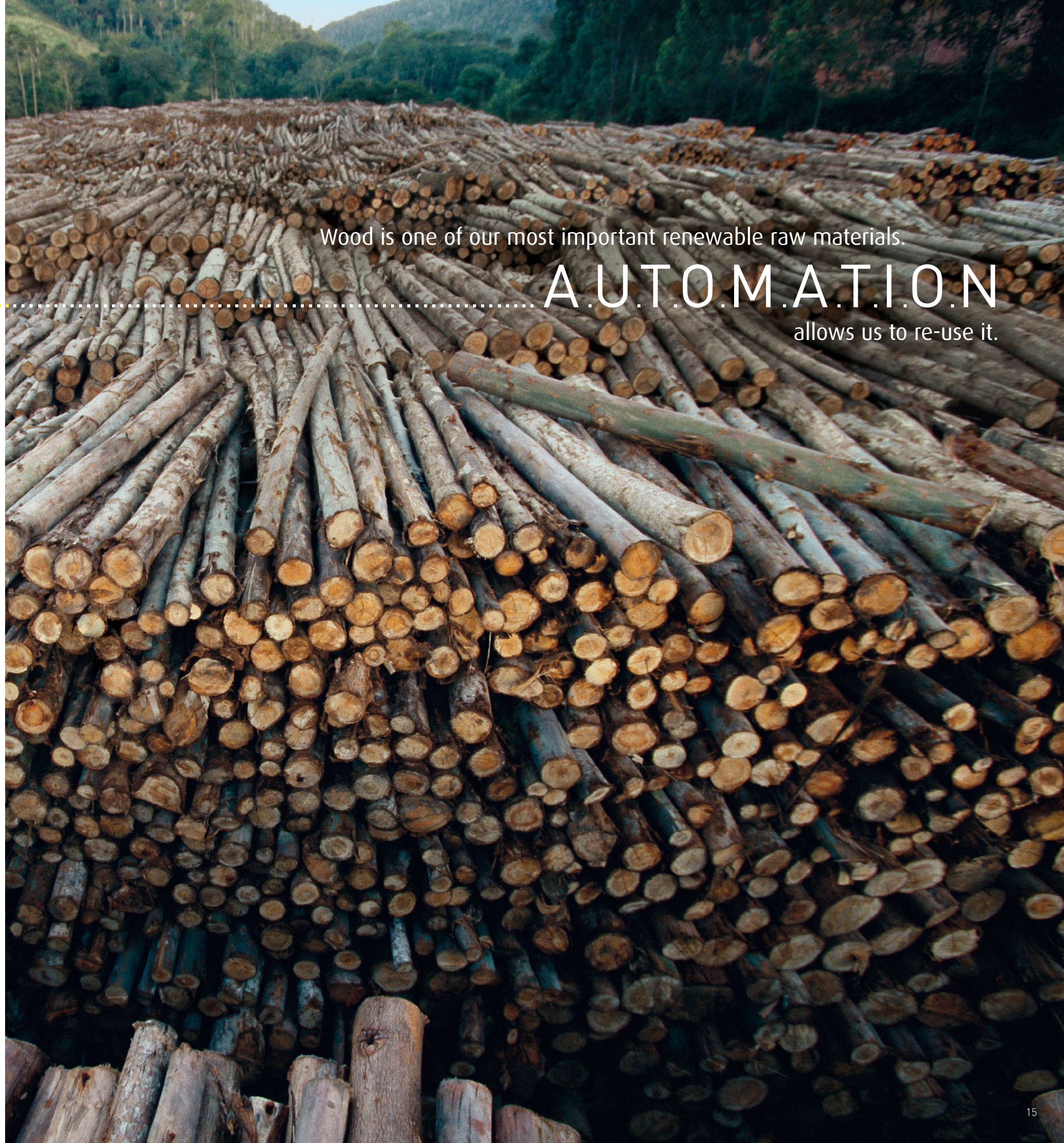
Bernd Priske

## ■ ENVIRONMENTAL TECHNOLOGY



OUR NATURAL RESOURCES ARE BECOMING INCREASINGLY SCARCE ALL OVER THE WORLD. AT THE SAME TIME, CONSUMPTION IS RISING, WITH MORE AND MORE RESOURCES BEING USED. DRAWING ON INTELLIGENT TECHNOLOGY, WE CAN CONTINUE TO MASS-PRODUCE GOODS WHILE REQUIRING FEWER RESOURCES – THEREBY PROTECTING THE ENVIRONMENT. THIS IS THE SPECIALIZATION OF THE M.A.X. AUTOMATION GROUP.





Wood is one of our most important renewable raw materials.

# A.U.T.O.M.A.T.I.O.N

allows us to re-use it.

**ENVIRONMENTAL TECHNOLOGY:** AS A RENEWABLE RESOURCE, WOOD IS INDISPENSABLE TO THE GLOBAL ECONOMY. APART FROM ITS USE AS A MATERIAL, SUCH AS IN THE CONSTRUCTION AND FURNITURE INDUSTRY, IT IS BECOMING INCREASINGLY IMPORTANT FOR ENERGY RECOVERY. PROPERLY RECYCLED, WOOD IS AN EFFICIENT ENERGY SOURCE, BOTH FOR INDUSTRY AND PRIVATE HOUSEHOLDS.

THE GROWING DEMAND FOR WOOD REQUIRES US TO USE THE EXISTING TIMBER STOCKS IN AN ECOLOGICALLY SOUND AND SUSTAINABLE MANNER. THIS IS WHY INDUSTRIAL COMPANIES THROUGHOUT THE WORLD RELY ON THE CUTTING-EDGE RECYCLING TECHNOLOGY OFFERED BY OUR ENVIRONMENTAL SUBSIDIARY VECOPLAN.





Growing consumption leads to a growing need for resources.

# AUTOMATION

feeds them back into the economic cycle



**ENVIRONMENTAL TECHNOLOGY:** GLOBAL ECONOMIC GROWTH BOOSTS PRIVATE CONSUMPTION, LEADING TO INCREASED RESOURCE CONSUMPTION. WORLDWIDE POLITICAL POLICIES HAVE BEEN ESTABLISHED TO STRIKE A BALANCE BETWEEN ECONOMIC AND ENVIRONMENTAL INTERESTS. THESE HAVE TWO MAIN AIMS: DISTRIBUTING RESOURCES EFFICIENTLY AND ENSURING THAT THEY ARE REPROCESSED FOR A RETURN TO THE ECONOMIC CYCLE. THE PRIMARY OBJECTIVES ARE PROTECTING THE ENVIRONMENT AND THE CLIMATE FOR FUTURE GENERATIONS.

THE ENVIRONMENTAL SUBSIDIARIES OF M.A.X. AUTOMATION ARE WORLDWIDE PROVIDERS OF TURNKEY RECYCLING SYSTEMS AND SPECIAL FLUE GAS CLEANING PLANTS, AND AS SUCH, ARE IN A PERFECT POSITION TO COMBINE INDUSTRIAL PRODUCTION WITH A GREATER LEVEL OF ENVIRONMENTAL PROTECTION. THIS IS HOW SUSTAINABLE ECONOMIC GROWTH IS ACHIEVED.





Many resources are left unused.

# A.U.T.O.M.A.T.I.O.N

ensures valuable recycling.

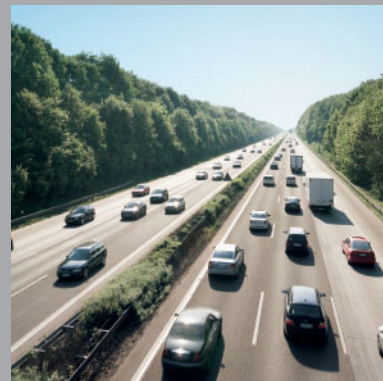
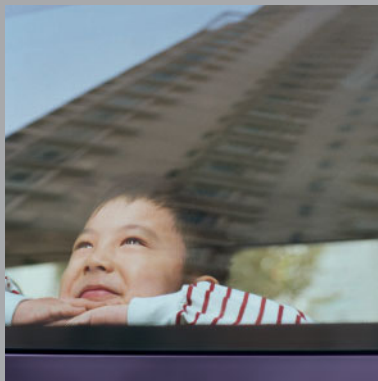


**ENVIRONMENTAL TECHNOLOGY:** IN ORDER TO FEED VALUABLE RESOURCES BACK INTO THE ECONOMIC CYCLE, THE EUROPEAN WASTE FRAMEWORK DIRECTIVE STIPULATES A RECYCLING RATIO OF 50% FOR RESIDUAL WASTE. THIS POLITICAL TARGET IS BINDING FOR ALL EU MEMBER STATES AND MUST BE ATTAINED BY 2020. TODAY, THE GERMAN WASTE MANAGEMENT INDUSTRY HAS ALREADY EXCEEDED THIS TARGET AND IS SEEN AS A PIONEER OF REPROCESSING TECHNOLOGY, WITH A RECYCLING RATIO OF MORE THAN 62%.

THIS MEANS THAT THE SYSTEMATIC RECYCLING OF RESOURCES IS IN ITS INFANCY, BOTH IN EUROPE AND ACROSS THE GLOBE. EVEN TODAY, HOWEVER, THE RECYCLING SYSTEMS OF THE M.A.X. GROUP ALREADY RANK AS WORLDWIDE LEADERS.



## ■ INDUSTRIAL AUTOMATION



ALL OVER THE WORLD, PEOPLE DREAM OF PROSPERITY. BUT THE HIGHER THE QUALITY AND THE MORE MODERN THE PRODUCTS, THE MORE EXPENSIVE THEY BECOME. OR DOES IT HAVE TO BE THIS WAY? THE M.A.X. AUTOMATION GROUP PROVIDES INNOVATIVE SOLUTIONS TO MAKE DREAMS COME TRUE.



In Asia, people also dream of having their own car.

# A.U.T.O.M.A.T.I.O.N

turns them into reality.

**INDUSTRIAL AUTOMATION:** THE AUTOMOTIVE MARKET IS GROWING FASTER IN CHINA THAN ANYWHERE ELSE. ALMOST 20% OF ALL NEW CARS MANUFACTURED ACROSS THE GLOBE WERE SOLD IN CHINA IN 2010 – AND THE TREND IS RISING.

THE M.A.X. AUTOMATION GROUP IS KEEN TO BE A PART OF THIS GROWTH. TODAY, M.A.X. AUTOMATION AG SUBSIDIARIES ARE SUPPLYING WESTERN INDUSTRIAL COMPANIES OPERATING IN THE CHINESE MARKET. AT THE START OF 2011, OUR SUBSIDIARY NSM SECURED A LARGE-SCALE CONTRACT TO DIRECTLY SUPPLY THE CHINESE AUTOMOTIVE INDUSTRY, MARKING ITS SUCCESSFUL ENTRY INTO THIS SECTOR.







The demand for transportation is endless.

# A.U.T.O.M.A.T.I.O.N

ensures that the world never runs out.



**INDUSTRIAL AUTOMATION:** THE OUTPUT FIGURES OF THE WORLDWIDE CAR INDUSTRY SHOW THAT MANUFACTURERS HAVE RECOVERED FROM THE ECONOMIC CRISIS. ROUGHLY 60 MILLION CARS ROLLED OFF THE PRODUCTION LINES IN 2010 – MATCHING THE PRE-CRISIS LEVEL. IN 2011, PRODUCTION IS SET TO RISE TO 64.5 MILLION CARS.

THE AUTOMATION SOLUTIONS OF THE M.A.X. AUTOMATION GROUP ENABLE THE WORLD'S WELL-KNOWN CAR MANUFACTURERS TO ADAPT THEIR CAPACITIES SWIFTLY AND COST-EFFECTIVELY TO GROWING DEMAND.





Mobility will be demanded in future, too.

# A.U.T.O.M.A.T.I.O.N

continues to be a valuable partner.

**INDUSTRIAL AUTOMATION:** GERMANY IS TO BECOME THE LEADING MARKET FOR ELECTRIC MOBILITY. THE GERMAN GOVERNMENT AIMS TO PUT APPROXIMATELY 1 MILLION BATTERY-POWERED VEHICLES ON THE ROAD BY 2020.

THE FUTURE BELONGS TO ENVIRONMENTALLY-FRIENDLY CARS. THIS REQUIRES MANUFACTURERS TO SYSTEMATICALLY DEVELOP THEIR PRODUCTION PROCESSES. AS A SPECIALIST FOR AUTOMATION SYSTEMS IN THE AUTOMOTIVE INDUSTRY, THE M.A.X. GROUP OFFERS INNOVATIVE MANUFACTURING SOLUTIONS FOR THE CARS OF TOMORROW – TODAY.





# ■ GROUP MANAGEMENT REPORT

## 1. The business and its environment

### 1.1. Group structure and organization

Headquartered in Düsseldorf, M.A.X. Automation AG focuses on the acquisition and sustainable development of medium-sized companies that specialize in manufacturing process automation. The company pursues an approach of making long-term investments in its subsidiaries. It aims to hold the majority of an acquired company's equity capital, if possible by acquiring 100 % of its shares. In operational terms, the Group is focused on the core segments of Environmental Technology and Industrial Automation.

As the parent company, M.A.X. Automation AG is responsible for the overall strategic guidance of the Group. M.A.X. Automation AG itself has no operating business. The Management Board is directly responsible for the management of the Group. The management bodies of the operating subsidiaries report to the Group Management Board. The Supervisory Board of M.A.X. Automation AG appoints, supervises and advises the Management Board. The Supervisory Board is included in all business transactions of key significance for the company or the entire Group.

As a stock corporation, M.A.X. Automation AG is listed on the Frankfurt Securities Exchange. The M.A.X. share is listed in Deutsche Börse AG's General Standard segment.

All of the M.A.X. Automation Group's subsidiaries are assigned to one of the two core segments. The Environmental Technology core segment included the Vecoplan Group and altmayerBTD GmbH & Co. KG in 2010. The Industrial Automation core segment was composed of NSM Magnettechnik GmbH, BARTEC Dispensing

Technology Group, IWM Automation GmbH, Mess- und Regel-technik Jücker GmbH and EUROROLL Dipl.-Ing. K.H. Beckmann GmbH & Co. KG.

The subsidiaries are positioned as technologically leading providers in their sub-markets. They offer automation and process technology solutions to their customers around the world. Their range of products and services comprise individual technical components, complete automation systems and complete specialty mechanical engineering plants. Within the Group association, the individual subsidiaries are able to provide integrated automation solutions with a high degree of technical complexity on a one-stop shop basis.

The key markets that the M.A.X. Automation Group targets are mainly in Europe, North America and Asia. The subsidiaries are represented partly by our own sales companies on international markets. The customer base of the Environmental Technology segment consists primarily of waste management and recycling technology companies, the timber and paper industry, the energy sector as well as the cement and plastics sectors. Customers of the Industrial Automation segment include, among others, the automotive and packaging sectors as well as the electrical and electronics industries.

### 1.2. Controlling system and control parameters

M.A.X. Automation AG uses financial performance indicators to manage its operating business. These are implemented to recognize, measure and minimize risk while securing and increasing long-term profitability. The financial performance indicators utilized include:

- Profit margin (EBIT/total output)
- Equity ratio (equity/total assets)
- Liquidity position
- Profitability key figures

The company also applies non-financial performance indicators connected with the strategic positioning of the overall Group and the business models of the operating subsidiaries. This primarily includes:

- **Environmental technology sector expertise:** Environmental policy regulations affect growth in the global environmental technology market to a significant extent. This particularly applies to the CO<sub>2</sub> reduction and waste management/recycling areas in which the M.A.X. Automation Group operates. Detailed knowledge of industry-specific legal regulations is consequently indispensable for the management of the company.

- **Value-added positioning and technology leadership:** The ability of the subsidiaries to integrate individual automation components and extensive system know-how into customer-specific solutions on a one-stop shop basis is key to the sustained market success of the M.A.X. Automation Group. This so-called „value-added positioning“ has allowed the subsidiaries of the Group to differentiate themselves from their competitors in their sub-markets.

- **Innovations:** The M.A.X. Automation Group operates in an environment that is characterized by intense competition and constant technological progress. For this reason, innovative technologies are critical to the Group's long-term success. The level of technological ability across the entire Group must be continuously developed and enhanced to maintain and expand the subsidiaries' good market positions.

- **Internationalization:** In the Environmental Technology and Industrial Automation core segments, sustainable growth can only be secured by the consistent internationalization of the business base. An international network of sales and service branches, as well as selected production locations, ensures that the M.A.X. Automation Group acquires knowledge about specific customer requirements for individual automation solutions abroad. The existing sales network offers a good basis for further expanding international business.

- **Efficiency:** The main factor behind M.A.X. Automation Group's growth and profitability is its efficient Group organization. Streamlined and high-performing structures, standardized processes and qualified staff represent important target quantities that have an important impact on Group growth. Even in the current phase of dynamic demand growth, the Group Management Board as well as the Management Boards and managers of the operating subsidiaries place an emphasis on the constant improvement of our organizational efficiency with the aim of achieving constant profitability improvements.

### 1.3. Economic environment

Following on from the deep recession of the previous year, the global economy recovered considerably in 2010 – to the surprise of most experts. The upturn was at its most dynamic level in the second and third quarters of 2010 and flattened out towards the end of the year. Emerging countries, such as China and India, acted as economic growth drivers with their constantly increasing domestic demand, which spurred production and exports in industrial nations. According to estimates from the International Monetary Fund (IMF), global gross domestic product (GDP) grew by 5.0 % in 2010.

## ■ GROUP MANAGEMENT REPORT

The positive economic developments in the eurozone improved less strongly in the past year. While private domestic demand increased slightly during the course of the year, high public debt levels negatively impacted on the confidence of companies and the financial markets. Despite the expansive monetary policies implemented at central banks, major national deficits in countries such as Greece, Portugal and Ireland, ongoing instability on the financial markets and rising commodity prices put a damper on the recovery in many countries. The IMF estimated GDP growth of only 1.8 % for the eurozone in 2010.

By contrast, the German economy posted strong growth over the past year. Foreign trade played a major role in the recovery, supporting the economy with a price-adjusted increase in exports of about 14 %. Domestic demand also increased considerably. Capital investments were particularly strong, rising by 9 % year-on-year. Companies were able to offset about 80 % of their recession-related production losses in 2010. After shrinking by 4.7 % in 2009, Germany's GDP grew by 3.6 % in 2010 according to the initial figures from the Federal Office of Statistics.

### 1.4. The environment for the mechanical and plant engineering sector

Spurred by the global economic recovery, the mechanical and plant engineering sector in Germany made an impressive comeback in 2010. The experts at the VDMA (German Engineering Federation) were surprised at the industry's speedy turnaround – posting a price-adjusted growth in orders of 36 % on the year. Foreign orders increased 39 % while domestic orders rose 29 % for 2010.

Sources:  
Association of German Banks (Bundesverband deutscher Banken e.V.),  
Economic Report January 2011  
European Central Bank, Monthly Report January 2011  
German Federal Office of Statistics press release of January 12, 2011  
International Monetary Fund, World Economic Outlook Update, January 2011

Since March 2010, machine and plant output has been consistently above the comparative figures for 2009. In real terms, the machine production segment grew by 8.8 % in 2010, after a 25 % contraction in the previous year. Despite the return to positive growth, output was still 18 % below the pre-crisis level of 2008.

Industry revenue in 2010 grew to € 174 billion, an 8.0 % increase year-on-year (2009: € 161 billion). As a result of the strong demand push, capacity utilization increased to an average of 79.8 % (2009: 72.5 %).

The unanticipated strength of this trend was primarily due to a significantly increased volume of machinery exports. Exports to Asia, particularly China, and the US rose, as did exports to Russia and other European countries. According to VDMA estimates, total industry exports reached a level of approx. € 123 billion in 2010. Compared to 2009 (€ 110.9 billion), this is an increase of approx. 10 %. The export share increased to 74.8 % (2009: 73.6 %).

### 1.5. Research and development

The M.A.X. Automation Group's customers throughout the world expect individual automation solutions that correspond to precise specification profiles. The market environment is characterized by rapid technological change, a high degree of competitive intensity and increasing political regulations in the environmental segment. Under these conditions, targeted research and development activities are among the important factors determining the success of international automation specialists. That's why the M.A.X. Automation Group places strong emphasis on the development of innovative products and services.

Sources:  
German Engineering Federation (VDMA), press release of February 10, 2011  
VDMA, Speech from Chairman Dr. Thomas Lindner at the Annual Press Conference on February 10, 2011

Research and development is organized on a de-centralized basis within the Group. As the parent company, M.A.X. Automation AG does not conduct its own research activities. In line with the Group's internal organization, the subsidiaries are responsible for creating and maintaining their own research and development capacities. This allows innovations to be developed according to the market conditions and customer specifications, while existing technological expertise is expanded. This in turn allows the Group to enter into new, promising sub-markets within the automation industry. The exchange of R&D information between subsidiaries maximizes synergy effects.

The further development of our range of products and services in combination with customer orders formed the focus in both core segments in 2010. In the Environmental Technology segment, altmayerBTD used its patents and trademarks for heating and drinking water technology to further enhance its product range. In the Industrial Automation segment, NSM Magnettechnik continued to extend its press linkage product range in the press automation area and adapted the machines to the specific requirements of the Chinese market. We also continued with our expansion of feeding technology. BARTEC Dispensing Technology expanded its range of services through order-related developments in two areas in which it has been active since 2009: plasma pretreatment for the improved adhesion of material surfaces and heat staking as an alternative joining technique that makes it possible to shape thermoplastics under localized heat.

## 2. Earnings, net assets and financial position

### 2.1. Accounting

The consolidated financial statements for M.A.X. Automation AG for the 2010 financial year have been prepared according to International Financial Reporting Standards (IFRS). As a result,

the company has been released from the obligation to prepare consolidated financial statements according to the requirements of the German Commercial Code (HGB). Previous year figures have also been calculated according to IFRS, and are comparable as a consequence.

### 2.2. Overall assessment of the financial year

Due to the positive worldwide growth climate and an increasingly buoyant sector economy, the M.A.X. Automation Group made very good business progress in 2010. All key figures were significantly above the previous year's levels. Growth in revenue and earnings distinctly gathered pace in the second half of the year.

Driven on by sustained high levels of demand in both core segments, Environmental Technology and Industrial Automation, consolidated incoming orders increased by 27.9 % year-on-year in 2010. After the first six months the increase had been at 17.1 %. Consolidated revenue increased by 21.2 % during the year. In the first half of the year, the revenue increase amounted to 6.4 %.

The earnings position also showed significant improvement: Group earnings before interest and tax (EBIT) increased to € 9.5 million in 2010, and was again markedly above the forecast of approx. € 8 million, which had been revised upwards in the final quarter. In 2009 Group EBIT totaled € 0.5 million, while the figure has reached € 1.8 million after the first six months in 2010. Group-wide measures initiated in 2009 to reduce costs and increase efficiency also had a positive effect on these figures.

Therefore, M.A.X. Automation AG has overcome the recessionary intermission in its corporate development as of the past financial year. The Management and Supervisory Boards intend to enable shareholders to participate in the company's success. Therefore they will propose that the dividend payment for the past financial



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year be raised to 10 eurocents per share at the Annual General Meeting on June 20, 2011. The Group had paid 5 eurocents per share for the financial year 2009.

### 2.3. Order situation

In 2010 the order situation of the M.A.X. Automation Group showed significant improvement. Consolidated incoming orders amounted to € 210.6 million. This represents an increase of 27.9 % compared to 2009 (€ 164.6 million). Orders in the Environmental Technology segment rose by 14.6 %. The Industrial Automation segment saw a particularly strong increase in orders, at 51.6 %.

The Group's order book position also increased markedly. At the balance sheet date December 31, 2010, the order book figure, adjusted for Percentage-of-Completion effects, stood at € 92.5 million. This represents an increase of 25.4 % in the order book position on the previous balance sheet date (€ 73.8 million). This increased order book figure represents a good foundation for a successful year 2011.

### 2.4. Revenue trend

The revenue of the M.A.X. Automation Group grew strongly in 2010, reaching a level of € 189.7 million. By comparison with the previous year's figure of € 156.6 million, this represents an increase of 21.2 %.

Both core segments contributed to the positive revenue trend. Revenue in the Environmental Technology segment gained 20.8 % on 2009, while revenue from the Industrial Automation segment increased by 20.3 %.

The export share of consolidated revenue, which was down in the previous year, showed slight growth in 2010. At 53.4 %, the figure was 0.4 percentage points above the 2009 level (53.0 %).

### 2.5. Earnings

As a result of the significantly higher business volume, the total output of the M.A.X. Automation Group grew from € 150.9 million in the previous year to € 191.2 million in 2010 (+26.7 %). This increase also included a growth-related increase in inventories.

Material expenses amounted to € 98.7 million in 2010, 39.3 % above the previous year's figure (€ 70.9 million). This increase was primarily due to the positive order situation and the resulting increase in business volume. The higher raw materials prices were also reflected in this figure. Material expenses expressed as a proportion of total output increased to 51.6 % (2009: 46.9 %).

The consistent restructuring efforts in the recessionary year 2009 also brought about significant cost reductions in 2010. Despite the strong business trend, personnel expenses increased only slightly as a result of the measured adjustments made in the previous year, rising by 3.2 % to a total of € 51.7 million (2009: € 50.1 million). At € 31.0 million, other operating expenses remained approximately at the 2009 level (€ 30.2 million; +2.3 %) due to Group-wide measures for increased efficiency.

The M.A.X. Automation Group's earnings before interest and tax (EBIT) improved significantly, rising to € 9.5 million. Group EBIT had amounted to € 0.5 million in the previous year.

The EBIT margin in proportion to total Group output was 5.0 %. The financial result in the past year was minus € 1.5 million, after a balanced result in the previous year. The previous year's figure

included € 0.5 million in income from losses attributable to minority interests, while the figure for the reporting year included expenses from earnings attributable to minority interests of a total of € 0.3 million.

Consolidated earnings before tax reached a level of € 8.0 million. The corresponding figure for 2009 was € 0.5 million. Income tax amounted to € 1.8 million in 2010 (2009: € 0.3 million).

Net income for the 2010 financial year of the M.A.X. Automation Group increased significantly to € 6.2 million. In the previous year, the Group had generated net income of € 0.2 million. This results in earnings per share of € 0.23.

### 2.6. Application of profits

The annual financial statements for M.A.X. Automation AG were prepared according to the provisions of the German Commercial Code (HGB). The company's single-entity financial statements show a net income figure of € 3.0 million for the 2010 financial year. The net result for the previous year had been negative, at minus € 4.3 million. A dividend of 5 eurocents per share was paid out of the reported profit for 2009, resulting in a total payout of € 1.3 million.

For the 2010 financial year, the Management and Supervisory Boards of the M.A.X. Automation Group intend to propose a dividend of 10 eurocents per share to the shareholders at the Annual General Meeting on June 20, 2011. This would result in an overall payout of € 2.7 million to shareholders.

### 2.7. Net assets

The total assets of the M.A.X. Automation Group amounted to € 162.3 million at the balance sheet date on December 31, 2010.

The increase of 9.3 % on the previous year's total assets as at December 31, 2009 (€ 148.4 million) was due to the higher business volume.

Non-current Group assets rose by 2.5 % year-on-year to € 68.7 million (December 31, 2009: € 67.0 million). One influencing factor was the increase in deferred taxes by 9.6 % to € 5.1 million (December 31, 2009: € 4.6 million). In addition, other non-current assets increased to € 2.9 million, mainly as a result of the higher cash deposits for bank guarantees (December 31, 2009: € 2.2 million; +28.8 %).

Current assets as at December 31, 2010 had increased to € 93.6 million from € 81.5 million at the previous year's balance sheet date (+14.9 %). This was primarily due to the growth-related increase in working capital. Inventories were up by 8.2 % to € 28.9 million (December 31, 2009: € 26.7 million). Trade receivables grew strongly to € 33.6 million, a 27.0 % increase on the comparative balance sheet date (December 31, 2009: € 26.5 million). Cash and cash equivalents exceeded the previous year's level, which had already been high, by 11.8 % and amounted to € 27.3 million (December 31, 2009: € 24.4 million).

### 2.8. Financial position

On the equity and liabilities side of the balance sheet, the M.A.X. Automation Group showed equity of € 77.1 million as at December 31, 2010. This 7.4 % increase on the previous year's figure (€ 71.8 million) was mainly due to the positive result for the year. The equity ratio remained at a very solid 47.5 % (December 31, 2009: 48.4 %).

At the balance sheet date, non-current liabilities had risen by 4.4 % to € 34.0 million from € 32.6 million at the end of 2009.

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Within this figure, long-term loans decreased by 1.2 % to € 23.1 million (December 31, 2009: € 23.4 million). Other provisions were up to € 1.7 million (December 31, 2009: € 1.1 million) due to an increase in provisions for warranties. In addition, deferred taxes increased to a total of € 8.1 million (December 31, 2009: € 7.2 million; +11.4 %), mainly as a result of the changes in deferred taxes to accommodate the differences in the tax balance sheets.

Current liabilities at December 31, 2010 amounted to € 51.2 million. The increase of 16.1 % in the year-on-year comparison (December 31, 2009: € 44.1 million) resulted from contradictory effects. Trade payables increased by 30.2 % to € 28.5 million (December 31, 2009: € 21.9 million) as a result of the stronger business activity. Short-term loans declined by 20.9 % from € 5.4 million to € 4.3 million as at December 31, 2010. At € 11.3 million, other provisions were measured 23.3 % higher than at the previous year's balance sheet date (€ 9.2 million), primarily due to the increase in business volume. Based on balance sheet results, other current liabilities decreased from € 2.0 million to € 1.0 million as at December 31, 2010.

Taking into account cash and cash equivalents, the net debt of the M.A.X. Automation Group was reduced to nearly zero as at December 31, 2010 (December 31, 2009: € 4.4 million).

### 2.9. Cash flow

The M.A.X. Automation Group generated a cash inflow from operating activities of € 8.6 million despite increasing business volumes in 2010 (2009: € 19.2 million). Investment activities resulted in a cash outflow of € 3.6 million in the reporting year (2009: € 1.0 million). The cash outflow from financing activities amounted to € 2.3 million, following € 5.1 million in the previous year. On balance, cash and cash equivalents amounted to € 27.3

million at the end of the 2010 financial year – the highest figure in the company's history for the second year running (2009: € 24.4 million).

### 3. Segment reporting

#### 3.1. Environmental Technology

In the Environmental Technology core segment, the M.A.X. Automation Group is oriented towards global developments expected to set in over the long term. Essentially, these comprise climate protection, with an emphasis on reducing CO<sub>2</sub> emissions, the treatment of recycled resources and a permanent uptrend in the price of raw materials. The environmental subsidiaries of the M.A.X. Automation Group provide complex automation solutions to industrial companies operating in various sectors, with two aims in mind: they either enable the customers to comply with emission requirements, which are becoming increasingly rigorous around the globe, or the equipment and systems are used for the treatment of raw and waste materials, with the objective of feeding resources back into the economic cycle or to gain alternative fuels, among other things. The systems are always adapted very strictly to the specific requirements of each customer.

In this market, growth is largely determined by environmental policy and regulations. Internationally binding targets are intended to mitigate the greenhouse gas effect with its damaging effects on the climate by drastically cutting carbon dioxide emissions. Germany and the European Union are the pioneers in this field. Similarly for resource recycling: The German regulations on the treatment of waste of all types are used as a blueprint for EU-wide regulations, and are widely accepted throughout the world. The further development of environmental standards leads to a growing demand for automation systems

based on environmental technology. In consideration of this situation, we anticipate sustained, long-term growth for the Environmental Technology core segment of the M.A.X. Automation Group that will withstand business cycles.

Our track record set last year is proof of this premise. Following a temporary reduction in demand for environmental equipment in 2009, customers' interest in the system solutions offered by the M.A.X. Automation Group rebounded spectacularly when economic growth returned to positive territory in 2010. Many countries significantly increased their investments in the recycling sector and climate protection. The prices for raw and waste materials also rose during that year. Against the backdrop, our Group's overall business trend in the Environmental Technology segment was once again positive in 2010.

Our subsidiaries Vecoplan and altmayerBTD operate in the Environmental Technology core segment.

As a globally leading provider, the Vecoplan Group develops, produces and sells technologically advanced machines and plants for the shredding, conveying and preparation of primary and secondary raw materials. Among other things, these include wood, biomass, household and commercial waste, plastics and paper. Vecoplan AG maintains subsidiaries in the USA and the United Kingdom, as well as numerous sales and service locations worldwide. Its customers include the international timber and paper industry, recycling companies, as well as the plastics and cement industries, among others.

In 2010, the Vecoplan Group made increasingly vigorous progress in terms of its business. Demand increased markedly in the first six months in the pellet and alternative fuel processing segments, as well as for waste management services for sawmills. Business

growth in the entire wood and recycling industry gained momentum in the second half of the year, so that the Vecoplan Group registered strong demand growth across its whole range of products and services. Overall, revenue and net income were significantly higher in 2010 than in the previous year.

In summer 2009, altmayerBTD was created from the merger of subsidiaries Altmayer Anlagentechnik and BTD Behältertechnik Heiz- und Trinkwassersysteme. Among other things, the company designs and sells systems for the storage and conveying of explosive bulk materials. altmayerBTD also manufactures specialist plant for flue gas cleaning to reduce emissions of dioxin, furan and sulfur. The company also ranks as one of Europe's leading producers of tanks and containers with a product range spanning pulverized lignite silos, heated and drinking water systems and buffer storage systems. Among other applications, altmayerBTD's systems find use in the chemical industry, in food manufacturing companies, plastics and cement industry companies, in power plants and steelworks, waste management companies, as well as in the solar sector.

In 2010, altmayerBTD experienced overall satisfactory business trends. The focus that year was on expanding the product range further, as well as integrating new business areas into the existing organizational structure. In addition, production processes were reorganized and optimized at the Dettenhausen and Rehlingen plants. The company stood its ground in all segments, and succeeded in strengthening its positioning in the buffer storage and drinking water systems segments. One of the highlights of the year was a large-scale order from RWE Power for a turnkey system for handling fluidized-bed lignite in power plants. The value of this order ranges in the single-digit millions. In the reporting year, altmayerBTD achieved a satisfactory result.



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In the Environmental Technology core segment, consolidated incoming orders increased to € 120.9 million in 2010. This represents a rise of 14.6 % compared to the previous year (2009: € 105.5 million). This figure reflects the increased level of demand during the year for automation solutions from our environmental subsidiaries.

Revenue for this segment totaled € 114.6 million, exceeding the 2009 figure (€ 94.9 million) by 20.8 %. The export share was 61.0 %, after 64.9 % in the previous year.

Earnings (EBIT) in this segment rose distinctly, reaching € 5.7 million in 2010. In the previous year, this segment’s EBIT had totaled € 2.2 million.

On average, 403 employees worked in the Environmental Technology segment of the M.A.X. Automation Group in the past year. Compared to the previous year’s figure (408 employees), this represents a reduction of 5 employees.

Environmental Technology core segment key figures

	2010 In EUR mill.	2009 In EUR mill.	Change
Segment revenue	114.6	94.9	+20.8 %
of which from abroad	69.8	60.6	+15.2 %
Segment result	5.7	2.2	++
Employees* (number)	403	408	–5

\* Year average excluding trainees

3.2. Industrial Automation

With their portfolio of automation solutions, the subsidiaries of the M.A.X. Automation Group support industrial companies across a wide range of industries in adjusting their products to the ever-changing requirements of the market. Ensuring flexibility in

manufacturing and producing products in a cost-effective manner without sacrificing quality – these abilities help customers keep their edge among global competitors.

The subsidiaries of M.A.X. Automation AG are not limited to developing individual technical components, but also offer comprehensive automation systems that enable customers to order entire production processes from a one-stop shop.

After dealing with a decline in demand due to the recession in 2009, the subsidiaries of the M.A.X. Automation Group staged a notable comeback in 2010 thanks in large part to the recovering global economy. Many industrial companies that held back on making investments during the recession have returned to their growth strategies and resumed investment activities. Numerous companies modernized their capacities and purchased new production plants in various industries, particularly automotive manufacturers and suppliers. As a result, the Industrial Automation subsidiaries not only posted a substantial increase in demand, but improved margin situations as well.

The M.A.X. Automation Group operates in the Industrial Automation core segment with its subsidiaries: NSM Magnettechnik, BARTEC Dispensing Technology Group, IWM Automation, Mess- und Regeltechnik Jücker and EUROROLL.

NSM Magnettechnik is a technologically leading system provider of handling and conveying systems for metals. The company designs, manufactures, assembles and maintains plants to automate material flows with its specific know-how in the area of vacuum and magnet technology. NSM’s customers around the world come from various sectors, including the automotive industry, press manufacturers, food manufacturing companies, chemical companies and machines to manufacturers.

The 2010 financial year was a successful year for NSM. After a fairly reserved first half, the company posted a substantial increase in incoming orders in the third quarter, especially from the automotive market. Four key orders with volumes in the millions were received from the compression molding industry. With regard to the full year 2010, revenue and earnings increased considerably compared to the previous year.

BARTEC Dispensing Technology Group is one of the world’s leading providers of dosing and metering technology systems. BARTEC Dispensing Technology has developed into a full-range supplier of automation solutions for the manufacture of electronic components. The product portfolio was expanded in 2008 through its entry into the market for impregnating plants for electro-motors, stators and rotors. Since 2010, BARTEC Dispensing Technology also offers plasma pretreatment for material surfaces as well as the alternative joining technique heat staking. BARTEC Dispensing Technology’s customers range from the automotive industry through to electronics and electro-technology providers, filter manufacturers and medical technology companies.

BARTEC Dispensing Technology Group also enjoyed a successful 2010. The company especially benefitted from the recovery in the automotive industry in the second half of the year. Incoming orders developed dynamically, while revenue and earnings were substantially higher than those in 2009.

As a specialist for custom-built production systems, IWM Automation develops and produces sophisticated manufacturing and assembly plants. IWM’s system solutions are deployed particularly in the automotive industry.

Influenced from the positive development of the automotive industry, IWM’s performance improved notably in the second half of the year after a slow start. High-volume orders from customers

in Europe and North America allowed the company to regain the success it was enjoying before the financial and economic crisis set in. Revenue developed according to plan, while earnings outpaced expectations.

As a specialist provider in the software and controls technology area, Mess- und Regeltechnik Jücker has positioned itself internationally as a systems integrator and controls supplier for complex automation processes. Its customers particularly include companies from the automotive, chemical, power generation, steel and iron, cement and transportation technology industries in addition to M.A.X. Group’s subsidiaries.

Jücker’s business performance followed the trends in its two most important target markets, the steel and automotive industries, picking up steam over the course of the year. In 2010, Jücker posted satisfactory revenue and earnings figures.

EUROROLL ranks as one of the leading suppliers of unpowered roller conveyor systems that are mainly used in warehousing and conveying technology. The company supplies international customers predominantly in the logistics sector, but also the food manufacturing sector, pharmaceuticals, books and pharmaceutical wholesalers, the automotive industry, as well as chemical companies.

EUROROLL showed a considerable improvement in its order situation starting with the first quarter of 2010. Demand continued to recover throughout the course of the year in the key European and North American markets. As a result, EUROROLL posted increased revenue and earnings in the reporting period compared to 2009.

The M.A.X. Automation Group’s consolidated new orders in the Industrial Automation core segment amounted to € 89.7 million in 2010. This represents a 51.6 % increase on the previous year’s level (2009: € 59.1 million).

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With € 75.5 million, segment revenue grew by 20.3 % compared to 2009 (€ 62.7 million). Exports accounted for about 41.8 % of revenue, a 6.2 % increase compared to last year (2009: 35.6 %).

Segment operating earnings (EBIT) amounted to € 5.7 million. Segment EBIT totaled minus € 0.3 million in the previous year. On average, 462 employees worked in the Industrial Automation segment in the past year. Compared to the previous year’s figure (498 employees), this represents a reduction of 36 employees.

### Industrial Automation core segment key figures

	2010 In EUR mill.	2009 In EUR mill.	Change
Segment revenue	75.5	62.7	+20.3 %
of which from abroad	31.6	22.4	+41.1 %
Segment result	5.7	−0.3	++
Employees* (number)	462	498	−36

\* Year average excluding trainees

### 4. Investments

A total of € 4.5 million was invested in non-current segment assets in 2010 following investments of € 2.3 million in 2009. This includes the purchase of a property and building for BARTEC Dispensing Technology GmbH totaling € 1.4 million.

### 5. Personnel report

Due to increasing demand over the course of 2010, the personnel requirements at the M.A.X. Automation Group increased again following the temporary, crisis-related reduction in 2009. Surprisingly strong improvements to the order situation at various subsidiaries

led to new hires, especially in the second half of the year. As at the reporting date, the Group employed a total of 987 employees including trainees (previous year: 946 employees).

By contrast, the average number of employees including trainees at the M.A.X. Automation Group decreased by 38 employees in the year elapsed to 964 employees (2009: 1,002).

The Management and Supervisory Board would like to thank all employees for their hard work and commitment this past year. The M.A.X. Automation Group continues to strive to offer qualified and motivated employees attractive opportunities for further development. For this reason, we focus on training, promoting and supporting committed employees as part of our Group-wide personnel policy. The number of trainees increased during the reporting period by 3 to an average of 95 trainees for the year (2009: 92).

### 6. Environmental protection

The M.A.X. Automation Group places great emphasis on the protection of the natural foundations of life, in connection with the sparing use of resources. Our subsidiaries take great care to ensure full compliance with all statutory environmental protection regulations in the markets in which they operate. They also hold the constant development of internal environmental protection standards in high regard, for example in the areas of waste avoidance and disposal, emission protection, noise control and the efficient use of resources. The operating activities of the M.A.X. Automation Group resulted in no extraordinary environmental burdens in the reporting year.

### 7. Disclosures pursuant to § 315 Paragraph 4 of the German Commercial Code (HGB) (Also: Explanatory report of the Management Board pursuant to § 176 Paragraph 1 Clause 1 of the German Stock Corporation Act [AktG])

Pursuant to § 315 Paragraph 4 of the German Commercial Code (HGB) parent companies that are stock exchange-listed are obligated to make disclosure in the Group management report of information relevant to corporate takeovers, such as the composition of capital, shareholder rights and shareholder right limitations, shareholder relationships and corporate governing bodies. The disclosures relate to the implementation of Regulation 2004/25 EC of the European Parliament and Council of April 21, 2004, concerning takeover offers. Companies whose voting-right-entitled shares are listed in an organized market in the meaning of § 2 Paragraph 7 of the German Securities Acquisition and Takeover Act (WpÜG) must make such disclosures irrespective of whether a takeover offer has been submitted, or is expected. These disclosures are designed to allow potential bidders to gain an extensive picture of the company, and to alert it to any potential obstacles to takeover.

The same disclosures are also contained in the management report of the parent company, pursuant to § 289 Paragraph 4 of the German Commercial Code (HGB). Pursuant to § 176 Paragraph 1 Clause 1 of the German Stock Corporation Act (AktG), the Management Board is also obligated to present an explanatory report relating to the disclosures to the Annual General Meeting. The disclosures pursuant to § 315 Paragraph 4 of the German Commercial Code (HGB) are summarized below together with the related explanations pursuant to § 176 Paragraph 1 Clause 1 of the German Stock Corporation Act (AktG).

#### a) Composition of subscribed capital

The subscribed capital of M.A.X. Automation AG of € 26,794,415 is composed of 26,794,415 nil-par ordinary bearer shares, each of which grants the same rights, in particular, the same voting rights. There are no differing classes of equity. Every ordinary share has an arithmetic share of issued capital of € 1.00.

#### b) Voting right and transfer restrictions

The Management Board is aware of no restrictions relating to voting rights or the transfer of shares.

#### c) Shareholdings exceeding 10 % of equity

According to the knowledge of the Management Board, and on the basis of securities disclosures submitted to the company, there is one direct or indirect investment in the issued share capital of M.A.X. Automation AG that exceeds 10 % of the voting rights. This relates to FORTAS AG, which holds 22.6 % of the shares in M.A.X. Automation AG (as at December 31, 2010).

Further details can be found in the overview contained in the notes to the financial statements under the item „Shareholdings requiring mandatory reporting pursuant to § 160 Paragraph 1 Number 8 at the German Stock Corporation Act (AktG)“.

#### d) Shares with special rights

There are no shares with special rights granting authorizations of control.

#### e) Voting right controls in the case of employee participation

The Management Board is not aware of employees who participate in the company’s equity who do not directly exercise their rights of control.



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### **f) Nomination and recall of Management Board members and changes to the articles of incorporation**

The Management Board of M.A.X. Automation AG consists of one or several persons, irrespective of the level of share capital. The Supervisory Board determines the number of Management Board members. Management Board members are nominated and recalled pursuant to the statutory provisions of §§ 84 and 85 of the German Stock Corporation Act (AktG). With the exception of the court nomination of replacements, the Supervisory Board has sole responsibility for the nomination and recall of Management Board members. It appoints Management Board members for a maximum period of five years. Repeated appointments or extensions of periods of office are permitted, in each case for a maximum of five years. The Supervisory Board is permitted to appoint a chairperson and a deputy chairperson of the Management Board.

In keeping with the regulations of the German Corporate Governance Code, the maximum possible period of appointment of five years is not the rule in the case of first-time appointments. By way of divergence from § 179 Paragraph 2 of the German Stock Corporation Act (AktG) and pursuant to § 17 Paragraph 1 of the articles of incorporation, modifications to the articles of incorporation of M.A.X. Automation AG require a resolution of the Annual General Meeting with solely a simple majority of votes, to the extent that neither statutory requirements nor the articles of incorporation contain more extensive provisions. The Supervisory Board is authorized to make modifications to the articles of incorporation that relate solely to wording. In all other matters, the statutory provisions of §§ 179 and 133 of the German Stock Corporation Act (AktG) apply.

### **g) Management Board authorizations to issue and repurchase shares**

The Management Board is authorized, with the approval of the Supervisory Board, to increase the issued share capital in the period until June 9, 2015, once or on several occasions, up to a total of € 6,698,000.00 through the issue of new voting-entitled ordinary bearer shares in exchange for cash deposits (Approved Capital I).

The Management Board is also authorized, with the approval of the Supervisory Board, to determine a commencement to earnings entitlement that differs from the law. It is also authorized to determine further specifics relating to the performance of the capital increase, in particular, determining the issue amount and the consideration to be paid for each of the new shares, as well as the granting of subscription rights by way of indirect subscription rights pursuant to § 186 Paragraph 5 of the German Stock Corporation Act (AktG).

The Management Board is also authorized, with the approval of the Supervisory Board, to increase the issued share capital in the period until June 9, 2015, once or on several occasions, up to a total of € 5,330,000.00 through the issue of new voting-entitled ordinary bearer shares (Approved Capital II). The capital increases may be performed either through cash deposits and/or non-cash capital contributions.

The Management Board is also authorized, with the approval of the Supervisory Board, to exclude statutory shareholder subscription rights in the following instances:

- for residual amounts arising as a result of the subscription ratio;
- for a capital increase entailing non-cash capital contributions for the acquisition of companies or stakes in companies (including

situations where a purchase price component is paid in cash alongside of shares), if the purchase of the company or investment lies in the generally agreed interest of the company;

- for a capital increase for cash amounting to a total of up to 10 % of the share capital in issue, both at the time when the authorization becomes effective, and at the time of the exercise of the authorization, to the extent that the issue amount of the new shares is not significantly less than the stock exchange price of shares of the same class and entitlement that are already listed. This limitation to 10 % of the share capital must include shares acquired on the basis of a corresponding authorization of the Annual General Meeting pursuant to § 71 Paragraph 1 Number 8 of the German Stock Corporation Act (AktG) during the period of effectiveness of the authorization, and which are sold pursuant to §§ 71 Paragraph 1 Number 8, 186 Paragraph 3 Number 4 of the German Stock Corporation Act (AktG), to the extent that the issue amount of the new shares is not significantly less than the stock exchange price of shares of the same class and entitlement that are already listed.

The Management Board is also authorized, with the approval of the Supervisory Board, to determine a commencement to earnings entitlement that differs from the law. It is also authorized to determine further specifics relating to the performance of the capital increase, in particular, determining the issue amount and the consideration to be paid for each of the new shares, as well as the granting of subscription rights by way of indirect subscription rights pursuant to § 186 Paragraph 5 of the German Stock Corporation Act (AktG).

The company was authorized until January 2, 2011 to purchase its own shares up to a total of 10 % of the issued share capital in existence at the date of the resolution for purposes other than

trading in its own shares, whereby the acquired shares, together with other shares in the company's ownership or which are attributable to it, may at no time exceed 10 % of the issued share capital.

The company did not exercise this authorization.

### **h) Key company agreements with change-of-control clauses**

There are no significant agreements entered into by the company that are subject to a change-of-control condition arising from a takeover offer.

### **i) Compensation agreements made by the company**

The company has entered into no agreements with either Management Board members or employees entailing the payment of compensation in the instance of a takeover offer.

## **8. Remuneration structure for board members**

### **8.1. Remuneration of the Supervisory Board**

Supervisory Board remuneration consists of a fixed payment and the payment of € 300.00 per hour for time above and beyond six meeting days. Fixed remuneration for the Supervisory Board for the 2010 financial year amounted to TEUR 48. The chairperson of the Supervisory Board receives fixed payment of TEUR 24, and the further members of the Supervisory Board each receive TEUR 12. Expenses are also reimbursed.

### **8.2. Remuneration of the Management Board**

The Management Board has been comprised of one person since January 1, 2009. Management Board remuneration includes a fixed component, reimbursement of expenses, as well as a performance-related variable bonus.

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Expenses for Management Board remuneration totaled TEUR 348 (previous year: TEUR 222). The amounts are split as follows:

In TEUR	Fixed salary	Variable bonus	Other payments	Total
Bernd Priske	200	126	22	348

A pension commitment was also issued for the benefit of one Management Board member. The expenditure amounted to TEUR 29 in 2010.

Other payments contain ancillary payments for the Management Board in the form of benefits in kind, mainly relating to the use of company cars. The company car use, as a component of remuneration, is subject to taxation for the individual Management Board member. Payments arising from the D&O insurance are not quantifiable for the Management Board since this relates to group insurance that includes a number of employees.

9. Report on risks and opportunities

9.1. Risk management system

Along with the timely identification and management of risk, the management of opportunities and risks also serves the targeted appraisal and realization of existing and future earnings potential. Risk management forms an integral component of value-oriented corporate management for the Group. The Management Board introduced a risk management system in 2000 in the M.A.X. Automation Group that complies with the German Corporate Control and Transparency Act (KonTraG). This allows potential risks to be identified promptly, and countermeasures to be introduced at M.A.X. Automation AG as a holding company, as well as at the subsidiaries. The risk management system was fundamentally overhauled in 2009. The changes were explained to the subsidiaries through training sessions.

The risk management system is based on a systematic process of risk identification, evaluation and management that spans the entire Group. The risk management system is based on the principle of securing medium and long-term corporate objectives, particularly the preservation and expansion of the company’s market position within the sector. The overall goal is to identify value and risk drivers through comprehensive and appropriate management of opportunities and risks, and to handle them appropriately.

The risk management system is comprised of various components: A set of tools to record and manage risks that jeopardize the company’s position as a going concern consists of various IT-supported matrices that are built up in steps. The aim is to manage risk on the basis of risk-identification and risk-evaluation. Risks are selected, their significance for the company is determined, a quantitative risk factor is calculated, and a schedule of fixed measures to control the risk is formulated. The system is completed by a list of potential risk examples, as well as a set of guidelines for using the electronic file. The reporting interval for subsidiaries to the parent company is set to the quarter-end, and the reports are relayed by data transfer. The reporting system represents a key component of the internal controlling system. The existing Group-wide controlling system had already been supplemented by the introduction of consolidation software in mid-2008, which was also used for Group-wide medium-term planning from 2009 onward.

M.A.X. Automation AG’s accounting manual has been made accessible to all companies in order to ensure that accounting relating topics are treated and measured on a uniform basis. The accounting manual is updated regularly.

Business progress for the last relevant month and for the current financial year is reported on a monthly basis to the parent company. This process is supplemented on a quarterly basis by rolling quarterly planning. All reports undergo a critical target/performance analysis. An additional management report comments on deviations from the budget, provides information about measures designed to fulfill the budget, progress during the current reporting month, and other topics such as market and competitive conditions, investments, financing and legal matters. The report is rounded out with verbal clarifications.

Risk management was extended in 2007 to include information about risks pertaining to financial instruments. This reporting occurs in a half-yearly cycle.

The Management Board also conducts regular conversations with the subsidiaries’ board members and managing directors, in order to compare business progress with budgets, and, if required, to introduce measures aimed at fulfilling budgets.

The annual planning round represents a key component of the risk management system. As part of this, the managing directors and board members of the individual subsidiaries present the progress of business at the end of each financial year, and explain ongoing corporate strategy. Three-year budgets for business development and investments form the basis of the meetings.

Meetings between operational managing directors and the Management and Supervisory boards are also held at least twice per year with the aim of discussing Group-relevant topics such as the utilization of synergies, and operational business management measures.

The rules of internal procedure of the subsidiaries, or relevant management employment contracts, set out the rules of business.

These require the approval of the Management Board of M.A.X. Automation AG. The individual functional areas in the subsidiaries are monitored by managers. Our auditors also regularly audit the internal controlling system within our companies.

It should be noted, by way of conclusion, that neither the risk management system nor the internal controlling system can offer absolute security as even when taking the necessary care, the arrangement of adequate systems can be fundamentally flawed.

9.2. Key risks

The following individual key risk areas arise for the M.A.X. Automation Group:

• **Economic risk:** According to various expert opinions, the global economy will continue to stabilize in 2011. Developments in the mechanical and plant engineering industry should also continue to improve. In view of the lingering risk from substantial imbalances in global trade, the high debt levels of various European countries or financial institutions with ongoing balance sheet issues, the possibility of an economic downturn cannot be ruled out. Additionally, political crises, such as those currently taking place in the Arab world or natural catastrophes, such as those recently experienced in Japan, can potentially have serious effects on the global economy. Should a temporary market correction turn into an extended downturn, it would follow that demand for the M.A.X. Automation Group’s products would decline. This would then result in negative effects for the Group’s earning position. Against the backdrop of increasing global demand, the assurance of material availability and prices is becoming increasingly meaningful. Rising purchase prices could lead to a reduction to our margins, while supplier shortages could lead to delays and penalties.



## ■ GROUP MANAGEMENT REPORT

• **Currency and interest-rate risk:** Exchange-rate risk requires attention with respect to business operations in the US, and the opening-up of new markets outside the eurozone. Currency risk is calculated using a regularly adjusted rolling forecast of foreign-currency inflows and outflows. Forward foreign-exchange sales, currency options and interest-rate caps are used to hedge currency and interest-rate risk. Market-price risk may result from forward foreign-exchange sales if the related agreements require that currencies be sold on the delivery date at a rate below the spot market rate. The market price risk in the instance of options is limited to the option premium paid. Counterparty default risk is limited by the fact that transactions are concluded exclusively with well-known German banks. The default risk pertaining to German banks should also be limited given the German government's provision of a bailout fund for the financial sector. Market liquidity risk is limited to the extent that transactions are agreed exclusively on normal market terms.

• **Personnel risk:** M.A.X. Automation AG requires qualified technical and managerial staff in order to realize its strategic and operating objectives. Vocational and advanced training is intended to safeguard the technical expertise of our personnel. Variable remuneration components that are measured against our business success are intended to promote entrepreneurial thinking and activity on the part of our staff. Against the backdrop of the recovering market environment, recruiting qualified personnel is becoming increasingly difficult. The companies within the M.A.X. Group are therefore committed to further educating and qualifying their own employees and improving the exchange of information and know-how throughout the Group.

• **Damage and liability risk:** We aim to limit financial effects for the M.A.X. Automation Group by taking out insurance policies. In the case of complex and expensive projects, the subsidiaries are contractually obligated to limit risks arising from guarantees, product liability and supplier delays. Group-standard regulations are utilized to this end.

• **Market risk:** For all M.A.X. Automation AG subsidiaries there is a risk that key customers are lost from the client base, that technology is no longer required by the market, erroneous estimates are utilized for major projects, or competitors take an aggressive approach to the market. The risk also exists that customers refuse acceptance of products, or that competitors challenge existing patents or industrial property rights. These risks may have negative effects on the future success of the affiliated companies. The Group minimizes market risk through intensive observation of the market, comprehensive project controlling and close relationships with customers.

• **Financing and liquidity risk:** The failure to abide by covenant restrictions may lead banks to cancel credit facilities or to raise interest rates. All subsidiaries fulfilled their covenant agreements in 2010. Counterparty default risk is limited by the fact that banking transactions are concluded exclusively with well-known German banks. However, given the high levels of national debt seen in some Western countries and banks with ongoing balance sheet issues, it cannot be excluded that a more restrictive approach with respect to banks' lending policies will narrow the Group's financing options or entail higher borrowing costs. Liquidity risk may arise from the inability to satisfy payment obligations on a timely basis. As a rule, such risk is normally associated with negative developments in the operating business.

• **Tax risk:** Due to the change of corporate form relating to Vecoplan AG in 2007, and to IWM Automation GmbH, Mess- und Regeltechnik Jücker GmbH and NSM Magnettechnik GmbH in 2008, disposal gains on shares within seven years are subject to corporation tax with a declining trend. Such disposals may be treated in the same way as distributions from the contribution account for tax purposes. According to our current knowledge and the verbal reports provided to M.A.X. Automation, the tax risk for the company is viewed as low. The final tax treatment has not yet been clarified.

• **Risk resulting from the conclusion of profit and loss transfer agreements:** M.A.X. Automation AG concluded control and profit transfer agreements with BARTEC Dispensing Technology GmbH, IWM Automation GmbH, Mess- und Regeltechnik Jücker GmbH and NSM Magnettechnik GmbH. M.A.X. Automation AG is therefore required to offset any losses suffered at these subsidiaries.

Besides the risks mentioned in the risk report, there are no further identifiable risks, either individually or in combination, that might jeopardize the Group and M.A.X. Automation AG as going concerns. The auditor has inspected the Group's risk management system. According to the auditor, the system is appropriate for satisfying its statutory obligations.

### 10. Explanatory report of the M.A.X. Automation AG Management Board concerning disclosures pursuant to § 315 Paragraph 2 Number 5 of the German Commercial Code (HGB)

#### Legal background

The German Accounting Law Modernization Act (BilMoG), which came into force on May 29, 2009, modified, among other things, §§ 289, 315 of the German Commercial Code (HGB) as well as §§ 120, 175 of the German Stock Corporation Act (AktG). Accordingly, the Management Board must present to the Annual General Meeting a written report concerning, among other things, the newly introduced mandatory disclosures in the management report pursuant to § 289 Paragraph 5 of the German Commercial Code (HGB), respectively in the Group management report pursuant to § 315 Paragraph 2 Number 5 of the German Commercial Code (HGB), regarding the internal controlling and risk management system with respect to the accounting process, respectively Group accounting process.

As the result of the subsequent Shareholder Rights Guidelines Implementation Act (ARUG), the legislator bundled requirements relating to the issuing of explanatory reports into § 176 Paragraph 1 of the German Stock Corporation Act (AktG), and repealed the previous regulations in §§ 120 Paragraph 3 Clause 2, 175 Paragraph 2 Clause 1 of the German Stock Corporation Act (AktG). In this context, however, the reference to § 289 Paragraph 5 of the German Commercial Code (HGB), which was added by the Accounting Law Modernization Act (BilMoG), and which concerns disclosures in the management report relating to the internal controlling and risk management system with respect to the accounting process, was not adopted. It has not been conclusively clarified whether this relates to a straightforward editorial oversight, and whether, as a consequence, an explanatory report



# ■ GROUP MANAGEMENT REPORT

relating to the disclosures pursuant to § 289 Paragraph 5 of the German Commercial Code (HGB) (and also relating to § 315 Paragraph 2 Number 5 HGB) is also required after the coming into force of the Shareholder Rights Guidelines Implementation Act (ARUG). By way of precaution, the M.A.X. Automation AG Management Board has decided to produce such a report for the 2010 financial year elapsed.

### Subject of the report

According to the explanatory memorandum for the German Accounting Law Modernization Act (BilMoG), the internal controlling system comprises the principles, procedures and measures to safeguard accounting efficacy, proper accounting and compliance with relevant legal regulations. This also includes the internal controlling system to the extent that it relates to accounting.

As part of the internal controlling system, the risk management system with respect to the accounting process, as above, relates to accounting controlling and supervisory processes, particularly in the case of balance sheet items reporting the company's risk cover.

### Key characteristics of the internal controlling system and risk management system with respect to the accounting process

The key characteristics of the internal controlling system and risk management system at M.A.X. Automation AG with respect to the (Group) accounting process may be described as follows:

- The M.A.X. Automation Group is distinguished by clear organizational, corporate, controlling and supervisory structures;
- Group-wide coordinated planning, reporting, controlling, as well as early warning systems and processes exist in order to analyze and manage earnings-relevant risk factors and going-concern risks on a uniform basis;

- Functions in all accounting process areas (e.g. financial book-keeping and controlling) are clearly allocated;
- The IT systems deployed for accounting purposes are protected against unauthorized access;
- Recourse is primarily made to standard software in the financial systems utilized;
- An adequate set of internal guidelines has been established (including a set of Group-wide risk management guidelines and an accounting manual), which are adapted as required;
- Departments involved in the accounting process comply with quantitative and qualitative requirements;
- Key accounting-related processes are subject to regular analytical audits. The existing Group-wide risk management system is constantly adapted to current developments and checked with respect to functionality. The auditor, Ebner Stolz Mönning Bachem GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Hanover, examined the system as part of the audit of the consolidated financial statements;
- The Supervisory Board regularly discusses risk management questions.

### Explanatory report relating to key characteristics of the internal controlling system and risk management system with respect to the accounting process

The internal controlling and risk management system relating to the accounting process, whose key characteristics have been described above, ensures that corporate matters are reported, prepared and appraised correctly in accounting terms, and are transferred on such a basis to the external accounting function.

The clear organizational, corporate, controlling and supervisory structures, as well as the qualified personnel and material structure of the accounting system, create the basis for efficient accounting work in the areas involved. Clear legal and internal regulations and guidelines ensure that the accounting process is standardized and proper. The clearly defined monitoring mechanisms within the areas engaged in accounting, and early risk identification by the risk management function, ensure coherent accounting.

The internal controlling and risk management system of M.A.X. Automation AG ensures that accounting at M.A.X. Automation AG and at all companies included in the consolidated financial statements is standardized, and complies with legal and statutory regulations, as well as internal guidelines. In particular, the Group-standard risk management system, which complies entirely with statutory requirements, has the task of identifying risks at an early juncture, of measuring them, and of communicating them appropriately. This allows appropriate, relevant and reliable information to be provided promptly to the relevant addressees.

### 11. Report on events subsequent to the reporting date

On March 1, 2011 the newly founded subsidiary IWM Automation Polska Sp. z o.o. purchased an industrial site in Poland from the insolvent car manufacturer Wilhelm Karmann GmbH. With the acquisition, the M.A.X. Automation Group has expanded its international base for business and expects to benefit in the long-term from the growth of the automotive industry in Eastern Europe.

Coming into legal effect on January 1, 2011, subsidiary NSM Magnettechnik GmbH acquired 100 % of the shares in mabu-pressen AG, Oberursel. mabu-pressen AG is an internationally

operating specialist provider that boasts unique know-how in developing precision stamping machines. With the takeover, NSM has broadened its technological competence as a leading global provider of handling and conveyor systems. The company is looking to expand into additional markets with the purchase. The specific component expertise from mabu will be combined with the automation know-how of NSM to create new and innovative system solutions for customers.

On January 5, 2011, M.A.X. Automation AG announced that its shareholding in Pioneer Asset Management S.A. had decreased to 3.19 % of the voting rights. On January 12, 2011, the company announced that Pioneer Asset Management S.A. had reduced its shareholding to 1.32 % of the voting rights. These transactions led to an increase in the amount of voting rights in free float, which amounted to 63.9 %.

### 12. Forecast report

#### 12.1. Economic environment

According to most of experts, the economic recovery of the past year will continue in 2011, albeit at a less dynamic pace. The growth gap between emerging and industrialized countries will also continue to widen. Especially in the cases of India and China, there are signs of economic overexertion. Although the Chinese central bank is managing increasing inflation with a more restrictive monetary policy, the IMF is forecasting high rates of growth for India and China in 2012 as well as for Eastern Europe. Demand in emerging countries should stimulate international trade as a whole and support capital goods exports in developed economies. For 2011, the IMF is expecting global growth of 4.4 %.

Sources:  
Association of German Banks (Bundesverband deutscher Banken e.V.),  
Economic Report January 2011  
European Central Bank, Monthly Report January 2011  
International Monetary Fund, World Economic Outlook, January 2011

## ■ GROUP MANAGEMENT REPORT

The economies within the eurozone should also continue to recover in 2011 – albeit at a much slower pace than the average global rate. The continuing restoration of trust from companies and consumers will also have a positive effect in combination with steadily increasing domestic demand. Negative impacts are still being felt from countries with high levels of debt, banks with balance sheet issues, various weak labor markets and increasing commodity prices. The IMF is forecasting GDP growth of 1.5 % for the eurozone for 2011.

Favorable developments are also forecasted for the German economy. Key sentiment indicators are pointing to continuing growth on par with the sharp increase in incoming orders from the end of 2010 and continuing high capacity utilization. Because of this, experts are estimating an increase in investments for 2011. In addition, decreasing unemployment should strengthen domestic demand. Estimates from the IMF envisage Germany's GDP to grow by 2.2 % in 2011.

### 12.2. The environment for the mechanical and plant engineering sector

Accounting for the positive developments seen in the global economy, the German Engineering Federation (VDMA) is expecting the recovery to continue in 2011. This outlook is supported by the initial order situation in the industry at the start of the year. In addition, positive economic leading indicators are suggesting an increasingly favorable mood on the markets. Fielding competitive products and services across the globe, the VDMA sees German companies as being well-equipped for gaining further orders in 2011. At the same time, the Association warns of lingering risks that could arise from the pressure to consolidate public budgets as well as a possible intensification of the debt crisis

in Europe. Machine production in Germany is anticipated to rise 10 % year-on-year (price-adjusted) in 2011. If this forecast is correct, production volume would still be about 9 % below the level recorded at the end of 2008.

### 12.3. Strategic focus areas and opportunities

The encouraging performance in 2010 underscores the fact that the M.A.X. Automation Group holds a favorable strategic position in the market. Environmental Technology and Industrial Automation are growing markets with strong prospects for the future, as their dynamics are based on developments expected to unfold over the long term. With regard to Environmental Technology, these developments include global climate protection, recycling reusable materials and the long-term rise in commodity and waste material prices. In terms of Industrial Automation, developments such as changes in consumer demand, technical innovation and increasing efficiency requirements for global competition support the industry. Thanks to their technological know-how and inclusion in the financially-sound and globally operating M.A.X. Group, the subsidiaries are able to offer solutions to their customers that complement these industry trends.

In view of these factors, the Group will keep to its set course. The environmental subsidiaries cover essential requirements for industrial companies in nearly every country and industry with products that range from shredding technology to recycling plants and flue gas cleaning. In Industrial Automation, the subsidiaries support their customers in adjusting their production processes to changing demand conditions in a cost-effective manner. By combining component and system know-how, automation solutions are created that provide customers with competitive and cost advantages.

This position provides the M.A.X. Automation Group with favorable opportunities to grow over the long-term and continually increase profitability. Organic growth will also continue with targeted expansions of the international business base. Although the Group is already operating in numerous foreign markets, Europe and North America and, in particular, emerging markets still offer attractive opportunities for expansion.

Another focus involves examining the existing portfolio for further expansion opportunities to be filled through purchases. M.A.X. Automation AG is analyzing external growth possibilities to expand its existing technical competencies and market expertise through acquisitions.

After the Group-wide structural adjustments in 2009, the dynamic nature of the current market environment is making it necessary to expand capacities in select areas of production as well as hiring more staff. These adjustments allow the Group to tap available growth potentials. At the same time, a major focus will remain on keeping costs low and sustaining and enhancing the Group's profitability.

M.A.X. Automation AG still intends to list the Vecoplan subsidiary on the stock market. A condition for doing so, however, is a capital market environment that allows an appropriate valuation of industrial companies focused on environmental technologies.

### 12.4. Prospective business trends

After M.A.X. Group overcame the recession-related drop in business performance in 2010, it is expecting continued positive developments in its business performance for 2011. According to expert opinions, machine and plant engineering will experience positive trends in 2011. Against this backdrop, the Management Board is expecting continued strong demand in the two core segments of Environmental Technology and Industrial Automation.

The Management Board is taking an optimistic outlook on 2011. Consolidated revenue and earnings should rise to more than € 200 million on the basis of our existing portfolio of subsidiaries. Consolidated earnings before interest and tax are expected to grow disproportionately to revenue and end the year in the € 12.5 to € 13.5 million range. In the mid-term, the Management Board is aiming for the growth objectives that had been communicated prior to the global financial and economic crisis. Accordingly, consolidated revenue should increase to over € 300 million and the EBIT margin should rise to 10 %.

Düsseldorf, March 28, 2011

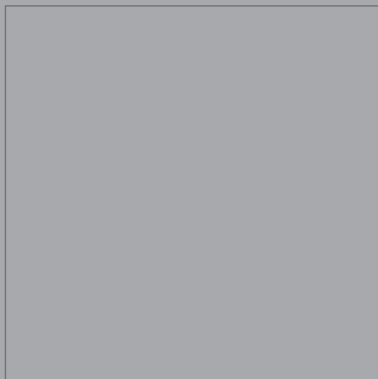
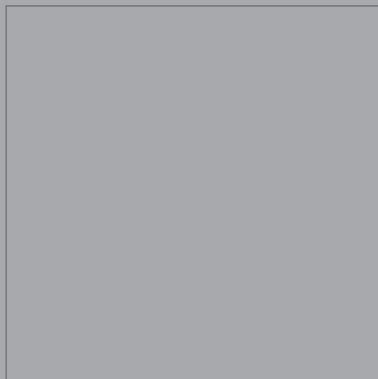
M.A.X. Automation AG



Bernd Priske  
The Management Board



■ CONSOLIDATED FINANCIAL STATEMENTS



## ■ CONSOLIDATED BALANCE SHEET

for M.A.X. Automation AG, Düsseldorf,  
as at December 31, 2010

ASSETS	Notes	31.12.2010 TEUR	31.12.2009 TEUR
<b>Non-current assets</b>			
Intangible assets	(1)	1,204	1,267
Goodwill	(2)	27,638	27,615
Property, plant and equipment	(3)	31,650	31,011
Other financial investments	(4)	215	216
Deferred tax	(5)	5,065	4,620
Other non-current assets	(6)	2,884	2,239
<b>Total non-current assets</b>		<b>68,656</b>	<b>66,968</b>
<b>Current assets</b>			
Inventories	(7)	28,945	26,748
Trade receivables	(8)	33,607	26,466
Prepayments, accrued income and other current assets	(9)	3,762	3,840
Cash and cash equivalents	(10)	27,291	24,406
<b>Total current assets</b>		<b>93,605</b>	<b>81,460</b>
<b>Total assets</b>		<b>162,261</b>	<b>148,428</b>

EQUITY AND LIABILITIES	Notes	31.12.2010 TEUR	31.12.2009 TEUR
<b>Equity</b>			
Subscribed capital	(11)	26,794	26,794
Capital reserves	(12)	3,055	2,749
Retained earnings	(12)	9,993	9,659
Equity difference resulting from currency conversion		-272	-382
Unappropriated retained earnings	(13)	37,522	32,986
<b>Total equity</b>		<b>77,092</b>	<b>71,806</b>
<b>Non-current liabilities</b>			
Liabilities arising from minority shareholder settlement claims	(14)	548	214
Non-current loans minus current portion	(15)	23,096	23,374
Pension provisions	(16)	564	575
Other provisions	(22)	1,686	1,110
Deferred tax	(5)	8,060	7,232
Other non-current liabilities	(15)	56	57
<b>Total non-current liabilities</b>		<b>34,010</b>	<b>32,562</b>
<b>Current liabilities</b>			
Trade payables	(17)	28,464	21,865
Current loans and current portion of non-current loans	(18)	4,262	5,391
Liabilities to associated companies	(19)	52	55
Other current financial liabilities	(20)	5,296	4,059
Income tax provisions and liabilities	(21)	803	1,523
Other provisions	(22)	11,317	9,175
Other current liabilities	(23)	965	1,992
<b>Total current liabilities</b>		<b>51,159</b>	<b>44,060</b>
<b>Total liabilities and equity</b>		<b>162,261</b>	<b>148,428</b>



■ CONSOLIDATED STATEMENT  
OF COMPREHENSIVE INCOME  
for M.A.X. Automation AG, Düsseldorf,  
for the period from January 1 to December 31, 2010

	Notes	01.01 - 31.12.2010 TEUR	01.01 - 31.12.2009 TEUR
<b>Revenue</b>	(24)	<b>189,743</b>	<b>156,529</b>
Change in finished goods and work in progress		1,263	-5,882
Work performed by the company and capitalized		242	270
<b>Total output</b>		<b>191,248</b>	<b>150,917</b>
Other operating revenue	(25)	3,396	4,698
Materials expenses	(26)	-98,726	-70,852
Personnel expenses	(27)	-51,707	-50,102
Depreciation and amortization	(28)	-3,734	-3,854
Other operating expenses	(29)	-30,976	-30,266
<b>Earnings before interest and tax</b>		<b>9,501</b>	<b>541</b>
Miscellaneous investment income		24	74
Net interest income	(30)	-1,059	-1,113
Other financial result	(31)	-170	542
Earnings/losses attributable to minority interests	(32)	-324	495
<b>Earnings before tax</b>		<b>7,972</b>	<b>539</b>
Income tax	(33)	-1,763	-344
<b>Net result for the year</b>		<b>6,209</b>	<b>195</b>
<b>Other comprehensive income</b>			
Change arising from currency conversion		110	-129
IPO costs offset with capital reserves		445	262
Tax on other comprehensive income		-139	-81
<b>Other comprehensive income after tax</b>		<b>416</b>	<b>52</b>
<b>Comprehensive income</b>		<b>6,625</b>	<b>247</b>
Earnings per share			
Earnings per share undiluted in EUR	(34)	0.23	0.01

■ CONSOLIDATED STATEMENT  
OF CHANGES IN EQUITY  
for M.A.X. Automation AG, Düsseldorf,  
for the 2010 financial year

	Subscribed capital TEUR	Capital reserves TEUR	Retained earnings TEUR	Difference from currency conversion TEUR	Unappropri- ated retained earnings TEUR	Total TEUR
<b>As at 01.01.2009</b>	<b>26,794</b>	<b>2,568</b>	<b>9,659</b>	<b>-253</b>	<b>34,130</b>	<b>72,898</b>
Dividend payments	0	0	0	0	-1,339	-1,339
Comprehensive income	0	181	0	-129	195	247
<b>As at 31.12.2009</b>	<b>26,794</b>	<b>2,749</b>	<b>9,659</b>	<b>-382</b>	<b>32,986</b>	<b>71,806</b>
<b>As at 01.01.2010</b>	<b>26,794</b>	<b>2,749</b>	<b>9,659</b>	<b>-382</b>	<b>32,986</b>	<b>71,806</b>
Dividend payments	0	0	0	0	-1,339	-1,339
Allocations to retained earnings	0	0	334	0	-334	0
Comprehensive income	0	306	0	110	6,209	6,625
<b>As at 31.12.2010</b>	<b>26,794</b>	<b>3,055</b>	<b>9,993</b>	<b>-272</b>	<b>37,522</b>	<b>77,092</b>

## ■ CONSOLIDATED STATEMENT OF CASH FLOWS

for M.A.X. Automation AG, Düsseldorf,  
for the period from January 1 to December 31, 2010

	01.01 - 31.12.2010 TEUR	01.01 - 31.12.2009 TEUR
<b>1. Cash flow from operating activities</b>		
Consolidated net income for the year	6,209	195
<b>Adjustments relating to the reconciliation of consolidated net income for the year to cash flow from operating activities</b>		
Amortization of intangible assets	542	706
Depreciation of property, plant and equipment	3,192	3,148
Profit (-) loss (+) arising from the disposal of property, plant and equipment	-441	-43
Change in deferred tax	383	38
Other non-cash expenses and income	673	-328
<b>Changes in assets and liabilities</b>		
Increase (-) decrease (+) in inventories	-2,297	6,889
Increase (-) decrease (+) in trade receivables	-7,204	16,472
Increase (-) decrease (+) in prepayments, accrued income and other assets	78	1,442
Increase (-) decrease (+) in pension provisions	-11	10
Increase (-) decrease (+) in other provisions and liabilities	2,674	-5,988
Increase (-) decrease (+) in trade payables	6,562	-2,825
Increase (-) decrease (+) in liabilities and provisions arising from income taxes	-1,751	-495
<b>= Cash flow from operating activities</b>	<b>8,609</b>	<b>19,221</b>
<b>2. Cash flow from investment activities</b>		
Outgoing payments for investments in intangible assets	-479	-459
Outgoing payments for investments in property, plant and equipment	-4,034	-1,669
Incoming payments from the sale of intangible assets	2	0
Incoming payments from disposals of property, plant and equipment	812	137
Incoming payments from disposals of financial assets	0	1,026
Change in other non-current assets	115	4
<b>= Cash flow from investing activities</b>	<b>-3,584</b>	<b>-961</b>
<b>3. Cash flow from financing activities</b>		
Outgoing payments for dividends	-1,339	-1,339
Utilization of long-term borrowings	1,300	2,400
Redemption of long-term borrowings	-1,578	-4,340
Change in current finance debt	108	-1,236
Increase (-) decrease (+) in restricted cash and cash equivalents	-759	-573
Payments arising from minority shareholder settlement claims	-8	-14
<b>= Cash flow from financing activities</b>	<b>-2,276</b>	<b>-5,102</b>

	01.01 - 31.12.2010 TEUR	01.01 - 31.12.2009 TEUR
<b>4. Cash and cash equivalents at the end of the period</b>		
<b>= Increase/decrease in cash and cash equivalents</b>	<b>2,749</b>	<b>13,158</b>
Exchange rate effects	136	-20
<b>+ Cash and cash equivalents at the start of the period</b>	<b>24,406</b>	<b>11,268</b>
<b>= Cash and cash equivalents at the end of the period</b>	<b>27,291</b>	<b>24,406</b>
<b>5. Composition of cash and cash equivalents</b>		
= Cash and cash equivalents	27,291	24,406
<b>= Additional disclosures regarding cash flow</b>		
Income tax paid	1,339	2,568
Income tax reimbursed	25	1,907
Interest paid	1,000	1,716
Interest received	147	334



## ■ SEGMENT REPORTING

for M.A.X. Automation AG, Düsseldorf,  
for the 2010 financial year

Segment	Environmental Technology		Industrial Automation		M.A.X. Automation AG		Reconciliation				Total
Reporting period	2010 TEUR	2009 TEUR	2010 TEUR	2009 TEUR	2010 TEUR	2009 TEUR		2010 TEUR	2009 TEUR	2010 TEUR	2009 TEUR
Segment revenue	114,575	94,853	75,467	62,707	0	0		-299	-1,031	189,743	156,529
with external customers	114,575	94,853	75,168	61,676	0	0		0	0	189,743	156,529
– of which Germany	44,728	34,256	43,604	39,325	0	0		0	0	88,332	73,581
– of which USA	27,780	18,567	5,530	1,624	0	0		0	0	33,310	20,191
– of which other EU countries	34,576	37,080	18,108	15,088	0	0		0	0	52,684	52,168
– of which rest of the world	7,491	4,950	7,926	5,639	0	0		0	0	15,417	10,589
Inter-segment revenue	0	0	299	1,031	0	0		-299	-1,031	0	0
Segment operating earnings (EBIT)	5,734	2,200	5,712	-317	-1,743	-1,140		-202	-202	9,501	541
Including:											
• Scheduled depreciation/amortization	-1,955	-1,772	-1,545	-1,848	-32	-31		-202	-203	-3,734	-3,854
• Other key income and expense items	0	-1,624	276	-1,601	0	0		0	0	276	-3,225
• Key non-cash expenses	-7,074	-5,378	-1,730	-1,751	-651	-253		0	0	-9,455	-7,382
Segment result from ordinary activities (EBT)	4,765	2,683	5,455	-526	-441	85		-1,807	-1,703	7,972	539
Including:											
• Interest income	133	62	93	103	84	153		-58	-100	252	218
• Interest expense	-693	-785	-342	-322	-329	-325		53	101	-1,311	-1,331
• Gains/losses attributable to minority interests	-324	495	0	0	0	0		0	0	-324	495
Income tax	-1,370	-159	-252	34	178	117		-319	-336	-1,763	-344
Net result for the year	3,395	2,524	5,203	-492	-263	202		-2,126	-2,039	6,209	195
Segment assets	68,998	61,024	58,559	53,354	78,294	79,225		-50,326	-51,490	155,596	142,113
– of which Germany	54,182	49,023	57,087	51,974	78,294	79,225		-50,326	-51,490	139,237	128,732
– of which USA	14,433	9,965	793	463	0	0		0	0	15,226	10,428
– of which other EU countries	383	2,036	679	917	0	0		0	0	1,062	2,953
Tax claims (including deferred tax)	1,244	1,686	330	376	4,745	3,938		346	315	6,665	6,315
Total assets	70,242	62,710	58,889	53,730	83,039	83,163		-49,909	-51,175	162,261	148,428
Investments in non-current segment assets	2,292	1,348	2,213	923	8	2		0	35	4,513	2,308
Segment debt	38,691	33,601	33,195	29,304	15,021	17,248		-10,601	-12,286	76,306	67,867
Tax liabilities (including deferred taxes)	1,381	1,758	1,346	1,284	554	551		5,582	5,163	8,863	8,756
Total liabilities	40,072	35,359	34,541	30,588	15,575	17,799		-5,019	-7,123	85,169	76,623

## ■ CONSOLIDATED STATEMENT OF CHANGES IN FIXED ASSETS FOR 2010 for M.A.X. Automation AG

Changes in consolidated fixed assets of M.A.X. Automation AG,  
Düsseldorf for the 2010 financial year

Acquisition and production costs								Cumulative depreciation						Carrying amounts			
	1.1.2010	Currency translation	Additions	Disposals	Transfer	Disposals: consolidation	31.12.2010		1.1.2010	Currency translation	Additions	Disposals	Disposals: consolidation	31.12.2010	31.12.2010	31.12.2009	
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR		TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	
I. Intangible assets																	
1.	Concessions, industrial property rights and similar rights and assets, as well as licenses to such rights and assets	6,241	45	479	31	0	0	6,734	4,975	43	542	30	0	5,530	1,204	1,266	
2.	Prepayments rendered	1	0	0	1	0	0	0	0	0	0	0	0	0	0	1	
		6,242	45	479	32	0	0	6,734	4,975	43	542	30	0	5,530	1,204	1,267	
II. Goodwill																	
1.	Goodwill	4,960	25	0	0	0	0	4,985	1,030	2	0	0	0	1,032	3,953	3,930	
2.	Goodwill arising from capital consolidation	33,192	0	0	0	0	0	33,192	9,507	0	0	0	0	9,507	23,685	23,685	
		38,152	25	0	0	0	0	38,177	10,537	2	0	0	0	10,539	27,638	27,615	
III. Property, plant and equipment																	
1.	Property and buildings	51,721	144	1,521	286	0	0	53,100	27,334	10	1,156	86	0	28,414	24,686	24,387	
2.	Technical plant and machinery	14,017	27	1,103	389	0	0	14,758	11,571	16	746	233	0	12,100	2,658	2,446	
3.	Other plant, operating and office equipment	16,245	49	1,317	1,277	0	0	16,334	12,084	26	1,290	1,262	0	12,138	4,196	4,161	
4.	Plant under construction	17	0	75	0	0	0	92	0	0	0	0	0	0	92	17	
5.	Prepayments rendered	0	0	18	0	0	0	18	0	0	0	0	0	0	18	0	
		82,000	220	4,034	1,952	0	0	84,302	50,989	52	3,192	1,581	0	52,652	31,650	31,011	
IV. Other financial investments																	
1.	Shares in associated companies	192	0	0	0	0	0	192	7	0	0	0	0	7	185	185	
2.	Loans to associated companies	62	0	0	0	0	0	62	62	0	0	0	0	62	0	0	
3.	Other non-current financial investments	42	2	0	3	0	0	41	11	0	0	0	0	11	30	31	
		296	2	0	3	0	0	295	80	0	0	0	0	80	215	216	
		126,690	292	4,513	1,987	0	0	129,508	66,581	97	3,734	1,611	0	68,801	60,707	60,109	



SUBSIDIARIES

Summary of the subsidiaries of M.A.X. Automation AG, Düsseldorf, as at December 31, 2010

Companies included in the consolidated financial statements

Name and company location	Share of capital (%)
<b>Subsidiaries of M.A.X. Automation AG:</b>	
altmayerBTD GmbH & Co. KG, Dettenhausen	100
BARTEC Dispensing Technology GmbH, Weikersheim	100
BTD Behältertechnik Dettenhausen Verwaltungs GmbH, Dettenhausen	100
EUROROLL Dipl.-Ing. K.-H. Beckmann GmbH & Co. KG, Ascheberg-Herbern	100
IWM Automation GmbH, Porta Westfalica	100
Mess- und Regeltechnik Jücker GmbH, Dillingen	100
NL 15. Verwaltung Objekt Ascheberg GmbH & Co. KG, Hamburg	94
NSM Magnettechnik GmbH, Olfen	100
Vecoplan AG, Bad Marienberg	100
<b>Subsidiaries of BARTEC Dispensing Technology GmbH:</b>	
BARTEC Dispensing Technology BVBA, Diepenbeek/Belgium	100
BARTEC Dispensing Technology Inc., Tulsa/USA	100
BARTEC Dispensing Technology Ltd., Ashton under Lyne, UK	100
BARTEC Dispensing Technology S.r.l., Monza, Italy	100
<b>Second-tier subsidiaries and subsidiaries of NSM Magnettechnik GmbH:</b>	
NSM Beteiligungs GmbH, Olfen	100
Atiap S.A.R.L. (subsidiary of NSM Beteiligungs GmbH), Egly/France	100
<b>Second-tier subsidiaries and subsidiaries of Vecoplan AG:</b>	
Vecoplan Maschinenfabrik Verwaltungs GmbH, Bad Marienberg	100
Vecoplan Limited, Birmingham, UK	100
Vecoplan Holding Corporation, Wilmington, Delaware, USA	100
Vecoplan LLC (subsidiary of Vecoplan Holding Corporation), Archdale, North Carolina/USA	80
Vecoplan Midwest LLC (subsidiary of Vecoplan LLC), Floyds Knobs, Indiana/USA	51

Companies not included in the consolidated financial statements

Name and headquarters of company	Share of capital (%)	Equity (TEUR)	Result for the year (TEUR)
<b>Subsidiaries of M.A.X. Automation AG:</b>			
Adelheid Verwaltungs GmbH, Düsseldorf	100.0	25	0
BDS Führungskräfte GmbH, Düsseldorf	100.0	21	0
EnerCess GmbH <sup>1)</sup> , Bad Oeynhausen	100.0	–	–
EUROROLL Verwaltungs GmbH, Ascheberg-Herbern	100.0	39	2
<b>Subsidiaries of altmayerBTD GmbH &amp; Co. KG:</b>			
Altmayer Verwaltungs GmbH, Rehlingen	100.0	30	0
<b>Subsidiaries of IWM Automation GmbH:</b>			
IWM-Automation Verwaltungs GmbH, Porta Westfalica	100.0	25	–1
<b>Subsidiaries of Mess- und Regeltechnik Jücker GmbH:</b>			
Meß- und Regeltechnik Verwaltungs GmbH, Dillingen	100.0	30	0
<b>Second-tier subsidiaries and subsidiaries of NSM Magnettechnik GmbH:</b>			
NSM Magnettechnik Verwaltungs GmbH, Olfen	100.0	43	–1

1) EnerCess GmbH became insolvent in May 2008. There are no related disclosures.

■ ENVIRONMENTAL TECHNOLOGY CORE SEGMENT

Vecoplan Group

Vecoplan is a leading provider in the growing global market for environmental and recycling technology. Founded in 1969, Vecoplan develops, produces and markets technologically advanced machinery and plants for the shredding, conveying and preparation of primary and secondary raw materials in the production and resource cycle as a partner to the international recycling sector. Among other materials, these include wood, sawmill byproducts, biomass, waste wood, household and commercial waste, plastics and paper. Along with its headquarters in Bad Marienberg (Rhineland Palatinate), Vecoplan maintains subsidiaries in the US and the UK as well as numerous sales and service centers worldwide. Customers include sawmills and chipboard plants, timber recycling plants, pellet manufacturers, operators of biomass cogeneration plants and biogas plants, as well as manufacturers of timber materials and furniture. Vecoplan also supplies machinery and plants to customers from the areas of household and commercial waste processing, plastics recycling, as well as paper-shredding and data-shredding. Even in the cement industry, Vecoplan is reporting continued growth due to the increasing utilization of secondary fuels. Further specialty markets include the processing of hospital waste, electronic scraps and disk drives, cable processing as well as the shredding of metals such as aluminum, composite materials, rubber and textiles.

Management Board	Irene Scheidweiler Helmut Schulte
Share of equity	100 %
Subscribed capital in EUR mill.	8.00
2010 revenue in EUR mill. (IFRS, consolidated)	88.4
Employees (year average)	287
Year of foundation	1969
Membership of the M.A.X. Group	1995
www.vecoplan.de	

1) Predecessor companies BTD Behältertechnik 1951, Altmayer Anlagentechnik 1927  
2) Predecessor companies BTD Behältertechnik 1993, Altmayer Anlagentechnik 1997

altmayerBTD GmbH & Co. KG

In the summer of 2009, altmayerBTD was created from the merger of Group companies Altmayer Anlagentechnik and BTD Behälter-technik Heiz- und Trinkwassersysteme, and is headquartered in Dettenhausen (Baden-Württemberg). At its Rehlingen (Saarland) location, the company has for more than 80 years designed and sold systems for the storage and conveying of explosive bulk materials, such as coal dust, as well as specialist plants for flue gas cleaning to reduce emissions of dioxin, furan and sulfur. Its products include plants for warehousing, conveying, dosing/metering, mixing and batch plants, as well as recycling and dense-phase conveying systems. altmayerBTD also supplies containers and components for industrial facilities, and markets engineering and maintenance services. Its customers around the world operate in the chemical, food manufacturing, plastics, cement, timber, pharmaceuticals, paper, power generation, steel and waste disposal industries.

altmayerBTD also ranks among the leading producers of tanks and containers in Europe. Drawing on over 50 years of experience, the company is positioned as one of the technology leaders in its sector. Its product range comprises industrial containers, including steel cylinder tanks and pulverized lignite silos, rainwater storage systems, heated and drinking water systems and buffer storage facilities. The production lines and product range were also expanded in 2008 to include stainless-steel solar buffer storage systems for hygienic drinking water heating and flat-plate-collectors, including accessories. The company’s customers include large-scale industry, the plant engineering sector, specialist heating wholesalers and the solar energy sector.

Managing Director	Udo Weinert Andreas Weber
Share of equity	100 %
Limited partnership capital in EUR mill.	3.39
2010 revenue in EUR mill. (IFRS)	26.1
Employees (year average)	116
Year of foundation <sup>1)</sup>	2009
Membership of the M.A.X. Group <sup>2)</sup>	1993/1997
www.altmayerbtd.de	

■ INDUSTRIAL AUTOMATION CORE SEGMENT

NSM Magnettechnik GmbH

NSM is a technologically leading system provider of handling and conveying systems for metals. The company, based in Olfen (North-Rhine Westphalia) and founded in 1959, designs, manufactures, assembles and services plants to automate material flows. NSM possesses specific know-how in vacuum and magnet technology. In the press automation area, customer-specific plants are produced to stack, de-stack and transport sheet bars, and formed, molded and shaped parts. The packaging automation area focuses on the high-speed handling of cans, lids and caps. The conveying systems segment uses modern magnetic materials to produce plants and systems for transporting, filtering, and separating. Feeding systems are also produced in this business area that allow working parts to be conveyed to the correct positions. NSM’s customers around the world come from various sectors, including the automotive industry, press manufacturers, food manufacturing companies, chemical companies, and machine tool manufacturers.

Managing Director	Michael Freischmidt
Share of equity	100 %
Subscribed capital in EUR mill.	4.10
2010 revenue in EUR mill. (IFRS)	21.4
Employees (year average)	147
Year of foundation	1959
Membership of the M.A.X. Group	1990
www.nsm-magnettechnik.com	

IWM Automation GmbH

IWM, a system integration specialist, develops and produces custom-built production systems, innovative cutting-edge plants and standard plants. This globally active company founded in Porta Westfalica (North-Rhine Westphalia) in 1978 has extensive expertise in assembly, welding, forming, dosing/metering and testing technology. IWM Automation’s system solutions receive especially glowing reviews in the automotive industry. Additionally, IWM realizes solutions for the medical, electrical engineering, mechanical engineering and furniture industries.

Managing Director	Jakob Dirksen
Share of equity	100 %
Subscribed capital in EUR mill.	0.75
2010 revenue in EUR mill. (IFRS)	19.6
Employees (year average)	85
Year of foundation	1978
Membership of the M.A.X. Group	1998
www.iwm-automation.de	



■ INDUSTRIAL AUTOMATION CORE SEGMENT

BARTEC Dispensing Technology Group

BARTEC Dispensing Technology, which is based in Weikersheim (Baden-Württemberg), is one of the world’s leading providers of dosing and metering technology systems. The company develops technologically complex solutions to process liquid and paste-like reaction molding resins, as well as systems for the automation of assembly and production processes, particularly for electronic components. Besides its technological expertise, BARTEC Dispensing Technology has extensive engineering know-how in the area of resins and their process characteristics. Following the integration of FAS Automation GmbH, BARTEC Dispensing Technology has developed into a full-range supplier of automation solutions for the manufacture of electronic components. BARTEC Dispensing Technology’s product portfolio is being successively expanded. In 2008, the company entered the market for impregnating plants for electro-motors, stators and rotors. In 2010, plasma pretreatment, which improves the adhesive properties of material surfaces, was introduced. BARTEC Dispensing Technology also offers heat staking as an alternative joining technique, which enables thermoplastic synthetics to be reformed using localized heat. Four of the company’s own sales companies based in Belgium, the UK, Italy and the US, as well as a business unit in China, are primarily responsible for the global marketing of all products. BARTEC Dispensing Technology’s customers range from the automotive industry through to electronics and electrical goods producers, filter manufacturers and medical technology companies.

Managing Director	Susan Rassau Patrick Vandenrhijn
Share of equity	100 %
Subscribed capital in EUR mill.	0.81
2010 revenue in EUR mill. (IFRS, consolidated)	16.4
Employees (year average)	107
Year of foundation	2001
Membership of the M.A.X. Group	2004
www.bartec-dispensing.com	

Mess- und Regeltechnik Jücker GmbH

Mess- und Regeltechnik Jücker designs, develops, supplies, and services measuring and controlling plants and systems, as well as drive and automation technology plants and systems. As a specialist provider in the software and controls technology area since 1986, the company, located at Dillingen (Saarland), has established an international name as a systems integrator and controls supplier for complex automation processes. The customers are mainly companies from the automotive, chemical, power generation, steel and iron, cement and transportation technology industries.

Managing Director	Jens Ohnholz
Share of equity	100 %
Subscribed capital in EUR mill.	0.40
2010 revenue in EUR mill. (IFRS)	11.4
Employees (year average)	62
Year of foundation	1986
Membership of the M.A.X. Group	1998
www.juecker-germany.de	

EUROROLL Dipl.-Ing. K.-H. Beckmann GmbH & Co. KG

EUROROLL, based in Ascheberg-Herbern (North Rhine Westphalia) is one of the leading suppliers of unpowered roller conveyor systems that are mainly used in warehousing and conveying systems. Founded in 1983, the company develops and manufactures unpowered roller conveyor systems for containers ranging from light cardboard boxes to pallets of all types. The product range includes roller fitting strips, roller tracks, brake rollers, gravity conveyor tracks, live storage units and commissioning systems. EUROROLL supplies international customers predominantly in the logistics sector such as racking constructors and system providers. EUROROLL also supplies the food manufacturing sector, pharmaceuticals, books and pharmaceutical wholesalers, the automotive industry, as well as chemical companies.

Managing Director	Theo Einhäuser
Share of equity	100 %
Limited partnership capital in EUR mill.	0.51
2010 revenue in EUR mill. (IFRS)	9.5
Employees (year average)	61
Year of foundation	1983
Membership of the M.A.X. Group	1993
www.euroroll.de	



#### **Financial calendar**

First Quarter Financial Report 2011: May 2011

Annual General Meeting for the 2010 financial year: June 20, 2011

Half Year Financial Report 2011: August 2011

Third Quarter Financial Report 2011: November 2011

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