

ANNUAL REPORT 2011

M.A.X. AUTOMATION AG

M.A.X. AUTOMATION AG IS A GROUP OF COMPANIES THAT OPERATES GLOBALLY WITH ITS TWO CORE SEGMENTS OF ENVIRONMENTAL TECHNOLOGY AND INDUSTRIAL AUTOMATION. THE COMPANY FURTHER DEVELOPS MEDIUM-SIZED AUTOMATION SPECIALIST COMPANIES ON A SUSTAINABLE BASIS. IT IS RESPONSIBLE FOR THE CORPORATE MANAGEMENT OF ITS SUBSIDIARIES, WHICH ARE POSITIONED WORLDWIDE AS SOLUTION-ORIENTED PROVIDERS OF INTEGRATED AUTOMATION SYSTEMS.

THE RANGE OF PRODUCTS AND SERVICES COMPRISES THE DEVELOPMENT OF TECHNOLOGICALLY HIGH-QUALITY AND COMPLEX COMPONENT AND SYSTEMS SOLUTIONS IN THE PLANT ENGINEERING AREA THAT ARE BASED ON EXTENSIVE PROCESS KNOW-HOW. THESE SERVICES ARE AUGMENTED BY SPECIALIST SERVICES SUCH AS PROJECT MANAGEMENT, CONSULTING AND MAINTENANCE.

KEY FIGURES IN OVERVIEW

	2011	2010	2009
Results of operations in EUR mill.			
New order intake (consolidated)	264.0	207.7	164.6
Book-to-bill ratio	1.02	1.11	1.05
Order book position as of the year-end*	97.9	92.5	73.8
Revenue	260.0	186.8	156.5
– of which from Germany	107.9	85.4	73.6
– of which from abroad	152.10	101.4	82.9
EBITDA	20.8	13.2	4.4
EBIT	16.1	9.5	0.5
as % of total output	6.2	5.0	0.4
Net income for the year	11.4	6.2	0.2
Earnings per share (in EUR)	0.43	0.23	0.01
Cash flow in EUR mill.			
Cash flow from operating activities	-3.1	8.6	19.2
Cash flow from investing activities	-10.9	-3.6	-1.0
– of which investments	8.7	4.5	2.1
Cash flow from financing activities	3.4	-2.3	-5.1
Cash and cash equivalents at the year-end	16.7	27.3	24.4
Balance sheet in EUR mill.			
Total assets	185.5	162.3	148.4
Net debt	-14.8	-0.1	-4.4
Equity	86.1	77.1	71.8
Equity ratio in %	46.4	47.5	48.4
Employees (number)			
Average number of employees	1.098	964	910
– of which trainees	87	95	92
The share			
Number of shares (in millions)	26.8	26.8	26.8
Market capitalization (in EUR mill.)	103.9	91.1	63.8
Dividend per share (in EUR)	0.15**	0.10	0.05
Price on balance sheet date in EUR (XETRA closing price)	3.88	3.40	2.38

* adjusted for IFRS effects

** Proposed dividend for 2011 financial year of M.A.X. Automation AG, subject to approval by AGM on June 28, 2012

CORE SEGMENTS

Environmental technology – our contribution to natural resource protection

There is no alternative to the protection of natural resources. Reducing global CO₂ emissions despite growing energy demand, and the successful handling of waste despite consumption growth, comprise major challenges for the coming generations.

Through its innovative and high-performance systems and processes to shred, convey and prepare primary and secondary raw materials, M.A.X. Automation makes an important contribution to supporting the international recycling economy – for the benefit of a cleaner environment.

	2011 in EUR mill.	2010 in EUR mill.	2009 in EUR mill.
New order intake (consolidated)	138.2	118.0	105.5
Segment revenue	146.7	111.6	94.9
Segment EBIT	5.4	5.7	2.2
Employees* (number)	463	403	408

* Annual average excluding trainees

Industrial automation – growing prosperity from efficient production

In many countries, growing prosperity is mostly reflected in rising consumption. The requirements made of industrial products are becoming ever higher. Consumers always require better-performing products in line with their individual preferences, and at ever more favorable prices. Only the deployment of innovative automation solutions can allow this circle to be squared.

M.A.X. Automation provides high-quality automation technology for key sectors such as the automotive, electronic and packaging industries. Our customers benefit in this context from high-performance systems, extensive process know-how, and professional project management.

	2011 in EUR mill.	2010 in EUR mill.	2009 in EUR mill.
New order intake (consolidated)	125.8	89.7	59.1
Segment revenue	114.2	75.5	62.7
Segment EBIT	12.2	5.7	-0.3
Employees* (number)	545	462	498

* Annual average excluding trainees

HIGHLIGHTS OF THE YEAR

September 2011 **IWM Automation** **Industrial Automation**

Record at IWM Automation: the company receives two orders worth a total of EUR 15 million, including the largest order in the company's history. IWM Automation will design and produce a production line for gear boxes, and an assembly line for electric motors, for international automotive manufacturers and suppliers.



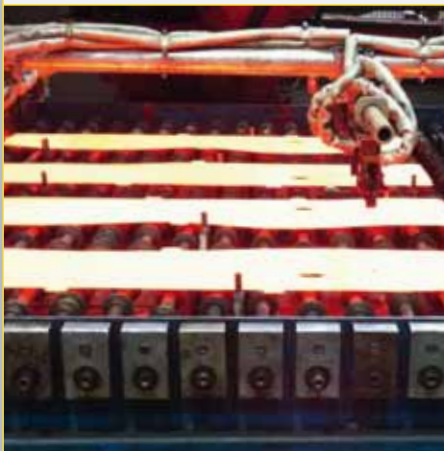
April 2011 **Vecoplan** **Environmental Technology**

Expansion of environmental technology: together with Polysius AG, which forms part of the ThyssenKrupp Group, Vecoplan founded the Vecoplan FuelTrack GmbH joint venture. This joint venture operates worldwide as a provider of complete systems to produce substitute fuels in the cement and limestone industry.

June 2011 **BARTEC Dispensing Technology** **Industrial Automation**

Further major industrial automation orders: BARTEC Dispensing Technology develops machines to impregnate hybrid drive motors for German and foreign electric drive manufacturers. The orders are worth EUR 4 million.

2011



Autumn 2011 **NSM Magnettechnik** **Industrial Automation**

NSM Magnettechnik has further developed its "Hot Forming Automation" product segment, rapidly acquiring six orders. This segment offers great growth potential due to the increasing deployment of correspondingly produced parts in vehicles. NSM offers solutions along the entire process chain in this area.

May 2011 **Vecoplan** **Environmental Technology**

Entry into the North American environmental technology market: Vecoplan is creating a complete system to process substitute fuels in the Canadian city of Edmonton, and is consequently involved in the Edmonton Waste Management Center, the largest complex of this type on the continent.

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Note: This annual report consists of extensive translated extracts and as such comprises an executive summary. Information in more detail can be found in the annual report of M.A.X. Automation Group published in German.



MARKET PRESENCE



REPORT OF THE MANAGEMENT BOARD

Dear shareholders,

The M.A.X. Automation Group reported very dynamic growth in the 2011 financial year. We not only reached our revenue and earnings forecasts – that were already raised in the previous October – but even exceeded them. This gratifying business trend is based on strong demand for our subsidiaries' automation solutions in our two core segments of Environmental Technology and Industrial Automation, which in turn reflected continued global economic growth, and brisk business in the German mechanical and plant engineering sector. In terms of earnings, we also benefited from our continued measures to control costs and boost efficiency.

Especially in the first half of 2011, M.A.X. Automation reported high growth rates in new order intake and revenue. The growth curve flattened off in the second half of the year, in line with expectations. We are nevertheless very satisfied with our achievements over the full course of 2011.

In terms of facts and figures, this means:

- Continued strong demand in both core segments fed through to around 27% growth in new orders across the Group to € 264 million. This represents a record level in the history of the M.A.X. Automation Group.
- The order book position stood at € 97.9 million at the year-end, also reflecting a slight year-on-year increase. As a consequence, we also enjoy a good starting base for a successful 2012.



Bernd Priske

- Consolidated revenue grew to € 260 million, approximately 39% ahead of the previous year's figure. Our expectation, which we had already raised, was for € 250 million of revenue.
- Our profitability also improved significantly. Consolidated earnings before interest and tax (EBIT) reached € 16.1 million, growing by around 70%. Of this total, € 10.7 million was attributable to the second half of the year alone. Our forecast issued in October 2011 envisaged a target corridor between

€ 14 million and € 15 million. Our EBIT margin on total revenue increased to 6.2%, compared with 5% in 2010. We have drawn a step closer to our 10% medium-term EBIT margin as a consequence.

- Consolidated net income amounted to € 11.4 million, also considerably ahead of the previous year's € 6.2 million.
- The Group continues to enjoy a very solid financing and capital base. Cash and cash equivalents amounted to € 16.8 million at the end of 2011, and the equity ratio stood at 46%.

The dynamic business growth presented our Group's operating capacities with major challenges. In this context, our subsidiaries proved impressively that they are capable of handling strong demand growth without jeopardizing supply quality and customer satisfaction. They also consistently extended their positions in their respective markets, thereby creating the foundation for further growth. All of this would have been impossible without our employees' expertise and commitment. Therefore, I would like to extend my very warm thanks to the Management Board, our managing directors, and all our staff at our subsidiaries for their outstanding performance and achievements.

Our Group's strategic and forward-looking positioning is critical to the success of M.A.X. Automation. With our systems solutions, we address global long-term trends in both the environmental technology and the industrial automation areas. Our Industrial

Automation core segment benefits from constant demand growth for consumer goods, which is accompanied by ever greater requirements made in terms of product performance and price. With its systems and services, the Environmental Technology segment serves the globally rising importance of climate protection, natural resource conservation, and waste recycling. As a consequence, we are focusing on markets whose development and growth interact. The demand generated by rising demand necessitates the deployment of efficient automation solutions in production processes; at the same time, rising consumption is also feeding through to greater waste volumes, and consequently the need to offer efficient recycling solutions.

A remarkable number of major orders for both core segments last year reflects how M.A.X. Group companies are gaining ever stronger footholds in their international target markets. For example, our environmental subsidiary Vecoplan received an order to construct a complete system to process substitute fuels in Edmonton, a Canadian city of more than one million inhabitants. This subsidiary has consequently entered one of the core markets for environmental technology in North America – and with a groundbreaking and very prestigious project. Our industrial subsidiaries such as IWM Automation, NSM Magnettechnik and BARTEC Dispensing Technology also booked important major orders. IWM Automation even received the largest order in its corporate history, entailing the construction of a production line for gear boxes for a renowned European automotive manufacturer.

REPORT OF THE MANAGEMENT BOARD

The fact that M.A.X. Automation is also being included in such large-scale projects is due not least to the strategic further development of our subsidiaries to become providers of complex automation systems, as well as fielding extensive service offerings. Our customers focus not only on technologically innovative solutions, but – particularly in the case of major projects – also on end-to-end project management on a single source basis: spanning system planning, project management, construction, commissioning, and through to maintenance. We deliver genuine added value to our customers with this comprehensive range of services – a key prerequisite to expanding our competitive positions worldwide.

The performance of the M.A.X. share last year showed that the capital market has unfortunately not yet fully appreciated our Group's promising positioning, and our dynamic operating trends. Although the share at the end of 2011 was around 14% ahead of the previous year's closing price, thereby outperforming the comparable CDAX index, we are nevertheless convinced that the share continues to offer considerable upside potential. We will place a particular focus on capital market communications in order to present our company's potential even more clearly.

As a dividend-oriented company, M.A.X. Automation AG has always pursued the objective of enabling its shareholders to participate in the company's business growth. Consequently, the Management and Supervisory Boards will propose to the Ordinary Shareholders' General Meeting to be held on June 28, 2012, that it approves an increase in the dividend to € 0.15, allowing a total of € 4.0 million to be distributed to sharehold-

ers. This proposal rewards our shareholders' commitment, which is frequently of a long-term nature, and also enables our equity capital base to be strengthened, which is important for our continued growth.

This gratifying business trend for the M.A.X. Automation Group has continued to date during 2012. We continued to report good new order intake during the first weeks of the current year. But there are no grounds for resting on our laurels: our subsidiaries will consistently pursue the strategy of positioning themselves as full service providers of automation solutions with their proven expertise in the process technology, servicing, and project management areas. This approach is essential if M.A.X. Automation is to remain on its long-term growth path, and boost its profitability at the same time. Cost discipline and efficient processes at all companies will augment such an approach.

Along with organic growth, acquisitions also remain on the agenda. Strengthening our technological competencies and expanding our geographic presence continue to be important criteria for any purchases. Such acquisitions might comprise smaller purchases that round out our portfolio, as well as large-scale acquisitions, which we are in a strong position to realize thanks to our highly robust balance sheet ratios. Of course, in 2012 we will need to monitor the omnipresent uncertainty factors, the anticipated weakening of the global economy, and the continued European sovereign debt crisis. It remains to be seen whether and to what extent these influencing factors exert a dampening effect on M.A.X. Automation's business. We nevertheless take a generally optimistic view of the future given

continued sound demand, and the Group's strategic positioning that we have already achieved. From today's perspective, we are assuming that we will further improve our Group's revenue and earnings positions in the current financial year. M.A.X. Automation has gained an internal strength that allows the Group to remain on a successful path above and beyond economic cycles. As a consequence, attractive prospects are on offer to you, our esteemed shareholders.

Düsseldorf, March 2012

The Management Board

A handwritten signature in black ink, appearing to read 'Priske', written in a cursive style.

Bernd Priske



ENVIRONMENTAL TECHNOLOGY

WE ALL ADVOCATE ENVIRONMENTAL PROTECTION. AT THE SAME TIME, INDIVIDUALS DO NOT WISH TO CURB THEIR CONSUMPTION AND PROSPERITY. THE DEPLOYMENT OF INNOVATIVE TECHNOLOGIES IS THE ONLY APPROACH THAT ALLOWS US TO RECYCLE PRIMARY AND SECONDARY RAW MATERIALS FROM WASTE, AND RETURN THEM TO THE ECONOMIC CYCLE. M.A.X. AUTOMATION COMPANIES NOT ONLY PROVIDE THE RIGHT PLANTS AND SYSTEMS FOR SUCH RECYCLING, BUT ALSO POSSESS THE KNOW-HOW TO UTILIZE THESE SYSTEMS WITHIN THE RECYCLING PROCESS TO OPTIMAL ECONOMIC EFFECT.



ENGINEERING

PROCESS TECHNOLOGY



PROJECT MANAGEMENT

AUTOMATION OPENS UP GROUNDBREAKING PATHS FOR RAW MATERIALS.

ENVIRONMENTAL TECHNOLOGY

WOOD IS A SUSTAINABLE AND MULTIFACETED RAW MATERIAL, OFFERING EXCELLENT OPTIONS TO REDUCE CARBON DIOXIDE. WOOD PRODUCTS, SUCH AS THOSE USED IN THE CONSTRUCTION OR FURNITURE INDUSTRIES, STORE THE CO₂ THAT WOOD HAS WITHDRAWN FROM THE ATMOSPHERE BEFORE BEING PROCESSED. ALSO WHEN UTILIZED AS A FUEL SOURCE, NO MORE CARBON DIOXIDE IS RELEASED THAN THE WOOD STORES DURING ITS LIFESPAN.

MODERN RECYCLING SYSTEM TECHNOLOGY IS INDISPENSABLE TO MAKE THE MOST SUSTAINABLE USE OF THIS INCREASINGLY SOUGHT-AFTER RAW MATERIAL. THIS IS DUE TO THE FACT THAT FURTHER PROCESSING NECESSITATES THE ADHERENCE TO HIGH QUALITY STANDARDS IN TERMS OF PURITY AND DEGREE OF SHREDDING. OUR ENVIRONMENTAL TECHNOLOGY SUBSIDIARY VECOPLAN PROVIDES AN EXTENSIVE RANGE OF SERVICES FOR THIS PURPOSE: SPANNING SYSTEM PLANNING, PROJECT MANAGEMENT, ASSEMBLY, AND EXTENDING ALL THE WAY THROUGH TO COMMISSIONING - FROM A SINGLE SOURCE.











INDUSTRIAL AUTOMATION

“GOOD QUALITY AND FAVORABLE PRICES DO NOT GO TOGETHER,” WAS WHAT USED TO BE SAID. TRUE? THIS IS PRECISELY WHAT CUSTOMERS AROUND THE WORLD ARE DEMANDING, HOWEVER. THEY EXPECT EVER MORE SOPHISTICATED PRODUCTS AT EVER LOWER PRICES. WHICH IS ONLY POSSIBLE IF HIGH-QUALITY AND ATTRACTIVE PRODUCTS ARE GENERATED FROM CREATIVE IDEAS REALIZED IN EFFICIENT AND PRECISE MANUFACTURING PROCESSES. INNOVATIVE AUTOMATION SOLUTIONS ARE INDISPENSABLE IN THIS CONTEXT.

THE M.A.X. AUTOMATION SUBSIDIARIES IN THE INDUSTRIAL AUTOMATION SEGMENT ARE EXPERTS IN MAKING INDUSTRIAL MANUFACTURING PROCESSES FASTER, MORE PRECISE AND MORE EFFICIENT. AS SYSTEM PROVIDERS FOR AUTOMATION SOLUTIONS, WE ARE BENEFITING FROM THE CONTINUED TECHNOLOGICAL REVOLUTION, AND THE PURSUIT OF MATERIAL PROSPERITY.



ENGINEERING

PROCESS TECHNOLOGY



PROJECT MANAGEMENT



AUTOMATION GENERATES GROWTH ON EXPANDING MARKETS.

INDUSTRIAL AUTOMATION

AUTOMOBILES REMAIN ONE OF THE MOST IMPORTANT SYMBOLS OF ECONOMIC PROGRESS AND AFFLUENCE. ATTRACTIVE LONG-TERM GROWTH PROSPECTS ARE ALSO PREDICTED FOR GLOBAL AUTOMOTIVE SALES – WHICH ROSE TO MORE THAN 60 MILLION NEW VEHICLES IN 2011 – NOT LEAST IN THE MAJOR EMERGING ECONOMIES OF ASIA AND SOUTH AMERICA.

THIS GLOBAL GROWTH TREND WILL MAKE A SIGNIFICANT CONTRIBUTION TO M.A.X. AUTOMATION'S FUTURE SUCCESS. OUR SUBSIDIARIES IN THE INDUSTRIAL AUTOMATION CORE SEGMENT HAVE BEEN ACTIVE AS RELIABLE PARTNERS TO THE AUTOMOTIVE INDUSTRY IN BOTH GERMANY AND ABROAD FOR MANY YEARS. THIS WILL REMAIN THE CASE, AS AUTOMATION SOLUTIONS ARE ONE OF THE KEYS TO SATISFYING THE GROWING DEMAND OF INDIVIDUALS AROUND THE WORLD TO OWN THEIR OWN AUTOMOBILES.



AUTOMATION PROVIDES A LIGHTNING RESPONSE TO THE MARKET'S NEEDS.

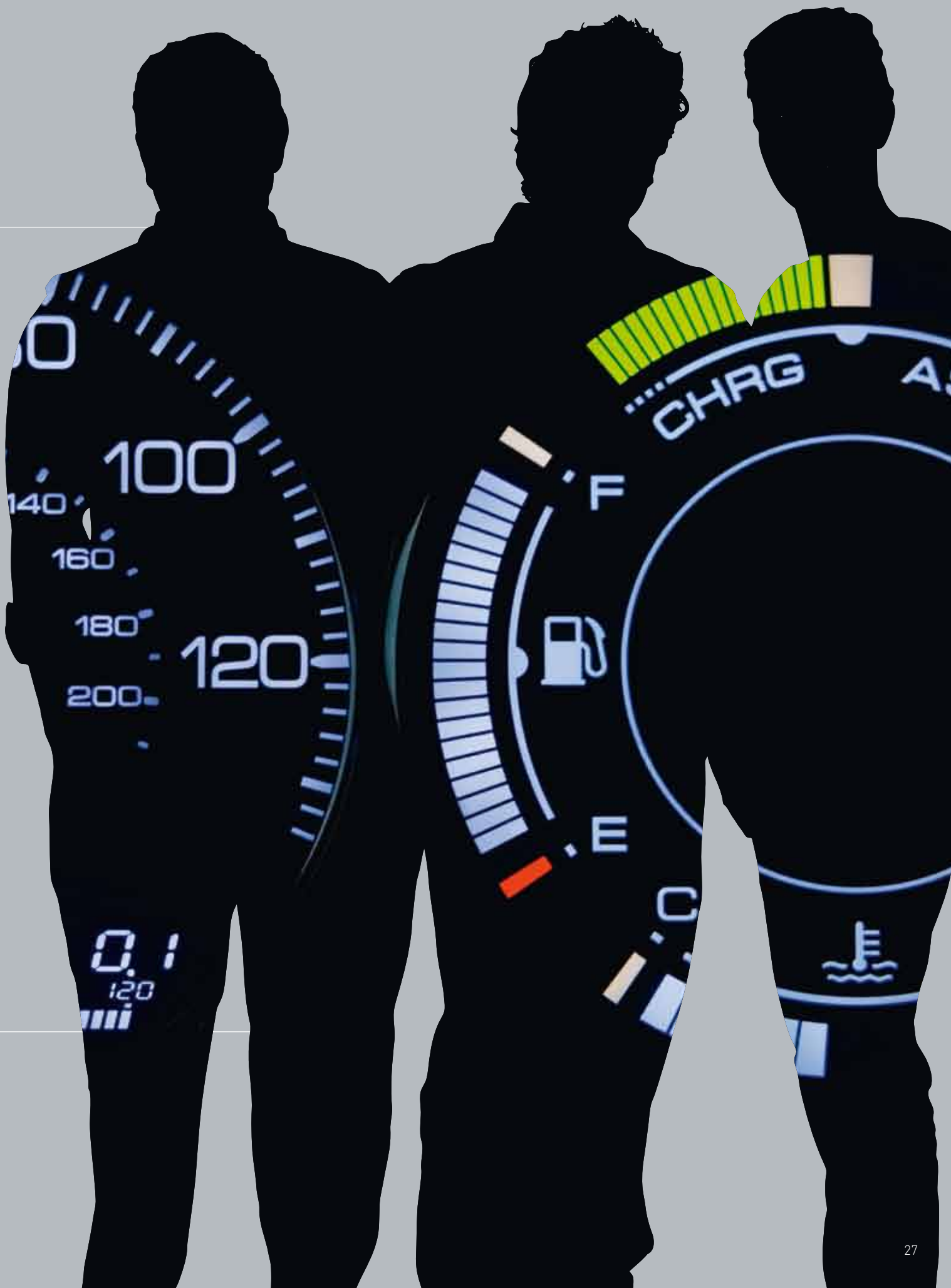
INDUSTRIAL AUTOMATION

A CAR HAS LONG CEASED TO BE SIMPLY A CAR: NEVER BEFORE HAS THE RANGE OF MODELS BEEN SO GREAT, AND NEVER BEFORE HAVE CUSTOMERS BEEN ABLE TO SELECT THEIR DREAM VEHICLES ACCORDING TO THEIR INDIVIDUAL REQUIREMENTS. TODAY, HARDLY A SINGLE CAR IS EXACTLY THE SAME AS THE NEXT.

THE AUTOMOTIVE INDUSTRY CAN ONLY DELIVER SUCH INDIVIDUALIZATION BY CONTINUOUSLY ACCELERATING PROCESSES IN ITS PRODUCTION FACILITIES, AND BY MAKING THEM MORE FLEXIBLE. M.A.X. AUTOMATION IS BENEFITING FROM THIS TREND. FOR EXAMPLE, OUR SUBSIDIARY NSM MAGNETTECHNIK IS ONE OF THE LEADING SYSTEM SUPPLIERS OF AUTOMATED HANDLING AND CONVEYING SYSTEMS FOR PRESS AUTOMATION TO THE AUTOMOTIVE SECTOR. IWM AUTOMATION, A HIGHLY PROFESSIONAL PROVIDER OF COMPLEX ASSEMBLY SYSTEMS FOR HIGH-END AUTOMOTIVE COMPONENTS, IS ALSO A SUPPLIER SERVING RENOWNED GLOBAL AUTOMOTIVE INDUSTRY CUSTOMERS.







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 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 in this context. It aims to hold the majority of an acquired company's equity capital, if possible by acquiring 100 % of its shares. The Group operates in its two core segments of Environmental Technology and Industrial Automation.

As the ultimate parent company, M.A.X. Automation AG is responsible for the Group's strategic management. M.A.X. Automation AG itself has no operating business. The operating subsidiaries' managements report to the Group Management Board, which is solely responsible for the management of the company. 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 parent company and the entire Group, and is in close contact with the Management Board.

As a public 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 company'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 2011. The Industrial Automation core segment was composed of the NSM Magnettechnik Group, the BARTEC Dispensing Technology Group, the IWM Automation Group, Mess- und Regeltechnik Jücker GmbH, and EUROROLL Dipl.-Ing. K.H. Beckmann GmbH & Co. KG.

The subsidiaries are positioned as technologically leading providers in their respective markets, which offer their customers worldwide individual automation and process solutions. Their range of products and services comprise individual technical components, complete automation systems and complete specialty mechanical engineering plants. To these are generally added services such as consulting, project management, commissioning, and maintenance/repair. Within the Group association, the respective subsidiaries are able to provide integrated automation solutions with a high degree of technical complexity on a one-stop shop basis.

The markets targeted by the M.A.X. Automation Group 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 private and public-sector 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 and measure its operating business. This is intended to identify, measure and minimize risks, in order to secure and enhance long-term profitability. The financial performance indicators utilized include:

- Profitability ratios
- Capital and liquidity ratios

The company also applies non-financial performance indicators that are derived from the strategic positioning of the overall Group and the operating subsidiaries' business models. These primarily include:

- **Environmental technology sector expertise:** Environmental policy regulations at regional, national and global levels exert a considerable impact on developments on the global environmental technology market. Such regulations are becoming increasingly significant given global consumption growth, and the associated necessity to conserve resources and recycle waste. This particularly applies to the CO₂ reduction and waste management/recycling areas in which the M.A.X. Automation Group operates. Detailed knowledge of industry-specific legal regulations on individual sales markets is consequently indispensable for the management of the company.

- **Value-added positioning and technology leadership:**

With regard to the sustained market success of the M.A.X. Automation Group, it is critical that the subsidiaries are able to assimilate individual automation components and extensive system and process expertise to form individualized solutions for customers on a "one-stop shop basis", and to provide corresponding services. This so-called "value-added positioning" has allowed the Group subsidiaries to differentiate themselves from their competitors in their sub-markets. The combination of cutting-edge technology, process expertise and project management is becoming ever more important in this context. In particular, this combination of services is a prerequisite to acquiring and processing major high-end projects. This necessitates correspondingly highly specialized staff, the recruitment and promotion of whom forms a constant task for the subsidiaries.

- **Innovations:** The M.A.X. Automation Group operates in an environment that is characterized by intense global competition and constant technological progress. For this reason, technological innovations that offer customers quantifiable added value are critical to the Group's long-term success. The constant further development of the entire Group's technological level is of great importance to maintaining and expanding the subsidiaries' good market positions.

- **Internationalization:** In the Environmental Technology and Industrial Automation core segments, long-term growth can only be secured by the consistent internationalization of the business base. A global network of sales and service branches, and selected production sites, ensure that the M.A.X. Automation Group is aware of, and is capable of meeting local customer requirements in order to further expand international business volumes.

- **Efficiency:** An efficient Group organization is of great importance to growth and profitability within the M.A.X. Automation Group. Streamlined and high-performing structures, standardized processes and qualified staff represent important factors that have a major impact on Group growth. Also during phases of dynamic business growth, the parent company Management Board, as well as the subsidiaries' management boards and managements, places strong emphasis on continuous efficiency improvement with the aim of further boosting Group profitability.

GROUP MANAGEMENT REPORT

1.3. Economic environment

The global economy remained on its growth path in 2011, and was in a robust condition overall. It was impacted by a large number of crisis factors, particularly the sovereign debt crisis in Europe, and the turbulence that this precipitated, or added to, on international financial markets. Markets were also further unsettled by natural catastrophes such as the severe earthquake in Japan in March, the US budget crisis, and political upheaval in North Africa. Experts, such as those at the Kiel Institute for the World Economy (IfW), nevertheless estimate that the global economy has grown by 3.8 % by the end of the year under review. Significant positive influencing factors again derived from the emerging economies of Asia and Latin America, albeit with declining dynamics over the course of the year.

The Eurozone sovereign debt crisis elicited extensive political and economic support measures from the European Union (EU) and the European Central Bank (ECB). The EU was repeatedly required to expand the scope of the European Financial Stability Facility (EFSF), the so-called "euro safety net". The ECB retained its low interest-rate policy to stimulate the flagging economy and to provide the financial sector with sufficient liquidity, cutting its key interest rate to 1.0 % by the year-end, although it has meanwhile raised this rate again. The Federal Reserve Bank in the USA pursued a similar course.

Due to the state debt crisis, the European economy underperformed the overall global economy in 2011. Toward the end of the year, full-year forecasts for Eurozone real gross domestic product (GDP) growth lay between 1.5 % and 1.7 %.

A pronounced downtrend was observable over the course of the year in this context. By contrast, the German economy proved very robust in 2011 on an international comparison. The German Federal Office of Statistics reported 3.0 % year-on-year GDP growth, for example. This healthy economy fed through to a further decline in unemployment in Germany.

1.4. The environment for the mechanical and plant engineering, automotive and environmental technology sectors

The German mechanical and plant engineering sector reported significant growth in 2011, following on from the previous year's positive trend. Production increased by around 12 % to € 187 billion, according to data provided by the German Engineering Federation (VDMA). The VDMA was originally assuming approximately 14 % growth. Orders rose by 10 %. Capacity utilization was up from an average 78.0 % in the previous year to 88.1 %. New orders were down by 7 % in the fourth quarter, which was entirely attributable to export business, according to the VDMA. The VDMA regarded this development as an "economic calming down".

The global automotive market reported a positive overall trend in 2011. The USA, China, India and Russia grew at double-digit percentage rates in part, while the Western European market fell slightly, according to data produced by the German Automotive Industry Association (VDA). The global new vehicles market increased by 6.0 % overall to 65.4 million new registrations. German automotive manufacturers gained market shares in important markets, including in the USA, China, India, Japan and South Korea.

Sources:

- Kiel Institute for the World Economy (IfW): "Sluggish World Economy", press release, December 20, 2011
- European Central Bank (ECB), Monthly Report December 2011
- Deutsche Bundesbank, Monthly Report December 2011
- German Federal Employment Agency, press release, January 3, 2012
- German Engineering Federation (VDMA), press releases, December 19, 2011, February 2, 2012, and February 23, 2012

- German Federal Office of Statistics, press release, January 11, 2012
- Börsen-Zeitung, "Maschinenbau dämpft Erwartungen", December 20, 2011
- German Automotive Industry Association (VDA), press release, "Kräftiges Wachstum in USA, China, Indien und Russland", January 17, 2012
- German Chamber of Industry and Commerce (DIHK), "Grüner Mittelstand – Exportschlager Umwelttechnik", April 2011
- Cologne Institute for Economic Research (IW), "Umweltexpertenpanel 4/2011", September 2011

The German mechanical engineering industry anticipated higher demand for environmental and energy technology in 2011 given the growth in the global consumption of raw materials and energy, and the ensuing rising prices, more stringent environmental regulations for many companies, and, not least, the natural catastrophe in Japan. Companies identified their greatest strengths in the environmental and energy area vis-à-vis international competition as lying in energy efficiency, waste management, recycling and renewable energies, according to a panel of experts from the Cologne Institute for Economic Research (IW) in September 2011.

1.5. Research and development

M.A.X. Automation Group customers focus and rely on automation solutions that correspond to their individual requirements. The market environment is characterized by rapid technological change, a high degree of competitive intensity in the environmental segment, and an increase in political regulations. Under these conditions, targeted research and development activities count among the factors determining the success of international automation specialists. As a consequence, M.A.X. Automation places a high priority on developing innovative products and services.

Research and development (R&D) is organized on a decentralized basis within the Group. As the parent company, M.A.X. Automation AG does not conduct its own research activities. The subsidiaries are responsible for establishing and maintaining their own research and development capacities. This allows innovations to be constantly 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. Group synergies can be leveraged when the subsidiaries share the results of their R&D activities with each other. The further development of our range of products and services formed the focus in both core segments in 2011. This particularly concerned our capacity to profile ourselves to a greater extent as a technological system provider that is also capable of demonstrating extensive process know-how and project management expertise.

In the environmental technology area, Vecoplan targeted its positioning as a system provider in this sense in the year under review. In its work, this company is focusing particularly on adapting shredding technology for aluminum processing, electronics scrap, and waste-to-energy. Our subsidiary altmayerBTD used its patents and trademarks for heating and drinking water technology to further enhance its product range. Along with the new installations market, the company also identifies potential in renovation activities in the commercial area.

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. In the packaging automation area, the product portfolio was expanded into the general packaging area. An integrated conveying and pressing systems area was also created as a result of the acquisition of mabu-pressen AG in early 2011. This area draws together NSM's automation know-how with mabu-pressen's expertise and markets. BARTEC Dispensing Technology focused on further developing its dosing technology product range in 2011. EUROROLL concentrated on automation solutions as an expansion to its gravity conveyor tracks for logistics centers.

GROUP MANAGEMENT REPORT

2. Earnings, net assets and financial position

2.1. Accounting

The consolidated financial statements for M.A.X. Automation AG for the 2011 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

Given the background of a dynamic global economy, and the continuation of vigorous sector activity, the M.A.X. Automation Group reported further gratifying business progress in 2011, and again exceeded its revenue and earnings forecasts that had been last upgraded in October 2011. The Group reported very high new order intake growth rates in the first half of the year. Growth momentum slowed in the second half of the year, as anticipated.

Rebates of € 2.9 million were reported among other operating expenses in the previous year's financial statements. The 2010 financial statements were adjusted to reflect the corresponding accounting treatment in 2011. These rebates are now reported as a reduction of revenue. The other operating expenses were adjusted. The 2010 new order intake figure was also adjusted accordingly. Provisions formed in 2011 in connection with services rendered by subcontractors were reclassified to trade accounts payable. The respective prior-year items amounting to € 2.3 million were adjusted correspondingly.

Continued strong demand in both of the core segments of Environmental Technology and Industrial Automation fed through to a marked increase in new order intake in 2011, which was 27.1 % ahead of the previous year's figure € 264.0 million (2010: € 207.7

million). Consolidated revenue was up by 39.2 %, from € 186.8 million in 2010 to € 260.0 million, thereby significantly exceeding the € 250 million forecast, which had already formed the subject of an upgrade.

The earnings position also showed significant improvement: Consolidated earnings before interest and tax (EBIT) grew to € 16.1 million in 2011. Of this total, € 10.7 million was attributable to the second half of the year alone. This result exceeded the four-year forecast range of between € 14 million and € 15 million, as a consequence. Consolidated EBIT stood at € 9.5 million in 2010. Group-wide cost-reduction and efficiency-enhancement activities also exerted a positive impact in the year under review.

The Management and Supervisory Boards wish that shareholders should participate in the company's pleasing business progress. They are proposing that the Ordinary Shareholders' General Meeting to be held on June 28, 2012, approves raising the dividend for the financial year elapsed to € 0.15 per share. A total of € 4.0 million would be distributed to shareholders as a consequence. The company had already doubled its dividend to € 0.10 per share for the 2010 financial year.

2.3. Order situation

The M.A.X. Automation Group's order situation in 2011 can be appraised as entirely gratifying. Consolidated new order intake reached € 264.0 million, representing 27.1 % year-on-year growth (previous year: € 207.7 million). Orders in the Environmental Technology segment rose by 17.2 %. The Industrial Automation segment saw a particularly strong increase in orders of 40.3 %.

The business year under review was characterized by a high number of large-scale high-end orders in both segments, which in part bore major strategic significance. The Vecoplan subsidiary Vecoplan LLC succeeded in entering the core North American market for environmental technology, for example.

In the industrial automation segment, NSM Magneettechnik received an order from China where it will provide a local automotive manufacturer with a stacking system for bodywork components, thereby participating for the first time in the rapid growth of the Chinese automotive sector.

As of the December 31, 2011 balance sheet date, the consolidated order book position, adjusted for percentage of completion effects, stood at € 97.9 million. This exceeded the previous year's balance sheet date figure (€ 92.5 million) by 5.9%. This continued high order book position consequently represents a good foundation for a successful 2012. The book-to-bill ratio, which reflects the ratio between new order intake and revenue, of 1.02 was below the level at the end of the previous year (1.11).

2.4. Revenue trend

M.A.X. Automation Group revenue showed significant growth to € 260.0 million in 2011, reflecting a 39.2% increase compared with the previous year's € 186.8 million.

Both core segments contributed to the dynamic revenue trend. The Environmental Technology segment reported 31.4% revenue growth compared with 2010, and the Industrial Automation segment reported segment revenue growth of as high as 51.3%.

The export share of consolidated revenue rose to 58.5% in 2011, having already reported slight growth in the previous year to 54.3%. This development reflects the progress made in the targeted further internationalization of Group business.

2.5. Earnings

As a result of the significantly higher revenue, the total output of the M.A.X. Automation Group grew to € 259.8 million in 2011, compared with € 188.3 million in the previous year (+38.0%). This figure includes € 2.1 million of work performed by the company and capitalized.

Material expenses amounted to € 146.4 million in 2011, 48.3% above the previous year's figure (€ 98.7 million). This increase was more rapid than revenue growth mainly because of higher raw materials prices, and Vecoplan's entry into the system business. Material expenses expressed as a proportion of total output increased to 56.4% (2010: 52.4%).

Continued cost controlling measures fed through to positive cost effects in 2011. Despite the dynamic business progress, personnel expenses increased by only 21.4% to € 62.8 million, for example (2010: € 51.7 million). This increase was less than the revenue growth, as a consequence. Due to the efficiency enhancement measures implemented across the Group, other operating expenses also rose less rapidly than revenue, increasing from € 28.0 million to € 32.5 million (+15.9%).

The M.A.X. Automation Group improved earnings before interest and tax (EBIT) by 69.5% to € 16.1 million in 2011, compared with € 9.5 million in the previous year. The EBIT margin on total output rose to 6.2% (2010: 5.0%).

The net financial result stood at € -2.0 million in the financial year elapsed, compared with € -1.5 million in the previous year.

Consolidated earnings before tax reached € 14.1 million, compared with € 8.0 million in 2010 (+77.0%). Taxes on income generated a € 2.7 million expense in 2011 (2010: € 1.8 million).

Consolidated net income grew by 84.1% to € 11.4 million, compared with the € 6.2 million generated in the previous year, equivalent to € 0.43 of earnings per share, compared with € 0.23 in the previous year.

GROUP MANAGEMENT REPORT

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 annual financial statements report net income of € 8.5 million for the 2011 financial year, compared with € 3.0 million in the previous year. A dividend of € 0.10 per share was paid from the 2010 unappropriated retained earnings, equivalent to a total distribution of € 2.7 million.

The Management and Supervisory Boards of the M.A.X. Automation Group intend to propose to the shareholders at the Ordinary Shareholders' General Meeting to be held on June 28, 2012, the approval of an increase in the dividend to € 0.15 per share for the 2011 financial year. This would result in an overall payout of € 4.0 million to shareholders.

2.7. Net assets

The total assets of the M.A.X. Automation Group stood at € 185.5 million as of December 31, 2011, with the 14.3 %, or € 23.2 million, increase compared with the prior-year balance sheet date (December 31, 2010: € 162.3 million) reflecting the growth in the Group's business volumes.

Consolidated non-current assets were up by 11.2 % to € 76.3 million (December 31, 2010: € 68.7 million). Along with the increase in intangible assets by € 3.1 million to € 4.3 million, the growth in property, plant and equipment by € 2.8 million to € 34.4 million, and a higher level of deferred tax of € 1.6 million to reach € 6.7 million, should be mentioned in this context.

Current assets rose by € 15.6 million to € 109.2 million as of December 31, 2011, compared with € 93.6 million on the prior-year balance sheet date. This was primarily due to the growth-related increase in working capital. Inventories were up

by 29.1 % to € 37.4 million (December 31, 2010: € 28.9 million). The subsidiaries partially operated higher inventory levels in order to ensure the punctual processing of customer orders given the high demand levels. Trade receivables underwent significant growth to € 49.2 million, representing a 46.4 %, or € 15.6 million, increase compared with the comparable prior-year balance sheet date (December 31, 2010: € 33.6 million). This sharp increase is attributable to the accounting recognition of major long-term orders.

Cash and cash equivalents fell by 38.6 % to € 16.8 million in order to finance the growth-led increase in working capital, and due to a high level of investments (December 31, 2010: € 27.3 million).

2.8. Financial position

On the equity and liabilities side of the balance sheet, the M.A.X. Automation Group posted equity of € 86.1 million as of December 31, 2011. The 11.6 % increase on the previous year's figure (€ 77.1 million) was mainly due to the net income reported for the year. Despite the business growth, the equity ratio remained at a very solid 46.4 % (December 31, 2010: 47.5 %).

Non-current liabilities were down by 31.3 % to € 23.4 million as of the balance sheet date, compared with € 34.0 million at the end of 2010. This change is primarily attributable to the reclassification in the first half of the year of a € 13.2 million syndicated loan carried by the holding company to current liabilities due to it falling due in the near future in 2012. This syndicated loan will prospectively be renewed. Non-current loans fell correspondingly to € 8.7 million (December 31, 2010: € 23.1 million). Deferred tax increased to € 10.4 million (December 31, 2010: € 8.1 million).

Current liabilities totaled € 76.1 million as of December 31, 2011 (prior-year balance sheet date: € 51.2 million). The 48.8 % increase is predominantly attributable to the € 4.3 million increase in current loans to € 22.8 million. This change primarily reflected

a higher level of utilization of credit lines to finance operating growth, and the aforementioned reclassification of the € 13.2 million syndicated loan that was previously reported among non-current loans. Other current financial liabilities rose to € 8.1 million (December 31, 2010: € 5.3 million). Other provisions increased to € 10.4 million, compared with € 9.0 million at the end of 2010.

2.9. Cash flow

Due to the higher level of business volumes, and the related increase in funds tied up, the M.A.X. Automation Group reported a € 3.1 million cash outflow from operating activities in 2011 (2010: € 8.6 million). Investment activities generated a € 10.9 million cash outflow in the year under review (2010: € -3.6 million). Investing activities resulted in a € 3.4 million cash inflow, compared with a € 2.3 million cash outflow in the previous year. On balance, cash and cash equivalents fell to € 16.7 million at the end of the reporting year, having reached their highest level in the Group's history at € 27.3 million at the start of the year.

3. Segment reporting

With its systems solutions, M.A.X. Automation addresses global environmental technology and industrial automation trends. In the Environmental Technology segment, these address climate protection, and the conservation of natural resources. The Industrial Automation segment focuses on constant demand growth for ever higher-quality consumer goods. Both segments are closely interrelated, since higher consumption demand also requires the prudent handling of finite resources, and the recycling of waste materials.

3.1. Environmental Technology

In its Environmental Technology core segment, the M.A.X. Automation Group is oriented towards long term global trends.

This mainly concerns climate protection, CO₂ emissions reduction, materials recycling, and the long-term uptrend in raw materials prices. 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: Either these solutions enable 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. The systems are always adapted very strictly to the specific wishes and 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 repercussions on the climate by significantly cutting carbon dioxide emissions. Germany and the European Union (EU) are the pioneers in this field.

The further development of environmental standards is resulting in growing demand for automation systems based on environmental technology. Given this background, long-term, cross-cyclical growth is anticipated for the M.A.X. Automation Group's Environmental Technology core segment, which also enjoys sustainable growth prospects in an economically difficult environment.

Business progress in 2011 provided confirmation of this assessment. Demand for M.A.X. Automation Group environmental solutions underwent further significant growth following the previous year's already gratifying development, feeding through to several major orders. This segment's internationalization was also extended further.

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In its Environmental Technology core segment, the M.A.X. Automation Group operates with its companies the Vecoplan Group and altmayerBTD GmbH & Co. KG.

The **Vecoplan Group** ranks as one of the world's leading providers of innovative and resource-conserving systems and components for the treatment of wood and waste materials in the production and materials cycle. The company is a specialist in the shredding and processing of primary and secondary raw materials, and develops stationary machines and systems. Vecoplan AG maintains subsidiaries in the USA, the UK and Austria, 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.

The Vecoplan Group achieved generally positive business progress in 2011. The pellets market proved successful, an area in which Vecoplan has already established a good position in the past. The company received an order in 2011 from the USA to construct a pellet plant. Demand was also up in the waste treatment area. The major order to construct a complete system to process substitute fuels in the Canadian city of Edmonton is groundbreaking in this context: Vecoplan is significantly involved in the creation of the largest recycling and research systems complex in the whole of North America.

Together with Polysius AG, a ThyssenKrupp Group subsidiary, Vecoplan AG founded the Vecoplan FuelTrack GmbH joint venture in the year under review. FuelTrack commenced activities in the second half of 2011, and is a specialist global provider of complete systems to utilize substitute fuels in the cement and limestone industry.

Vecoplan AG's 2011 revenue was significantly ahead of the previous year's level. Profit was below the previous year's figure due to start-up costs to expand the international business, and for

the strategic further development to become a system solutions provider. These investments should mean that the Vecoplan Group enjoys a strong market position in the medium term, with corresponding revenue and profitability improvements.

altmayerBTD designs and sells systems for the storage and conveying of explosive bulk materials. The company also manufactures specialist plant for flue gas cleaning to reduce dioxin, furan and sulfur emissions. altmayerBTD 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.

altmayerBTD's business trends were satisfying overall in 2011; revenue was approximately at the previous year's level. The company achieved significant revenue growth in the areas of special containers and buffer reservoirs. The previous year's revenue level was not reached in the drinking water systems area, by contrast, although the company expects growth to recommence in the coming years due to more stringent regulatory requirements. The systems business was negatively impacted by the catastrophe at the Fukushima nuclear plant in Japan, in particular, which resulted in a greater focus on renewable energies in Germany, and consequently away from coal-fired power plants. altmayerBTD aims to offset this development through greater internationalization, since many countries will continue to focus on coal as a fuel source in the future.

In the Environmental Technology core segment, consolidated new order intake rose to € 138.2 million, reflecting 17.1 % growth compared with the previous year's € 118.0 million. Seg-

ment revenue reached € 146.7 million in 2011, outstripping the previous year's € 111.6 million by 31.4 %. The export share of revenue was 72.1 %, compared with 62.6 % in the previous year.

Segment earnings (EBIT) amounted to € 5.4 million, following € 5.7 million in the previous year. This slight decline reflects the aforementioned start-up costs for the strategic repositioning of Vecoplan, among other factors.

On average, 463 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 (403 employees), this represents a growth-led increase of 60 employees.

Environmental Technology core segment key figures

	2011 in EUR mill.	2010 in EUR mill.	Change
Segment revenue	146.7	111.6	+31.4 %
– of which from abroad	105.7	69.8	+51.4 %
Segment result	5.4	5.7	-5.8 %
Employees* (number)	463	403	+14.9 %

* Year average excluding trainees

3.2. Industrial Automation

In its Industrial Automation core segment, the M.A.X. Automation Group offers its customers automation solutions for efficient industrial production. The subsidiaries support industrial companies from many sectors in adjusting their products to changing market requirements. With their products and services, they offer the benefits of boosting production flexibility and cost efficiency, without thereby compromising on quality.

The Industrial Automation core segment in 2011 continued the previous year's good business growth, reporting very gratifying demand. Given the backdrop of a good global economy, many sectors modernized capacities and created new production facilities,

particularly automotive manufacturers and suppliers. As a result, the Industrial Automation subsidiaries not only posted a substantial increase in demand, but improved margins as well.

The M.A.X. Automation Group operates in the Industrial Automation core segment with its subsidiaries: the NSM Magnettechnik Group, the BARTEC Dispensing Technology Group, the IWM Automation Group, Mess- und Regeltechnik Jücker GmbH, and EUROROLL Dipl. Ing. K.-H. Beckmann GmbH & Co. KG.

The **NSM Magnettechnik Group** is a technologically leading system provider of handling and conveying systems for metals. NSM designs, manufactures, assembles and maintains plants to automate material flows. NSM possesses specific know-how in vacuum and magnet technology. The company focuses mainly on the customer segments of automotive manufacturers and suppliers, the manufacturing of cans and lids, filling systems, and the machine tools industry.

NSM Magnettechnik significantly boosted its new order intake in all business areas in 2011. Revenue reported considerable growth, particularly in the press automation area, with overall revenue registering a marked year-on-year increase in 2011.

An important event was the takeover of mabu-pressen AG, which is a specialist provider that develops high precision automatic presses. The company's customers include renowned firms in the pharmaceuticals, consumer goods and food manufacturing sectors. NSM is able to tap an additional business field as a result of this acquisition.

BARTEC Dispensing Technology Group is one of the world's leading providers of dosing and metering technology systems. The company has developed itself into a system provider of assembly and production automation that focuses on electronic

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components. Along with the automotive industry, BARTEC Dispensing Technology's customers include electronics and electrical goods producers, filter manufacturers and medical technology companies, among others.

The 2011 financial year was the BARTEC Dispensing Technology Group's most successful year since it was founded. Earnings grew significantly faster than revenue. The company's dynamic growth was particularly attributable to the continued strength in the automotive area, and the growing deployment of electronic components in vehicles. BARTEC Dispensing Technology also received a major order from leading international manufacturers of electric vehicle transmissions. The order relates to the construction of machines to impregnate hybrid transmission motors.

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

IWM Automation benefited from the positive automotive sector trend in 2011, reporting marked revenue growth, and a record order book position. One highlight in the year under review was the takeover of a Polish operating site from insolvent vehicle producer Wilhelm Karmann GmbH. This operating unit, which specializes in plant and systems related to vehicles, was integrated into the newly founded IWM Automation Polska Sp. z o.o. IWM Automation boosted its presence in Eastern Europe, an important automotive industry market, as a consequence of this acquisition.

IWM Automation also received a major order from a German automotive supply company in the first half of the year to develop an individual and technically complex production system. This comprises a fully automated welding and assembly plant for

seat adjusters. Further major orders followed during the second half year, including the largest order in the company's history. IWM Automation will construct an automated production line for transmissions in Germany for a European vehicle manufacturer. The company will also build an assembly line for electric motors in South Korea for a Korean automotive supply company.

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. Along with other M.A.X. Group companies, its customers particularly include companies from the automotive, environmental, iron and steel, cement and chemical sectors.

Jücker reported an extremely positive trend in both revenue and orders in 2011, with a significant portion being attributable to the dynamic automotive sector.

EUROROLL ranks as one of the leading suppliers of unpowered roller conveyor systems that are especially 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 reported a successful development in 2011, with growth in both revenue and orders, including a major order in the first half of the year. EUROROLL continued the product portfolio expansion that it launched in 2010, and received several orders as a system supplier of stacking and roller conveyor systems.

The consolidated new order intake of the M.A.X. Automation Group in its Industrial Automation core segment amounted to € 125.8 million in the 2011 financial year, 40.3 % ahead of the previous year's figure of € 89.7 million.

At € 114.2 million, segment revenue exceeded the 2010 level of € 75.5 million by 51.3 %. Exports accounted for around 40.9 % of revenue, compared with 42.0 % in the previous year. Segment operating earnings (EBIT) more than doubled from € 5.7 million to reach € 12.2 million. On average, 545 employees worked in the Industrial Automation segment in 2011. The segment employed an average of 462 individuals in the previous year (+83 employees). The growth in the number of employees is attributable to the marked demand increase, and the good order book positions at this segment's subsidiaries.

Industrial Automation core segment key figures

	2011 in EUR mill.	2010 in EUR mill.	Change
Segment revenue	114.2	75.5	+51.3 %
– of which from abroad	46.4	31.6	+46.8 %
Segment result	12.2	5.7	+114.0 %
Employees* (number)	545	462	+18.0 %

* Year average excluding trainees

4. Investments

The M.A.X. Automation Group invested € 11.3 million in non-current segment assets in 2011, following € 4.5 million in 2010. Among other investments, these include assets arising from the acquisition of mabu-presse AG, development costs for the repositioning and further development of Vecoplan's existing product portfolio, costs to expand capacities at altmayerBTD, investments in technical plant and machinery for the subsidiaries, and general operating and business equipment expenses.

5. Personnel report

The significantly higher business volumes in 2011 resulted in greater personnel requirements in the Group. In this context, all subsidiaries continued to pursue the principle of adding personnel on a measured basis, and only when other options to cover higher demand had been exhausted.

The Group employed a total of 1,143 individuals, including trainees (97), as of the December 31, 2011 reporting date (previous year: 987 employees, including 102 trainees). The average number of employees in the year under review, including trainees (87), grew by 134 to 1,098 (2010: 964 employees, including 95 trainees).

Employees played a significant role in the successful development of the M.A.X. Automation Group in the reporting year. With their experience, technical knowledge and commitment, they made a considerable contribution to handling significantly higher demand within the subsidiaries, and to extending their competitive positions. The Management and Supervisory Boards would like to thank all of the employees at the subsidiaries and the holding company for this achievement.

The M.A.X. Automation Group strives to offer qualified and motivated employees attractive opportunities for further development. Consequently, we focus on training, promoting and supporting committed employees as part of our Group-wide personnel policy.

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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 prudent and sparing use of resources. For this reason, the subsidiaries place a particular priority on fully adhering to all statutory environmental regulations on the markets where 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 Group placed a particular focus on the sparing utilization of resources in 2011. The M.A.X. Automation Group's operating activities imposed no extraordinary burdens on the environment in 2011.

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

Pursuant to Section 315 Paragraph 4 of the German Commercial Code (HGB), listed parent companies 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 Directive 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 Section 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 Section 289 Paragraph 4 of the German Commercial Code (HGB). Pursuant to Section 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 Section 315 Paragraph 4 of the German Commercial Code (HGB) are summarized below together with the related explanations pursuant to Section 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, Rösrath, which holds 22.6 % of the shares in M.A.X. Automation AG (as at December 31, 2011).

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.

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 Sections 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 Section 179 Paragraph 2 of the German Stock Corporation Act (AktG) and pursuant to Section 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 Sections 179 and 133 of the German Stock Corporation Act (AktG) apply.

g) Authorizations of the Management Board to issue shares and profit-sharing rights

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 contributions (Approved Capital I).

The Management Board is also authorized, with the approval of the Supervisory Board, to determine a commencement to dividend-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 Section 186 Paragraph 5 of the German Stock Corporation Act (AktG).

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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 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 Section 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 Sections 71 Paragraph 1 Number 8 and 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 dividend 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 Section 186 Paragraph 5 of the German Stock Corporation Act (AktG).

The Management Board is authorized, with the approval of the Supervisory Board, to issue profit-sharing rights once or on several occasions until June 19, 2016. The total nominal amount of the profit-sharing rights may not exceed € 25,000,000.00. Apart from in euros, these profit-sharing rights may also be issued in the statutory currency of an OECD country, while being limited to the corresponding consideration in euros.

The profit-sharing rights must be offered to shareholders for subscription. They can also be transferred to a bank, or a syndicate of banks, with the obligation that they be offered to shareholders for subscription. The Management Board is nevertheless authorized, with the approval of the Supervisory Board, to exclude fractional amounts that arise as a result of the subscription ratio from the shareholders' subscription rights. The Management Board is also authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in order to offer the profit-sharing rights to individual investors for subscription, to the extent that the issue price is not significantly less than the theoretical market value of the profit-sharing rights calculated according to recognized financial mathematical methods, and to the extent that the profit-sharing rights solely carry entitlements that are largely similar to those of bonds, in other words, they substantiate neither subscription or conversion rights to M.A.X. Automation AG shares, nor do they grant entitlement to liquida-

tion proceeds, and the level of their interest payments is not based on the level of the dividend. The profit-sharing rights can either wholly or partially carry variable interest, which can be based on the net income for the year or the unappropriated net retained earnings for the year, for example.

The Management Board is authorized, with the approval of the Supervisory Board, to determine the further specifics relating to the issuing and entitlements of the profit-sharing rights, in particular, issue price, denomination, term, and level of interest rate. The company has not yet utilized these authorizations.

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 2011 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. Total Supervisory Board compensation for time worked above and beyond the scope of meeting days amounted to TEUR 71 in 2011 (previous year: TEUR 188).

8.2. Remuneration of the Management Board

The Management Board consisted of one individual in the 2011 financial year. Management Board remuneration includes a fixed component, reimbursement of expenses, as well as a performance-related variable bonus. No stock options were granted.

Expenses for Management Board remuneration totaled TEUR 519 (previous year: TEUR 348). The amounts are split as follows:

In TEUR	Fixed salary	Variable bonus	Other payments	Total
Bernd Priske	200	275	44	519

A pension commitment was also issued for the benefit of one Management Board member. The expense in the 2011 fiscal year was netted with the income from the reinsurance cover. The provision is offset with the asset value of the reinsurance cover.

No components entailing long-term incentive effects were granted in 2011. From the 2012 financial year, however, an agreement exists for variable compensation components with a multi-year measurement basis.

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.

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9. Risk report

9.1. Risk management system

Along with the timely identification and management of risk, the management of opportunities and risks at the M.A.X. Automation Group 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 within 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 underwent fundamental review in 2009, and processes were further optimized in 2011. 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 composed 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 identified, their significance for the company is determined, a quantitative risk factor is calculated, and a schedule of exact 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, which M.A.X. Automation AG constantly further develops as part of value-oriented reporting.

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.

LucaNet consolidation software has been utilized as standard across the Group since mid-2008. It is also employed to prepare the Group-wide medium-term planning.

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 also comprises information about risks emanating from financial instruments in accordance with IFRS 7. 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 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.

The creation of a controlling concept was launched in 2011, which supports the subsidiaries' managements in implementing Group targets. M.A.X. Automation AG's primary objective is to profitably further develop its individual subsidiaries, while deploying capital efficiently at the same time.

Meetings between operational managing directors and the Management and Supervisory Boards are also held regularly with the aim of discussing Group-relevant topics such as the leveraging 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 risks:** Economic experts are assuming that the global economy will experience a downturn in 2012. Significant risk factors in this context include the continued sovereign debt crisis in Europe, and the related potential loss of confidence among companies, consumers and investors. Negative impacts on the global economy could also emerge from the weakness of the highly indebted US economy, uneven economic trends in many emerging economies, political crises, and a general rise in protectionist tendencies. For these reasons, the expectations of the mechanical and plant engineering sector are moderate for 2012.

Should sector trends weaken, particularly over a longer time-frame, this might have negative effects on the order positions of the M.A.X. Automation AG subsidiaries. In this context, dwindling demand for the subsidiaries' products and services would negatively impact the profitability of M.A.X. Automation AG and the Group. Should sector trends run positively, contrary to current expectations, securing materials availability and prices at the subsidiaries would gain increasing importance given a further rise in demand on global markets. Higher purchase prices could lead to a reduction in our margins, while supplier shortages could lead to delays and contractual penalties.

- **Currency and interest-rate risks:** Currency risks require attention with respect to business activities in the USA, and the tapping 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

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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. German banks' default risk has also been limited given the Financial Market Stabilization Fund (SoFFin), the "bank safety net" that was again provided by the German federal government at the time of the European sovereign debt crisis at the end of 2011. Market liquidity risk is limited to the extent that transactions are agreed exclusively on normal market terms.

- **Personnel risks:** M.A.X. Automation AG and its subsidiaries require qualified technical and managerial staff in order to realize their 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. Recruiting qualified personnel is becoming increasingly difficult given the recovering market environment, and growing project complexity. 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 risks:** 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.

- **Market risks:** 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 to accept 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 communication with customers.

- **Financing and liquidity risks:** The failure to abide by covenants may lead banks or other financing partners to raise interest rates. Not all of the subsidiaries complied with their covenants in 2011. The banks were rapidly informed about this. We are not aware of any negative effects on lending, and we also currently expect no such effects. 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 ruled out 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.

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 Section 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, Sections 289 and 315 of the German Commercial Code (HGB) as well as Sections 120 and 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 Section 289 Paragraph 5 of the German Commercial Code (HGB), and in the Group management report pursuant to Section 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, or 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 Section 176 Paragraph 1 of the German Stock Corporation Act (AktG), and repealed the previous regulations in Sections 120 Paragraph 3 Clause 2 and 175 Paragraph 2 Clause 1 of the German Stock Corporation Act (AktG). In this context, however, the reference to Section 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 straight-

forward editorial oversight, and whether, as a consequence, an explanatory report relating to the disclosures pursuant to Section 289 Paragraph 5 of the German Commercial Code (HGB) (and also relating to Section 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 2011 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;

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- 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 accounting 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 Mönnig 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

Following the end of the period under review, no events occurred of particular significance that affected the net assets, financial position and results of operations of the M.A.X. Automation Group.

12. Forecast report

12.1. Economic environment

Economic experts concur in anticipating a downturn in the global economy in 2012. Without exception, macroeconomic forecasts were downgraded over the course of the second half of 2011, particularly those for the Eurozone. Experts do not identify a risk that the global economy will slip into recession, however.

Along with the simmering sovereign debt crisis in Europe, and the resultant loss of confidence on the part of companies, consumers and investors, the Kiel Institute for the World Economy (IfW) notes further relevant crisis factors: continued moderate growth in the highly indebted US economy, the necessity in many emerging economies to find the right balance between short-term economic boom and long-term stability, and rising protectionist tendencies. Given this background, the IfW assumes 3.4 % global economic growth in 2012.

For the Eurozone, real gross domestic product (GDP) growth forecasts for 2012 range between -0.4 % and +1.0 %. In this context, growth patterns within the Eurozone may well be very different: at least large parts of the Eurozone were identified as being on the edge of a recession at the start of 2012. By contrast, optimism prevailed in Germany that it could continue to strike a different growth path to its neighboring countries in 2012. Sentiment indicators reflected German companies' basic confidence in this context. Forecasts for real GDP growth in Germany in 2012 averaged 0.5 %. The Deutsche Bundesbank believes that the German economy can return to a firm growth path over the course of 2012.

12.2. The environment for the mechanical engineering, automotive and environmental technology sectors

The German mechanical engineering industry assumes a moderate outlook for 2012. In December 2011, the German Engineering Federation (VDMA) still anticipated 4.0 % production growth, which it subsequently downgraded to 0 % in February 2012. It cited significant uncertainty about the European debt crisis, and the slowing economy in China, as the reasons for this downgrade.

The German automotive industry anticipates that the global automotive market will report moderate growth in 2012. Although the German Automotive Industry Association (VDA) expects a "tough working year" with more intense competition, it believes the overall market will grow by 4.0 % to around 68 million vehicles. German automotive manufacturers are aiming to gain further market shares in this context.

Within the German economy, the environmental technology segment is anticipated to report the fastest growth rates in 2012 and beyond, particularly in the export area. For example, 80 % of German chambers of foreign trade state that sales potentials for environmental technology in their countries are set to grow by more than 5 %. More than one third of such chambers even assumed sales potential of more than 10 %. Consequently, the environmental technology segment would even outperform the classic German export sectors of engineering and automotive manufacturing. The foreign trade chambers identified Asia and South America as particularly promising sales markets with growth potential of 23 % and 29 % respectively, followed by southern European growth markets.

The reason lies in the growing awareness of "environmental protection" issues in these regions – economic dynamics accompanied by the minimization of environmental damage will gain ever greater significance for emerging economies.

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12.3. Strategic focus areas and opportunities

The growth dynamics of 2011 confirmed the strategically promising orientation of the M.A.X. Automation Group. The subsidiaries in the core segments of Environmental Technology and Industrial Automation operate in long-term future growth markets, and are benefiting from fundamental global trends.

Industrial automation is characterized by constant demand growth for consumer goods, and consequently by the need for technically innovative and efficient production processes. The automotive industry, which anticipates long-term growth, particularly in large emerging economies, enjoys particular priority. Environmental technology is especially affected by the growing significance of climate protection, and the need to conserve natural resources. Greater regulation at regional, national and global levels is a significant influencing factor in this context.

As a consequence, the M.A.X. Automation Group serves two areas that are closely interconnected. Constant consumption demand growth, and higher waste levels, make it increasingly imperative that finite resources are handled sparingly and with care, and that waste materials are recycled.

M.A.X. Automation assumes a special market position due to this strategic positioning.

The Group will retain its current strategic orientation. The subsidiaries will continuously expand their range of services, and continue over the coming years to transform themselves from component manufacturers into providers of increasingly complex system solutions. Companies increasingly require partners that cover a broad spectrum of services spanning consulting, assembly, and through to the maintenance of machinery and plants. As a consequence, the M.A.X. Automation Group companies not only operate as machine and system manufacturers, but also deploy their expertise in process technology, servicing, and project management above and beyond this in order to act as full service providers. This comprises a further differentiating factor against competitors, and is a prerequisite for the realization of large-scale projects.

The M.A.X. Automation Group consequently enjoys very good opportunities to realize long-term growth, and to further boost its profitability. Organic growth is to be further bolstered by the continuous expansion of the international business base. The subsidiaries already operate on numerous foreign markets, and have extended their presence in 2011. Europe, North America and numerous emerging economies nevertheless continue to offer considerable expansion opportunities.

Sources:

- Kiel Institute for the World Economy (IfW): "Sluggish World Economy", press release, December 20, 2011
- European Central Bank (ECB), Monthly Report December 2011
- Deutsche Bundesbank, Monthly Report December 2011
- Börsen-Zeitung, January 4, 2012
- Cologne Institute for Economic Research (IW): IW-Verbandsumfrage 2012, press release, December 27, 2011
- VDMA, press release, "Maschinenbauer sehen Chancen für weiteres Wachstum", December 19, 2011
- Handelsblatt, "Silberne Zeiten", December 20, 2011

- VDA, "Wissmann: Industrie sichert Wachstum und Arbeitsplätze", January 16, 2012
- VDMA, press releases, February 23, 2012
- Cologne Institute for Economic Research (IW): IW-Verbandsumfrage 2012, press release, December 27, 2011
- VDA, "Wissmann: Industrie sichert Wachstum und Arbeitsplätze"
- German Chamber of Industry and Commerce (DIHK), "Grüner Mittelstand – Exportschlagert Umwelttechnik", April 2011
- German Chamber of Industry and Commerce (DIHK), "AHK-Weltkonjunkturbericht", "Der deutsche Aussenhandel 2011/2012", August 2011

Above and beyond this, M.A.X. Automation will review possibilities to expand its portfolio of subsidiaries through acquisitions. The company is able to realize such purchases, and its management has the capacities and capabilities to successfully integrate acquisitions into the Group. To the extent that overall conditions allow, M.A.X. Automation will consider sensible acquisitions, making targeted additions to the technical competences and market knowledge already on hand. The company regularly examines potential acquisition targets to this end. The company may again be required to expand production capacities, and to enlarge the workforce in particular areas, given positive expectations for 2012 in the respective sectors. At the same time, we will continue to consistently focus on cost control and efficiency enhancement.

12.4. Prospective business trends

From today's perspective, the Management Board is assuming that the dynamic trend will continue in 2012. In turn, this feeds through to the expectation of a further improvement in revenue and earnings at Group level.

In this context, it remains to be seen whether and to what extent uncertainty factors such as the expected slowing of the global economy, and the European sovereign debt crisis, intensify further, and impact M.A.X. Automation Group business.

Further business growth is anticipated for 2013 as long as no persistent deterioration in economic conditions sets in.

Düsseldorf, March 26, 2012



Bernd Piske
Management Board

CONSOLIDATED BALANCE SHEET

for M.A.X. Automation AG, Düsseldorf,
as of December 31, 2011

ASSETS	31.12.2011 TEUR	31.12.2010 TEUR
Non-current assets		
Intangible assets	4,256	1,204
Goodwill	27,810	27,638
Property, plant and equipment	34,438	31,650
Financial assets recognized according to the equity method	0	0
Other financial investments	361	215
Deferred tax	6,668	5,065
Other non-current assets	2,794	2,884
Total non-current assets	76,327	68,656
Current assets		
Inventories	37,373	28,945
Trade receivables	49,216	33,607
Receivables due from related companies	811	0
Prepayments, accrued income and other current assets	5,066	3,762
Cash and cash equivalents	16,745	27,291
Total current assets	109,211	93,605
Total assets	185,538	162,261

	31.12.2011	31.12.2010
EQUITY AND LIABILITIES	TEUR	TEUR
Equity		
Subscribed capital	26,794	26,794
Capital reserves	3,055	3,055
Retained earnings	14,253	9,993
Equity difference resulting from currency translation	-48	-272
Unappropriated retained earnings	42,015	37,522
Total equity	86,069	77,092
Non-current liabilities		
Liabilities arising from minority shareholder settlement claims	1,344	548
Non-current loans less current portion	8,701	23,096
Pension provisions	646	564
Other provisions	2,182	1,686
Deferred tax	10,444	8,060
Other non-current liabilities	48	56
Total non-current liabilities	23,365	34,010
Current liabilities		
Trade payables	32,310	30,788
Current loans and current portion of non-current loans	22,795	4,262
Liabilities due to associated companies	28	52
Other current financial liabilities	8,101	5,296
Income tax provisions and liabilities	1,534	803
Other provisions	10,392	8,993
Other current liabilities	944	965
Total current liabilities	76,104	51,159
Total liabilities and equity	185,538	162,261

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for M.A.X. Automation AG, Düsseldorf,
for the period from January 1 to December 31, 2011

	2011 TEUR	2010 TEUR
Revenue	259,997	186,807
Change in finished goods and work in progress	-2,316	1,263
Work performed by the company and capitalized	2,122	242
Total output	259,803	188,312
Other operating revenue	2,703	3,396
Materials expenses	-146,421	-98,726
Personnel expenses	-62,793	-51,707
Depreciation and amortization	-4,676	-3,734
Other operating expenses	-32,509	-28,040
Earnings before interest and tax	16,107	9,501
Profit/loss on investments measured at equity	-25	0
Miscellaneous investment income	4	24
Net interest income	-1,397	-1,059
Other financial profit/loss	159	-170
Earnings attributable to minority interests	-735	-324
Earnings before tax	14,113	7,972
Income tax	-2,681	-1,763
Net income for the year	11,432	6,209
Other comprehensive income		
Change arising from currency translation	224	110
IPO costs offset with capital reserves	0	445
Tax on other comprehensive income	0	-139
Other comprehensive income after tax	224	416
Total comprehensive income	11,656	6,625
Earnings per share undiluted in EUR	0.43	0.23

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for M.A.X. Automation AG, Düsseldorf,
for the 2011 financial year

	Subscribed capital TEUR	Capital reserves TEUR	Retained earnings TEUR	Difference from currency translation TEUR	Unappropriated retained earnings TEUR	Total TEUR
As of January 1, 2010	26,794	2,749	9,659	-382	32,986	71,806
Dividend payments	0	0	0	0	-1,339	-1,339
Allocations to retained earnings	0	0	334	0	-334	0
Total comprehensive income	0	306	0	110	6,209	6,625
As of December 31, 2010	26,794	3,055	9,993	-272	37,522	77,092
As of January 1, 2011	26,794	3,055	9,993	-272	37,522	77,092
Dividend payments	0	0	0	0	-2,679	-2,679
Allocations to retained earnings	0	0	4,260	0	-4,260	0
Total comprehensive income	0	0	0	224	11,432	11,656
As of December 31, 2011	26,794	3,055	14,253	-48	42,015	86,069

CONSOLIDATED STATEMENT OF CASH FLOWS

for M.A.X. Automation AG, Düsseldorf,
for the period from January 1 to December 31, 2011

	01.01.–31.12.2011 TEUR	01.01.–31.12.2010 TEUR
1. Cash flow from operating activities		
Consolidated net income for the year	11,432	6,209
Adjustments relating to the reconciliation of consolidated net income for the year to cash flow from operating activities		
Amortization of intangible assets	1,019	542
Depreciation of property, plant and equipment	3,657	3,192
Amortization/impairment charges applied to financial assets	25	0
Profit (-) loss (+) arising from the disposal of property, plant and equipment	-25	-441
Change in deferred tax	173	383
Other non-cash expenses (+) and income (-)	751	673
Changes in assets and liabilities		
Increase (-) decrease (+) in inventories	-6,103	-2,297
Increase (-) decrease (+) in trade receivables	-15,260	-7,204
Increase (-) decrease (+) in receivables due from related parties	-811	0
Increase (-) decrease (+) in prepayments, accrued income and other assets	-1,203	78
Increase (+) decrease (-) in pension provisions	82	-11
Increase (+) decrease (-) in other provisions and liabilities	1,917	350
Increase (+) decrease (-) in trade payables	614	8,886
Increase (+) decrease (-) in liabilities due to related parties	-24	0
Increase (+) decrease (-) in liabilities and provisions arising from income taxes	617	-1,751
= Cash flow from operating activities	-3,139	8,609
2. Cash flow from investing activities		
Outgoing payments for investments in intangible assets	-1,871	-479
Outgoing payments for investments in property, plant and equipment	-6,571	-4,034
Outgoing payments for investments in financial assets	-222	0
Incoming payments from the sale of intangible assets	0	2
Incoming payments from disposals of property, plant and equipment	531	812
Incoming payments from disposals of financial assets	6	0
Change in other non-current assets	-757	115
Outgoing payments arising from the acquisition of subsidiaries less cash received	-1,999	0
= Cash flow from investing activities	-10,883	-3,584
3. Cash flow from financing activities		
Outgoing payments for dividends	-2,679	-1,339
Utilization of long-term borrowings	1,345	1,300
Redemption of long-term borrowings	-2,772	-1,578
Change in current finance debt	6,577	108
Increase (-) decrease (+) in restricted cash and cash equivalents	927	-759
Payments arising from minority shareholder settlement claims	0	-8
= Cash flow from financing activities	3,398	-2,268

	01.01.–31.12.2011 TEUR	01.01.–31.12.2010 TEUR
4. Cash and cash equivalents at the end of the period		
= Net change in cash and cash equivalents	-10,624	2,749
(Total cash flows from the three activity areas)		
Changes in cash and cash equivalents attributable to exchange rates, consolidation scope, and measurement	78	136
+ Cash and cash equivalents at the start of the period	27,291	24,406
= Cash and cash equivalents at the end of the period	16,745	27,291
5. Composition of cash and cash equivalents		
= Cash and cash equivalents	16,745	27,291
Additional disclosures regarding cash flow		
Income tax paid	2,655	1,339
Income tax reimbursed	450	25
Interest paid	1,181	1,000
Interest received	282	147

	01.01.–31.12.2011 TEUR	01.01.–31.12.2010 TEUR
Acquisition of subsidiaries		
Intangible assets	2,199	0
Goodwill	162	0
Property, plant and equipment	299	0
Other non-current assets	81	0
Inventories	2,309	0
Trade receivables	334	0
Prepayments, accrued income and other current assets	100	0
Cash and cash equivalents	1	0
Non-current loans	-400	0
Deferred tax	-608	0
Trade payables	-924	0
Current loans	-715	0
Other current financial liabilities	-177	0
Income tax provisions and liabilities	-55	0
Other provisions	-76	0
Other current liabilities	-30	0
Purchase price	2,500	0
Outstanding purchase price payment	-500	0
Cash and cash equivalents received	-1	0
Purchase price paid, less cash and cash equivalents acquired	1,999	0

SEGMENT REPORTING

for M.A.X. Automation AG, Düsseldorf,
for the 2011 financial year

Segment	Environmental Technology		Industrial Automation		M.A.X. Automation AG	
Reporting period	2011 TEUR	2010 TEUR	2011 TEUR	2010 TEUR	2011 TEUR	2010 TEUR
Segment revenue	146,734	111,639	114,176	75,467	0	0
with external customers	146,734	111,639	113,263	75,168	0	0
– of which Germany	40,995	41,792	66,913	43,604	0	0
– of which other EU countries	41,615	34,576	29,447	18,108	0	0
– of which North America	42,625	27,780	5,048	5,530	0	0
– of which rest of the world	21,499	7,491	11,855	7,926	0	0
Inter-segment revenue	0	0	913	299	0	0
Segment operating earnings (EBIT)	5,404	5,734	12,222	5,712	-1,321	-1,743
Including:						
– Depreciation/amortization	-2,393	-1,955	-2,055	-1,545	-26	-32
– Other key income and expense items	0	0	0	276	0	0
– Key non-cash expenses	-3,610	-7,074	-3,167	-1,730	-776	-651
Segment result from ordinary activities (EBT)	4,247	4,765	11,670	5,455	-601	-441
Including:						
– Profit/loss on investments measured at equity	-25	0	0	0	0	0
– Interest and similar income	254	133	93	93	127	84
– Interest and similar expenses	-965	-693	-544	-342	-356	-329
– Earnings attributable to minority interests	-735	-324	0	0	0	0
Income tax	-1,427	-1,370	-797	-252	-87	178
Net profit/loss for the period	2,820	3,395	10,873	5,203	-688	-263
Segment assets	80,068	68,998	69,973	58,559	79,820	78,294
of which non-current segment assets	24,773	21,321	21,172	18,083	62,035	62,067
– of which Germany	21,787	18,617	21,005	17,903	62,035	62,067
– of which USA	2,901	2,666	120	109	0	0
– of which other EU countries	85	38	47	71	0	0
Tax claims (including deferred tax)	1,985	1,244	474	330	5,954	4,745
Total assets	82,053	70,242	70,447	58,889	85,774	83,039
Investments in non-current segment assets	6,093	2,292	5,217	2,213	14	8
Segment debt	47,162	38,691	39,692	33,195	14,486	15,021
Tax liabilities (including deferred taxes)	2,699	1,381	2,574	1,346	734	554
Total liabilities	49,861	40,072	42,266	34,541	15,220	15,575

Reconciliation		Total	
2011 TEUR	2010 TEUR	2011 TEUR	2010 TEUR
-913	-299	259,997	186,807
0	0	259,997	186,807
0	0	107,908	85,396
0	0	71,062	52,684
0	0	47,673	33,310
0	0	33,354	15,417
-913	-299	0	0
-198	-202	16,107	9,501
-202	-202	-4,676	-3,734
0	0	0	276
0	0	-7,553	-9,455
-1,203	-1,807	14,113	7,972
0	0	-25	0
-86	-58	388	252
80	53	-1,785	-1,311
0	0	-735	-324
-370	-319	-2,681	-1,763
-1,573	-2,126	11,432	6,209
-53,173	-50,255	176,688	155,596
-38,321	-37,880	69,659	63,591
-38,321	-37,880	66,506	60,707
0	0	3,021	2,775
0	0	132	109
437	346	8,850	6,665
-52,736	-49,909	185,538	162,261
0	0	11,324	4,513
-13,850	-10,601	87,490	76,306
5,972	5,582	11,979	8,863
-7,878	-5,019	99,469	85,169

CONSOLIDATED STATEMENT OF CHANGES IN FIXED ASSETS FOR 2011

of M.A.X. Automation AG

Statement of changes in consolidated fixed assets for M.A.X. Automation AG, Düsseldorf,
for the 2011 financial year

Cost							
	01.01.2011	Addi- tions from consolidation	Currency translation	Additions	Disposals	Transfer	31.12.2011
	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	6,734	2,250	32	642	47	54	9,665
2. Internally generated intangible assets	0	0	0	1,186	0	0	1,186
3. Prepayments rendered	0	54	0	43	0	-54	43
	6,734	2,304	32	1,871	47	0	10,894
II. Goodwill							
1. Goodwill	4,985	0	13	0	0	0	4,998
2. Goodwill arising from capital consolidation	33,192	162	0	0	0	0	33,354
	38,177	162	13	0	0	0	38,352
III. Property, plant and equipment							
1. Property and buildings	53,100	0	77	481	22	0	53,636
2. Technical plant and machinery	14,758	1,098	15	1,399	630	0	16,640
3. Other plant, operating and office equipment	16,334	626	67	2,839	571	18	19,313
4. Plant under construction	92	0	0	1,852	0	0	1,944
5. Prepayments rendered	18	0	0	0	0	-18	0
	84,302	1,724	159	6,571	1,223	0	91,533
IV. Other financial investments							
1. Shares in associated companies	192	0	0	0	52	0	140
2. Financial assets recognized according to the equity method	0	0	0	25	0	0	25
3. Loans to associated companies	62	0	2	0	0	0	64
4. Other non-current financial investments	41	0	7	197	17	0	228
	295	0	9	222	69	0	457
	129,508	4,190	213	8,664	1,339	0	141,236

Cumulative depreciation/amortization/impairment losses						Carrying amounts	
01.01.2011	Addi- tions from consolidation	Currency translation	Additions	Disposals	31.12.2011	31.12.2011	31.12.2010
TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
5,530	105	30	946	46	6,565	3,100	1,204
0	0	0	73	0	73	1,113	0
0	0	0	0	0	0	43	0
5,530	105	30	1,019	46	6,638	4,256	1,204
1,032	0	3	0	0	1,035	3,963	3,953
9,507	0	0	0	0	9,507	23,847	23,685
10,539	0	3	0	0	10,542	27,810	27,638
28,414	0	21	1,156	7	29,584	24,052	24,686
12,100	847	15	955	316	13,601	3,039	2,658
12,138	578	42	1,546	394	13,910	5,403	4,196
0	0	0	0	0	0	1,944	92
0	0	0	0	0	0	0	18
52,652	1,425	78	3,657	717	57,095	34,438	31,650
7	0	0	0	0	7	133	185
0	0	0	25	0	25	0	0
62	0	2	0	0	64	0	0
11	0	0	0	11	0	228	30
80	0	2	25	11	96	361	215
68,801	1,530	113	4,701	774	74,371	66,865	60,707

SUBSIDIARIES

List of the subsidiaries of M.A.X. Automation AG, Düsseldorf, as at December 31, 2011

a) Companies included in the consolidated financial statements

Name and headquarters of company	Share of capital (%)
Subsidiaries of M.A.X. Automation AG:	
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
Subsidiaries of BARTEC Dispensing Technology GmbH:	
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
Second-tier subsidiaries and subsidiaries of IWM Automation GmbH:	
IWM-Automation Verwaltungs GmbH, Porta Westfalica	100
IWM Automation Polska Sp. z o.o., Warsaw, Poland, (20% IWM Automation GmbH and 80% IWM-Automation Verwaltungs GmbH)	100
Second-tier subsidiaries and subsidiaries of NSM Magnettechnik GmbH:	
mabu-pressen AG, Oberursel	100
Second-tier subsidiaries and subsidiaries of Vecoplan AG:	
Vecoplan Maschinenfabrik Verwaltungs GmbH, Bad Marienberg	100
Vecoplan Limited, Birmingham, UK	100
Vecoplan Austria GmbH, Wels, Austria	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

b) Companies included in the consolidated financial statements at equity

Name and headquarters of company	Share of capital (%)
Vecoplan AG interests:	
Vecoplan FuelTrack GmbH, Bad Marienberg	49

c) Companies not included in the consolidated financial statements

Name and headquarters of company	Share of capital (%)	Equity (TEUR)	Net profit/loss (TEUR)
Subsidiaries of M.A.X. Automation AG:			
Adelheid Verwaltungs GmbH, Düsseldorf	100	25	1
BDS Führungskräfte GmbH, Düsseldorf	100	21	1
EnerCess GmbH ¹⁾ , Bad Oeynhausen	100	–	–
EUROROLL Verwaltungs GmbH, Ascheberg-Herbern	100	41	2
Subsidiaries of altmayerBTD GmbH & Co. KG:			
Altmayer Verwaltungs GmbH, Rehlingen	100	30	0
Subsidiaries of Mess- und Regeltechnik Jücker GmbH:			
Meß- und Regeltechnik Verwaltungs GmbH, Dillingen	100	30	0

1) EnerCess GmbH became insolvent in May 2008. No details are available.

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 systems 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 systems to customers from the areas of household and commercial waste processing, plastics recycling, as well as paper shredding and data shredding. The company is responding to the growing deployment of secondary fuels in the cement industry with its newly founded joint venture Vecoplan FuelTrack. 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.

The Management Board	Irene Scheidweiler Ulrich Schulte Ute Just
Share of equity	100 %
Subscribed capital in EUR mill.	8.0
2011 revenue in EUR mill. (IFRS, consolidated)	119.8
Employees (year average)	349
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 Behältertechnik Heiz- und Trinkwassersysteme, and is headquartered in Dettenhausen (Baden-Württemberg). At its Rehlingen (Saarland) location, the company has designed and sold systems for the storage and conveying of explosive bulk materials for more than 80 years, such as for coal dust, as well as specialist plants for flue gas cleaning to reduce dioxin, furan and sulfur emissions. Its products include plants and systems 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.

The company is a technology leader commanding more than 50 years of experience and numerous innovations within 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 Directors	Udo Weinert Andreas Weber
Share of equity	100 %
Subscribed capital in EUR mill.	3.39
2011 revenue in EUR mill. (IFRS)	28.2
Employees (year average)	114
Year of foundation ¹⁾	1951
Membership of the M.A.X. Group ²⁾	1993
www.altmayerbtd.de	

INDUSTRIAL AUTOMATION CORE SEGMENT

NSM Magnettechnik Group

NSM is a technologically leading system provider and integrator fielding a very broad product range in the area of handling and automation systems. Founded in 1959, the company, which is based in Olfen (North Rhine-Westphalia), develops, produces, sells and provides maintenance services for innovative, technological systems and plants relating to material flows in three different business areas.

In the press automation area, the company produces systems to stack, de-stack and transport sheet bars, and formed, molded and shaped parts, for example in automotive construction, engine manufacturing, and in the white goods area. The packaging automation area specializes in systems for the high-speed handling of cans, lids and caps in the manufacturing and filling industry. The conveying and pressing systems area includes systems to transport, filter and separate materials, the development of high precision automatic presses, and of feeding systems to sort and feed workpieces in the correct position, and the design of automation process solutions relating to material flows.

NSM's customers around the world come from various sectors, including the automotive industry, press manufacturers, food manufacturing companies, chemical companies, machine tool manufacturers, electrical and electronic goods companies, and the consumer goods industry.

Managing Directors	Michael Freischmidt Gregor Schmitt
Share of equity	100 %
Subscribed capital in EUR mill.	4.10
2011 revenue in EUR mill. (IFRS, consolidated)	45.2
Employees (year average)	178
Year of foundation	1959
Membership of the M.A.X. Group	1990
www.nsm-magnettechnik.com	

IWM Automation Group

IWM Automation, a specialist engineering company, 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 enjoy an outstanding reputation, particularly in the automotive industry. Additionally, IWM Automation 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
2011 revenue in EUR mill. (IFRS, consolidated)	27.6
Employees (year average)	114
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 sophisticated 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 holds 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 Directors	Susan Rassau Patrick Vandenruijn
Share of equity	100 %
Subscribed capital in EUR mill.	0.08
2011 revenue in EUR mill. (IFRS, consolidated)	23.3
Employees (year average)	127
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
2011 revenue in EUR mill. (IFRS)	14.4
Employees (year average)	65
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 employed in logistics for commissioning, warehousing and conveying technology. Founded in 1983, the company develops and manufactures unpowered roller conveyor systems for containers ranging from light cardboard boxes to pallets and carriers of all materials and designs. The product range primarily comprises roller fitting strips, roller tracks, brake rollers, gravity conveyor tracks, live storage units and commissioning systems. The product program was expanded to include unpowered roller conveyor elements in order to address the growing automation of logistics. 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 pharmacy wholesalers, the automotive industry, as well as chemical companies.

Managing Director	Theo Einhäuser
Share of equity	100 %
Subscribed capital in EUR mill.	0.51
2011 revenue in EUR mill. (IFRS)	10.4
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 2012: May 2012

Annual General Meeting for the 2011 financial year: June 28, 2012

Half Year Financial Report 2012: August 2012

Third Quarter Financial Report 2012: November 2012

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