



ANNUAL REPORT 2012



M.A.X. AUTOMATION AG

M.A.X. Automation is a globally operating group of companies with the two core segments of environmental technology and industrial automation. The company's activities focus on the further development of medium-sized automation specialist companies on a sustainable basis. The range of products and services comprises high-quality technology products and services both for order-based speciality mechanical engineering and for standard 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

	2012	2011	2010
Results of operations in EUR mill.			
New order intake (consolidated)	265.1	264.0	207.7
Book-to-bill ratio	1.1	1.0	1.11
Order book position as of the year-end*	117.0	97.9	92.5
Revenue	244.3	260.0	186.8
– of which from Germany	103.1	107.9	85.4
– of which from abroad	141.2	152.1	101.4
EBITDA	18.5	20.8	13.2
EBIT	13.4	16.1	9.5
as % of total output	5.4 %	6.2 %	5.0 %
Net income for the year	8.4	12.2	6.5
Earnings per share (in EUR)	0.31	0.45	0.24
Cash flow in EUR mill.			
Cash flow from operating activities	22.0	–0.2	9.4
Cash flow from investing activities	–7.0	–10.9	–3.6
– of which investments	–6.9	–8.7	4.5
Cash flow from financing activities	–8.9	0.5	–3.0
Cash and cash equivalents at the year-end	22.8	16.7	27.3
Balance sheet in EUR mill.			
Total assets	199.6	184.9	161.8
Net debt	–6.7	–14.8	–0.1
Equity	88.4	85.0	77.1
Equity ratio in %	44.3 %	46.0 %	47.6 %
Employees (numbers)			
Average number of employees	1,207	1,098	964
– of which trainees	89	87	95
The share			
Number of shares (in millions)	26.8	26.8	26.8
Market capitalization (in EUR mill.)	102.9	103.9	91.1
Dividend per share (in EUR)	0.15	0.15	0.10
Price on balance sheet date in EUR (XETRA closing price)	3.84	3.88	3.40

* Adjusted for IFRS effects

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.

	2012 in EUR mill.	2011 in EUR mill.	2010 in EUR mill.
New order intake (consolidated)	114.5	138.2	118.0
Segment revenue	123.7	146.7	111.6
Segment EBIT	2.5	5.4	5.7
Employees* (number)	517	463	403

* 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.

	2012 in EUR mill.	2011 in EUR mill.	2010 in EUR mill.
New order intake (consolidated)	150.7	125.8	89.7
Segment revenue	120.8	114.2	75.5
Segment EBIT	12.8	12.2	5.7
Employees* (number)	598	545	462

* Annual average excluding trainees

HIGHLIGHTS OF THE YEAR



June 2012 **IWM Automation – Industrial Automation**

Record order: IWM Automation receives its largest individual order in its corporate history. The order involves the completion of an assembly line for gear boxes for a renowned German vehicle manufacturer. IWM Automation is thereby extending its expertise in the vehicle gear assembly area, and expanding its capacities at its Porta Westfalica headquarters as a result of the order.



November 2012 **Vecoplan – Environmental Technology**

Vecoplan sets a new technological milestone in aluminum composite materials recycling: through further developments to its product range, the company can now also enable the commercial processing of multi-use materials. Vecoplan sold its first systems in this area in 2012, thereby successfully expanding its field of activities to a highly promising growth market. Recycling aluminum saves 90% of energy compared with producing primary aluminum.



December 2012 **bdtronic – Industrial Automation**

bdtronic builds a technically complex system to process switchgears and control gears for cars and trucks. Here, the company is working for a renowned automotive supply company in the United Kingdom. The system precisely doses and measures the requisite materials in several production steps, transfers them to various bases, before fitting the product together.



December 2012 **NSM Magnettechnik – Industrial Automation**

In cooperation with mabu-pressen, NSM Magnettechnik is constructing a pilot system to produce and package lids for re-closable drink cans. This system for a customer in Southern Germany comprises the transportation through the entire production process ranging from the un-machined lid through to the finished lid, and its packing in paper bags. The system has a capacity of 6,000 lids per hour.

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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,

Despite numerous economic uncertainties, the 2012 financial year was a satisfactory year for the M.A.X. Automation Group, entailing varying market and consequently business trends in its segments. Following the gratifying growth rates reported in the past two years, our company performed at a high level overall. We even registered a further significant increase in our order book position in this context. This growth was particularly driven by our Industrial Automation segment, which reported dynamic demand, especially from the automotive sector, and even outperformed our expectations. In our Environmental Technology segment, by contrast, we failed to realize targeted major orders that we had budgeted for.

The key figures for the Group overview:

- Consolidated new order intake amounted to € 265.1 million, down year-on-year, resulting especially from continued strong demand in the Industrial Automation segment.
- The order book position reached a record level of € 117.0 million by the year-end, up 19.4% year-on-year, providing M.A.X. Automation with a solid basis for successful growth in the current year.
- Consolidated revenue amounted to € 244.3 million, down 6.0% compared with the previous year's high level.
- Operating profit (EBIT) stood at € 13.4 million, compared with € 16.1 million in the previous year, whereby it should be noted that we boosted EBIT by 69.5% in 2011.

The Industrial Automation segment continued the previous year's gratifying growth, improving all relevant key figures. We also



Management Board member Bernd Priske

managed to generate an attractive operating return on sales revenue. This good business progress is once again proof that the segment enjoys a correct strategic orientation to the global automotive industry, focusing primarily on German premium manufacturers and their suppliers. Our subsidiaries operate as reliable system partners to our customers, permanently developing new process technologies and solutions to structure their production processes ever more flexibly and efficiently.

In this context, the M.A.X. companies rank among the technologically leading providers in many areas, satisfying their customers' specific requirements for efficient production systems. They have established an excellent reputation with their extensive know-how – enjoying the potential to receive major orders on an increasing scale. For example, IWM Automation and NSM



Magnettechnik succeeded in 2012 in realizing several major projects both in Germany and abroad, including the largest individual order in IWM Automation's corporate history.

There are good reasons to take an optimistic view of the future: German automotive manufacturers are planning to implement further medium- and long-term investments to expand their market position due to high demand in many emerging economies such as China, as well as on the important US market. The large number of automobile variants and the short lifecycles of today's cars also entail ever greater demand for individual and technically complex automation solutions. Accordingly, this gives our subsidiaries the opportunity to develop themselves successfully in tandem with vehicle manufacturers.

The Environmental Technology segment registered a decline in business overall in 2012. This was due to major projects that had already been targeted, but which were not realized as planned. In hindsight, we must consequently note that our expectations for the segment and especially the positive effects from the creation and expansion of our subsidiary Vecoplan AG into a system provider proved too optimistic. In doing so, we have acquired the experience that fluctuations in the system business are unavoidable, for instance, due to long-running approvals processes for customers.

At the same time, we are convinced that this segment is correctly positioned in strategic terms. This is reflected in several prestigious major projects at Vecoplan, including the creation of a complete system to process substitute fuels in Edmonton, Canada. This is the largest system of its type on the North American continent. Vecoplan also won a major order to build a wood pallet system in the USA. In addition to this, Vecoplan succeeded early this year in entering the growth market for biofuels in North America, which we believe offers numer-

ous opportunities to participate in the global trend to produce alternative fuels.

This company enjoys significant competitive advantages due to its further development as a system provider, and its broad international positioning. Our task will now be to smooth out the high volatility in the system business, and to adjust the company's organization and planning accordingly.

M.A.X. Automation is well positioned in operating, technological and financial aspects to benefit long-term from global trends in environmental technology and industrial automation. These continue to include constantly growing demand for consumer goods, and consequently requirements for high-quality automation solutions. And they also include the rising significance of climate protection, and thereby the prudent and sparing utilization of natural resources and waste recycling. Our subsidiaries address fundamental future tasks, and enjoy outstanding growth prospects.

Unfortunately, the capital market has failed to sufficiently appreciate this promising positioning. The M.A.X. share quoted slightly below the previous year's closing price of the end of 2012, thereby underperforming its comparable CDAX equity index. We are nevertheless convinced that our share holds great value appreciation potential, which is shown, not least, by the considerably positive performance that commenced in December 2012 and continued dynamically in spring 2013. Our task remains to continue our consistent communication with the capital market, and to further emphasize our company's potential.

As a dividend-oriented company, our wish is that you, our valued shareholders, should participate appropriately in the satisfactory business progress registered by M.A.X. Automation AG in 2012. For this reason, the Management and Supervisory Boards are

REPORT OF THE MANAGEMENT BOARD

proposing that the Ordinary Shareholders' General Meeting on July 18, 2013 pays a dividend of 15 euro cents per share. This would thereby entail a total payout of € 4.0 million. This dividend proposal allows your commitment to be honored, and also bolsters the Group's equity base, thereby strengthening our scope for maneuver with a view to our intended further growth.

The M.A.X. Automation Group has reported gratifying growth in the current financial year to date. This is evident not least in several major orders and innovative technological solutions that our subsidiaries in both segments have announced since the start of the year. A key objective remains the greater internationalization of their business: especially market opportunities on the Asian market are of growing importance for the M.A.X. companies.

Along with organic growth, a focus also remains on strategic acquisitions in order to raise the M.A.X. Automation Group to a new dimension in the medium term. In this context, we continue to pursue the objective of boosting revenue to around € 500 million. We are reviewing potential acquisitions both in Germany and abroad that are intended to expand the existing investment portfolio in both technological and geographical aspects. We apply stringent benchmarks to potential takeover candidates in this context.

Of course, we will need to take the global economy into account in the further development of our business. A number of uncertain factors continue to exist, especially in the form of the European sovereign debt crisis, which continues to warrant particular care and attention in 2013. It remains to be seen, however, whether the global economy weakens further as forecast, entailing negative effects for our business.

In view of our good order book position and optimistic expectations for our sectors, we are assuming positive business progress for the current year. For instance, we expect revenue and EBIT at Group level to grow year-on-year. Thanks to successful activities and efforts in the past years, today's M.A.X. Automation Group is stronger and more dynamic than ever before. With our strategic orientation and extensive competencies, we possess the necessary preconditions to remain on our growth path across business cycles. We look forward to continuing on this path with you, our valued shareholders.

Düsseldorf, March 2013

The Management Board



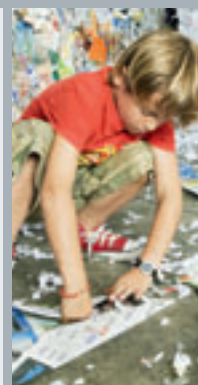
Bernd Piske



ENVIRONMENTAL TECHNOLOGY

Every individual must consume – and wants to consume. Demand for consumer goods is growing dynamically, not least in developing economies. But this is not without consequences for the environment: ever greater quantities of waste must be disposed of and treated expediently so as to avoid any damaging burdens on our everyday environment.

Such waste represents a valuable resource for the future. With the right know-how, recyclable materials can be generated from mounting waste heaps and reintroduced into the production cycle. The M.A.X. Automation subsidiaries command these competencies: they act on behalf of the global recycling sector, making an important contribution to bringing consumption and the environment into sustainable harmony.





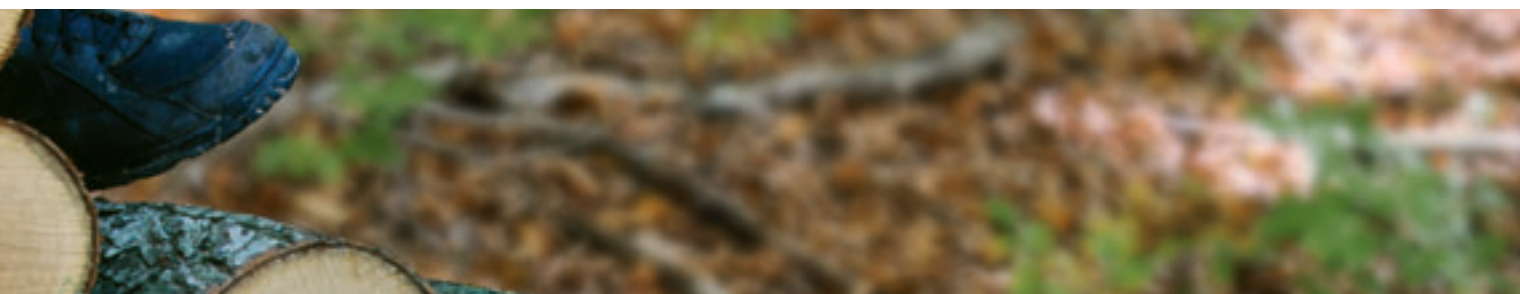
DO WE ACTUALLY GIVE ENOUGH THOUGHT TO THE VALUE OF OUR RAW MATERIALS?

M.A.X. Automation ensures sustainable utilization with innovative technologies.





Wood is a globally popular raw material. The construction and furniture industries in particular appreciate the naturalness and multifaceted properties. Wood also possesses numerous technological benefits: it is a raw material that regrows, and stores the CO₂ that it has withdrawn from the atmosphere before being processed. When correctly prepared, wood can be an important energy source that emits only the carbon dioxide that it has stored when utilized. Our subsidiary Vecoplan supplies the right systems and services to produce wood pellets – for a major project in the USA, for example, enabling wood to be utilized optimally and sustainably.





CAN WE AFFORD EVERYTHING – EVEN RESPONSIBILITY FOR THE ENVIRONMENT?

M.A.X. Automation Technologies transform consumer waste into valuable sustainable fuels.





Whether at the supermarket, the shopping center or on the Internet – product ranges are permanently available and constantly growing. People want diversity, presenting the recycling industry with particular challenges: growing quantities of waste need to be disposed of and treated on an environmentally compatible basis. Our subsidiary Vecoplan enables waste to be handled responsibly. The year 2012 marked the acquisition of Waste Tec GmbH, expanding its technological expertise in the processing of waste deriving from the production and recyclable materials cycle, including in the biomechanical waste treatment and fuels processing areas.





CAN SOMETHING WE THROW AWAY BE TURNED INTO SOMETHING NEW?

M.A.X. Automation offers future viable, environmentally compatible recycling solutions.





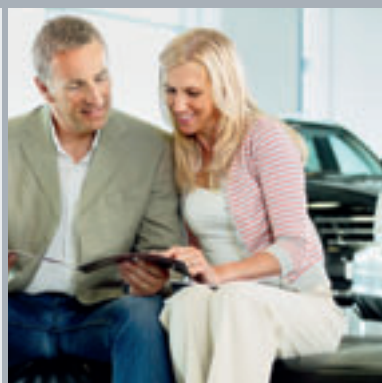
Waste is not simply just waste. Garbage contains a lot more than is clear at first sight. High-quality recycling solutions can produce important secondary raw materials from wood, plastic or biomass, sustainably reducing waste volumes. Consequently, compliance with stringent legal regulations is ensured: in Germany alone, 65% of all municipal waste is to be recycled by 2020 according to the German Closed Substance Cycle and Waste Management Act. Our subsidiary Vecoplan makes an important contribution to achieving this goal. Thanks to its system solutions, valuable materials are produced from waste that flows back into the recycling process, thereby closing the cycle.



INDUSTRIAL AUTOMATION

Individuals demand innovative and state-of-the-art products. Such products raise individuals' living standards, and even function as status symbols. Cars are particularly affected by this trend: an increasing number of models include the most advanced, leading edge technologies and cater to individual preferences.

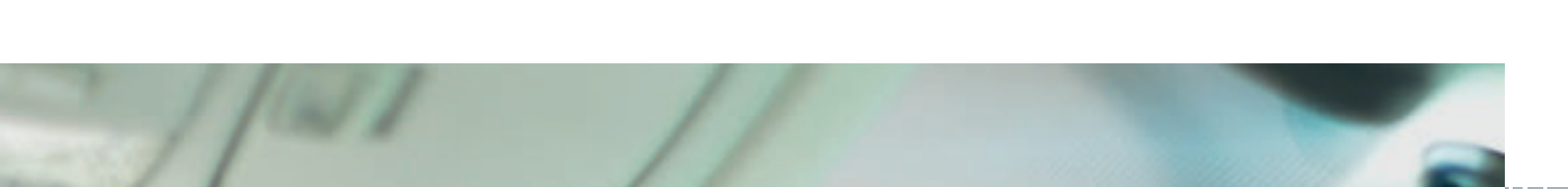
Consequently, industrial production must meet ever more demanding requirements – delivering greater precision, flexibility and speed. This is possible only through high-quality automation solutions as offered by the M.A.X. Automation subsidiaries. Fielding technologically high-quality component and system solutions based on extensive process competencies, they enable their customers to respond to market requirements at all times.





CAN MANY PEOPLE'S WISHES BE FULFILLED AT THE SAME TIME?

M.A.X. Automation supplies automation solutions to expanding markets.



The world of industry has become increasingly global and extensive. Demand and production have long diversified away from established economic nations. Former emerging economies are regarded as the markets of the future, for the first time accounting for more than half of global production in 2013. The M.A.X. subsidiaries have long been active in many of these countries: especially for the automotive industry, they develop innovative system solutions that enable their customers to serve people's dynamically growing demand for modern mobility.





WHY CAN'T VEHICLES BE AS DISTINCTLY DIFFERENT AS THEIR OWNERS?

M.A.X. Automation offers flexible automation solutions for the vehicle industry.





People love diversity – and people are diverse. Everybody has individual wishes and needs, as well as specific mobility requirements. The automotive industry takes these aspects into account by creating an ever broader range of models and functions. At the same time, the number of new vehicle registrations is set to exceed the 70 million level in 2013. This is possible only through the greatest manufacturing flexibility. With their systems and services, the M.A.X. Automation subsidiaries possess the necessary expertise to ensure precisely this flexibility – as evidenced by NSM Magnettechnik with its leading handling and conveying systems, for example.





WHO IS SETTING THE COURSE FOR THE MOBILITY OF THE FUTURE?

M.A.X. Automation offers market-ready, mature solutions for tomorrow's automobiles.



Individuals are constantly striving for improvements – and automobiles are no exception. These complex high-tech products make ever greater demands in terms of efficient production. Well-traveled routes are not an option in this context: the M.A.X. Automation subsidiaries uncover unutilized potentials in manufacturing processes and optimize long-established process methodologies. For example, IWM Automation has created a significant innovation in tube end forming, thereby enabling the automotive industry to perform important tube forming in significantly shorter processing times. And bdtronic has developed a procedure to simplify hot welding processes that allows greater precision.

GROUP MANAGEMENT REPORT

1. The business and its environment

1.1. Group structure and organization

Headquartered in Düsseldorf, M.A.X. Automation AG specializes in the sustainable development of medium-sized manufacturing process automation companies. The company pursues a long-term investment approach in this context. M.A.X. Automation AG aims to hold the majority of a company's equity capital, if possible through acquiring 100% of its shares. The Group's operating business comprises its two core segments of Environmental Technology and Industrial Automation.

As the Group's management company, M.A.X. Automation AG is responsible for the Group's strategic steering, and the monitoring and determining of appropriate activities to achieve its subsidiaries' corporate targets as determined in its planning process. It does not conduct an operating business itself. The operating subsidiaries' management teams report to the Management Board, which manages the company at its own responsibility. 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 or the entire Group, and is in close contact with the Management Board.

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

All of the company's subsidiaries are allocated to one of the two core segments. The Environmental Technology segment included the companies of the Vecoplan Group and altmayerBTD GmbH & Co. KG in 2012. The Industrial Automation core segment comprised the bdtronic Group (formerly: the BARTEC Dispensing Group), the IWM Automation Group, the NSM Magnettechnik 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, offering their customers individual automation and process solutions worldwide. Their range of products and services comprises individual technical components, automation systems, and complete specialty mechanical engineering plants. To these products are generally added services such as consulting, project management, commissioning and maintenance/repair. As a consequence, the individual subsidiaries are able to provide integrated automation solutions with a high degree of technical complexity on a "one-stop shop basis".

The markets that M.A.X. Automation Group targets are mainly situated 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 forestry and paper industry, the energy sector, as well as the cement and plastics sectors. Customers in the Industrial Automation segment especially comprise the automotive industry with a focus on German vehicle manufacturers, the electrical and electronics industry, as well as the packaging sector.

1.2. Controlling system and control parameters

M.A.X. Automation AG makes recourse to financial performance indicators to manage and assess its operating business. This ensures that risks are identified, measured and minimized, while securing and enhancing long-term profitability. The financial performance indicators include

- Key profitability figures
- Key capital and liquidity figures.

In addition, non-financial performance indicators are of significance for the Group, which are derived from its strategic positioning as well as from the operating Group companies' business models. Essentially, these comprise:



- **Sector know-how in environmental technology:** The global market for environmental technology is significantly impacted by environmental policy regulations at regional, national and global levels. The prudent and sparing utilization of natural resources, and the recycling and processing of waste, are becoming increasingly important due to global consumption growth, especially in emerging economies. Along with this, environmental policy regulations are also becoming more and more significant, especially in the areas of CO₂ reduction and waste disposal/recycling in which the M.A.X. Automation Group operates. For this reason, detailed knowledge of sector-specific legal circumstances on the individual sales markets and their potential effects on demand for products and environmental technology is indispensable to managing the business.

- **Positioning as an “added value provider” and technology leadership:** The subsidiaries’ ability to integrate individual automation components and extensive system and process know-how into “one-stop shop” solutions on an individual-customer basis, and to offer further-reaching services, is of key significance for the M.A.X. Automation Group’s long-term market success. This positioning creates added value for customers, and enables the M.A.X. companies to differentiate themselves from competitors in their sub-markets. The combination of top technology, process know-how and project management is becoming increasingly important in this context. In particular, this combination of services is the precondition to acquiring and processing demanding major projects. Commensurately highly-specialized staff are required for this purpose, the recruitment and promotion of whom presents a central challenge for the subsidiaries.

- **Innovation culture:** With its core segments, the M.A.X. Automation Group operates in an environment characterized by intense global competition and permanent technical progress. Technological innovations that offer measurable added value to custom-

ers are critical to the Group’s long-term success. The continuous further development of the technological level, and the developments of innovative solutions on respective markets, are very important across the entire Group to asserting and extending 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. The expanding markets of the emerging economies of Asia and South America are of particular significance in this context. An international network of sales and service branches, and selected production locations abroad, ensure that the M.A.X. Automation Group is able to serve local customer requirements in order to further expand international business volumes.

- **Efficiency:** The growth and profitability of the M.A.X. Automation Group are critically determined by efficient Group organization. Streamlined and efficient structures, standardized processes and qualified staff represent important structural preconditions for the Group’s growth. Also during phases of dynamic business growth, both the parent company’s Management Board and the operating subsidiaries’ management teams set particular store by the continuous improvement of internal efficiency with the aim of further boosting the Group’s profitability.

1.3. Economic environment

The global economy weakened in 2012. This growth slowdown was primarily attributable to considerable structural adjustment processes in the Eurozone: although countries particularly affected by the sovereign debt crisis such as Greece, Ireland, Portugal, Spain, Italy and Cyprus made considerable efforts to consolidate their state finances, Greece, in particular, remained a risk factor for Europe’s economy over the entire course of 2012. Overall, the International Monetary Fund (IMF) calculated that the global economy grew by 3.2% over the whole of 2012.

GROUP MANAGEMENT REPORT

Uncertainties for the global economy also emerged from the United States of America and China. The IMF calculates that the USA grew by 2.2%. China registered a lower growth rate, possibly due to rising wages and higher prices. The IMF calculates that China's economy grew by 7.8%, compared with 9.2% in the previous year.

In the Eurozone, the IMF reports that economic output fell by 0.4% over the full year, compared with 1.4% growth in the previous year. Concerns about crisis-ridden states unsettled investors, companies and consumers around the world. Although the European Central Bank (ECB) stabilized the situation in the currency union somewhat through monetary policy measures such as the readiness it signaled in September 2012 to intervene significantly on government bond markets, producer and consumer confidence in the Eurozone fell further by the year-end.

With 0.9% economic output growth over the full 2012 year (price-adjusted gross domestic product), the German economy set itself off positively from the recessionary trend in the Eurozone. The German Federal Government noted that the German economy remained robust, being partly reflected in a slight rise in private purchasing power and stable exports.

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

The German mechanical and plant engineering sector registered an overall positive business trend in 2012, outperforming the expectations held at the outset of the year. Sector sales of around € 209 billion were up by around 4% compared with the previous year's € 201 billion, according to data produced by the German Engineering Federation (VDMA). The record figures achieved in 2008 were outstripped as a consequence.

Despite a generally difficult economic environment, exports by German mechanical and plant engineering companies reported a gratifying trend in many countries and regions, with sales growing by around 5%. Demand was more moderate on the ever more important Chinese market, although positive impulses came from many European markets, as well as the USA, Latin America and Southeast Asia.

The global automotive market reported an overall pleasing trend in 2012, thereby continuing the previous year's development. The global market for new cars was up by 4% to 68.0 million new registrations, according to data produced by the German Automotive Industry Association (VDA). This trend was especially driven by the Chinese market, and a reinvigorated primary US market. German automotive manufacturers boosted their shares of both markets, and even for the seventh consecutive year in the USA. Given the continued sovereign debt crisis, the Western European automotive market fell in 2012, reporting a drop of around 9% to 11.7 million new registrations, by contrast.

The environmental technologies area, which captures basic trends such as energy efficiency, sustainable water management, environmentally compatible energies and energy storage, sustainable mobility, commodities and materials efficiency, and the recycling economy, commands a global market volume of somewhat more than € 2 trillion, according to data produced by Roland Berger Strategy Consultants. The German market amounts to around € 300 billion in this context, and consequently a 15% global market share. In particular, the recycling economy in Germany is estimated at € 16 billion. Asia, Latin America and Eastern Europe were particularly high-growth markets in this area in 2012, according to VDMA data. Environmental technology and

Sources:

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- German Federal Ministry of Economics and Technology: press release of October 17, 2012
- ifo Institute, Munich: ifo economic forecast 2012/2013, December 13, 2012
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- VDMA (German Engineering Federation), Volkswirtschaft und Statistik (The Economy and Statistics), December 13, 2012
- VDA (German Automotive Industry Association), press release "2013 wird ein herausforderndes Jahr", December 4, 2012
- Handelsblatt, "Umweltsektor könnte eine Million Jobs bis 2025 bringen", September 10, 2012
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- Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU): "GreenTech made in Germany 3.0 – Environmental Technology Atlas for Germany", September 10, 2012

resource efficiency have developed into a global growth driver, being characterized by technical progress and changes in political and social conditions, according to Roland Berger. The consultants estimate that the environmental technology area grew by more than 5% in the year under review.

1.4. Research and development

M.A.X. Automation Group customers operate internationally, requiring individual automation solutions applying state-of-the-art technologies. The market environment is characterized by rapid technological change, high competitive intensity, and a rising number of statutory regulations, especially in the environmental segment. Targeted research and development activities are consequently a must-have for success in automation. M.A.X. Automation and its subsidiaries attributed strategic significance to the development of innovative products and services, and regard them as important non-financial performance indicators (please see 1.2.).

Research and development is organized on a decentralized basis within the M.A.X. Automation Group: as the parent company, M.A.X. Automation AG does not conduct its own research activities. The subsidiaries are responsible for creating and maintaining their own research and development capacities. As a consequence, customers constantly drive innovations and optimization in line with markets and requirements. Technological competencies are also expanded in order to tap new promising automation sub-markets. The subsidiaries also enter into dialogue with each other about their R&D activities in this context.

The focus remained on further developing the range of products and services in 2012 in both of the core segments of Environmental Technology and Industrial Automation. The companies concentrated especially on their status as technological system providers in this context, with their ability to demonstrate extensive component and process know-how.

1.4.1 Environmental Technology

In the Environmental Technology segment, the Vecoplan Group concentrated in 2012 on the further development of its product range geared to shredding and processing waste from industry, commerce and private households. The focus in this context was on substitute fuel and waste shredders, as well as conveying technology for further products. Vecoplan is also developing new solutions for the electronics waste area, which the company believes will become more important.

Vecoplan also expanded its range of services in the year under review. As a result of the takeover of Waste Tec GmbH, the company now holds extensive expertise in the biomechanical waste treatment and fuel processing area. This comprises consulting and engineering services through to project management for extensive system solutions for customers.

1.4.2 Industrial Automation

The subsidiaries in the Industrial Automation segment primarily work on an order basis according to their customers' wishes and requirements. The aim in this context includes boosting the efficiency of customers' production processes. In cooperation with mabu-pressen, NSM Magnettechnik has created an innovative pilot system to package lids for re-closable drink cans. With this plant, NSM enables its customers to offer an innovative product to end consumers, and to comply with US statutory requirements in the beverages packaging area.

The bdtrotronic subsidiary has also developed a process that simplifies hot riveting processes, achieving greater precision than in previous procedures. The related heat regeneration process also reduces energy consumption, creating both competitive advantages and cost savings for customers.

Moreover, IWM Automation expanded its range of services to include tube forming. The company has succeeded in creating a

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significant innovation in tube end forming, thereby enabling the automotive industry to implement the important forming of tubes in significantly shorter processing times.

2. Results of operations, net assets and financial position

2.1. Accounting

The consolidated financial statements for M.A.X. Automation AG for the 2012 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 business year

Despite more difficult economic conditions, the M.A.X. Automation Group reported satisfactory business progress overall in 2012. Following on from the previous year's very gratifying growth rates, all the important key indicators remained at a high level, with the order book position reporting a further significant increase. Trends in both core statements nevertheless differed: business in the Industrial Automation segment even fell short of expectations, while already targeted and planned major orders in the Environmental Technology segment failed to be realized.

Section 2.8 to the notes to the consolidated financial statements covers adjustments to the previous year's financial statements due to accounting amendments and corrections.

Continued high demand, especially in the Industrial Automation segment, fed through to consolidated new order intake of € 265.1 million, slightly above the previous year's level (2011: € 264.0 million; +0.4%). The consolidated order book at the year-end reported a marked increase of 19.4%, from € 97.9 million to € 117.0

million. Consolidated revenue amounted to € 244.3 million in the full year (2011: € 260.0 million; -6.0%). Consolidated earnings before interest and tax (EBIT) stood at € 13.4 million (2011: € 16.1 million; -16.7%).

The Management and Supervisory Boards plan to enable shareholders to participate appropriately in the good business progress, and to continue the previous years' dividend-friendly policy. They are proposing to the Ordinary Shareholders' General Meeting, to be held on June 12, 2013, that it approves the payment of a 15 euro cent per dividend share. This would thereby entail a total payout of € 4.0 million.

2.3. Orders

In the reporting year the M.A.X. Automation Group received consolidated new orders amounting to € 265.1 million, representing a slight increase of 0.4% compared with the 2011 level (€ 264.0 million). The order situation in the core segments nevertheless reported very differing trends: Industrial Automation registered dynamic new order intake growth of 20.0% due to high demand from the automotive sector (2011: +40.3%). In Environmental Technology, by contrast, orders fell 17.2% (2011: +17.2%), primarily since already targeted and planned orders failed to be realized due to postponements by customers.

Due to the strategic positioning of the subsidiaries as system providers, the financial year was again characterized by several major orders for renowned international customers: for example, Vecoplan was significantly involved in the construction of a pellet manufacturing system in Texas, thereby establishing a good starting base for follow-up orders. IWM Automation received a number of orders for technologically complex assembly systems for major vehicle producers both in Germany and abroad. These also included the largest individual order to date in the company's history to construct an assembly line for vehicle gear components. NSM Magnettechnik, too, received several major orders

from the automotive industry, including for systems deployed in pressing plants for autobody construction, which represented the largest systems in terms of order value that the company has constructed to date.

The consolidated order book position adjusted to reflect percentage of completion effects amounted to € 117.0 million as of the December 31, 2012 balance sheet date, thereby significantly outstripping the level as of the previous year's reporting date (€ 97.9 million). The continued high level of the order book position creates a good basis for further successful business progress in 2013. The book-to-bill ratio, in other words, the ratio between new order intake and revenue, stood at 1.09, ahead of the previous year's 1.02, providing an indicator of further growth.

2.4. Revenue

Although the revenue of the M.A.X. Automation Group fell in 2012, it remained at a high level. At € 244.3 million, it was € 15.7 million, or 6.0%, below the previous year's figure.

The core segments reported differing revenue trends in this context. In Industrial Automation, revenue of € 120.8 million was 5.8% above the previous year's € 114.2 million. Environmental Technology registered a 15.7% fall in revenue to € 123.7 million (2011: € 146.7 million).

The export share of Group revenue amounted to 57.8% in 2012, slightly ahead of the previous year's 58.5%.

2.5. Earnings

Total output stood at € 247.1 million in 2012, compared with € 259.8 million in the previous year, representing a 4.9% fall. Total output includes a change in finished goods and work in progress of € 1.4 million and other work performed by the company and capitalized of € 1.4 million.

Materials expenses of € 130.2 million were 11.1% below the previous year's level (€ 146.4 million). The cost of materials ratio relative to total output fell to 52.7% (2011: 56.4%), which is partly attributable to a shift in the product mix and a reduction in third-party services.

Personnel expenses rose, by 10.4% to € 69.3 million, also due to the subsidiaries' strategic further development and related hiring (2011: € 62.8 million).

Depreciation and amortization of € 5.1 million stood 9.5% above the previous year's € 4.7 million.

Other operating expenses were up from € 32.5 million to € 34.1 million, with the 4.9% increase being primarily attributable to the expansion of sales and marketing activities across the Group.

The M.A.X. Automation Group reported a 16.7% drop in consolidated operating earnings before interest and tax (EBIT) to € 13.4 million, compared with € 16.1 million in the previous year. EBIT was primarily driven by the Industrial Automation segment. The EBIT margin on consolidated total output amounted to 5.4% (2011: 6.2%).

The net financial result stood at € -1.2 million in the financial year elapsed, compared with € -1.3 million a year previously. This item continues to be primarily determined by the net interest result. The earnings attributable to minority interests, which have been reported in the net financial result to date, are now presented in equity in order to effect a better presentation of the M.A.X. Automation Group's profitability. Section 2.8 to the notes to the consolidated financial statements includes further information on this topic.

Consolidated earnings before tax (EBT) reached € 12.2 million in 2011, compared with € 14.8 million in 2011 (-17.6%).

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An expense of € 3.8 million was incurred as the result of taxes on income and earnings (2011: € 2.7 million). The higher tax charge despite the fall in earnings – with a 31.5% tax rate (2011: 18.1%) – is mainly due to the utilization of the trade tax loss carryforwards of M.A.X. Automation AG. The valuation adjustments formed in previous years for trade tax loss carryforwards were released until 2011 (income: € 1.3 million). This no longer generated a positive effect in 2012.

After-tax net income reached € 8.4 million, compared with € 12.2 million (-31.1%). This is equivalent to € 0.31 of earnings per share, after € 0.45 in the previous year.

2.6. Application of profits

The annual financial statements of M.A.X. Automation AG are prepared according to the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). The company reported net income of € 6.0 million for the 2012 financial year in its separate financial statements, compared with € 8.5 million in the previous year. A € 0.15 dividend per share was paid from the unappropriated retained earnings of 2011, equivalent to a total payout of € 4.0 million.

The Management and Supervisory Boards of M.A.X. Automation Group intend to propose to the shareholders at the Ordinary Shareholders' General Meeting on June 12, 2013 that a dividend of 15 euro cents per share, appropriate to the progress of business, should be paid for the 2012 financial year. A total amount of € 4.0 million would be paid out to shareholders as a consequence.

2.7. Net assets

The M.A.X. Automation Group reported total assets of € 199.6 million as of December 31, 2012, representing 8.0% growth, or € 14.7 million, compared with the figure as of December 31, 2011 (€ 184.9 million).

Total consolidated non-current assets amounted to € 82.7 million, an 8.4%, or € 6.4 million, rise compared with the previous year's

level (December 31, 2011: € 76.3 million). In this context, goodwill was up by € 1.5 million to € 29.3 million due to the acquisition of Waste Tec GmbH that was realized in the second quarter of 2012. Property, plant and equipment grew by € 1.8 million to € 36.2 million, reflecting investments in new production systems. Other assets rose by € 1.4 million to € 4.2 million, resulting from cash deposits for major orders.

Current assets were up by a net 7.6%, or € 8.3 million, to € 116.9 million as of December 31, 2012, compared with € 108.6 million on the prior year's balance sheet date. In this context, future receivables due from production orders increased by 56.9%, from € 49.1 million to € 77.1 million, due to long-term orders that have already started to be realized. Cash and cash equivalents were up by 36.0% to € 22.8 million (December 31, 2011: € 16.7 million), partly due to prepayments received for projects in the Industrial Automation segment.

2.8. Financial position

On the equity and liabilities side of the balance sheet, the Group reported € 88.4 million of equity as of December 31, 2012. The 3.9% increase compared with the figure on the previous year's balance sheet date (€ 85.0 million) arises predominantly from the growth in unappropriated retained earnings from € 43.3 million to € 47.4 million (+9.5%), reflecting the net profit that was generated for the year. The equity ratio remained at a very solid level of 44.3% (December 31, 2011: 46.0%).

Non-current liabilities registered a marked increase from € 23.1 million to € 40.6 million (+76.2%). This change is largely attributable to the rise in non-current bank borrowings, which were up by € 13.9 million to € 22.6 million. The reclassification of the € 13.2 million syndicated loan of M.A.X. Automation AG from current liabilities, due to the two-year prolongation of this loan, exerted a corresponding effect in this context. Other non-current liabilities rose from almost zero to € 1.3 million, and consist

primarily of purchase liabilities connected with the acquisition of Waste Tec GmbH.

Current liabilities were down by 8.1%, from € 76.8 million to € 70.6 million. In this context, trade payables were up by 34.7%, from € 32.3 million to € 43.5 million, primarily reflecting the rise in miscellaneous prepayments received, up € 14.0 million. Current bank borrowings reduced by € 15.9 million to € 6.9 million. This fall results mainly from the aforementioned reclassification of the syndicated loan. Other current financial liabilities were down from € 8.1 million to € 7.6 million. This item also includes the final purchase price installment for mabu-pressen, which was acquired in 2011. Other provisions fell by € 2.0 million year-on-year to € 8.4 million as of the balance sheet date.

2.9. Cash flow

The M.A.X. Automation Group reports positive cash flow from operating activities of € 22.0 million for 2012 (2011: € -0.2 million). Besides the earnings generated in the period under review, prepayments received for projects, in particular, exerted a positive impact in this context.

Investing activities generated a € 7.0 million cash outflow (2011: € -10.9 million). The Group invested € 5.9 million in property, plant and equipment (prior-year period: € 6.6 million).

The cash outflow from financing activities amounted to € 8.9 million (2011: cash inflow of € 0.5 million). Besides a € 4.0 million cash outflow due to the outgoing payment for the dividend for the 2011 financial year, this item includes the redemption of short- and long-term loans totaling € 4.6 million, and of € 1.5 million of outflows for minority shareholders' payment claims. The total of the cash flows generated an increase in cash and cash equivalents to € 22.8 million as of the end of the period under review, compared with € 16.7 million at the start of the reporting period.

Section 2.8 of the notes to the consolidated financial statements contains information about the adjustments to the previous year's figures.

3. Segment reporting

The M.A.X. Automation subsidiaries in both of the core segments of Environmental Technology and Industrial Automation provide system solutions catering to long-term global trends. In the Environmental Technology segment, these trends relate to climate protection, CO₂ emission reduction, and recycling. The focus in the Industrial Automation segment is on constantly growing demand for ever higher-quality and more favorably-priced consumer goods. A relationship exists between the two segments to the extent that higher consumer demand feeds through to a corresponding increase in global waste volumes and growing consumption of raw materials. This necessitates the sparing utilization of finite resources and waste recycling.

3.1. Environmental Technology segment

The companies in the M.A.X. Automation Group's Environmental Technology segment supply industrial companies from numerous sectors with complex automation solutions that pursue two objectives: they serve to recycle both raw and waste materials, including through the recycling of materials into the industrial cycle, or in order to generate substitute fuels. And they enable their customers to comply with emission reduction requirements that are becoming increasingly stringent worldwide. System solutions are always adjusted to customers' individual wishes and requirements in this context.

Market growth is critically impacted by environmental policy regulations. Internationally binding regulations are intended to slow the climate-damaging greenhouse effect through a considerable reduction in carbon dioxide emissions. The European Union (EU) is a global pioneer in this respect. Binding regulations also apply

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to the recycling industry. For example, the German Closed Substance Cycle and Waste Management Act (KrW-/AbfG) requires a 65% recycling rate for municipal waste by 2020. Renewable energies' share of primary energy consumption is also set to increase to 80% by 2050, and should already reach the 35% level by 2020, corresponding to a doubling of today's capacities. Significant long-term growth rates are also forecast for the North American recycling market due to more stringent environmental regulations and growing raw materials demand.

Ever more demanding environmental standards are resulting in rising demand for environmental technology automation systems with corresponding demand repercussions for the subsidiaries of M.A.X. Automation AG. In view of this situation, long-term market growth is anticipated for the core Environmental Technology segment, across business cycles, and enjoying good prospects also in a difficult economic environment.

The M.A.X. Automation Group operates in its Environmental Technology core segment through its Vecoplan Group and altmayerBTD GmbH & Co. KG subsidiaries.

3.1.1. Vecoplan Group

The Vecoplan Group is a globally leading provider of innovative and resource-conserving systems and components for the processing of wood and waste in the manufacturing and recycling industries. The company is a specialist in the shredding and processing of primary and secondary raw materials, and develops stationary machines and plants. The company operates subsidiaries in Germany, the USA, the UK, Austria and Spain, as well as numerous sales and service locations worldwide. Its customers include the international forestry and paper industry, recycling companies, as well as the plastics and cement industries, among others.

In 2012, Vecoplan took over Waste Tec GmbH in Wetzlar, Germany, in connection with its objective of further developing

the Group into a system provider. Along with strengthening its technological expertise as one of the globally leading providers of innovative and sustainable system solutions in the raw and waste materials processing area, the acquisition allows Vecoplan to expand its range of services, and to bolster its international market position.

The Vecoplan Group registered an overall drop in business in 2012. This was partially due to the fact that it was not possible to realize major projects that had already been targeted and planned. Vecoplan expanded its product portfolio through developing machines to recycle aluminum and other nonferrous metals. The wood processing area registered growth: Vecoplan had already established a good position on the pellet market, and received an order in the year under review to build a pellet plant in Texas.

The Vecoplan Group's revenue and earnings in 2012 stood below the previous year's level. Along with a receivables default in the mid-six-digit range in terms of euros, cost-intensive measures – such as the hiring of qualified staff – to position the company as an international system provider, burdened earnings. Appropriate measures to optimize the organization and processes were launched.

The Management Board is nevertheless convinced that these investments will help to improve the Vecoplan Group's market position in the medium term, with positive revenue and earnings effects ensuing.

3.1.2. altmayerBTD

altmayerBTD designs, develops and sells systems to store and convey explosive bulk materials. The company also manufactures specialist plant for flue gas cleaning to reduce dioxin, furan and sulfur emissions. altmayerBTD is also one of Europe's leading producers of tanks and containers whose product range spans brown coal dust silos, heated and drinking water systems, and buffer storage

systems. Among other applications, altmayerBTD's systems are used in the chemicals industry, in food manufacturing companies, plastics and cement industry companies, in power plants and steelworks, utilities, as well as in the solar sector.

In 2012 altmayerBTD registered moderate business growth.

Production processes at the Dettenhausen site were gradually optimized in order to adjust manufacturing to the change in the product mix, due to a shift away from standard containers towards special solutions. Construction started of a new production plant in Dettenhausen for the high-growth buffer storage system area.

The plant engineering business was again especially affected by the debate about the so-called energy revolution in Germany, which resulted in a greater orientation towards renewable energies, and therefore away from coal-fired power plants. altmayerBTD aims to offset this trend through increased internationalization, since many countries will continue to focus on coal as an energy source.

3.1.3. Environmental Technology core segment key figures

In the Environmental Technology core segment, consolidated new order intake fell 17.2% to € 114.5 million in 2012 (2011: € 138.2 million). The order book position amounted to € 29.5 million, compared with € 40.0 million in the previous year (-26.0%). Segment revenue totaled € 123.7 million, down 15.7% year-on-year (2011: € 146.7 million). The export share of revenue stood at 67.5%, compared with 72.1% in the previous year.

Segment operating profit (EBIT) amounted to € 2.5 million in the year under review, compared with € 5.4 million in the previous year (-54.4%), with the fall being essentially due to the lower revenue base.

The M.A.X. Automation Group employed an average of 517 employees in the Environmental Technology segment last year

(excluding trainees). This represents an increase of 54 individuals compared with the previous year (463 employees). This increase is partly attributable to the establishment of the system business, and the takeover of Waste Tec GmbH.

Environmental Technology core segment key figures

	2012 In EUR mill.	2011 In EUR mill.	Change
Segment revenue	123.7	146.7	-15.7%
– of which from abroad	83.5	105.7	-21.1%
Segment result	2.5	5.4	-54.4%
Employees* (number)	517	463	+11.7%

* Annual average excluding trainees

3.2. Industrial Automation segment

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 quality.

In 2012, the Industrial Automation core segment continued the previous years' growth dynamism, and partially even strengthened it. The subsidiaries in the Industrial Automation segment registered a sharp increase in demand given global demand growth for high-quality automation solutions, especially among German automotive manufacturers and automotive suppliers, which further expanded their capacities, or are planning expansion and modernization investments to extend their market positions. The strategy of focusing on German manufacturers proved correct in this context.

In its Industrial Automation core segment, the M.A.X. Automation Group operates through its subsidiaries NSM Magnettechnik Group, bdtronic Group (formerly: BARTEC Dispensing Technology Group),

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

3.2.1. NSM Magnettechnik Group

NSM Magnettechnik is a technologically leading system provider of handling and conveying systems for metals. The company designs, manufactures, assembles and maintains plants to automate materials flows. NSM possesses specific know-how in the area of 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.

In the 2012 financial year, NSM Magnettechnik reported a significant increase in new order intake, especially in the press automation area. These new orders included two major orders from the autobody construction area to produce systems in pressing plants in the UK and China. In terms of order value, these represented the largest systems that this company has constructed to date.

NSM Magnettechnik reported a very gratifying trend in revenue and earnings in the year under review.

3.2.2. bdtronic Group

bdtronic is one of the world's leading providers of dosing and metering technology systems. The company has also developed itself into a system provider of assembly and production automation that focuses on electronic components. Along with the automotive industry, its customers include electronics and electrical goods producers, filter manufacturers and medical technology companies, among others.

The bdtronic Group reported a further gratifying trend in business in the 2012 financial year, having already in 2011 booked the most successful year since it was founded. Revenue was up year-on-year, especially due to stable demand in the dosing

and metering technology area. The trend towards the greater deployment of electronic components in cars and technological advances in the areas of heat staking and impregnation also positively affected demand.

bdtronic GmbH operated under the corporate name of BAR-TEC Dispensing Technology GmbH until October 1, 2012. The company was renamed because the old name focused strongly on dosing and metering technology, while the company has expanded its range of services in recent years to the areas of impregnation technology, automation, and plasma and heat stake procedures.

3.2.3. IWM Automation Group

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

IWM Automation reported a very pleasing financial year in 2012 with significant new order intake and revenue growth. The company boasted a new record order book position as of the year-end.

Further major orders were acquired from the automotive industry in the year under review, including the largest single order in the company's history. These major orders comprised the construction of systems for the assembly of vehicle gear components, as well as steering and seating components, both in Germany and abroad. The company expanded its capacities at its headquarters in Porta Westfalica as a result of the orders.

3.2.4. Mess- und Regeltechnik Jücker

As an internationally-operating specialist provider in the software and controls technology area, Mess- und Regeltechnik Jücker has positioned itself 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 a positive financial year in 2012. Both new order intake and revenue registered further growth. The company commissioned systems across the whole of Europe in the year under review, with very dynamic trends being witnessed especially in the automotive area.

Mess- und Regeltechnik Jücker GmbH was distinguished in 2012 as the "Best Regional Training Company" by the Chamber of Industry and Commerce of the Bonn/Rhine-Sieg region. In this context, the Chamber paid particular tribute to the best training performance in 2011/2012 in North Rhine-Westphalia in the mechatronics engineering profession.

3.2.5. EUROROLL

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

EUROROLL reported very successful growth in 2012. The company raised its new order intake due to a new record level in the company's history owing to several major orders. Revenue also registered considerable growth. Business in Europe, Brazil and the Middle East grew especially positively.

3.2.6. Industrial Automation segment key figures

The consolidated new order intake of the M.A.X. Automation Group in its Industrial Automation segment amounted to € 150.7 million in the 2012 financial year, representing 19.8% growth

compared with the previous year (€ 125.8 million). The consolidated order book position stood at € 87.5 million, compared with € 58.1 million in the previous year (+50.5%).

Segment revenue of € 120.8 million was up by 5.8% compared with 2011 (€ 114.2 million). Of the revenue, around 47.8% was attributable to exports, compared with 40.9% in the previous year (+6.9 percentage points). Segment operating earnings (EBIT) improved to € 12.8 million, after € 12.2 million in the previous year (+5.0%).

The number of employees in the Industrial Automation segment stood at 598 individuals on a year-average basis in 2012 (excluding trainees). The Group had employed an average of 545 staff in the previous year (+53 individuals). This hiring is due to significantly higher demand and the good order book position.

Industrial Automation segment key figures

	2012 In EUR mill.	2011 In EUR mill.	Change
Segment revenue	120.8	114.2	+5.8%
– of which from abroad	57.7	46.4	+24.6%
Segment result	12.8	12.2	+5.0%
Employees* (number)	598	545	+9.7%

* Annual average excluding trainees

4. Investments

The M.A.X. Automation Group invested € 10.0 million in non-current segment assets in 2012, compared with € 11.3 million in 2011. Key items in this context included capacity expansions at IWM Automation as well as investments in modern production sites for altmayerBTD.

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5. Personnel report

The high new order intake in the Industrial Automation core segment and the takeover of Waste Tec GmbH in the Environmental Technology core segment fed through to a higher level of employee numbers in the Group in 2012. In this context, the subsidiaries continued to pursue the principle of hiring on a measured basis, and after exhausting other options to cover higher demand.

The Group employed a total of 1,251 staff, including trainees, as of the December 31, 2012 balance sheet date (previous year: 1,143 staff; +9.4%). The number of individuals employed in the year under review, including trainees, grew by 109 to 1,207 employees (2011: 1,098 individuals; +9.9%).

Despite the more difficult economic conditions, employees continued to play a significant role in 2012 in the positive development of the M.A.X. Automation Group. With their specialist knowledge, valuable experience and substantial commitment, they made a considerable contribution to handling the subsidiaries' high demand levels, and to maintaining and expanding their competitive positions. The Management and Supervisory Boards would like to thank all employees at the subsidiaries and at the holding company for this outstanding achievement.

The M.A.X. Automation Group endeavors to offer attractive further development prospects to well-trained and motivated staff. High trading standards, as well as the promotion and long-term loyalization of committed employees, form central components of personnel policy across the Group.

6. Environmental protection

The M.A.X. Automation Group places great emphasis on the protection of the environment, in connection with the prudent and

sparing utilization of resources. For this reason, the subsidiaries are strongly committed to fully adhering to all statutory environmental regulations on the markets in which they operate. The constant development of internal environmental protection standards also takes high priority, for example in the areas of waste avoidance and disposal, emission protection, noise control and the efficient use of resources.

The M.A.X. Automation Group continued to pay particular attention to the prudent and sparing utilization of resources in 2012. The operating activities of the M.A.X. Automation Group placed no extraordinary burdens on the environment in the year under review.

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

Pursuant to § 315 Paragraph 4 of the German Commercial Code (HGB) parent companies that are stock exchange-listed are obligated to make disclosure in the Group management report of information relevant to corporate takeovers, such as the composition of capital, shareholder rights and shareholder right limitations, shareholder relationships, and corporate governing bodies. The disclosures relate to the implementation of Regulation 2004/25 EC of the European Parliament and Council of April 21, 2004, concerning takeover offers.

Companies whose voting-right-entitled equities are listed on an organized market in the meaning of § 2 Paragraph 7 of the German Securities Acquisition and Takeover Act (WpÜG) must make such disclosures irrespective of whether a takeover offer has been submitted, or is expected. These disclosures are designed to allow potential bidders to gain an extensive picture of the company, and to alert it to any potential obstacles to takeover.

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

a) Composition of subscribed capital

The subscribed capital of M.A.X. Automation AG of € 26,794,415 is composed of 26,794,415 nil-par ordinary bearer shares, each of which grants the same rights, in particular, the same voting rights. No differing classes of equity exist. One ordinary share has a notional share in the 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, one direct or indirect investment in the issued share capital of M.A.X. Automation AG exists 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 (status as of December 31, 2012).

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

d) Shares with special rights

No shares exist 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. Pursuant to the articles of incorporation, the Supervisory Board determines the number of Management Board members. Management Board members are nominated and recalled pursuant to the statutory provisions of §§ 84 and 85 of the German Stock Corporation Act (AktG). With the exception of the court nomination of replacements, the Supervisory Board has sole responsibility for the nomination and recall of Management Board members.

It appoints Management Board members for a maximum period of five years. Repeated appointments or extensions of periods of office are permitted, in each case for a maximum of five years. The Supervisory Board is permitted to appoint a chairperson and a deputy chairperson of the Management Board.

In keeping with the regulations of the German Corporate Governance Code, the maximum possible period of appointment of five years is not the rule in the case of first-time appointments. By way of divergence from § 179 Paragraph 2 of the German Stock Corporation Act (AktG) and pursuant to § 17 Paragraph 1 of the articles of incorporation, modifications to the articles of incorporation of M.A.X. Automation AG require a resolution of the Annual General Meeting with solely a simple majority of votes,

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to the extent that neither statutory requirements nor the articles of incorporation contain more extensive provisions. The Supervisory Board is authorized to make modifications to the articles of incorporation that relate solely to wording. In all other matters, the statutory provisions of §§ 179 and 133 of the German Stock Corporation Act (AktG) apply.

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

The Management Board is authorized, with Supervisory Board assent, to increase the company's share capital in the period until June 9, 2015, once or on several occasions, by a total of up to € 6,698,000.00 through issuing new voting-entitled ordinary bearer shares against cash capital contributions ("Approved Capital I"). The Management Board is also authorized, with Supervisory Board assent, to determine the start of dividend entitlement that diverges from the law, as well as to determine further specifics of a capital increase and its implementation, especially the issue amount, and the consideration to be rendered for the new shares, as well as the granting of subscription rights by way of indirect subscription rights pursuant to §186 Paragraph 5 of the German Stock Corporation Act (AktG).

The Management Board is also authorized, with Supervisory Board assent, to increase the company's share capital in the period until June 9, 2015, once or on several occasions, by a total of up to € 5,330,000.00 through issuing new voting-entitled ordinary bearer shares against cash capital contributions ("Approved Capital II"). The capital increases can be against 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 especially 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 (also if a purchase price component is paid in cash along with the shares), if the purchase of the company or investment lies in the generally agreed interest of the company, and

- 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 this authorization becomes effective, and at the time of the exercise of this 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 Shareholders' General Meeting pursuant to § 71 Paragraph 1 Number 8 of the German Stock Corporation Act (AktG) during the period of effectiveness of the authorization, and which are sold pursuant to §§ 71 Paragraph 1 Number 8, 186 Paragraph 3 Clause 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 Supervisory Board assent, to determine the start of dividend entitlement that diverges from the law, as well as to determine further specifics of a capital increase and its implementation, especially the issuer amount, and the consideration to be rendered for the new shares, as well as the granting of subscription rights by way of indirect subscription rights pursuant to §186 Paragraph 5 of the German Stock Corporation Act (AktG).

The Management Board is authorized, with Supervisory Board assent, to issue profit-sharing rights until June 19, 2016, once or on several occasions. The total nominal amount of the profit-sharing right may not exceed € 25,000,000.00. Besides in euros,

the profit-sharing rights can also be issued in the legal currency of an OECD country, albeit restricted to the corresponding euro consideration.

The profit-sharing rights must be offered to shareholders for subscription. They can also be transferred to a bank or a banking syndicate with the obligation that they be offered to shareholders for subscription.

The Management Board is nevertheless authorized, with Supervisory Board assent, to exclude residual amounts from shareholders' subscription rights, which arise due to the subscription ratio. The Management Board is also authorized, with Supervisory Board assent, to exclude shareholders' subscription rights in order to offer the profit-sharing rights to individual investors for subscription if the issue price is not significantly less than the profit-sharing rights' theoretical market value as calculated by recognized finance-mathematical methods, and if the profit-sharing rights are only largely structured similarly to bonds, in other words, substantiating neither subscription nor conversion rights to M.A.X. Automation AG shares, nor granting an interest in liquidation proceeds, and the level of interest is not based on the level of the dividend.

The profit-sharing rights can wholly or partially carry variable interest based on the annual net profit or the unappropriated retained earnings, for example.

The Management Board is authorized, with Supervisory Board assent, to determine the further details of the issuing and terms of the profit-sharing rights, especially the issue price, denomination, term and the level of interest.

The company has not utilized these authorizations to date.

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

The company has entered into no significant agreements 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 the six meeting days. Fixed remuneration for the Supervisory Board for the 2012 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. Section 6.10 of the notes to the consolidated financial statements presents the total compensation of the Supervisory Board.

8.2. Remuneration of the Management Board

The Management Board consisted of one person in the 2012 financial year.

Section 6.10 of the notes to the consolidated financial statements presents the compensation paid in the 2012 financial year to the Management Board member in office.

The compensation scheme of M.A.X. Automation AG is based on the principle of being oriented to performance and earnings, reflecting a corporate culture of performance and reward. The Management Board's total compensation comprises fixed and performance-related components. Criteria for the appropriateness of compensation include, in particular, the tasks and responsibilities incumbent upon the Management Board

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member, his personal performance, the economic situation, the company's success, profitability and future prospects taking into account the market environment and the standard nature of the level of compensation and the compensation structure measured against the wage and salary structure within the company, as well as other companies of comparable dimension and sector. The compensation structure is based on sustainable corporate development. The variable compensation components included in the Management Board employment contracts have also comprised a multi-year measurement basis since 2012, and contain regulations whereby an appropriate reduction of compensation is permissible if the company situation deteriorates to the extent that continued granting of compensation would be inappropriate. The Management Board compensation includes a cap. No stock options were granted. The fixed compensation components consist of a fixed salary and benefits in kind, including a pension commitment. The performance-based variable compensation is based on the consolidated net income for the year, in other words, consolidated earnings after tax.

The Management Board members' employment contracts include no commitments for the instance of the early termination of Management Board activity, and for the instance of the ending of Management Board activity due to a change of control.

9. Risk report

9.1. Risk management and internal controlling system

Along with the timely identification and management of risk, the management of opportunities and risks within 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 Act concerning Corporate Control and Transparency (KonTraG). This allows potential risks to be identified promptly, and countermeasures to be introduced at M.A.X. Automation AG as the holding company as well as at its subsidiaries. The risk management system was fundamentally reviewed in 2009, and its processes were optimized further 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 consists of different 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 fixed measures to control the risk is formulated. The system is completed by a list of potential risk examples, as well as a set of guidelines for using the electronic file. The reporting interval for subsidiaries to the parent company is set to the quarter-end, and the reports are relayed by data transfer.

The reporting system represents a key component of the internal controlling system, which M.A.X. Automation AG constantly further develops as part of value-oriented reporting.



M.A.X. Automation AG's accounting handbook 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 handbook is updated regularly.

M.A.X. Automation has worked on a standard basis with LucaNet consolidation software since mid-2008, which is also utilized to prepare the medium-term planning across the Group.

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/actual analysis. An additional management report comments on deviations from the budget, provides information about measures designed to meet the budget, progress during the current reporting month, and other significant key topics such as market and competitive conditions, investments, financing, and legal matters. The report is rounded out with verbal clarifications.

Risk management was extended in 2007 to include information about risks pertaining to financial instruments pursuant to 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 new controlling concept was launched in 2011, which supports the subsidiaries' management teams in implementing Group objectives. The new controlling concept was implemented across the Group in 2012. The primary aim of M.A.X. Automation AG is the profitable further development of its individual subsidiaries while deploying capital efficiently at the same time.

A standard contracts handbook for all subsidiaries was developed in 2012.

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 utilization of synergies, and operational business management measures.

The rules of internal procedure of the subsidiaries, or relevant management employment contracts, set out the rules of business. These require the approval of the Management Board of M.A.X. Automation AG. Managers supervise the individual functional areas in the subsidiaries. Our auditors also regularly audit the internal controlling system within our companies.

By way of conclusion, it should be noted that neither the risk management system nor the internal controlling system can provide absolute security: even when utilized with the requisite care, the installation of appropriate systems can be generally prone to error.

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 weaken further in 2013. Significant influencing factors in this context include the continued sovereign debt crisis in

GROUP MANAGEMENT REPORT

Europe and the resultant loss of confidence among companies, consumers and investors, as well as uncertainties relating to economic trends in the USA. Political crises, a general rise in protectionist tendencies, as well as potential efforts on the part of major economic powers to devalue their currencies in order to support exports, can also negatively impact the global economy. By contrast, expectations of the mechanical and plant engineering sector are somewhat more optimistic than in the previous year, although only slight production growth is anticipated, however. Should sector trends emerge positively in line with current expectations, securing materials availability and prices against a backdrop of further rising demand on global markets will become more important for the subsidiaries. Higher purchasing prices could feed through to lower margins, and bottlenecks at suppliers could result in missed deadlines and contractual penalties. Should sector growth weaken, however, especially over a longer period, it could negatively affect the order book positions of the M.A.X. Automation AG subsidiaries. In this context, waning demand for the subsidiaries' products and services would exert a negative impact on the profitability of M.A.X. Automation AG and the Group.

• **Currency and interest rate risks:** Exchange-rate risks require attention with respect to business operations in the USA, and the tapping of new markets outside the Eurozone. At the individual subsidiaries, 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 risks. Market-price risks may result from forward foreign-exchange sales if the related agreements require that currencies be sold on the settlement 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 noted German banks. The SoFFin (Sonderfonds

Finanzmarktstabilisierung – Special Financial Market Stabilization Fund), which the German Federal Government renewed at the time of the European sovereign debt crisis at the end of 2011, and extended until the end of 2014, additionally limits German banks' default risk. Market liquidity risks are 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. Qualified industrial education and further training are intended to secure employees' specialist expertise. Variable remuneration components that are measured against our profitability are intended to promote entrepreneurial thinking and activity on the part of our staff. Recruiting qualified personnel has become increasingly difficult given the global market environment for mechanical and plant engineering, which continued to prove vigorous in 2012, and the growing complexity of projects. For this reason, the M.A.X. Automation Group companies focus not only on training and developing their own staff, but also on exchanging know-how within the Group.

• **Loss 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:** The risk exists at all M.A.X. Automation AG subsidiaries 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, delays occur, or competitors adopt 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 risks through intensive observation of the market, comprehensive project controlling, and close communication with customers.

- **Financing and liquidity risks:** The failure to abide by covenant restrictions may lead to banks cancelling credit facilities or raising interest rates.

Not all subsidiaries complied with covenants agreed with the Group's lending banks in 2012. The banks were informed of this rapidly. The company is not aware of any negative effects on the provision of lending, and such negative effects are also not anticipated currently.

Counterparty default risk is limited by the fact that banking transactions are concluded exclusively with renowned German banks.

Given some Western states' high level of indebtedness, and the continued poor condition of banks' balance sheets, however, it cannot be excluded that more restrictive bank lending policies might narrow the Group's financing options, and/or entail higher borrowing costs. Liquidity risks may arise from the inability to satisfy payment obligations on a timely basis. As a rule, such risks are normally associated with negative developments in the operating business. The Management Board currently identifies no indications of such a trend, however.

Besides the risks mentioned in the risk report, there are no further identifiable risks, either individually or in combination, which might jeopardize the Group and M.A.X. Automation AG as going concerns.

As part of auditing the 2012 annual financial statements, the auditor examined the risk management system of the parent company and the Group. It arrived at the conclusion that the system is appropriate to comply with statutory risk management requirements.

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

Legal background

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

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

GROUP MANAGEMENT REPORT

also relating to § 315 Paragraph 2 Number 5 HGB) is also required after the coming into force of the German 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 2012 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 financial accounting efficacy, proper financial 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 financial 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 financial 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) financial accounting process may be described as follows:

- The M.A.X. Automation Group is distinguished by clear organizational, corporate, and controlling and supervisory structures.
- Groupwide 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 Groupwide risk management guidelines and an accounting handbook), which are adapted as required.
- Departments involved in the financial accounting process comply with quantitative and qualitative requirements.
- Key accounting-related processes are subject to regular analytical audits. The existing Groupwide risk management system is constantly adapted to current developments and checked with respect to functionality. The auditor, Ebner Stolz Mönning Bachem GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Hanover, examined the system as part of the audit of the consolidated financial statements.
- The Supervisory Board regularly concerns itself with risk management questions.

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

The internal controlling and risk management system relating to the financial 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, and 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 financial 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 following the reporting date

Besides this, no events of significance occurred after the end of the reporting period affecting the M.A.X. Automation Group's net assets, financial position or results of operations.

12. Outlook and opportunities

12.1. Economic environment

Most economists assume that the global economy will weaken further in 2013, although they are not expecting a global recession. In January of this year, the International Monetary Fund (IMF) further downgraded its 2013 growth forecast, expecting 3.5% global growth (previously: 3.6%). The sovereign debt crisis in Europe that is provoking a loss of confidence among companies, consumers and investors, and economic uncertainties in the USA, remain factors that can negatively affect economic growth.

The emerging industrial economies of Asia and Latin America, above all China, will again account for the major share of global growth in 2013. These countries meanwhile comprise almost 50% of aggregate world output.

As far as the German economy is concerned, the IMF anticipates 0.6% gross domestic product (GDP) growth in 2013, down from the previous year's 0.9%. At the same time, Germany would thereby again differ from the Eurozone, which is even set to suffer a 0.2% decline, according to the January forecasts. The German Federal Government estimates that the German economy will now grow by only 0.4% following its significant downgrade back in autumn 2012. The Munich-based ifo Institute expects that, following a temporary stagnation in economic output over the course of the year, private consumption and growing demand outside Europe for German exports will come to the fore again – provided that the euro crisis does not worsen further.

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

The German mechanical engineering sector takes a generally optimistic view of 2013 business trends. The German Engineering Federation (VDMA) expects production to grow by 2%. It assumes that efforts to overcome the European sovereign debt crisis will be continued, moderate demand from important markets such as China recovers somewhat, and that economic growth in the USA continues. Overall, the VDMA regards the growth prospects for the German mechanical and plant engineering sector as very good.

The German automotive industry expects moderate growth on the global automotive market in 2013. The German Automotive Industry Association (VDA) sets a target of 70 million new registrations,

Sources:

- International Monetary Fund (IMF): World Economic Outlook, Update October 2012 and January 2013
- ifo Institute, Munich: ifo economic forecast 2012/2013, December 13, 2012
- German Federal Government, Annual Economic Report, January 16, 2013

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compared with 68 million new vehicles registered in 2012. It nevertheless anticipates that the Western European car market will experience a slight weakening of 3% to 11.4 million new registrations.

The global market for environmental technology will more than double over the long term until 2025, according to Roland Berger Strategy Consultants. It forecasts annual growth of more than 5% in this context. It believes that German companies are well positioned on the global market accordingly, and can retain their current global market share averaging 15% until 2025. The recycling market is set to grow by an average of more than 3% per year until 2025. Overall, economic and social megatrends (demographic trends, urbanization, growing industrialization of emerging economies, resource scarcity, and climate change) will affect social, political and consequently also economic conditions worldwide over the coming decades, comprising the critical drivers for growth in so-called "green future markets", according to these experts.

12.3. Strategic focal points and opportunities

With its core segments of Environmental Technology and Industrial Automation, the M.A.X. Automation Group is correctly positioned in strategic terms to benefit long-term from global trends in both areas. The subsidiaries operate on sustainable growing future markets, and have successfully expanded their international business.

Industrial automation is driven by constant demand growth worldwide, especially in emerging industrial economies. The need for modern and consequently efficient production processes is also growing in these countries, however. This relates especially to the automotive industry, which is exhibiting

pleasing sales trends overall. Intense competition, technological innovations and people's changing mobility requirements will require automotive manufacturers to invest in their production capacities in both the medium and long term.

Environmental technology is characterized by global efforts at climate protection, the sparing and prudent utilization of natural resources, and the growing significance of recycling. This trend is underpinned by increasing regulation at regional, national and international levels. Especially in the last two years, debates concerning responsible concepts to meet global energy demand growth have become more intense, not least as a result of the earthquake and nuclear catastrophe in Japan in 2011. In Germany, this debate is conducted under the headline of the "energy revolution".

Both M.A.X. segments are closely interconnected as far as the aforementioned global trends are concerned, because constant consumption growth is resulting in a corresponding increase in global waste volumes and rising raw materials consumption. In turn, this necessitates ever more sparing utilization of finite raw materials, and efficient waste recycling procedures. The M.A.X. Automation Group covers both areas with its subsidiaries, thereby assuming a special market position.

The M.A.X. Automation AG subsidiaries continue to pursue the goal of developing innovative and individual technological solutions, thereby achieving sustainable optimization in production processes for their customers. This creates the foundation for long-term and trusting cooperation with customers, and the receipt of technologically complex major orders.

Sources:

- VDMA, press release "Engineering sector faring well in tough conditions", December 13, 2012
- VDA (German Automotive Industry Association), press release "2013 wird ein herausforderndes Jahr", December 4, 2012
- Roland Berger Strategy Consultants, press release, September 10, 2012

The M.A.X. Automation Group will continue its activities in this connection, further developing its operating companies' range of services on a targeted basis, and establishing them as internationally-operating providers of complex system solutions. The M.A.X. Automation Group retains its objective of reaching revenue of around € 500 million in the medium term. Along with organic growth, an expansion of the existing portfolio through acquisitions in both Germany and abroad is being examined to this end, in particular. The precondition is that acquisitions provide meaningful additions to the existing portfolio, especially with regard to technological expertise and market knowledge. The further internationalization of business remains a high priority, with the Asian market being of growing significance for the subsidiaries.

12.4. Prospective business trends

From today's perspective, the Management Board is assuming that business trends will remain positive in 2013. This applies to both Group segments: in Industrial Automation, further growth is anticipated due to the high order book position, and the M.A.X. companies' focus on German automotive manufacturers. A willingness to invest, especially by German vehicle manufacturers, is set to continue, prospectively also feeding through to demand for automation solutions. In the Environmental Technology segment, the Management Board anticipates that the efforts that have been made to position the Vecoplan Group as an international provider of system solutions can deliver powerful impulses in 2013.

Economic uncertainties warrant caution in 2013, especially the European sovereign debt crisis, which could negatively impact economic investment patterns and consumer spending propensity.

In the absence of any unpredictable negative events of significant impact for the M.A.X. Automation Group, the Management Board assumes that both consolidated revenue and operating earnings (EBIT) will outstrip their previous year's levels in 2013.

Further business growth is also expected for 2014, as long as the economic conditions and our customers' attendant investment behavior do not undergo long-term deterioration.

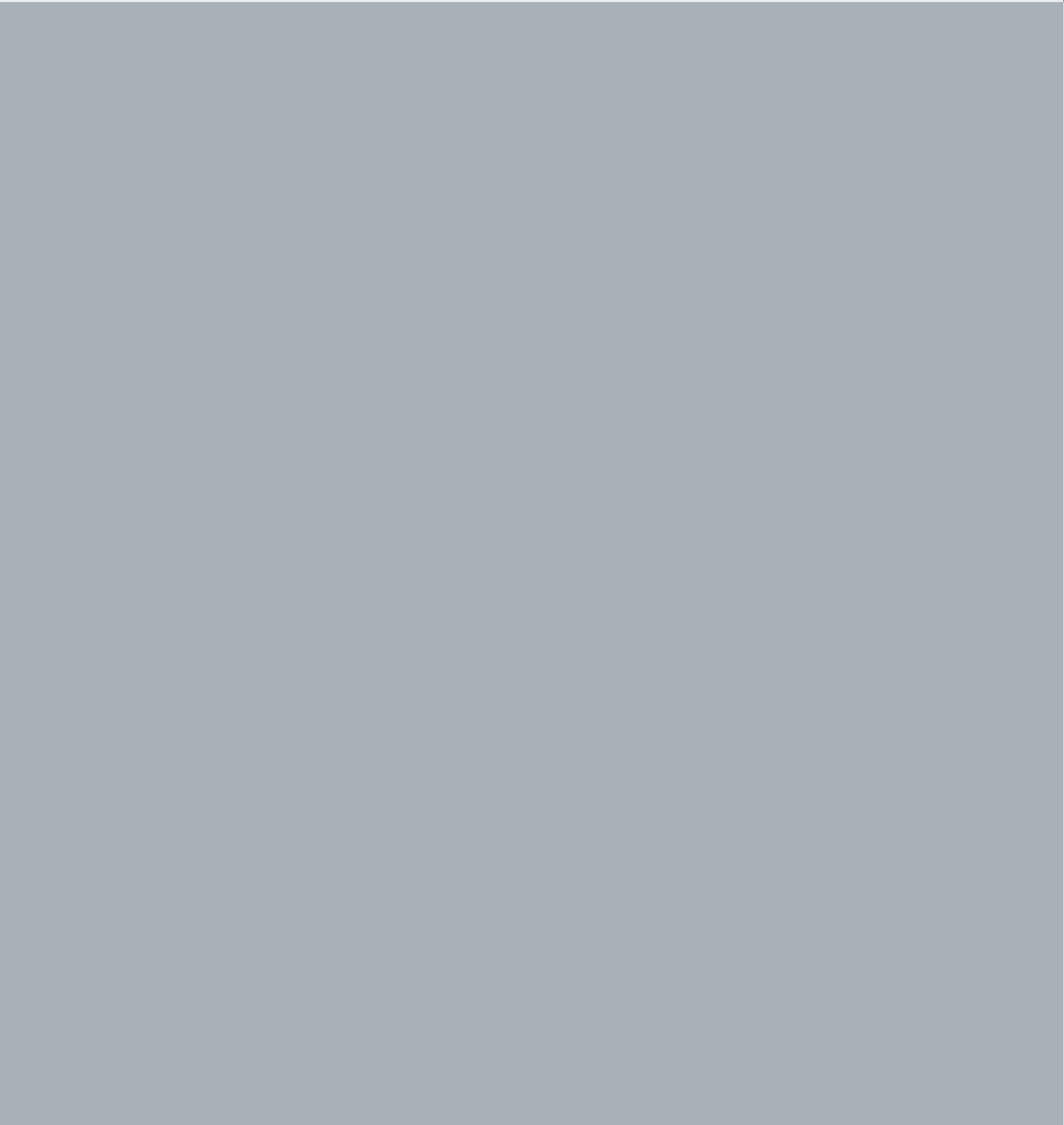
Düsseldorf, March 25, 2013



Bernd Piske
Management Board



CONSOLIDATED FINANCIAL STATEMENTS



CONSOLIDATED BALANCE SHEET

for M.A.X. Automation AG, Düsseldorf,
as of December 31, 2012

ASSETS	Notes	31.12.2012 TEUR	31.12.2011 TEUR	1.1.11 TEUR
Non-current assets				
Intangible assets	(1)	5,310	4,256	1,204
Goodwill	(2)	29,277	27,810	27,638
Property, plant and equipment	(3)	36,241	34,438	31,650
Financial assets recognized according to the equity method	(4)	0	0	0
Other financial investments	(5)	557	361	215
Deferred tax	(6)	7,180	6,668	5,065
Other non-current assets	(7)	4,169	2,794	2,884
Total non-current assets		82,734	76,327	68,656
Current assets				
Inventories	(8)	37,408	37,373	28,945
Trade receivables	(9)	53,372	49,216	33,607
Receivables due from related companies	(10)	199	811	0
Prepayments and accrued income, and other current assets	(11)	3,147	4,440	3,322
Cash and cash equivalents	(12)	22,765	16,745	27,291
Total current assets		116,891	108,585	93,165
Total assets		199,625	184,912	161,821

EQUITY AND LIABILITIES	Notes	31.12.2012	31.12.2011	1.1.11
		TEUR	TEUR	TEUR
Equity				
Subscribed capital	(13)	26,794	26,794	26,794
Capital reserves	(14)	3,055	3,055	3,055
Revenue reserve	(14)	11,240	11,929	9,454
Equity difference resulting from currency translation		-131	-41	-275
Unappropriated retained earnings	(15)	47,415	43,292	38,064
Total equity		88,373	85,029	77,092
Non-current liabilities				
Liabilities arising from minority shareholder settlement claims	(16)	1,667	1,039	108
Non-current loans less current portion	(17)	22,619	8,701	23,096
Pension provisions	(18)	715	646	564
Other provisions	(24)	1,714	2,182	1,686
Deferred tax	(6)	12,626	10,444	8,060
Other non-current liabilities	(17)	1,289	48	56
Total non-current liabilities		40,630	23,060	33,570
Current liabilities				
Trade payables	(19)	43,515	32,310	30,788
Current loans and current portion of non-current loans	(20)	6,883	22,795	4,262
Liabilities to associated companies	(21)	29	28	52
Current liabilities arising from minority shareholder settlement claims	(16)	33	719	0
Other current financial liabilities	(22)	7,594	8,101	5,296
Income tax provisions and liabilities	(23)	2,462	1,534	803
Other provisions	(24)	8,418	10,392	8,993
Other current liabilities	(25)	1,688	944	965
Total current liabilities		70,622	76,823	51,159
Total liabilities and equity		199,625	184,912	161,821

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

of M.A.X. Automation AG, Düsseldorf,
for the period from January 1 to December 31, 2012

	Notes	2012 TEUR	2011 TEUR
Revenue	(26)	244,317	259,997
Change in finished goods and work in progress		1,422	-2,316
Work performed by the company and capitalized		1,375	2,122
Total output		247,114	259,803
Other operating revenue	(27)	4,985	2,703
Materials expenses	(28)	-130,167	-146,421
Personnel expenses	(29)	-69,297	-62,793
Depreciation and amortization	(30)	-5,119	-4,676
Other operating expenses	(31)	-34,092	-32,509
Operating profit		13,424	16,107
Profit/loss on investments measured at equity	(32)	0	-25
Miscellaneous investment income		0	4
Net interest result	(33)	-1,526	-1,397
Other financial profit/loss	(34)	333	159
Earnings before tax		12,231	14,848
Income tax	(35)	-3,848	-2,681
Net income		8,383	12,167
Other comprehensive income			
Change arising from currency translation		-90	234
Change in settlement obligations to minority shareholders	(16)	-930	-1785
Other comprehensive income after tax		-1,020	-1,551
Comprehensive income		7,363	10,616
Earnings per share (diluted and undiluted) in EUR	(36)	0.31	0.45

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for M.A.X. Automation AG, Düsseldorf,
for the 2012 financial year

	Subscribed capital TEUR	Capital reserves TEUR	Retained earnings TEUR	Currency translation difference TEUR	Unappropriated retained earnings TEUR	Total TEUR
As of January 1, 2011 (as reported)	26,794	3,055	9,993	-272	37,522	77,092
As of January 1, 2011 (corrected)	26,794	3,055	9,454	-275	38,064	77,092
Dividend payments	0	0	0	0	-2,679	-2,679
Transfer to retained earnings	0	0	4,260	0	-4,260	0
Comprehensive income	0	0	-1,785	234	12,167	10,616
As of December 31, 2011	26,794	3,055	11,929	-41	43,292	85,029
As of January 1, 2012	26,794	3,055	11,929	-41	43,292	85,029
Dividend payments	0	0	0	0	-4,019	-4,019
Transfer to retained earnings	0	0	241	0	-241	0
Comprehensive income	0	0	-930	-90	8,383	7,363
As of December 31, 2012	26,794	3,055	11,240	-131	47,415	88,373

CONSOLIDATED STATEMENT OF CASH FLOWS

of M.A.X. Automation AG, Düsseldorf,
for the period from January 1 to December 31, 2012

	1.1.-31.12.2012 TEUR	1.1.-31.12.2011 TEUR
1. Cash flow from operating activities		
Consolidated net income for the year	8,383	12,167
Adjustments relating to the reconciliation of consolidated net income for the year to cash flow from operating activities		
Amortization	1,310	1,019
Depreciation	3,809	3,657
Amortization/impairment of financial assets	0	25
Profit (-) loss (+) arising from the disposal of property, plant and equipment and intangible assets	-221	-25
Earnings-effective change in deferred tax	1,379	173
Other non-cash expenses (+) and income (-)	380	-45
Changes in assets and liabilities		
Increase (-) decrease (+) in other non-current assets	24	0
Increase (-) decrease (+) in inventories	-165	-6,103
Increase (-) decrease (+) in trade receivables	-3,442	-15,260
Increase (-) decrease (+) in receivables due to related companies	612	-811
Increase (-) decrease (+) in prepayments, accrued income and other assets	1,317	-1,009
Increase (+) decrease (-) in pension provisions	69	82
Increase (+) decrease (-) in other provisions and liabilities	-3,360	4,671
Increase (+) decrease (-) in trade payables	11,149	614
Increase (+) decrease (-) in liabilities to related persons	1	-24
Increase (+) decrease (-) in liabilities and provisions arising from income taxes	740	668
= Cash flow from operating activities	21,985	-201
2. Cash flow from investing activities		
Outgoing payments for investments in intangible assets	-853	-1,871
Outgoing payments for investments in property, plant and equipment	-5,838	-6,571
Outgoing payments for investments in financial assets	-196	-222
Incoming payments from the sale of intangible assets	0	0
Incoming payments from disposals of property, plant and equipment	574	531
Incoming payments from disposals of financial assets	0	6
Other changes in non-current assets	0	-757
Outgoing payments from the acquisition of subsidiaries less cash	-680	-1,999
= Cash flow from investing activities	-6,993	-10,883
3. Cash flow from financing activities		
Outgoing payments for dividends	-4,019	-2,679
Draw down of long-term borrowings	2,654	1,345
Redemption of long-term borrowings	-3,310	-2,772
Change in current finance debt	-1,338	3,772
Increase (-) decrease (+) in restricted cash and cash equivalents	-1,930	927
Payments arising from settlement claims for minority interests	-988	-133
= Cash flow from financing activities	-8,931	460

	1.1.-31.12.2012 TEUR	1.1.-31.12.2011 TEUR
4. Cash and cash equivalents at the end of the period		
= Net change in cash and cash equivalents	6,087	-10,624
(Total cash flows from the three activity areas)		
Net change in cash and cash equivalents attributable to exchange rates, consolidation scope and measurement	-41	78
+ Cash and cash equivalents at the start of the period	16,745	27,291
= Cash and cash equivalents at the end of the period	22,765	16,745
5. Composition of cash and cash equivalents		
= Cash and cash equivalents	22,765	16,745
Additional disclosures regarding cash flow		
Income tax paid	1,992	2,655
Income tax reimbursed	1,610	450
Interest paid	1,241	1,181
Interest received	236	282

	1.1.-31.12.2012 TEUR	1.1.-31.12.2011 TEUR
Acquisition of subsidiaries		
Intangible assets	1,510	2,199
Goodwill	1,473	162
Property, plant and equipment	166	299
Deferred tax	83	0
Other non-current assets	4	81
Inventories	116	2,309
Trade receivables	181	334
Prepayments and accrued income, and other current assets	23	100
Cash and cash equivalents	666	1
Non-current loans	0	-400
Deferred tax	-374	-608
Trade payables	-54	-924
Current loans	0	-715
Other current financial liabilities	-607	-177
Tax provisions and liabilities	-188	-55
Other provisions	-154	-76
Other current liabilities	-59	-30
Purchase price	2,786	2,500
Purchase price payment outstanding	-1,940	-500
Cash and cash equivalents acquired	-666	-1
Purchase price paid less cash and cash equivalents acquired	180	1,999

The purchase price payment outstanding arising from the acquisition of mabu-presse (previous year) was paid in Q1/2012.

SEGMENT REPORTING

of M.A.X. Automation AG, Düsseldorf,
for the 2012 financial year

Segment	Environmental Technology		Industrial Automation		M.A.X. Automation AG	
Reporting period	2012 TEUR	2011 TEUR	2012 TEUR	2011 TEUR	2012 TEUR	2011 TEUR
Segment revenue	123,743	146,734	120,800	114,176	0	0
with external customers	123,743	146,734	120,574	113,263	0	0
– of which Germany	40,266	40,995	62,829	66,913	0	0
– of which other EU countries	36,304	41,615	27,676	29,447	0	0
– of which North America	40,198	42,625	12,698	5,048	0	0
– of which rest of the world	6,975	21,499	17,371	11,855	0	0
Inter-segment revenue	0	0	226	913	0	0
Segment operating earnings (EBIT)	2,462	5,404	12,828	12,222	-1,669	-1,321
Including:						
– Depreciation/amortization	-2,846	-2,393	-2,049	-2,055	-22	-26
– Key non-cash expenses	-5,573	-3,610	-1,522	-3,167	-1,245	-776
Segment result from ordinary activities (EBT)	1,834	4,982	12,400	11,670	-907	-601
Including:						
– Profit/loss on investments measured at equity	0	-25	0	0	0	0
– Interest and similar income	152	254	67	93	198	127
– Interest and similar expenses	-1,065	-965	-542	-544	-336	-356
Income tax	-806	-1,427	-1,042	-797	-1,928	-87
Net profit/loss for the period	1,028	3,555	11,358	10,873	-2,834	-688
Segment assets	80,565	79,442	83,321	69,973	84,810	79,820
of which non-current segment assets	28,343	24,773	23,622	21,172	61,968	62,035
– of which Germany	25,007	21,787	23,271	21,005	61,968	62,035
– of which other EU countries	338	85	222	47	0	0
– of which North America	2,998	2,901	106	120	0	0
– of which rest of the world	0	0	23	0	0	0
Tax claims (including deferred tax)	3,161	1,985	553	474	3,876	5,954
Total assets	83,726	81,427	83,874	70,447	88,686	85,774
Investments in non-current segment assets	7,307	6,093	2,667	5,217	64	14
Segment liabilities	48,346	47,576	50,395	39,692	15,154	14,486
Tax liabilities (including deferred taxes)	4,220	2,699	3,197	2,574	1,573	734
Total liabilities	52,566	50,275	53,592	42,266	16,727	15,220

Reconciliation			Total
2012 TEUR	2011 TEUR	2012 TEUR	2011 TEUR
-226	-913	244,317	259,997
0	0	244,317	259,997
0	0	103,095	107,908
0	0	63,980	71,062
0	0	52,896	47,673
0	0	24,346	33,354
-226	-913	0	0
-197	-198	13,424	16,107
-202	-202	-5,119	-4,676
0	0	-8,340	-7,553
-1,096	-1,203	12,231	14,848
0	0	0	-25
-96	-86	321	388
96	80	-1,847	-1,785
-72	-370	-3,848	-2,681
-1,169	-1,573	8,383	12,167
-57,151	-53,173	191,545	176,062
-38,523	-38,321	75,410	69,659
-38,523	-38,321	71,723	66,506
0	0	560	132
0	0	3,104	3,021
0	0	23	0
490	437	8,080	8,850
-56,661	-52,736	199,625	184,912
0	0	10,038	11,324
-17,731	-13,850	96,164	87,904
6,098	5,972	15,088	11,979
-11,633	-7,878	111,252	99,883

CONSOLIDATED STATEMENT OF CHANGES IN NON-CURRENT ASSETS FOR 2012

of M.A.X. Automation AG

Statement of changes in consolidated non-current assets for M.A.X. Automation AG, Düsseldorf,
for the 2012 financial year

		Cost					
	1.1.2012	Additions from consolidation	Currency translation differences	Additions	Disposals	Reclassi- fication	31.12.2012
	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	9,665	1,527	2	692	120	0	11,766
2. Internally generated intangible assets	1,186	0	0	161	0	0	1,347
3. Prepayments rendered	43	0	4	0	0	0	47
	10,894	1,527	6	853	120	0	13,160
II. Goodwill							
1. Goodwill	4,998	0	-6	0	0	0	4,992
2. Goodwill arising from capital consolidation	33,354	1,473	-1	0	0	0	34,826
	38,352	1,473	-7	0	0	0	39,818
III. Property, plant and equipment							
1. Land and buildings	53,636	3	-40	1,053	337	1,425	55,740
2. Technical plant and machinery	16,640	6	8	2,110	1,021	243	17,986
3. Other plant, operating and office equipment	19,313	453	-29	1,418	1,142	0	20,013
4. Plant under construction	1,944	0	0	1,257	0	-1,668	1,533
5. Prepayments rendered	0	0	0		0	0	0
	91,533	462	-61	5,838	2,500	0	95,272
IV. Other financial investments							
1. Shares in associated companies	140	0	0	0	0	0	140
2. Financial assets recognized according to the equity method	25	0	0	0	0	0	25
3. Loans to associated companies	64	0	0	0	0	0	64
4. Other non-current financial assets	228	4	0	196	4	0	424
	457	4	0	196	4	0	653
	141,236	3,466	-62	6,887	2,624	0	148,903

Cumulative depreciation/amortization/impairment losses						Carrying amounts	
1.1.2012	Additions from consolidation	Currency translation differences	Additions	Disposals	31.12.2012	31.12.2012	31.12.2011
TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
6,565	18	3	1,023	120	7,489	4,277	3,100
73	0	0	258	0	331	1,016	1,113
0	0	1	29	0	30	17	43
6,638	18	4	1,310	120	7,850	5,310	4,256
	0	0	0	0			
1,035	0	1	0	0	1,036	3,956	3,963
9,507	0	-2	0	0	9,505	25,321	23,847
10,542	0	-1	0	0	10,541	29,277	27,810
29,584	0	-6	1,140	328	30,390	25,350	24,052
13,601	0	-1	923	748	13,775	4,211	3,039
13,910	297	-16	1,746	1,071	14,866	5,147	5,403
0	0	0	0	0	0	1,533	1,944
0	0	0	0	0	0	0	0
57,095	297	-23	3,809	2,147	59,031	36,241	34,438
7	0	0	0	0	7	133	133
25	0	0	0	0	25	0	0
64	0	0	0	0	64	0	0
0	0	0	0	0	0	424	228
96	0	0	0	0	96	557	361
74,371	315	-20	5,119	2,267	77,518	71,385	66,865

SUBSIDIARIES

M.A.X. Automation Aktiengesellschaft, Düsseldorf, List of subsidiaries as of December 31, 2012

a) Companies included in the consolidated financial statements

Name and headquarters of company	Interest in capital (%)
Subsidiaries of M.A.X. Automation AG:	
altmayerBTD GmbH & Co. KG, Dettenhausen	100
bdtronic 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 bdtronic GmbH:	
bdtronic BVBA, Diepenbeek, Belgium	100
BARTEC Dispensing Technology Inc., Tulsa, Oklahoma, USA	100
bdtronic Ltd., Ashton under Lyne, UK	100
bdtronic S.r.l., Monza, Italy	100
BARTEC Dispensing Co., Ltd., Suzhou, China	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 GmbH, Oberursel	100
Second-tier subsidiaries and subsidiaries of Vecoplan AG:	
Vecoplan Maschinenfabrik Verwaltungs GmbH, Bad Marienberg	100
Vecoplan Ltd., Birmingham, UK	100
Vecoplan Austria GmbH, Wels, Austria	100
Vecoplan Iberica S.L., Mungia-Bizkaia, Spain	100
Vecoplan Holding Corporation, Wilmington, Delaware, USA	100
Waste Tec GmbH, Wetzlar	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 according to the equity method

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

c) Companies not included in the consolidated financial statements

Name and headquarters of company	Interest in capital (%)	Equity (TEUR)	Net profit/loss (TEUR)
Subsidiaries of M.A.X. Automation AG:			
Adelheid Verwaltungs GmbH, Düsseldorf	100	26	1
BDS Führungskräfte GmbH, Düsseldorf	100	21	0
EnerCess GmbH ¹⁾ , Bad Oeynhausen	100	–	–
EUROROLL Verwaltungs GmbH, Ascheberg-Herbern	100	43	2
Subsidiaries of altmayerBTD GmbH & Co. KG:			
Altmayer Verwaltungs GmbH, Rehlingen	100	27	-1
Subsidiaries of Mess- und Regeltechnik Jücker GmbH:			
Mess- und Regeltechnik Verwaltungs GmbH, Dillingen	100	29	0

1) EnerCess has been in insolvency proceedings since May 2008. Disclosures are unavailable.

ENVIRONMENTAL TECHNOLOGY CORE SEGMENT

Vecoplan Group

The Vecoplan Group is a globally leading provider of systems and components for the processing of wood and waste in the manufacturing and recycling industries. The company is a specialist in the shredding and processing of primary and secondary raw materials. As a system provider, the company develops, constructs and produces complex machines and plants. Its customers include the international forestry and paper industry, recycling companies, as well as the plastics and cement industries, among others.

Vecoplan operates subsidiaries in Germany, the USA, the UK, Spain and Austria, as well as numerous sales and service locations worldwide.

The company operates its own development department at its headquarters at Bad Marienberg (Rhineland-Palatinate) as well as pilot plants for testing developments in North Carolina (USA) and in Hilden (North Rhine-Westphalia).

Vecoplan has consistently expanded its range of services, founding the Vecoplan FuelTrack GmbH joint venture in 2011 together with Polysius AG, a company forming part of the ThyssenKrupp Group. This joint venture operates worldwide as a specialist in complete systems to utilize substitute fuels in the cement and limestone industry. Vecoplan also acquired Waste Tec GmbH, an internationally operating provider with extensive expertise in the biomechanical waste treatment and fuels processing area.

Management Board	Werner Berens Ulrich Schulte Ute Just
Interest held	100%
Subscribed capital in EUR mill.	8.0
2012 revenue in EUR mill. (IFRS, consolidated)	101.7
Employees (year average)	442.1
Year of foundation	1969
Membership of the M.A.X. Group since	1995
www.vecoplan.de	

altmayerBTD GmbH & Co. KG

altmayerBTD, which has its headquarters in Dettenhausen (Baden-Württemberg) and a further site at Rehlingen (Saarland), designs and sells systems to store and convey explosive bulk materials, as well as specialist plants for flue gas cleaning. The portfolio is supplemented through its systems to convey, handle and recycle pulverized coal, communal sewage sludge and alternative fuels, as well as containers and components for industrial plants.

As a system provider, the company renders development and construction services, as well as servicing. Its customers around the world include the chemicals, food manufacturing, plastics, cement, forestry, pharmaceuticals, paper, power generation, steel, and waste disposal industries.

altmayerBTD is also a renowned producer of tanks and containers in Europe, and ranks among the sector's technology leaders due to numerous innovations. Its product range comprises industrial containers, rainwater storage systems, heated and drinking water systems, and buffer storage facilities, including solar buffer storage systems. The customers include large-scale industry, the plant engineering sector, specialist heating wholesalers and the solar energy sector.

Managing Directors	Udo Weinert Andreas Weber
Interest held	100%
Limited partnership capital in EUR mill.	3.4
2012 revenue in EUR mill. (IFRS)	20.8
Employees (year average)	121.1
Year of foundation ¹⁾	1951
Membership of the M.A.X. Group since ²⁾	1993
www.altmayerbtd.de	

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

INDUSTRIAL AUTOMATION CORE SEGMENT

NSM Magnettechnik Group

NSM MAGNETTECHNIK, which is based in Olfen (North Rhine-Westphalia), is a technologically leading system provider of handling and automation plants. The company operates in four business areas: press automation, packaging automation, and conveying and press systems. Through combining these applications, the company designs comprehensive solutions on a one-stop shop basis. In the press automation area, the company produces systems to transport, stack and separate steel and aluminum sheet bars, primarily in automotive construction. In the packaging automation area, the company focuses on high-speed handling systems for cans, lids and caps in the manufacturing and filling industry. The conveying systems area constructs plants and conveying systems for transporting components and industrial process waste disposal. Systems to filter and separate materials are also developed and produced. The press systems area constructs high-precision automatic presses for non-cutting forming.

NSM MAGNETTECHNIK offers its customers extensive services spanning the development, production, sale and maintenance of its plants and systems. The Group's customers worldwide come from various sectors including the automotive industry, press manufacturers, food manufacturing companies, chemical companies, machine tool manufacturers, electrical and electronic goods producers, as well as the consumer goods industry.

Managing Directors	Michael Freischmidt Jens Ohnholz Gregor Schmitt
Interest held	100%
Subscribed capital in EUR mill.	4.1
2012 revenue in EUR mill. (IFRS, consolidated)	44.0
Employees (year average)	213.8
Year of foundation	1959
Membership of the M.A.X. Group since	1990
www.nsm-magnettechnik.com	

IWM Automation Group

Outstanding long-term prospects are forecast for the automotive industry. Continued high demand exists for vehicles that integrate state-of-the-art technology, especially in the emerging economies of Asia, South America and Eastern Europe. International automotive groups require reliable partners whose automation solutions ensure rapid, precise and high-quality production. The IWM Automation Group is precisely such a partner.

Headquartered in Porta Westfalica (North Rhine-Westphalia), the IWM Automation Group ranks as a recognized specialist engineering company. In the industrial automation sector, the company is known for custom-built and innovative production systems provided on a one-stop shop basis. This applies to both standard systems and high-tech solutions.

IWM Automation commands extensive expertise in engineering, as well as in assembly, welding, forming, dosing/metering and testing technology. This allows the company to develop comprehensive solution approaches to complex tasks. The automotive industry represents the company's most important sales market: IWM Automation is a partner to renowned international vehicle manufacturers and their suppliers, enjoying an excellent reputation in the sector.

Managing Director	Jakob Dirksen
Interest held	100%
Subscribed capital in EUR mill.	0.8
2012 revenue in EUR mill. (IFRS, consolidated)	32.3
Employees (year average)	132.2
Year of foundation	1978
Membership of the M.A.X. Group since	1998
www.iwm-automation.de	

INDUSTRIAL AUTOMATION CORE SEGMENT

bdtronic Group

Modern manufacturing processes make particular demands of dispensing technology. Only precise dosing and metering enables constant quality accompanied by the most efficient utilization of materials. The solutions offered by the bdtronic Group are relevant in this context. The bdtronic name also stands for sophisticated solutions in the global production of electronic components.

bdtronic, which is based in Weikersheim (Baden-Württemberg), ranks as one of the world's leading providers of dosing and metering technology systems. The company develops technologically complex solutions to process reaction molding resins, and acts as a complete system provider for the automation of assembly and production processes, particularly for electronic components.

bdtronic is constantly expanding its technological competencies and product portfolio. For example, the company also produces impregnating plants for electro-motors, stators and rotors. It also operates in plasma treatment to improve the adhesive properties of material surfaces. Heat staking as an alternative joining technique represents a further service.

bdtronic serves international customers from the automotive industry, electronics and electrical goods producers, filter manufacturers, sensor technology companies, household goods manufacturers, the solar energy industry, and medical technology companies. In order to ensure global marketing, the company operates sales companies in Belgium, the UK, Italy, China and the USA.

Managing Directors	Patrick Vandenrijn Susan Rassau
Interest held	100%
Subscribed capital in EUR mill.	0.1
2012 revenue in EUR mill. (IFRS, consolidated)	24.3
Employees (year average)	155.6
Year of foundation	2001
Membership of the M.A.X. Group since	2004
www.bdtronic.com	

Mess- und Regeltechnik Jücker GmbH

Precise controlling enables flexible manufacturing that meets high product quality standards. It is indispensable to industrial production as a consequence. Mess- und Regeltechnik Jücker GmbH has oriented its range of services to strengthen the competitiveness of manufacturing companies from highly varied sectors by optimizing the controlling of production processes.

Mess- und Regeltechnik Jücker GmbH, which has its headquarters in Dillingen (Saarland), plans, develops, supplies and manages measuring and control technology systems, as well as drive and automation technology systems. As a specialist provider of software and control technology, Jücker has earned an excellent reputation as a systems integrator and controls supplier for complex automation processes.

Mess- und Regeltechnik Jücker serves customers from the automotive industry, the chemicals and steel industries, as well as companies from the power generation, steel and iron, cement and transportation industries.

Managing Directors	Jens Ohnholz Michael Freischmidt
Interest held	100%
Subscribed capital in EUR mill.	0.4
2012 revenue in EUR mill. (IFRS)	17.0
Employees (year average)	73.9
Year of foundation	1986
Membership of the M.A.X. Group since	1998
www.juecker-germany.de	

INDUSTRIAL AUTOMATION CORE SEGMENT

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

EUROROLL, headquartered in Ascheberg-Herbern (North Rhine-Westphalia), is regarded as a trendsetter in the market for roller conveyor systems. The company produces to the highest quality standards and the greatest possible reproducibility in mass and series production, which is characterized by high efficiency and short production times. The high-quality systems are deployed especially in logistics for commissioning, warehousing and conveying, and for transporting packages ranging from light cardboard boxes to pallets and carriers of all materials and designs.

EUROROLL's product range primarily comprises roller fitting strips, roller tracks, brake rollers, gravity conveyor tracks, live storage units and commissioning systems. The company also develops powered roller conveyor elements to address the growing automation of logistics. EUROROLL works according to detailed customer specifications in this context, and has oriented its manufacturing to state-of-the-art production aspects.

EUROROLL supplies to international customers, especially from the logistics sector, including racking constructors and system providers. EUROROLL also produces for the food manufacturing sector, the pharmaceuticals industry, as well as books and pharmacy wholesalers.

Managing Director	Theo Einhäuser
Interest held	100%
Limited partnership capital in EUR mill.	0.5
2012 revenue in EUR mill. (IFRS)	11.5
Employees (year average)	65.0
Year of foundation	1983
Membership of the M.A.X. Group since	1993
www.euroroll.de	

2013 financial calendar

First Quarter Financial Report: May 2013

Annual General Meeting for the 2012 financial year: July 18, 2013

Half Year Financial Report: August 2013

Third Quarter Financial Report: November 2013

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