

2012 ANNUAL REPORT 2013



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THE
INDUSTRIAL
GROUP

GESCO GROUP - PROFILES OF THE COMPANIES

SETTER

HASEKE

FUNK/ASTROPLAST

GESCO DÖMER

MAF SVT BEIER

DÖRRENBERG

FRANK

VWH

CEK.

WERKZEUGBAU
LEIPZIG

MOBIL
TECHNIK

PROTOMASTER

HUBL

WERKZEUGBAU
LAICHINGEN

KESEL



Independent operations that are part of
a strong Group: an overview of the main
subsidiaries and their products, markets
and managers.

THE INDUSTRIAL GROUP

GESCO GROUP: AN ASSOCIATION OF INDUSTRIAL SMES. CONCENTRATING ON TOOL MANUFACTURING/MECHANICAL ENGINEERING AND PLASTICS TECHNOLOGY, I.E. CORE SEGMENTS OF GERMANY'S INDUSTRIAL SECTOR. A GROUP OF "HIDDEN CHAMPIONS", MARKET AND TECHNOLOGY LEADERS.

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MOORE
TECHNICAL

GESCO GROUP KEY FIGURES (IFRS)

Financial year 01.04.-31.03.		2003/ 2004	2004/ 2005	2005/ 2006	2006/ 2007
Sales	€'000	171,234	192,264	234,327	268,146
of which domestic	€'000	133,220	140,768	172,464	199,470
foreign	€'000	38,014	51,496	61,863	68,676
EBITDA	€'000	17,947	20,114	26,792	31,800
EBIT	€'000	10,711	12,512	18,792	23,728
Earnings before tax	€'000	8,782	11,850	16,562	23,570
Taxes on income and earnings	€'000	-3,985	-4,868	-7,100	-9,311
Taxation rate	%	45.4	41.1	42.9	39.5
Group net income after minority interest	€'000	4,198	6,228	9,325	13,313
Earnings per share	€	1.73	2.50	3.54	4.83
Investment in Property, Plant and Equipment ¹⁾	€'000	5,258	6,404	9,014	8,332
Depreciation on Property, Plant and Equipment	€'000	6,039	6,318	6,718	6,745
Equity	€'000	36,333	41,878	54,379	74,948
Total assets	€'000	138,370	145,070	174,430	211,762
Equity ratio	%	26.3	28.9	31.2	35.4
Employees (as at 31.12.)	No.	1,192	1,215	1,329	1,543
of which trainees	No.	63	60	75	81
Year-end share prices as at 31.03.	€	16.70	23.61	38.90	38.20
Dividend per share	€	0.70	0.90	1.25	1.50

¹⁾ Without additions from changes to the scope of consolidation.

²⁾ Including dividend bonus of € 0.22 due to 10-year anniversary of IPO.

³⁾ Dividend proposal to the AGM on 25.07.2013.

2007/ 2008	2008/ 2009	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013	Change
333,155	378,388	277,664	335,237	415,426	440,417	6.0%
248,534	276,602	183,536	219,981	270,888	286,609	5.8%
84,621	101,786	94,128	115,256	144,538	153,808	6.4%
44,281	49,689	27,156	38,180	51,186	51,763	1.1%
34,158	38,931	16,470	26,958	39,116	37,341	-4.5%
30,783	34,585	13,965	24,091	35,672	33,825	-5.2%
-11,227	-10,897	-4,389	-7,651	-11,087	-11,088	0.0%
36.5	31.5	31.4	31.8	31.1	32.8	-
17,883	21,618	8,896	15,251	22,531	20,916	-7.2%
5.92	7.16	2.95	5.05	7.40	6.30	-14.9%
12,030	12,354	8,417	9,915	14,937	21,609	44.7%
8,252	8,191	8,758	9,058	9,850	12,190	23.8%
89,845	103,285	105,173	114,678	154,988	166,500	7.4%
236,511	259,598	246,356	260,246	321,138	357,547	11.3%
38.0	39.8	42.7	44.1%	48.3	46.6	-
1,713	1,795	1,733	1,775	1,899	2,292	20.7%
105	109	99	92	97	120	23.7%
48.00	32.50	40.00	58.89	65.40	75.54	15.5%
2.42 ²⁾	2.50	1.30	2.00	2.90	2.50 ³⁾	-13.8%

6.30 €

EARNINGS PER SHARE

2.50 €

DIVIDEND PER SHARE

2,292

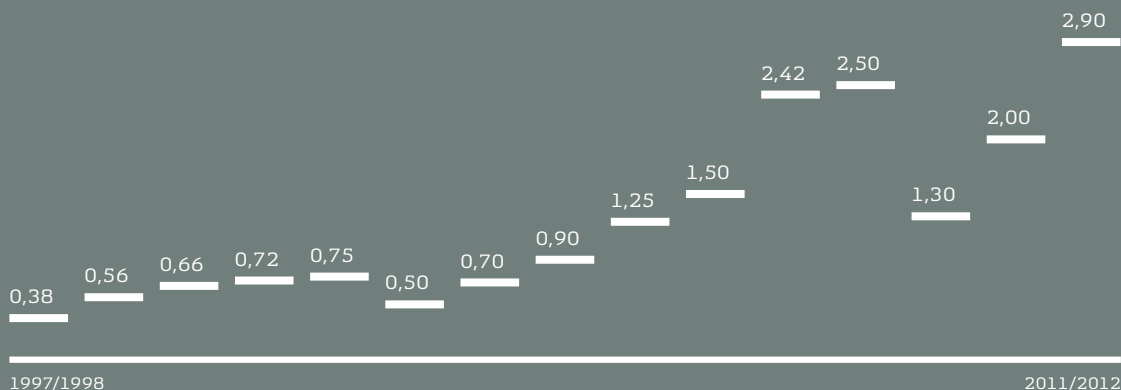
440

MILLION € SALES

The equity story

SUSTAINABLE DIVIDEND POLICIES:
SINCE ITS IPO ON 24 MARCH 1998, GESCO AG
HAS PAID OUT A DIVIDEND EVERY FINANCIAL YEAR.

DIVIDEND PER SHARE IN €



THE GESCO SHARE AS AN OUTPERFORMER:
PRICE PERFORMANCE IN THE 15 YEARS SINCE THE IPO

400 %

GESCO

DAX

MDAX

SDAX

0 %

24.03.1998



A SUSTAINABLY GROWING INDUSTRIAL GROUP

GESCO is a sustainably growing industrial group of leading German SMEs from the tool manufacture, mechanical engineering and plastics technology segments. Our goal is to increase the value of our individual subsidiaries – and, with it, the value of the entire Group – in the long term. We generate internal growth by developing the existing companies in the portfolio. In addition, we concentrate on buying additional “hidden champions” – strong industrial and technology companies with attractive growth potential – from the German SME sector. GESCO does not pursue exit strategies aimed at the later sale of holdings.

TECHNOLOGY “MADE IN GERMANY”: IN HIGH DEMAND ALL OVER THE WORLD

The GESCO Group companies are strategically and technologically well-positioned specialists with German-made products that are also in high demand internationally. They supply a large circle of customers in a wide variety of markets. The companies secure their leading technological positions through regular investments in their technical equipment. The companies are operationally independent and receive active support from the holding in the form of coaching, consulting and financial controlling.

SPECIALIST FOR SUCCESSION SOLUTIONS

The abundance of unresolved succession issues in the German SME sector provides scope for external growth. GESCO is specialised in such issues. We only acquire majority shareholdings – usually 100%. As part of the succession plan, the new managers usually acquire a 10 to 20% share in the companies they manage. We apply strict criteria to acquisitions. These include business substance and innovative technology as well as the best possible international prospects. The companies should be among the leading providers in their segments and offer long-term potential for development.

THE GROUP’S ADDED VALUE

We stay true to the spirit of entrepreneurship and the ethos of a family company while shaping companies to cope with the global economy. Our model preserves and promotes the strengths of the SME segment while compensating for potential weaknesses. To offer the best of both worlds, the GESCO model builds a bridge between the world of the family-run SME segment and the capital market.

THE PEARLS OF THE TECHNOLOGY-DRIVEN GERMAN “MITTELSTAND” IN A SINGLE SHARE

The GESCO share offers investors access to leading companies in the technology-driven German “Mittelstand” some of which are among the top of their class on a national or international level. Investors benefit from our long-proven strategy of generating growth in two ways: internally through developing our subsidiaries, and externally through acquisitions. We ensure sustainable strategies, healthy finances and strong balance sheets at every subsidiary, thereby optimising the Group’s overall opportunities and limiting risks. Thanks to a transparent and calculable distribution policy offering a dividend oriented towards the Group’s earnings, shareholders have a stake in the business success of the GESCO model.



24.03.2013

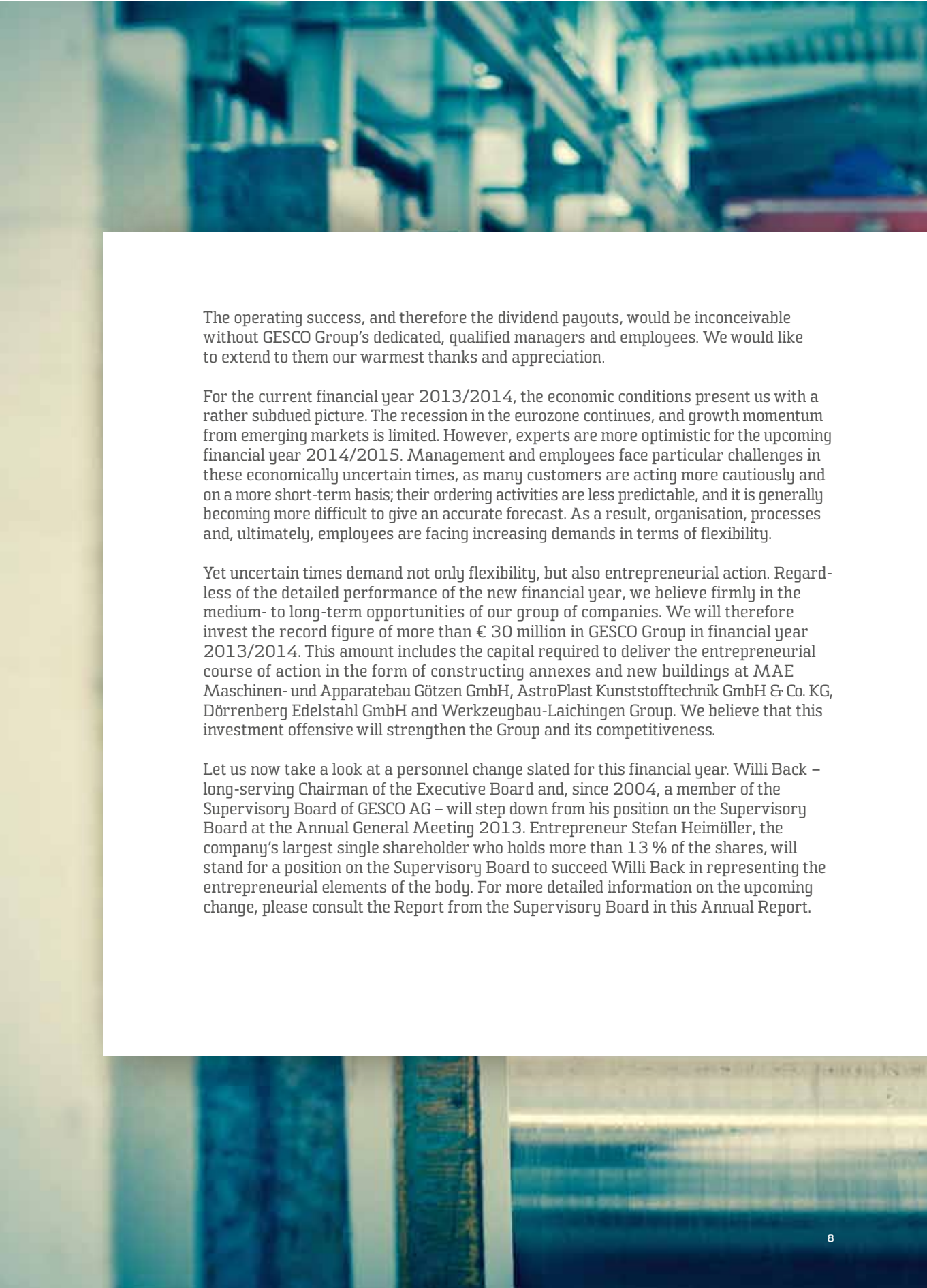


FOREWORD BY THE EXECUTIVE BOARD

Dear Shareholders,

Financial year 2012/2013 was an eventful one for GESCO Group. Following the acquisition in the previous year of Werkzeugbau-Laichingen Group, a leading producer of high-performance sheet metal forming tools, we continued expanding the Group in the reporting year with three new companies. In May 2012, we acquired CFK, an erosion and laser melting specialist. In July 2012, Modell Technik, an additional highly specialised tool manufacturer, and Protomaster, a producer of high-quality body parts, also joined the Group. In April 2012, we sold Ackermann Fahrzeugbau GmbH, which we had acquired in 1996, for strategic reasons. We are confident that these changes to the portfolio have strengthened GESCO Group. The newly acquired companies will not be able to contribute their full share to Group earnings in the first two years after acquisition due to the effects from the first-time consolidation. However, the Group's earnings should benefit in the medium term.

In economic terms, earnings in the financial year almost exactly matched the guidance we had published in conjunction with the accounts press conference in June 2012 and increased in August due to acquisitions. In a mix of internal and external growth, Group sales rose slightly, whereas earnings remained high, but did not match the previous year's record. On the one hand, the previous year's period contained a positive one-off effect that naturally did not recur; on the other hand, margins declined on account of the economy cooling down. Nevertheless, GESCO Group generated the third-highest earnings in the company's history. On this basis, the Executive Board and the Supervisory Board propose a dividend of € 2.50 per share for financial year 2012/2013. This is in keeping with our sustainable dividend policies, which call for the distribution of around 40% of Group net income after minority interest.



The operating success, and therefore the dividend payouts, would be inconceivable without GESCO Group's dedicated, qualified managers and employees. We would like to extend to them our warmest thanks and appreciation.

For the current financial year 2013/2014, the economic conditions present us with a rather subdued picture. The recession in the eurozone continues, and growth momentum from emerging markets is limited. However, experts are more optimistic for the upcoming financial year 2014/2015. Management and employees face particular challenges in these economically uncertain times, as many customers are acting more cautiously and on a more short-term basis; their ordering activities are less predictable, and it is generally becoming more difficult to give an accurate forecast. As a result, organisation, processes and, ultimately, employees are facing increasing demands in terms of flexibility.

Yet uncertain times demand not only flexibility, but also entrepreneurial action. Regardless of the detailed performance of the new financial year, we believe firmly in the medium- to long-term opportunities of our group of companies. We will therefore invest the record figure of more than € 30 million in GESCO Group in financial year 2013/2014. This amount includes the capital required to deliver the entrepreneurial course of action in the form of constructing annexes and new buildings at MAE Maschinen- und Apparatebau Götzen GmbH, AstroPlast Kunststofftechnik GmbH & Co. KG, Dörrenberg Edelstahl GmbH and Werkzeugbau-Laichingen Group. We believe that this investment offensive will strengthen the Group and its competitiveness.

Let us now take a look at a personnel change slated for this financial year. Willi Back – long-serving Chairman of the Executive Board and, since 2004, a member of the Supervisory Board of GESCO AG – will step down from his position on the Supervisory Board at the Annual General Meeting 2013. Entrepreneur Stefan Heimöller, the company's largest single shareholder who holds more than 13 % of the shares, will stand for a position on the Supervisory Board to succeed Willi Back in representing the entrepreneurial elements of the body. For more detailed information on the upcoming change, please consult the Report from the Supervisory Board in this Annual Report.

Since joining GESCO in 1989, Willi Back has made a decisive contribution to shaping and forming the business model of GESCO. With entrepreneurial foresight and precise attention to detail, he developed an idea into a group of companies, which he very successfully listed on the stock market in 1998. In the process, he was able to awaken people's enthusiasm and engage their involvement, passing on the "GESCO spirit". During a transitional period, we worked together with him to manage the company. When he stepped down from the Executive Board on 31. March 2004, he left behind a well-positioned company that we have since continued to expand. Willi Back has served the company as a member of the Supervisory Board since the Annual General Meeting 2004. In the name of GESCO AG, we would like to express our respect and recognition for Willi Back's work. Our express, heartfelt thanks go out to him for his tireless commitment on behalf of the company. We wish him all the best, the greatest of happiness and good health for the rest of his life's journey.

Yours sincerely,



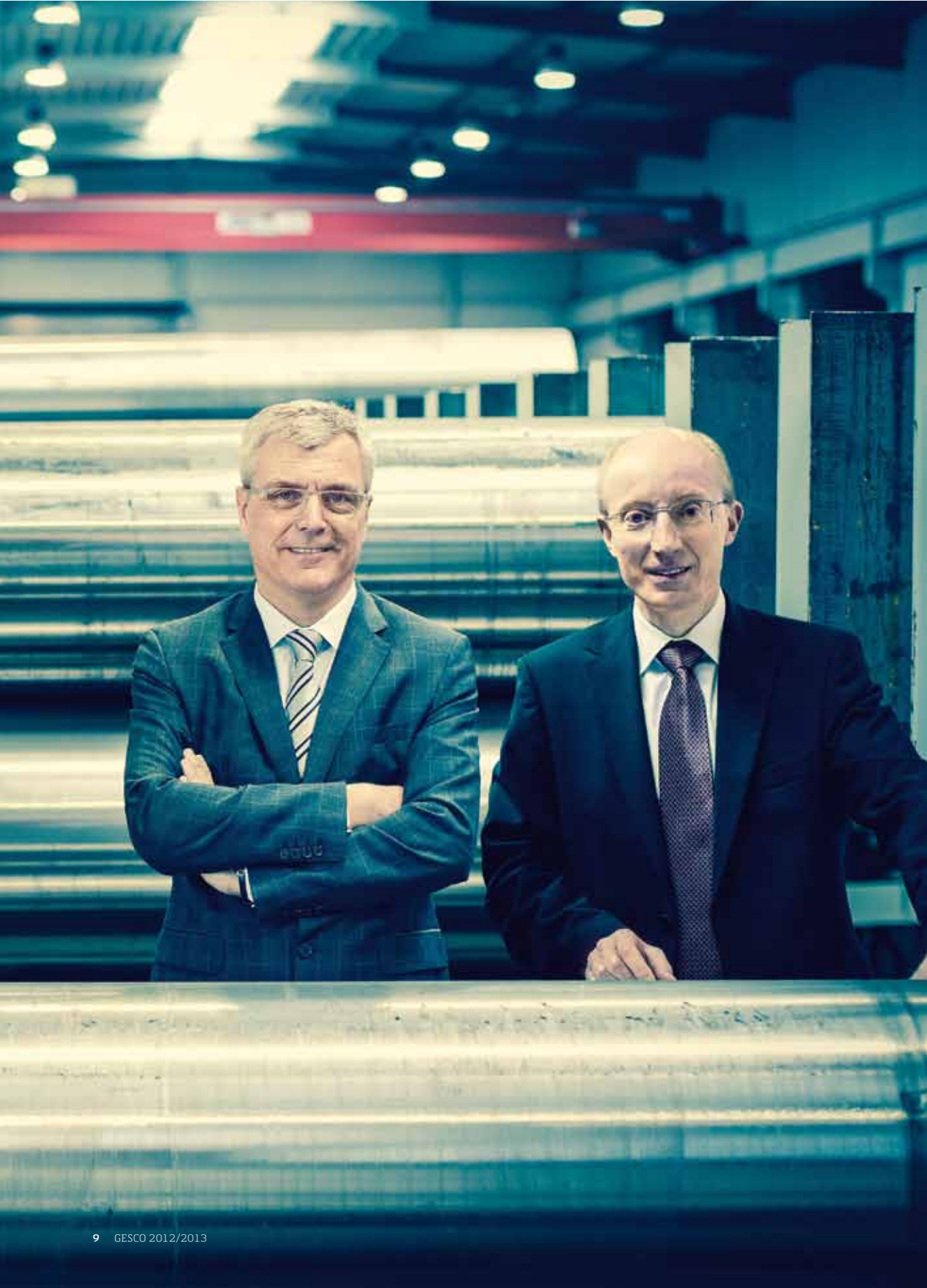
Dr.-Ing. Hans-Gert Mayrose

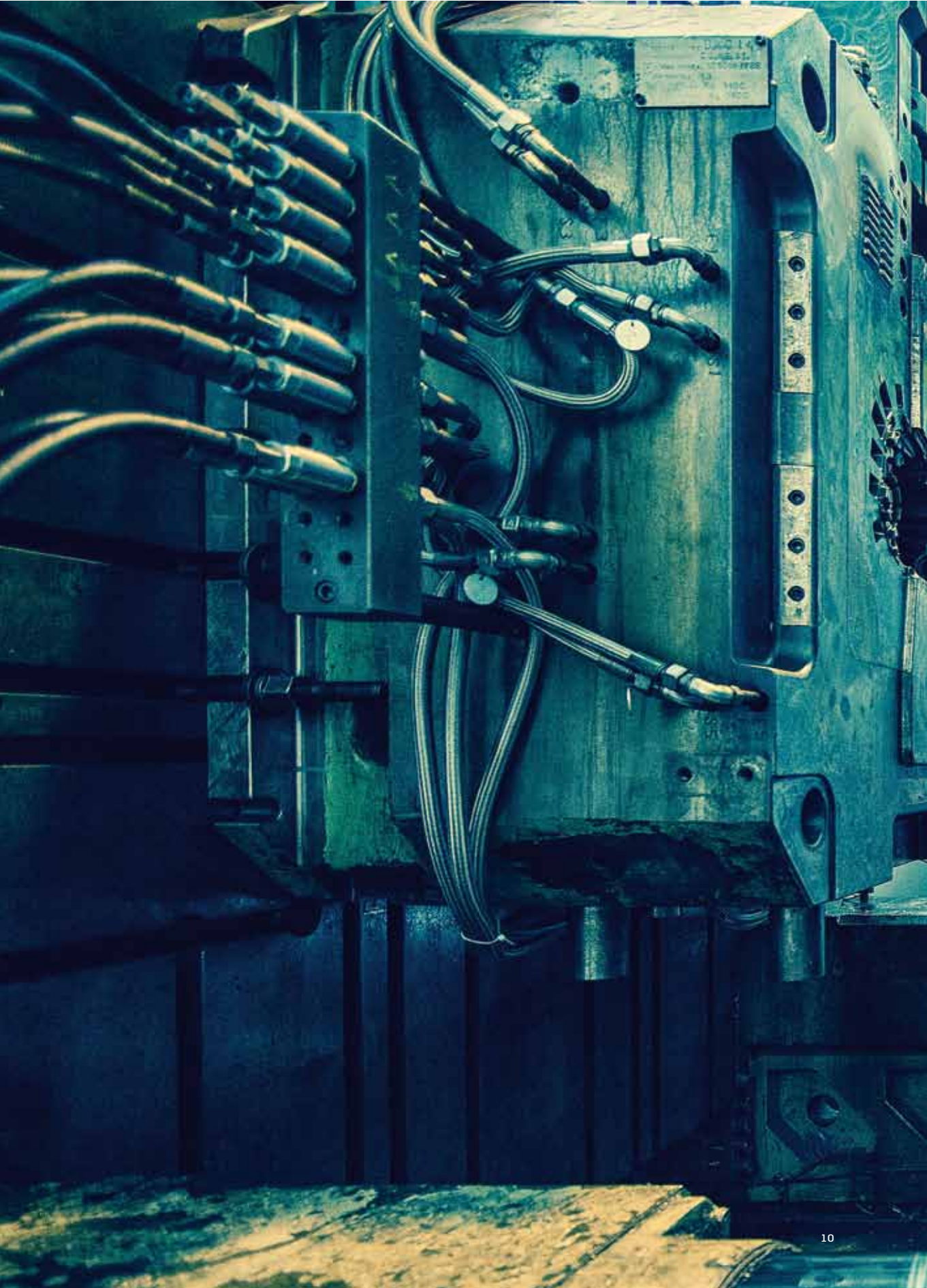


Robert Spartmann




EXECUTIVE BOARD:
DR.-ING. HANS-GERT MAYROSE AND ROBERT SPARTMANN





The background of the page is a collage of industrial images. The top half features a teal-tinted image of a robotic arm and machinery. The bottom half features a yellow-tinted image of industrial equipment. The title 'Industrial renaissance' is centered in the white space between these two images.

Industrial renaissance



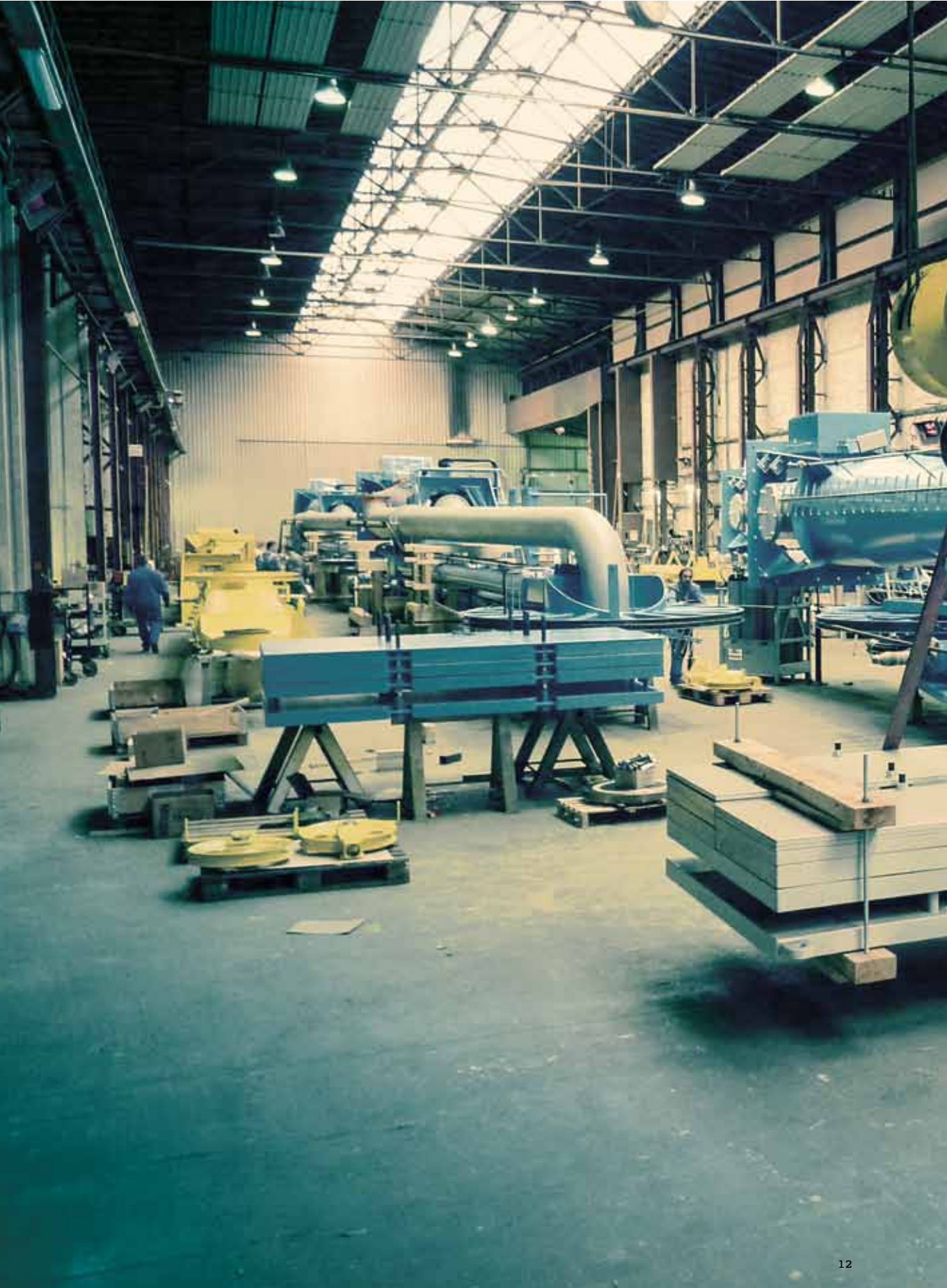
"Renaissance der Industrie" – industrial renaissance – was the title of a 2008 brochure by Germany's Federal Ministry of Economics and Technology in which it intended to set the record straight on the significance of the manufacturing sector and the German government's industrial policy. As a Google search proves, this phrase has since turned into a true winged word. And esteem for industry has likely risen still further since the financial crisis.

The GESCO Group companies have long been at home in the world of industry. Frank Walz- und Schmiedetechnik, for instance – a supplier of wear parts for the agriculture market – was founded more than 175 years ago. Georg Kesel and Werkzeugbau-Laichingen Group also have a history dating back to the 19th century. Dörrenberg Edelstahl GmbH recently celebrated the 150th anniversary of its establishment; the company's home town of Engelskirchen-Ründeroth has a history of iron and steel production that even dates back some 550 years. Other Group companies were founded in the 1920s and 1930s, with additional companies following in the 1960s and 1970s. Later, after the reunification of Germany, industrial SMEs were established or spun off in old centres of German industry in Saxony and Thuringia, where both the entrepreneurial spirit and industrial tradition were alive and kicking.

With its business model, GESCO AG preserves industrial enterprises with a rich tradition and develops them for a successful future – with loyal employees, some of whom are the second or third generation of family members to have worked for their respective companies.

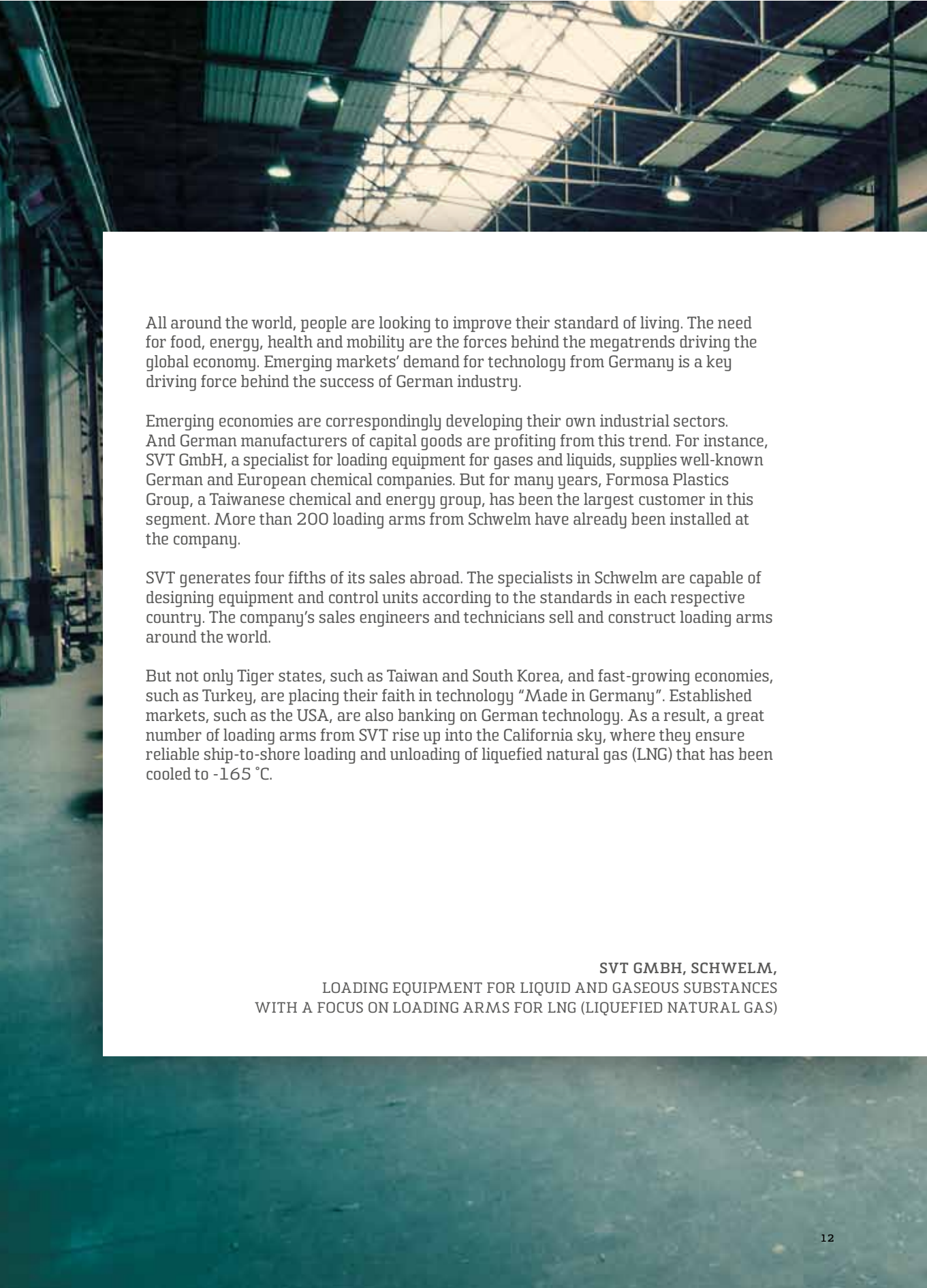
**MODELL TECHNIK GMBH & CO. FORMENBAU KG, SÖMMERDA,
MOULD CONSTRUCTION FOR ALUMINIUM AND MAGNESIUM
DIE CASTING WITH IN-HOUSE FOUNDRY LAB**





The background of the slide is a photograph of an industrial facility. It features a complex network of dark metal pipes, structural beams, and scaffolding. The lighting is somewhat dim, with a greenish-blue tint, suggesting an indoor or shaded industrial environment. The perspective is looking upwards and slightly to the side, emphasizing the scale and complexity of the infrastructure.

Technology for emerging and established markets



All around the world, people are looking to improve their standard of living. The need for food, energy, health and mobility are the forces behind the megatrends driving the global economy. Emerging markets' demand for technology from Germany is a key driving force behind the success of German industry.

Emerging economies are correspondingly developing their own industrial sectors. And German manufacturers of capital goods are profiting from this trend. For instance, SVT GmbH, a specialist for loading equipment for gases and liquids, supplies well-known German and European chemical companies. But for many years, Formosa Plastics Group, a Taiwanese chemical and energy group, has been the largest customer in this segment. More than 200 loading arms from Schwelm have already been installed at the company.

SVT generates four fifths of its sales abroad. The specialists in Schwelm are capable of designing equipment and control units according to the standards in each respective country. The company's sales engineers and technicians sell and construct loading arms around the world.

But not only Tiger states, such as Taiwan and South Korea, and fast-growing economies, such as Turkey, are placing their faith in technology "Made in Germany". Established markets, such as the USA, are also banking on German technology. As a result, a great number of loading arms from SVT rise up into the California sky, where they ensure reliable ship-to-shore loading and unloading of liquefied natural gas (LNG) that has been cooled to -165 °C.


SVT GMBH, SCHWELM,
LOADING EQUIPMENT FOR LIQUID AND GASEOUS SUBSTANCES
WITH A FOCUS ON LOADING ARMS FOR LNG (LIQUEFIED NATURAL GAS)







Workshops for automation



Production at most of our companies is not automated. Instead, many visitors feel they rather resemble a workshop or cottage factory. Here, custom-tailored plants for use in automated production processes for specific products are built in teams. Although VWH Vorrichtung- und Werkzeugbau Herschbach GmbH's complex production systems, for instance, are designed and built on the basis of a modular principle, every system is different and demands a high level of expertise in construction and production. Disciplines such as electronics, steering and drive technology play a role, as do metalworking and mould making. Experts from various fields work together to develop solutions. The finished plants can be used to produce electric toothbrushes, head gaskets or plastic-coated oil-pressure sensors.

MAE Maschinen- und Apparatebau Götzen GmbH's automatic levelling machines are also designed with each customer's specific needs in mind and constructed through a team effort. At their respective sites of operation, they measure components, level them at forces of up to 21,000 kN within the specified ranges of tolerances and document the entire process in detail – and this is for components of up to 30 m in length and 850 mm in diameter.

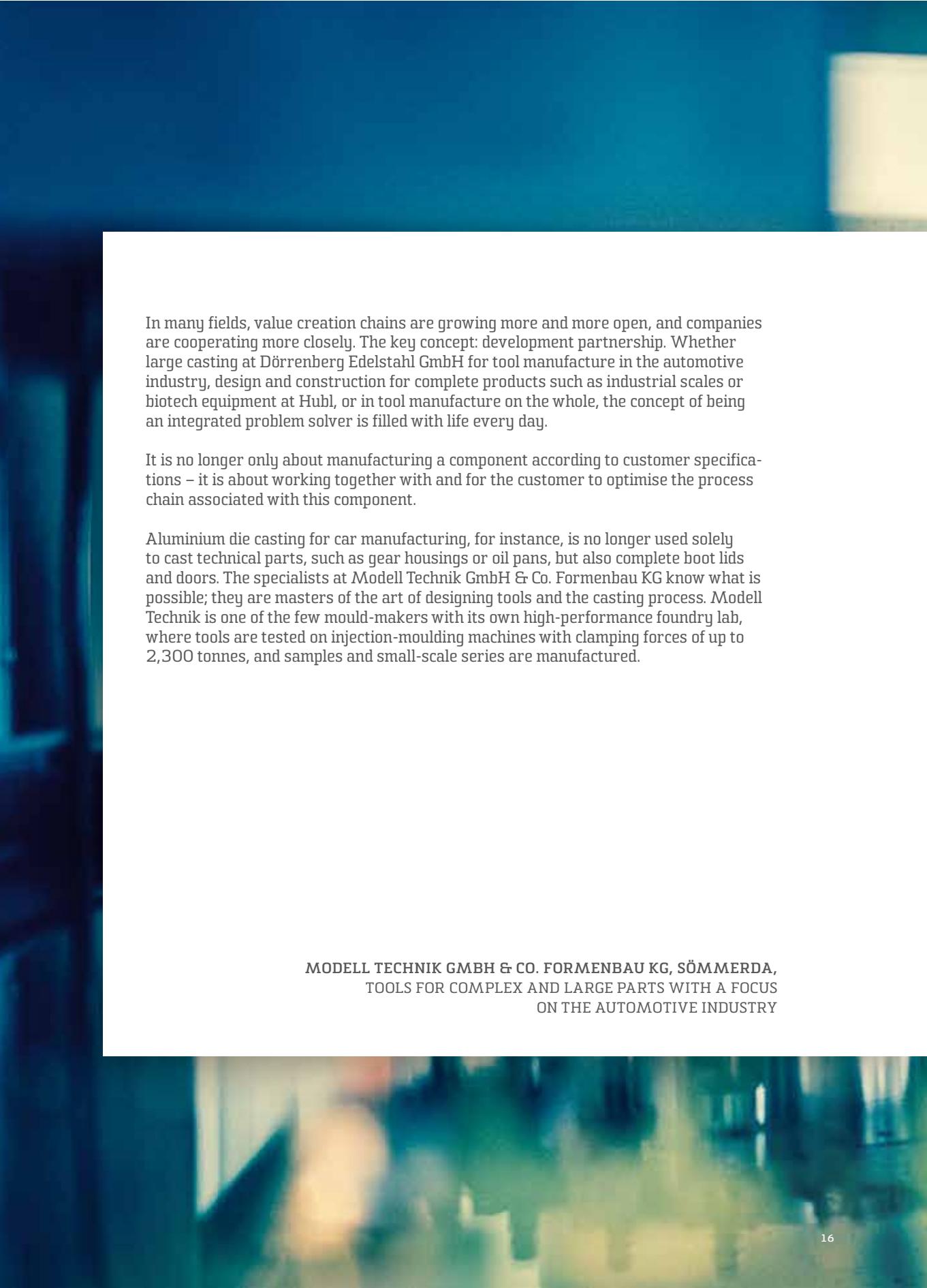
**MAE MASCHINEN- UND APPARATEBAU GÖTZEN GMBH, ERKRATH,
INTERNATIONAL MARKET LEADER FOR AUTOMATIC LEVELLING MACHINES
AND WHEEL PRESSES**







Linking with customer processes

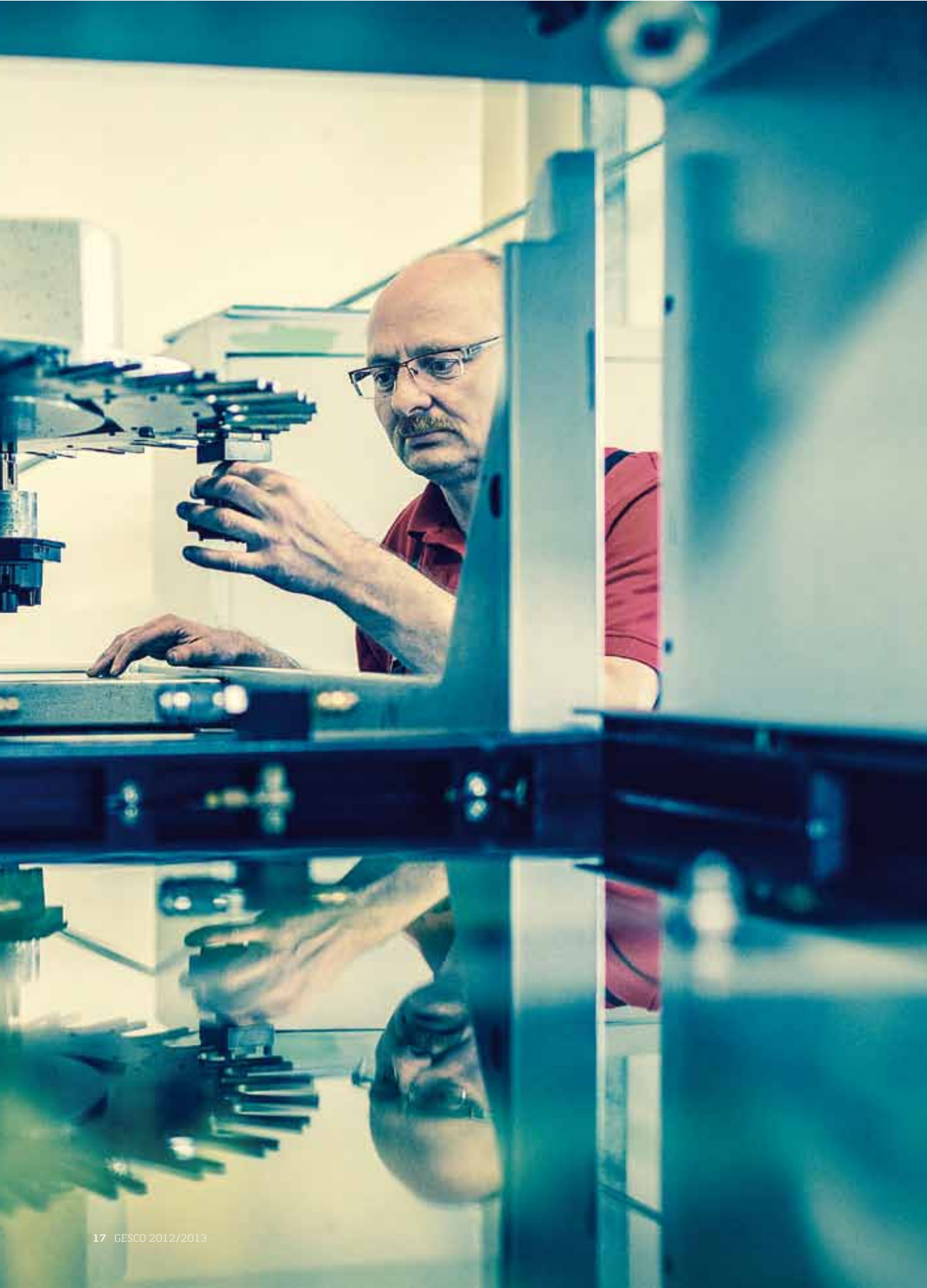


In many fields, value creation chains are growing more and more open, and companies are cooperating more closely. The key concept: development partnership. Whether large casting at Dörrenberg Edelstahl GmbH for tool manufacture in the automotive industry, design and construction for complete products such as industrial scales or biotech equipment at Hubl, or in tool manufacture on the whole, the concept of being an integrated problem solver is filled with life every day.


It is no longer only about manufacturing a component according to customer specifications – it is about working together with and for the customer to optimise the process chain associated with this component.

Aluminium die casting for car manufacturing, for instance, is no longer used solely to cast technical parts, such as gear housings or oil pans, but also complete boot lids and doors. The specialists at Modell Technik GmbH & Co. Formenbau KG know what is possible; they are masters of the art of designing tools and the casting process. Modell Technik is one of the few mould-makers with its own high-performance foundry lab, where tools are tested on injection-moulding machines with clamping forces of up to 2,300 tonnes, and samples and small-scale series are manufactured.


MODELL TECHNIK GMBH & CO. FORMENBAU KG, SÖMMERDA,
TOOLS FOR COMPLEX AND LARGE PARTS WITH A FOCUS
ON THE AUTOMOTIVE INDUSTRY





The background of the slide is a photograph of an industrial facility, possibly a refinery or chemical plant. It features complex piping, structural steel beams, and various industrial components. The lighting is somewhat dim, with some areas appearing brighter than others. A large, solid white rectangular box is positioned on the left side of the slide, containing the main text. A thick yellow horizontal bar is located at the bottom of the white box.

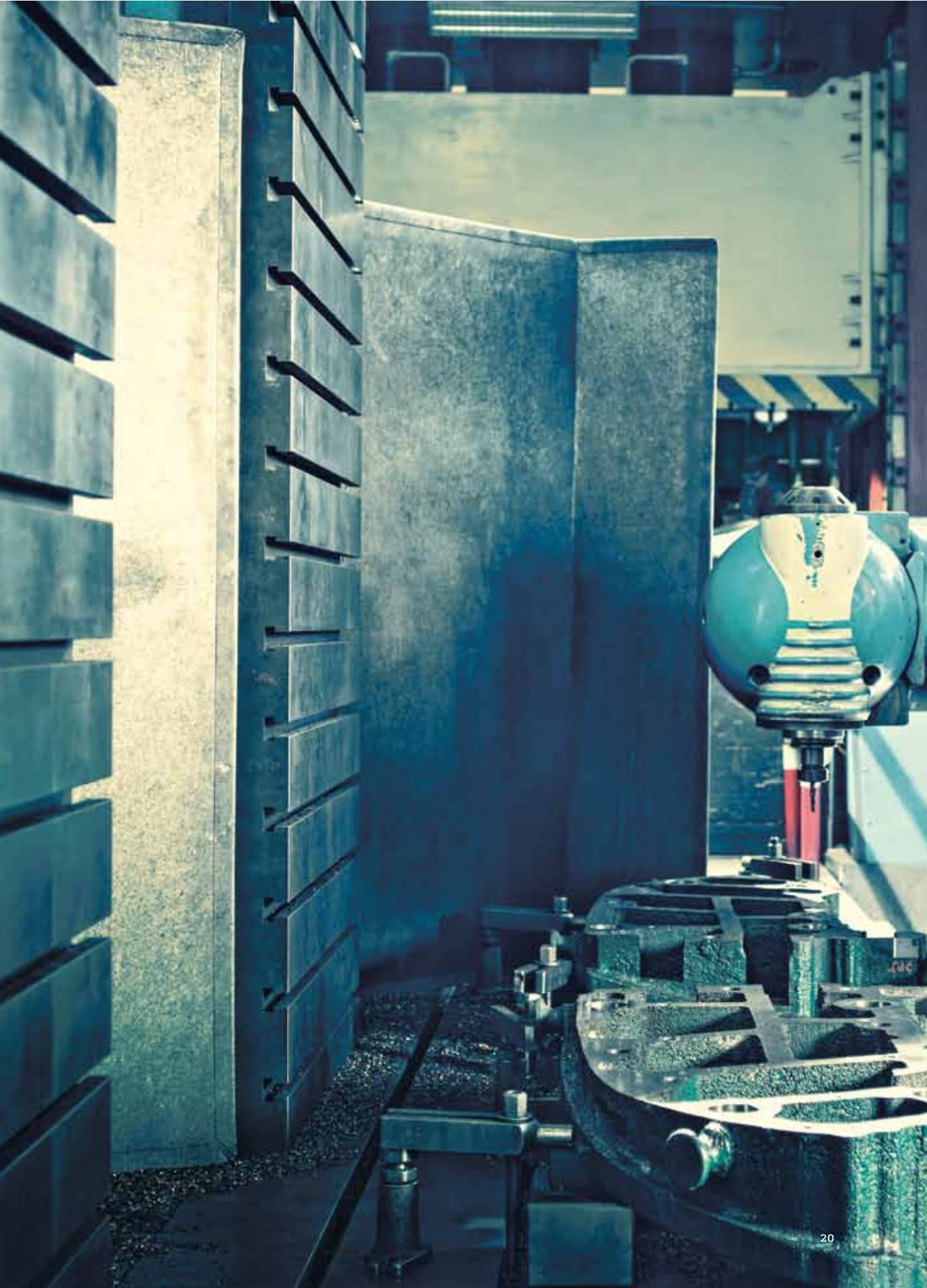
“Keep the workshop
door shut!”



Tool manufacturers for the automotive industry constantly come into contact with components for vehicles that have yet to be launched. Absolute confidentiality is therefore a must. For this reason alone, the workshop doors literally remain shut. Moreover, an open workshop door – like sunshine through a window or other factors – can have a negative impact on the thermal stability of machines used in processing. After all, temperature fluctuations influence the dimensional accuracy of machines and components, forcing the machine operator to reset the zero point, which serves as a reference for the processing machine's paths, to avoid faulty processing of the component. Recognising and eliminating such sources of errors is a question of experience. Sometimes it is also a "matter of the heart": good machine operators often have a close relationship to their machine – they are proud of their machines and know them inside and out. And for them, it is no laughing matter when one of their colleagues leaves the workshop door open.


WERKZEUGBAU LAICHINGEN GROUP, LAICHINGEN AND LEIPZIG,
HIGH-PERFORMANCE TOOLS FOR SHEET METAL FORMING







A question of culture



A strong, positive, constructive corporate culture may not be a balance sheet item, but it plays a key role in success. Finding, integrating and retaining employees is absolutely decisive for sustained positive performance. Encouraging them to go the extra mile in boom times and working together to come up with acceptable solutions in difficult phases or times of crisis is easier when fair and economically balanced cooperation is a matter of course. Some GESCO Group companies introduced flexible remuneration systems years ago that are oriented towards key earnings figures. In the compact operating units, every employee ultimately senses the order situation. They can feel whether things are booming or whether capacity utilisation is declining.

Strong employee identification with the company increases loyalty. A low rate of fluctuation cements expertise, contributes to ensuring processes work smoothly and bears witness to satisfied staff. And a strong culture with a high level of identification leads to personal recommendations – the perfect way to win over new employees.

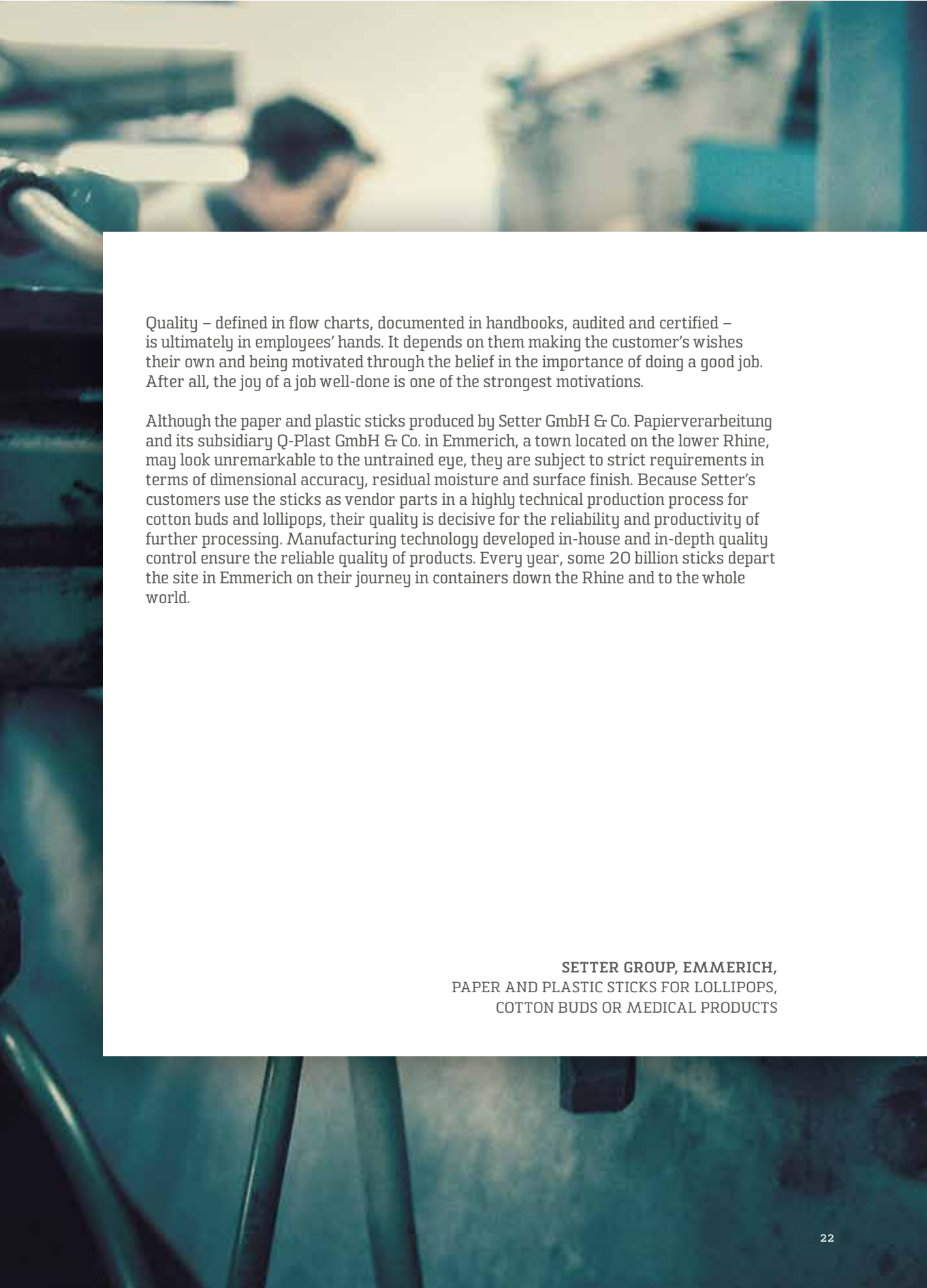
At GESCO Group's SMEs, everyone can see the immediate effect of their work. Short decision-making processes, flat hierarchies, fast action on the market: an appealing environment for everyone who wants to make a difference.

PROTOMASTER RIEDEL & CO. GMBH, WILKAU-HASSLAU,
PROTOTYPE CONSTRUCTION, SMALL- AND MEDIUM-SCALE SERIES
OF ADVANCED BODY PARTS FOR THE AUTOMOTIVE INDUSTRY





Quality



Quality – defined in flow charts, documented in handbooks, audited and certified – is ultimately in employees' hands. It depends on them making the customer's wishes their own and being motivated through the belief in the importance of doing a good job. After all, the joy of a job well-done is one of the strongest motivations.

Although the paper and plastic sticks produced by Setter GmbH & Co. Papierverarbeitung and its subsidiary Q-Plast GmbH & Co. in Emmerich, a town located on the lower Rhine, may look unremarkable to the untrained eye, they are subject to strict requirements in terms of dimensional accuracy, residual moisture and surface finish. Because Setter's customers use the sticks as vendor parts in a highly technical production process for cotton buds and lollipops, their quality is decisive for the reliability and productivity of further processing. Manufacturing technology developed in-house and in-depth quality control ensure the reliable quality of products. Every year, some 20 billion sticks depart the site in Emmerich on their journey in containers down the Rhine and to the whole world.

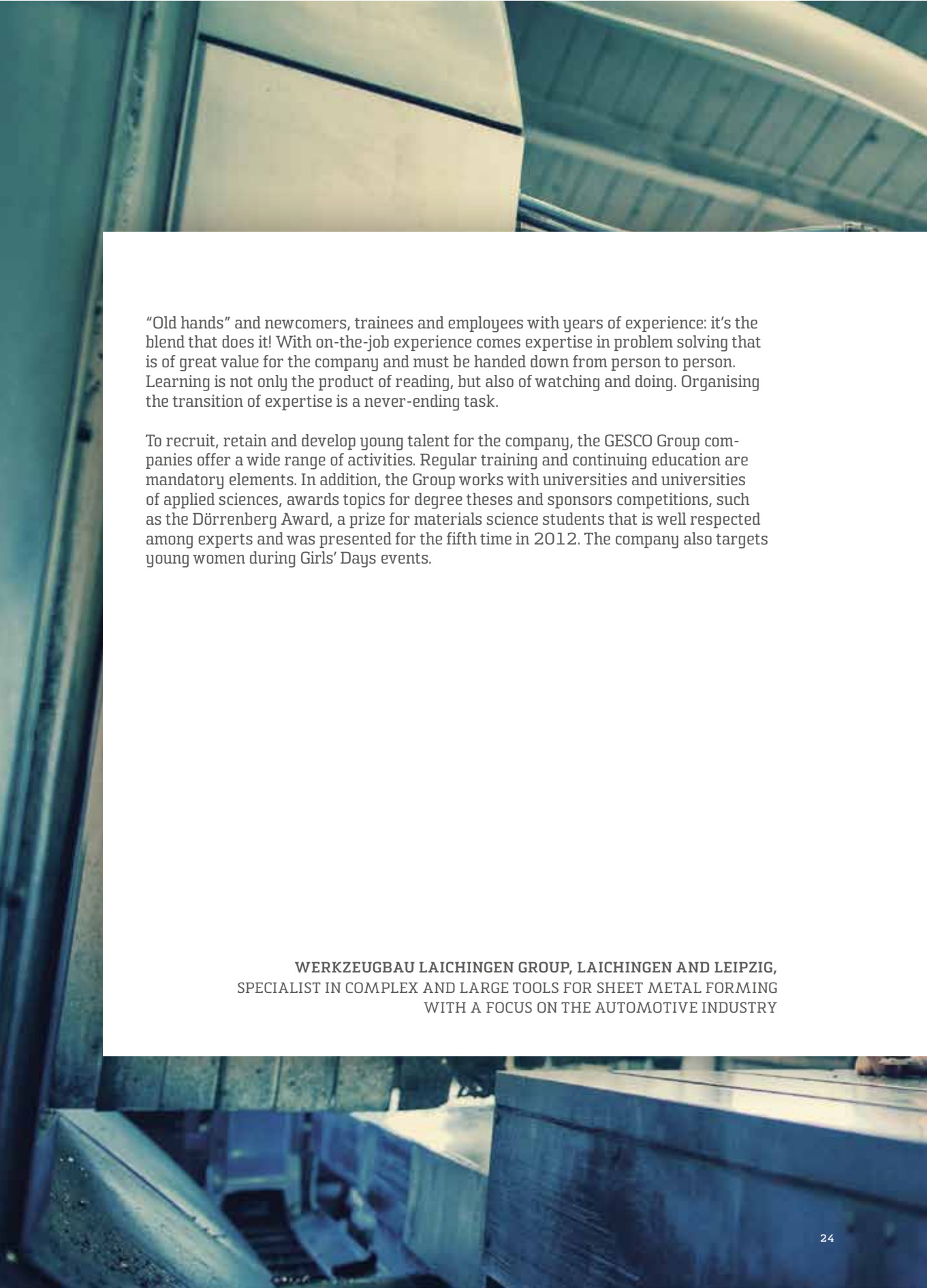
SETTER GROUP, EMMERICH,
PAPER AND PLASTIC STICKS FOR LOLLIPOPS,
COTTON BUDS OR MEDICAL PRODUCTS





The background image shows a close-up, low-angle view of a worker in a blue uniform, possibly a technician or engineer, working in a factory or industrial setting. The worker is holding a white container or piece of equipment. The ceiling of the facility is visible, showing a complex network of metal beams and pipes. The lighting is somewhat dim, with a cool blue-green tint. A large white rectangular area is overlaid on the left side of the image, containing the title text.

Handing down expertise



“Old hands” and newcomers, trainees and employees with years of experience: it’s the blend that does it! With on-the-job experience comes expertise in problem solving that is of great value for the company and must be handed down from person to person. Learning is not only the product of reading, but also of watching and doing. Organising the transition of expertise is a never-ending task.

To recruit, retain and develop young talent for the company, the GESCO Group companies offer a wide range of activities. Regular training and continuing education are mandatory elements. In addition, the Group works with universities and universities of applied sciences, awards topics for degree theses and sponsors competitions, such as the Dörrenberg Award, a prize for materials science students that is well respected among experts and was presented for the fifth time in 2012. The company also targets young women during Girls’ Days events.


**WERKZEUGBAU LAICHINGEN GROUP, LAICHINGEN AND LEIPZIG,
SPECIALIST IN COMPLEX AND LARGE TOOLS FOR SHEET METAL FORMING
WITH A FOCUS ON THE AUTOMOTIVE INDUSTRY**







Communication



Isolation is dangerous. This is as true for managers as it is for employees. Communication is therefore important, provides professional and personal enrichment, and is thought provoking. Opportunities and risks, markets and technologies, investments and staffing decisions: the range of topics is highly diverse. Sharing opinions and ideas is vital in a world that is constantly growing more and more complex.

This communication is a part of day-to-day business within the individual companies. At Group level, GESCO AG organises annual company meetings where managing directors can talk, get to know each other's companies and find inspiration in presentations on overarching topics, such as sales and product piracy. Cross-company communication also takes place in expert groups, where the companies explore opportunities for joint activities.

Time and again, individual companies face tasks with which they are rarely confronted, be it the introduction of a production planning system, the establishment of a foreign branch or highly specialised legal questions. In such events, the companies benefit from the know-how of the holding as well as from the expertise within the entire Group.


GEORG KESEL GMBH UND CO. KG, KEMPTEN,
MILLING MACHINES WITH A FOCUS ON RACK AND
BANDSAW BLADE MILLING MACHINES AND CLAMPING SYSTEMS





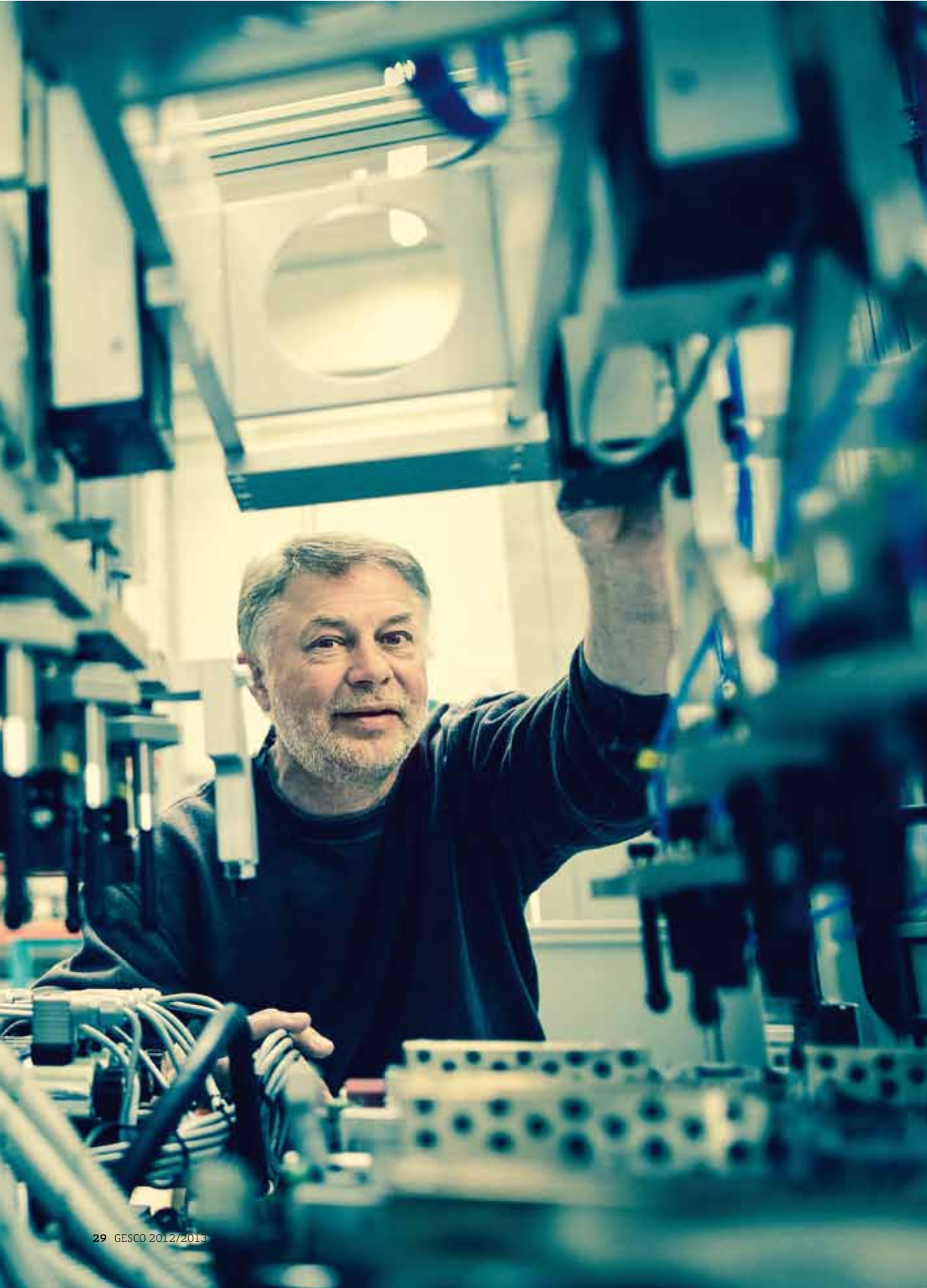


A people business – right to the end

A blurred background image of an industrial robotic arm in a factory setting, with blue and white tones.

GESCO Group plans to grow internally and externally. The holding is therefore always on the lookout for strategically well-positioned industrial niche providers. To do so, it maintains a network in the M&A and business world. The ideal way for GESCO to generate external growth is to acquire companies as part of a succession plan. And for entrepreneurs who are unable to find a successor within their own families yet wish to see their companies continue to be managed with a long-term orientation towards values, a sale to GESCO can be the ideal way to place their life's work in good hands. No matter how consistent sale price negotiations are and how cautious a company is in due diligence, this kind of transaction always remains a matter of trust. Of course, no transaction is based on trust alone. But a transaction without trust is unthinkable. This is, after all, a people business.

VWV VORRICHTUNGS- UND WERKZEUGBAU HERSCHBACH GMBH, HERSCHBACH,
AUTOMATION TECHNOLOGY WITH SPECIALISED KNOW-HOW
IN ROBOTIC AND CAMERA TECHNOLOGY





ALKO20

INFORMATION ON THE GESCO SHARE ¹⁾

International Securities Identification Number ISIN	DE000A1K0201
Securities Identification Number (SIN)	A1K020
Stock market abbreviation	GSC1
Share capital (31.03.2013)	€ 8,645,000
Number of shares (31.03.2013)	3,325,000
IPO	24 March 1998
Issue price	DM 42 / € 21.47
Year-end price, previous year (31.03.2012)	€ 65.40
Year-end price, reporting year (28.03.2013)	€ 75.54
Reporting year high (01.03.2013)	€ 82.95
Reporting year low (14.06.2012)	€ 55.65
Market capitalisation as of 31.03.2013	€ 251.2 million
Freefloat as of 31.03.2013	around 87 %
Market capitalisation of free float as of 31.03.2013	€ 218.5 million
Shares held by members of the Supervisory Board (31.03.2013)	0.2 %
Shares held by members of the Executive Board (31.03.2013)	0.6 %
Transparency standard	Prime Standard
Indices	SDAX CDAX overall index Prime All Share Prime Industrial Classic All Share Prime Industrial Diversified

STOCK EXCHANGES

XETRA
Frankfurt (regulated market)
Berlin-Bremen (open market)
Düsseldorf (open market)
Hamburg (open market)
Munich (open market)
Stuttgart (open market)

GOOD REASONS TO BUY THE GESCO SHARE:

THE GESCO SHARE PROVIDES ACCESS TO THE AMBITIOUS SME SECTOR

STABLE BUSINESS MODEL PROVEN OVER MANY YEARS

SOUND, HEALTHY ASSETS WITH LOW BALANCE SHEET RISKS

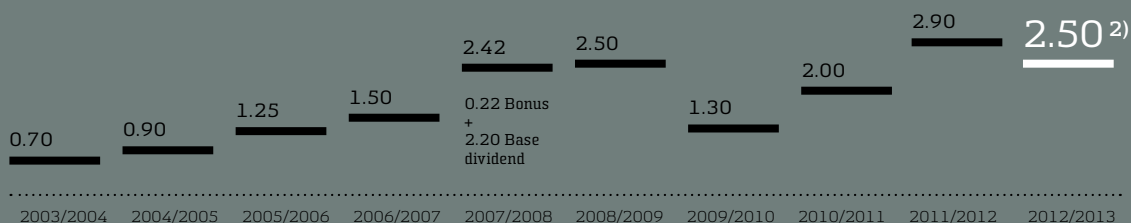
SUSTAINABLE, CALCULABLE DIVIDEND POLICIES

HIGH LEVEL OF MANAGEMENT EXPERTISE WITH INDUSTRY EXPERIENCE

OPPORTUNITIES THROUGH NUMEROUS UNSOLVED SUCCESSION ISSUES

ACTIVE INVESTOR RELATIONS, HIGHLY TRANSPARENT REPORTING.

DIVIDEND PER SHARE IN €

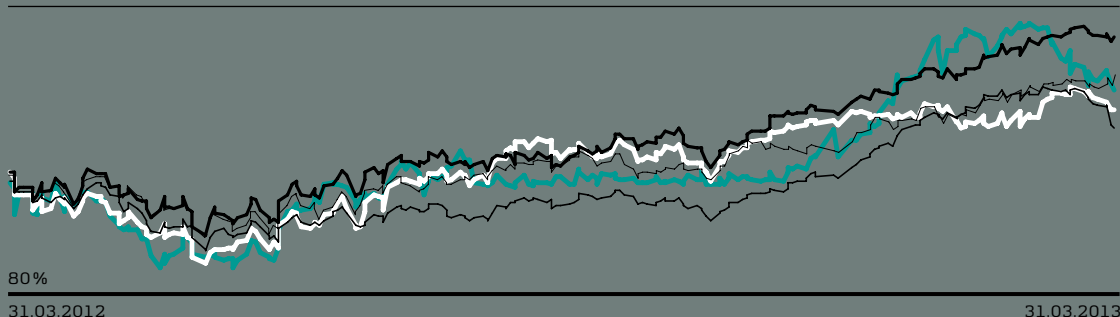


¹⁾ All share prices reflect the XETRA closing price

²⁾ Dividend proposal to the AGM on 25 July 2013

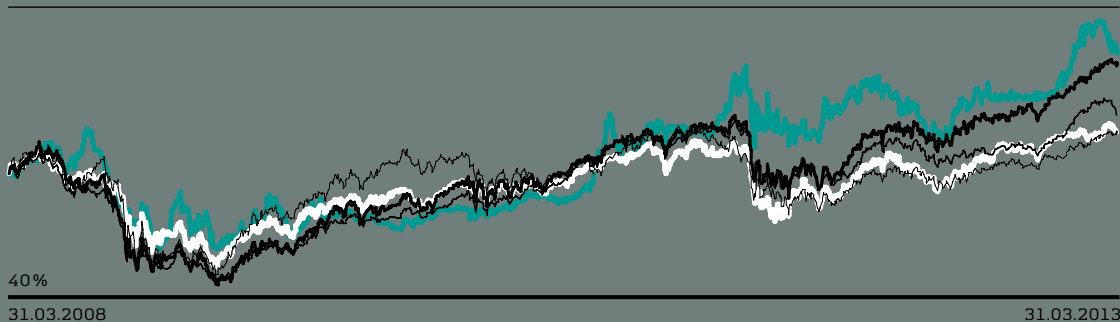
GESCO VS. INDICES (1 YEAR)

130%



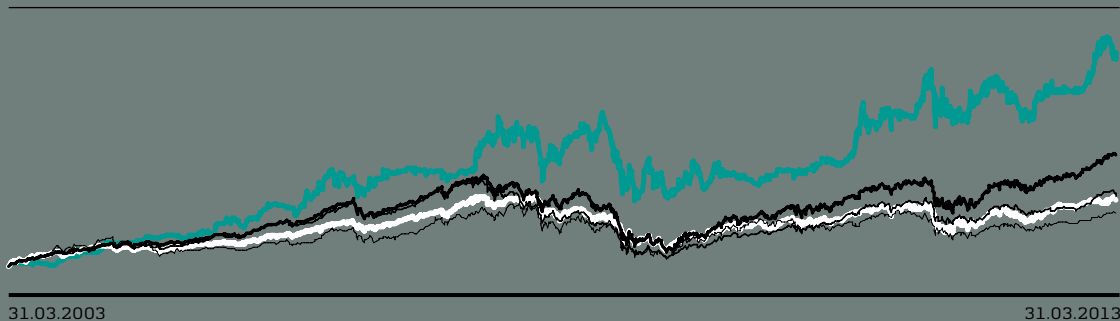
GESCO VS. INDICES (5 YEARS)

180%



GESCO VS. INDICES (10 YEARS)

1000%



GESCO

DAX

MDAX

SDAX

TECDAX

DIVIDEND
PER SHARE

2.50 € ²⁾

EARNINGS
PER SHARE

6.30 €

YEAR-END SHARE PRICE,
REPORTING YEAR

75.54 €

GESCO SHARES

The GESCO share offers investors access to leading companies in the technology-driven German Mittelstand. Thanks to price performance and sustainable, calculable dividend policies, investors participate in the business success of GESCO Group.

In financial year 2012/2013, the GESCO share recorded a price gain of 15.5 %, significantly outperforming the SDAX, which rose by 9.1 %. At 12.2 %, the DAX performed worse than the GESCO share, whereas the MDAX, at 24.5 %, posted better performance. When looking at the 2012 calendar year, the performance of the GESCO share, a 7.7 % increase, lagged behind the SDAX, which posted an 18.7 % rise; the significantly greater increases seen on the MDAX (33.9 %) and DAX (29.1 %) likely also indicate some investors' preference for companies with higher market capitalisation during this period.

A look at share price performance over the financial year reveals both darkness and light. After an impasse in early 2012, the share recovered and moved on to develop laterally in autumn at € 65/66. At the start of 2013, the share started a rapid race to catch up, resulting in all-time highs around € 83. This was followed by a significant drop and then renewed growth to prices of more than € 80. The fact that the stock market is full of ups and downs is hardly anything new. GESCO AG marked the 15th anniversary of its IPO on 24 March 2013. While not an actual anniversary in the formal sense, the date was an occasion to take a look back. In its 15 years on the stock market, GESCO AG has not only significantly outperformed its benchmark index, SDAX, but also the DAX, MDAX and TecDAX. Furthermore, the Group has since then distributed a total of more than € 19 per share in dividends to its shareholders. It goes without saying that historical success is not a guarantee of future performance. However, the GESCO share has proven that it has what it takes to be an outperformer, regardless of the market's peaks and valleys, and despite its comparatively risk-averse and fiscally rather conservative business model.

MARCH 2013:
15TH ANNIVERSARY
OF THE IPO

In Deutsche Börse AG's MDAX and SDAX indices, the GESCO share ranked 76th in terms of market capitalisation and 78th in terms of trading liquidity, placing it in a stable position in the mid range of the SDAX.

Trading liquidity of the GESCO share remained lower year on year in the reporting year, which was likely also a sign of the preference of many investors for large and mid caps. The average daily trading volume totalled around € 500 thousand, or slightly over 7,000 shares.

The GESCO share remains widely spread, with share capital in the hands of some 8,000 investors. The entrepreneur Stefan Heimöller holds approximately 13 % of the shares. According to the regulations of Deutsche Börse AG, such private shareholdings exceeding 5 % have to be deducted from free float. To our knowledge, of the remaining free float of around 87 %, around 47 % is held by further private investors and about 40 % by institutional investors. German shareholders hold around 80 % of the shares. Further key shareholder markets include the UK, Luxembourg, Belgium, France, Switzerland and the US.

WGZ BANK BEGINS RESEARCH INTO GESCO SHARE

Research into the GESCO share was compiled in the previous year by equinet Bank AG, Close Brothers Seydler Bank AG, Bankhaus Lampe, GSC Research and Performaxx. In addition, WGZ Bank began its research into the GESCO share in mid-2012 and offered us the opportunity for dialogue with investors as part of events and roadshows. We are very pleased that WGZ Bank has decided to include GESCO AG in its universe of investments. On the reporting date, two analysts rated the share as "buy", one with "overweight" and three as "hold".

DIVIDEND POLICIES

SUSTAINABLE AND CALCULABLE DIVIDEND POLICIES

We see a sustainable dividend as one of the most important factors for the position of the GESCO share. We are aiming for a distribution ratio of around 40 % of Group net income after minority interest, adjusted by possible one-off effects. The dividend is therefore inseparably linked to earnings, which we believe is appropriate for an entrepreneurial investment such as our share. We feel that this ratio provides a perfect balance between the request of many investors for distributions and GESCO Group's need to retain sufficient liquid assets for securing future growth. Thanks to this clear dividend policy, which we have followed for many years, we are highly calculable for investors.

On 31 August 2012, a dividend for financial year 2011/2012 amounting to € 2.90 per share was paid out, corresponding to a total volume of around € 9.6 million. At the Annual General Meeting on 25 July 2013, the Executive Board and Supervisory Board will propose a dividend of € 2.50 per share for financial year 2012/2013. At the time this decision was made, the dividend return, based on the proposed dividend, amounted to 3.2 %.

DIRECTORS' DEALINGS

Executive Board member Dr. Hans-Gert Mayrose informed GESCO AG in December 2012 that he had acquired 1,000 GESCO shares.

INVESTOR RELATIONS

Since 2000, GESCO AG has been a member of the **Deutscher Investor Relations Verband e. V. (DIRK)** and stands by its principles of open and continuous communication.

We have also been a member of the **Deutsches Aktieninstitut e. V. (DAI)** since 1999 and support the development of share culture in Germany. We also raise issues encountered by listed SMEs in DAI's workgroups.

GESCO AG won second place at the **GBC Award 2012** during the Capital Market Conference in Munich in December 2012. As a result, GESCO AG has now made the top three for the third time in a row. Criteria of this award include the continuity of IR communication as well as the quality of publications and company presentations.

In January 2013, GESCO AG was recognised in the **Beste Investor Relations Deutschlands (BIRD) 2012** (Best Investor Relations Germany) competition, a prize awarded by investor publication Börse Online. GESCO AG came in third overall across all indices and second in the SDAX.

Our website **www.gesco.de** is a central information platform for all issues relating to the GESCO share, GESCO AG and GESCO Group companies. Since financial year 2010/2011, we have published video commentaries on the quarterly figures by Executive Board member Dr. Mayrose, who is responsible for Investor Relations, on our website. We see this as a contemporary method of conveying information to supplement the comprehensive written reports. These videos have been very well received by institutional and private investors, as well as by those involved in the M&A process and entrepreneurs. The videos can also be recalled on Youtube.

GESCO AG'S
INVESTOR RELATIONS
ACTIVITIES HAVE
WON AWARDS

We maintained active investor relations and general public relations activities during the 2012/2013 financial year. These activities mainly consisted of replying to shareholder questions, roadshows, holding one-on-one meetings with domestic and foreign investors and analysts, and presenting our business model during capital market events.

The following events deserve special mention:

26 April 2012	Hamburger Investoren Konferenz (Hamburger Investors Conference), Hamburg
28 June 2012	Annual Accounts Press Conference and Analysts' Meeting, Laichingen
5 June 2012	DSW Investment Forum, Düsseldorf
25/26 June 2012	Small & Mid Cap Conference, Close Brothers Seydler Bank AG, Paris
5 July 2012	DSW Investment Forum, Aachen
28 August 2012	DVFA Small Cap Conference, Frankfurt/Main
20 September 2012	Fox Family-to-Family-Day, Munich
25 September 2012	Baader Investment Conference, Munich
12-14 November 2012	Deutsches Eigenkapitalforum (German Equity Forum), Frankfurt/Main
26 November 2012	DSW Investment Forum, Essen
6 December 2012	Münchener Kapitalmarkt-Konferenz (Munich Capital Market Conference), Munich
12 December 2012	European Midcap Event, Close Brothers Seydler Bank AG, Geneva
6 February 2013	Small and Mid Cap Conference, Close Brothers Seydler Bank AG, Frankfurt/Main
21 March 2013	Süddeutsche Kapitalmarktkonferenz (South German Capital Market Conference) of Süddeutsche Aktienbank AG, Stuttgart

DECLARATION OF COMPLIANCE AND CORPORATE GOVERNANCE REPORT

In this report, the Executive Board – on its own behalf and that of the Supervisory Board – provides information on its corporate governance in accordance with Section 3.10 of the German Corporate Governance Code and Section 298a of the German Commercial Code (HGB).

The Executive Board and Supervisory Board of GESCO AG govern the company with a view to sustainability. The business model is of a long-term nature and all measures are aimed at sustainable positive development. The Executive Board and Supervisory Board of GESCO AG agree with the aims of the Code to promote good, trustworthy company management for the benefit of shareholders, employees and customers.

The Executive Board and Supervisory Board submitted a declaration of compliance in accordance with Section 161 of the German Stock Corporation Act (AktG) in December 2012 and made it permanently available to shareholders on the company website (www.gesco.de). It is also included in this corporate governance report.

The company dealt with the issue of corporate governance early on, already recognising the precursors to the Code published by the Government Commission on the Corporate Governance Code in February 2002. The version dated 15 May 2012 applies at present. Section 161 of the German Stock Corporation Act (AktG) requires an annual declaration of compliance with this Code. The current declaration of compliance and previous declarations are available to our shareholders and other interested parties on our website.

The Code requires a corporate governance report and, in particular, explanations regarding deviations from its recommendations. The preamble to the Code expressly provides for deviations from its recommendations, which are aimed at enhancing the “flexibility and self regulation with regard to the corporate legal structure of German companies”. This means that deviations are not negative per se, but can actually be beneficial for smaller companies in particular.

SHAREHOLDERS AND ANNUAL GENERAL MEETING

Shareholders exercise their voting rights at the Annual General Meeting. Each share carries one vote. GESCO AG publishes all documents relevant to points on the agenda on the company website in the weeks before the Annual General Meeting. In the invitation to the Annual General Meeting, the company requests that shareholders exercise their voting rights. To make it easier for shareholders to vote, the company appoints a voting rights representative who can vote at the Annual General Meeting on behalf of shareholders and according to their instructions. The company feels that a high attendance rate is important for maintaining democracy amongst shareholders and for ensuring that decisions of the Annual General Meeting reflect the wishes of the majority of shareholders. GESCO AG publishes the invitation to the Annual General Meeting and any reports and information required to pass a resolution in accordance with the regulations of the German Stock Corporation Act (AktG). This information is also available on the company website. Since its IPO in 1998, the company publishes the voting results on its website on the day of the Annual General Meeting.

EXECUTIVE BOARD AND SUPERVISORY BOARD

GESCO AG is a stock corporation under German law and as such is managed by two boards with individual ranges of competence – the Executive Board and Supervisory Board. Both boards maintain a close and trusting working relationship within the scope of their legally defined responsibilities. The Executive Board provides the Supervisory Board with regular, prompt and comprehensive information on company planning, earnings and financial position, risk management, strategic development and intended acquisitions. A list of transactions requiring approval by the Supervisory Board was compiled.

Supervisory Board members did not receive any remuneration or benefits in kind for personal activities such as consultancy or agency services in the reporting year or the year before. Neither Executive Board members nor Supervisory Board members had any conflicts of interest.

EXECUTIVE BOARD

Executive Board members are jointly responsible for managing the company. The Articles of Association stipulate their responsibilities. The Executive Board works out the strategic development of the company, asks the Supervisory Board for approval and implements it. The Executive Board also defines the company's goals, makes plans and manages the internal control and risk management system as well as the controlling of subsidiaries. In addition, the Executive Board prepares the quarterly and interim reports and also the individual financial statements of GESCO AG and the consolidated financial statements.

The Executive Board of GESCO AG consists of two people; no Chairman or Spokesman has been appointed. In this, the company did not comply with the recommendations of the Corporate Governance Code. Both Executive Board members complement one another with their professional know-how and their responsibilities are clearly defined; the company therefore does not feel it is necessary to appoint a Chairman or Spokesman.

In the reporting year, Dr. Hans-Gert Mayrose and Mr. Robert Spartmann were Executive Board members.

SUPERVISORY BOARD

The Supervisory Board appoints Executive Board members, monitors their corporate governance and advises them on issues of company management. The report from the Supervisory Board contains detailed information on its work in the reporting year.

The Supervisory Board of GESCO AG comprises three members. This number has proven to be extremely effective, as strategic issues as well as detailed questions can be discussed in depth. Forming committees is obviously not practical in the case of a Supervisory Board consisting of only three people. The company feels that a strong point of the Supervisory Board derives from the fact that its members are equally informed about all issues.

We are also convinced that the composition of the Supervisory Board is appropriate and provides the highly important professional diversity through expertise in all fields important for the Group in view of the business model oriented towards the German SME sector.

Supervisory Board members in the reporting year were Klaus Möllerfriedrich (Chairman), Rolf-Peter Rosenthal (Deputy Chairman) and Willi Back. Willi Back is a former member of the Executive Board of GESCO AG. He was Chairman of the Executive Board of GESCO AG until 31 March 2004 and was appointed as member of the Supervisory Board by the Annual General Meeting in 2004. Willi Back will step down from his position upon conclusion of the Annual General Meeting for financial year 2012/2013. The Supervisory Board proposes appointing Stefan Heimöller, Dipl.-Kfm./entrepreneur, to serve as Willi Back's successor on the Supervisory Board until the end of the current term in 2015.

DIVERSITY AMONG MANAGERS, EXECUTIVE BOARD AND SUPERVISORY BOARD

The Executive Board and Supervisory Board have deliberated the requirements of the Corporate Governance Code calling for companies to increase diversity among managers, Executive Board and Supervisory Board and pay special attention to appropriately considering women for such positions. As GESCO AG feels that its primary duty lies in considering the interests of the company when appointing managers, Executive Board members as well as Supervisory Board members, the suitable qualifications of an applicant for a vacant position must always be regarded as the most important criteria. We are convinced that appointing a fixed percentage of women would not appropriately reflect this principle. We also feel that at the present time, a stronger international orientation of the Supervisory Board is not an option, as the direct subsidiaries of GESCO AG all have their headquarters in Germany. It must be taken into account that they are SMEs, both in terms of size and company culture. When GESCO AG's subsidiaries and, in turn, their subsidiaries are export-oriented, their personnel structure is suitably matched to their international activities. In the eyes of the Supervisory Board and Executive Board of GESCO AG, diversity is not merely defined by gender and nationality, but also, and specifically, by professional diversity and a well-balanced mix of expertise from various professional fields.

COMPREHENSIVE AND TRANSPARENT COMMUNICATION

GESCO AG promptly and truthfully informs shareholders, the capital market, media and general public about all relevant events and the financial development of the company. Financial reports, press releases and ad hoc notifications, the financial calendar, documents relating to the Annual General Meeting and a host of other information are available on the company website.

DIRECTORS' DEALINGS AND SHAREHOLDINGS OF MEMBERS OF THE EXECUTIVE BODIES

In December 2012, Executive Board member Dr. Hans-Gert Mayrose informed the company of the acquisition of 1,000 GESCO shares. The shareholding ratio of the Executive Board was 0.6 % on the reporting date, while the ratio for the Supervisory Board was 0.2 %.

REMUNERATION REPORT

The remuneration report is part of the Group management report.

ACCOUNTING AND AUDIT OF FINANCIAL STATEMENTS

The individual financial statements of GESCO AG are prepared in accordance with the German Commercial Code (HGB). Since the financial year 2002/2003, the consolidated financial statements of GESCO AG have been pursuant to IFRS. The individual and consolidated financial statements were audited by Dr. Breidenbach und Partner GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Wuppertal. The subsidiaries' financial statements were audited by the following auditing companies: Dr. Breidenbach und Partner GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Wuppertal, K/S/R Treuhand und Revision GmbH Wirtschaftsprüfungsgesellschaft, Ennepetal, and RSM Altavis GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Düsseldorf. Foreign subsidiaries of subsidiaries are primarily audited by international associated partners of our domestic auditors.

The Chairman of the Supervisory Board obtained the auditor's statement of independence in accordance with Section 7.2.1. of the Corporate Governance Code. In line with the resolution passed by the Annual General meeting on 30 August 2012, the Chairman of the Supervisory Board appointed the auditor for the individual and consolidated financial statements. The interim and quarterly reports were not audited in the reporting year.

DECLARATION OF COMPLIANCE IN ACCORDANCE WITH SECTION 161 OF THE GERMAN STOCK CORPORATION ACT (AKTG)

The Executive Board and Supervisory Board of GESCO AG declare in accordance with Section 161 AktG that the recommendations of the Government Commission German Corporate Governance Code published by the Federal Ministry of Justice in the official section of the online Bundesanzeiger (Federal Gazette) on 2 July 2010 were being followed pursuant to the version of the Code dated 26 May 2010 since the last declaration of compliance was issued in December 2011 until the effective date of the new version of the Code dated 15 May 2012 on 15 June 2012, with the following exceptions:

- **Section 4.2.1, sentence 1: Chairman of the Executive Board or Spokesman of the Executive Board**

The Executive Board of GESCO AG comprises two people; no Chairman or Spokesman has been appointed. Both Executive Board Members complement one another with their professional know-how and their responsibilities are clearly defined. In view of their joint overall responsibility, the Executive Board Members maintain a close and trusting working relationship and hold equal rights.

- **Section 5.3: Forming Supervisory Board Committees**

The Supervisory Board of GESCO AG comprises three members. This number has proven to be extremely effective, as overarching strategic issues as well as detailed questions can be discussed in depth and without any loss of efficiency and decided upon by the entire Supervisory Board. We therefore believe that it is not appropriate to create Supervisory Board Committees. The company rather feels that a strong point of the Supervisory Board derives from the fact that its members are equally involved in all issues.

The Executive Board and Supervisory Board of GESCO AG also declare in accordance with Section 161 AktG that the recommendations of the Government Commission German Corporate Governance Code in the version dated 15 May 2012 have been and will be followed since its publication in the official section of the Bundesanzeiger (Federal Gazette) on 15 June 2012, with the exceptions to Section 4.2.1, sentence 1 and Section 5.3 as justified above as well as the following exception:

- **Section 5.4.6, para. 2, sentence 2: Performance-oriented Supervisory Board remuneration**

The remuneration of the members of the Supervisory Board of GESCO AG includes a fixed component, an attendance fee and a performance-oriented component based on Group net income for the year after minority interest. Any Group losses are carried forward to the subsequent year and offset against positive income. In our opinion, this rule is in keeping with a sustainable and entrepreneurial way of thinking and should be in compliance with the orientation towards sustainable corporate development called for in the Code. However, as it is not feasible to exclude the possibility that others may be of a different opinion, we therefore report a deviation from the recommendation of the Code as a precautionary measure.

Wuppertal, December 2012


GESCO AG

For the Supervisory Board
Klaus Möllerfriedrich

For the Executive Board
Dr. Hans-Gert Mayrose

Robert Spartmann





2012/2013

GROUP MANAGEMENT REPORT

GROUP MANAGEMENT
REPORT

GENERAL CONDITIONS

Following strong growth of 3 % in 2011, German GDP only recorded a marginal increase of 0.7 % in 2012. Economic output in fact fell by 0.3 % in the fourth quarter of 2012.

The Verband Deutscher Maschinen- und Anlagenbau e. V. (VDMA – German Machinery and Plant Manufacturers Association), which is relevant for our largest segment, tool manufacture and mechanical engineering, recorded a 3 % increase in sales in 2012, in particular driven by rising exports. As in the previous year, the VDMA pointed out the wide diversification across individual sectors.

The Gesamtverband Kunststoffverarbeitende Industrie e.V. (GKV – Association of Plastic Goods Producers), which is the association relevant for our second, significantly smaller segment, namely plastics technology, reported sales growth of 0.5 % in 2012, with domestic sales rising at approximately the same rate as foreign sales.

When looking at the figures provided by both associations, it has to be remembered that the sectors they represent are each extremely diverse and the data therefore represents a vast number of different companies. As the GESCO Group companies are mostly specialised SMEs in niche markets, these figures only serve as a rough guide and are of limited value when used as benchmarks for evaluating the actual development of GESCO Group.

In the German M&A market segment for companies with sales in the region of € 5 million to € 50 million, which is the segment relevant for us, the Bundesverband Deutscher Kapitalbeteiligungsgesellschaften (BVK – German Private Equity and Venture Capital Association) registered 69 investments in 2012 compared to 54 in the previous year, equalling an increase of 27.8 %.

SIGNIFICANT CHANGES TO THE SCOPE OF CONSOLIDATION

In April 2012, GESCO AG sold its 80 % share in **Ackermann Fahrzeugbau GmbH**, Wolfhagen, to AluTeam Fahrzeugtechnik GmbH, Bielefeld. The managing director of Ackermann Fahrzeugbau GmbH also sold his 20 % share in the company. The exit, in other words the sale, of a subsidiary is not part of the GESCO business model, but Ackermann's relevant markets have been dominated by tough competition and consolidation for a long time. Since the crisis in 2009, the market environment has experienced profound changes yet again and is now impacted by strong fluctuations in capacity utilisation and high pricing pressure. As a niche provider, Ackermann is competing with much larger companies. We are confident that the cooperation with the industry partner AluTeam will provide Ackermann with strategic advantages that it would not be able to obtain if it continued to be positioned as an individual company.



GESCO AG acquired an 80 % share in **C.F.K. CNC-Fertigungstechnik Kriffel GmbH**, Kriffel, at the end of May 2012. CFK is an erosion and laser melting specialist that employs 46 people and generates annual sales of around € 7.5 million. GESCO AG acquired a majority shareholding from founder and managing director Günter Kochendörfer as part of a business succession settlement due to retirement. The second managing director Dr. Christoph Over joined the company in 2009 and will continue to hold a 20 % stake in the business.

At the beginning of July 2012, GESCO AG acquired 82.17 % of **Protomaster Riedel & Co. GmbH**, Wilkau-Haßlau. Protomaster produces high-quality body parts, primarily for premium producers in the automotive industry, and also develops and produces the necessary tools for these tasks. With a workforce of 75 employees, the company generates approximately € 9 million in total income. GESCO AG acquired the shares from company founder Wilfried Riedel as part of a succession agreement due to retirement. The other company founder and current managing director Mario Mößler retains a 17.83 % share, and stands for continuity in the company's management.

In the middle of July 2012, GESCO AG acquired 100 % of **Modell Technik GmbH & Co. Formenbau KG**, Sömmerda. Modell Technik develops and produces complex tools for aluminium die cast components. The company's 107 employees generate sales of some € 12 million. As part of a succession plan, GESCO AG acquired the shares from managing partner Matthias Huke and two shareholders who are not involved in day-to-day business operations. Matthias Huke will remain active within the company as managing director for the next years, ensuring continuity for the company's management.

SALES AND EARNINGS

The financial year of GESCO AG and GESCO Group runs from 1 April to 31 March of the following year, while the financial years of the subsidiaries coincide with the calendar year.

The following consolidated financial statements take into account early adoption of the new provisions of IAS 19 with regard to pension and partial retirement obligations. The previous year's figures for personnel expenditure and taxes on income and earnings have been adjusted accordingly.

After the crisis of 2009, German industry experienced extremely dynamic development in both 2010 and 2011, a period in which GESCO Group recorded strong, exceptionally high growth. However, growth in the economy as a whole and in GESCO Group already began to return to a level of normalcy in the second half of 2011. Demand began to slacken in 2012, although business in the majority of subsidiaries remained at a fairly high level. Group sales rose through a combination of internal and external growth, while the decline in incoming orders in the existing portfolio was offset by the changes in the scope of consolidation.



Total incoming orders in the reporting period stood at € 439.4 million, which is almost exactly the same level as in the previous year. Group sales rose by 6.0 % to € 440.4 million (previous year: € 415.4 million). While the ratio of material expenditure decreased, there was a rise in the ratios of personnel expenditure and other operating expenditure. Earnings before interest, taxes, depreciation and amortisation (EBITDA) increased slightly by 1.1 % to € 51.8 million (€ 51.2 million). Depreciation and amortisation rose at a significantly faster rate than sales, totalling € 14.4 million (€ 12.1 million) due to the considerable investments made in previous years as well as the effects of first-time consolidation of the newly acquired companies. Consequently, earnings before interest and taxes (EBIT) fell to € 37.3 million (€ 39.1 million). Following a marginal change in the financial result of € -3.5 million (€ -3.4 million), a slightly higher tax rate and lower minority interests, Group net income after minority interest amounted to € 20.9 million (€ 22.5 million). The previous year's figure included non-recurring income of approximately € 0.7 million from legal disputes. Earnings per share amounted to € 6.30; the previous year's figure of € 7.40 was based on a significantly lower weighted average number of shares resulting from a capital increase of almost 10 % of the share capital carried out shortly before the end of the financial year at the end of February 2012.

The economic result is largely in line with our planning. During the accounts press conference in June 2012, we forecasted Group sales of € 430 million and Group net income for the year after minority interest of € 20.5 million. We had increased the sales forecast to € 438 million following the acquisitions of Protomaster and Modell Technik in July 2012. Ultimately, we have therefore slightly exceeded our targets. The contributions to earnings from the subsidiaries newly acquired since December 2011 were in total higher than expected, while the performance of some existing businesses was somewhat more subdued than originally planned.

SALES AND EARNINGS BY SEGMENT

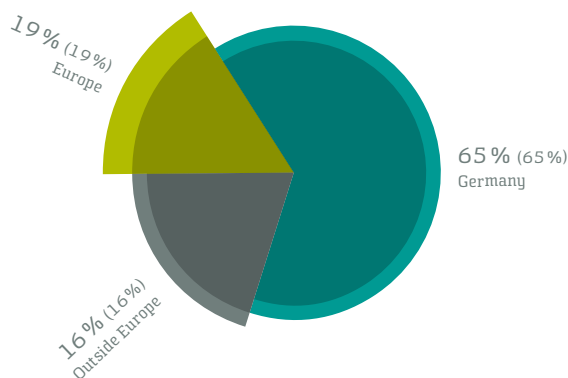
Detailed segment reporting included in the consolidated financial statements is divided into the operating segments tool manufacture and mechanical engineering, plastics technology as well as the segments GESCO AG and other/consolidation. As neither the GESCO AG segment nor the other/consolidation segment generates material sales or earnings from operating activities, they are not included in this analysis.

In the tool manufacture and mechanical engineering segment, sales went up by 10.7 % to € 413.3 million (€ 373.3 million). Due to significantly higher depreciation and amortisation, the increase in EBIT was not quite as strong, rising 4.5 % to € 44.0 million (€ 42.1 million). Incoming orders amounted to € 414.5 million compared to € 395.7 million in the previous year's period.

The deconsolidation of Ackermann Fahrzeugbau GmbH, which was sold in April 2012 and is no longer included in the consolidated financial statements in the reporting period, left its mark on the plastics technology segment. Sales decreased to € 26.6 million (€ 41.6 million) and EBIT amounted to € 4.4 million (€ 5.1 million). Incoming orders came to € 24.4 million (€ 42.8 million).

SALES BY REGION

(previous year's value in brackets)



SALES BY REGION

At 35 %, the export ratio for the Group was on par with the previous year's figure. The proportion of European and non-European exports likewise remained unchanged as against the previous year. Significant non-European markets in the reporting period were China, South Korea, Taiwan and the USA.

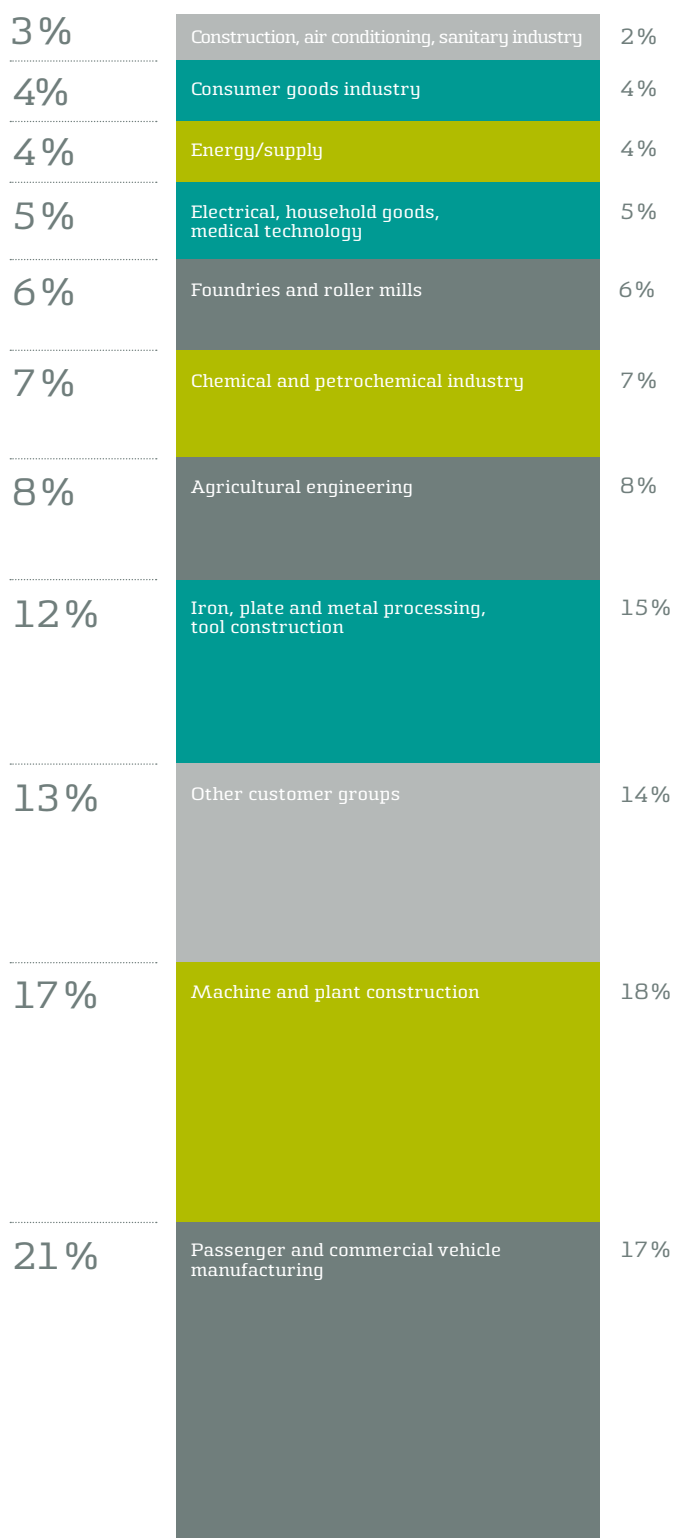
As many customers of our subsidiaries are export-driven, GESCO Group also likely has a significant amount of indirect exports which, of course, cannot be precisely quantified.

Setter (91 %), SVT (79 %), Kesel (71 %) and MAE (56 %) had particularly high direct export ratios in the reporting year.

SALES BY CUSTOMER SECTOR

GESCO AG considers the diversification of customer sectors as a key element of its risk mitigation process. As a result, GESCO Group supplies a large variety of industries, which makes it less dependent on economic developments in specific sectors.

The acquisition of three tool manufacturers, which mainly supply the automotive industry, has increased the proportion of passenger car and commercial vehicle manufacturing. However, these are primarily capital goods; the Group-wide proportion of supplies of series parts to the automotive industry is below 5 %.



SALES BY CUSTOMER SECTOR
(previous year's value on the right)

INVESTMENT AND DEPRECIATION

We consider future-oriented technical equipment to be a key competitive factor for the success of our subsidiaries. Regularly investing in fixed assets and contemporary information technology, and in particular systems for efficient production planning and control, are in our view equally essential. GESCO Group invested a total of € 22.4 million in the reporting year in property, plant and equipment and intangible assets, which is a considerable increase compared to € 15.9 million in the previous year. Some of the construction activities scheduled for the previous year had to be postponed in the reporting year due to delayed building permits.

The main focuses of investment during the reporting period included MAE Maschinen- und Apparatebau Götzen GmbH, which built a new administration building in the course of extensive construction and expansion projects. Werkzeugbau-Laichingen Group purchased the rented property in Laichingen from the previous owner and invested in a new five-axis machining centre at the Leipzig plant. Dörrenberg Edelstahl GmbH has expanded its stainless steel division by investing in property.

Depreciation on property, plant and equipment and amortisation on intangible assets increased from € 12.1 million to € 14.4 million, due in part to the investments made in previous years as well as to effects from the first-time consolidation of the newly acquired companies.

RESEARCH AND DEVELOPMENT

Most of our subsidiaries are SMEs whose research and development activities are largely market and customer-driven. Technical innovations as well as new products and applications are usually developed in projects as part of customer orders.

At Dörrenberg Edelstahl GmbH, research and development are an ongoing process carried out over many individual projects. The company cooperates with various universities and institutions, as required. In 2012, it again focused on energy efficient, resource-saving products and methods.

SVT GmbH, a specialist for loading liquefied natural gas (LNG), continued development in innovative processes for handling and loading compressed natural gas (CNG) in 2012.

The new hydroforming manufacturing technology was a focus of development at Hubl GmbH in 2012. This process enables stainless steel sheets with complex geometrical profiles to be reshaped into 3D free-form surfaces at a low cost. For Hubl, this is an interesting supplement to its existing metal forming technology.



PROCUREMENT

GESCO Group companies consider procurement a strategic task; they strive to avoid dependencies and usually maintain long-term, constructive partnerships with their suppliers. The subsidiaries attempt to enter into framework agreements so as to obtain security for their planning.

Given the slowdown in the economy, raw material and steel prices were less volatile than in previous years. There were no serious supply bottlenecks in the reporting year.

GROUP BALANCE SHEET

The previous year's figures in the Group balance sheet were also adjusted accordingly due to the early application of the new IAS 19 provisions. Additional information can be found in the notes to the consolidated financial statements.

Total assets increased by 11.3% to € 357.5 million compared to the previous year (€ 321.1 million). This increase is primarily due to changes in the scope of consolidation.

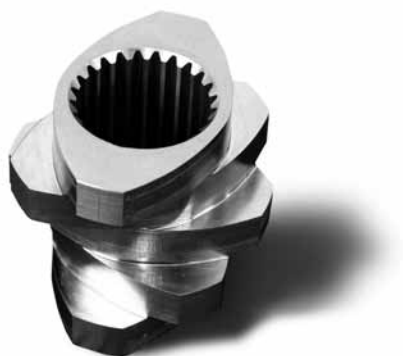
On the asset side, non-current assets rose by 26.9% as a result of acquisitions and investments. Without consideration of the assets held for sale at the previous reporting date, current assets rose by 7.7%. Liquid assets had increased to € 42.9 million as of the previous reporting date due to the capital increase carried out in February 2012. The purchase price for the acquired companies and the dividend in the amount of € 9.6 million reduced liquid assets in the reporting period. Liquidity amounted to € 36.5 million as of the reporting date 31 March 2013.

On the liabilities side, equity rose to € 166.5 million (€ 155.0 million) due to the year's result. Consequently, the equity ratio remains at a high level of 46.6% (48.3%) despite the considerable rise in total assets. Current and non-current liabilities to financial institutions increased in total to € 78.8 million (€ 63.2 million). Both the initial consolidation of companies acquired during the reporting period and the debt financing components of the purchase price of a subsidiary contributed to this figure.

The overall balance sheet structure continues to be very healthy. Goodwill amounts to merely € 12.4 million or 7.4% of equity. The Group has a strong equity base and sufficient liquidity, which could be easily increased by taking out additional loans, if necessary. The net debt to EBITDA ratio is very low, coming in at 0.8. All in all, GESCO Group has an excellent financial footing, which will allow it to continue to perform well.

ENVIRONMENTAL PROTECTION

The obligation to protect the environment, even beyond legal regulations and requirements, is firmly anchored in the self-image of GESCO Group. This applies to production as well as the life cycle of products up to the point of recycling.



By aligning development and production to comply with environmental issues, the companies are opening up attractive opportunities in the market. After all, saving resources and energy are key selling points in these times of rising energy and raw materials prices. But not only products are relevant in terms of the environment. Construction projects at GESCO Group also take into account energy aspects so as to reduce follow-up costs and emissions. We have analysed a variety of options for saving and producing energy in terms of their technical feasibility and economic viability.

A good example of this is Haseke GmbH & Co. KG, which, when it invested in a new coating line, installed an automated parts cleaning system that reduces solvent consumption by 65 %. This is even a reduction of 80 % compared to the previous method of cleaning parts by hand. Another advantage of the coating line is that 55 % of heat energy is drawn from the exhaust air via a heat exchanger and is used for heating the supply air.

EMPLOYEES

We are convinced that technically competent, motivated and loyal employees who identify with their employer represent a key strength of SMEs. That is why training and continuing education is extremely important within the Group.

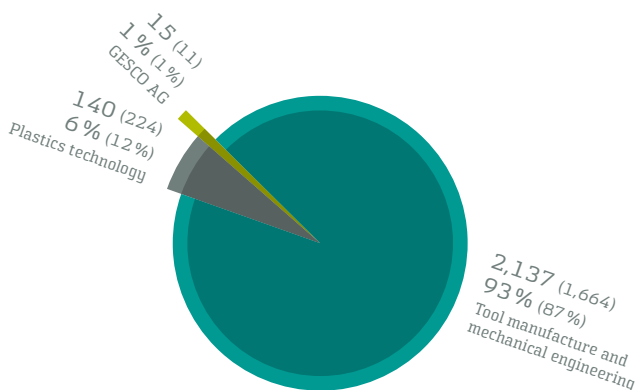
As of the reporting date, the Group employed 2,292 people compared to 1,899 in the previous year. This considerable increase is primarily the result of changes in the scope of consolidation.

In the autumn of 2012, GESCO AG offered all Group employees the opportunity to buy shares in the company at favourable terms under its 15th employee share scheme. Just over 43 % of the Group's workforce took advantage of this opportunity to make a personal investment.

In an effort to bolster its long-term positioning as an attractive employer, Dörrenberg Edelstahl GmbH announced the fourth competition at the beginning of 2012 for students studying engineering-related subjects with an emphasis on materials technology. An expert panel selected five prize winners from the scientific work submitted.

Several subsidiaries cooperate with universities and other educational facilities to tap new talent, especially engineering science graduates. Haseke GmbH & Co. KG, for instance, continued its cooperation with the technical school in Stadthagen (Technikerschule Stadthagen), offers students at universities of applied sciences specialised work placements, and has established a dual course of industrial engineering studies in cooperation with FH Bielefeld University of Applied Sciences, Minden campus. Paul Beier GmbH Werkzeug- und Maschinenbau & Co. KG now offers a dual course of studies in mechanical engineering with an industrial mechanic apprenticeship in cooperation with the University of Kassel.

EMPLOYEES BY SEGMENT
(End of the financial year;
previous year's value in brackets)



There are various remuneration and incentive systems in place at management level. In conventional succession planning cases, GESCO AG acquires 100 % of a company and appoints a new managing director who invests in the company he or she manages after a probationary period of approximately two years. The stake is typically around 10 % to 20 %. For larger subsidiaries with several managers, the amount per person is correspondingly lower. Thanks to these investments, the managers participate directly in the results of the respective subsidiary as shareholders. Management remuneration also includes a variable component linked to earnings of the managed company.

REMUNERATION REPORT

Remuneration for Executive Board members comprises three components: a fixed and a variable, performance-related component as well as a component with long-term incentives.

The fixed component comprises of an annual base salary, additional benefits (mainly the private use of company vehicle and medical care) and pension commitments.

The variable component is calculated as a performance-related bonus, which is geared towards the Group's net income after minority interest and is capped at twice the annual base salary. As the bonus is linked to Group earnings, it may not be paid out at all in certain cases. If Group earnings after minority interest are negative, in other words the company has made a loss for the year, this loss is carried forward to the next year and reduces the measurement base for the bonus. Another sustainability component has been added to the performance-linked bonus for the case of Executive Board members leaving their position to increase the focus on sustainability and long-term perspectives as required by VorstAG. If Group earnings after minority interest are negative in the expired financial year prior to the Executive Board member leaving or in the same year that the member leaves, the Executive Board member shares in the loss.



Remuneration components with long-term incentives are stock options issued to Executive Board members, based on the stock option programme approved by the Supervisory Board in September 2007 for an initial three years that was extended and adjusted to meet the new legal requirements in 2010. The stock options are issued in yearly tranches at an exercise price corresponding with the average XETRA closing price of the GESCO share on the ten consecutive stock exchange trading days after the Annual General Meeting in the year the options are issued. The options are issued within one month after the Annual General Meeting. The stock option programme is designed so that Executive Board members have to contribute GESCO shares acquired with their own private funds, which may not be resold for the duration of the waiting period. Ten options can be purchased for each share. The waiting period is four years and two months after the option is issued; after the end of the waiting period, the options may be exercised at any time up to 15 March of the year after next. The waiting period for the tranches of the years 2007 to 2009 was two years and nine months. If and how many options can be exercised depends on the achievement of an absolute and relative performance target. The absolute performance target is met when the price of the GESCO share has developed positively at the time of execution. The relative performance target is met when the price of the GESCO share has outperformed the SDAX at the time of execution. If both targets are met, the Executive Board members are able to exercise all their options. If the absolute but not the relative target is reached, the Executive Board members can exercise 75 % of their options while the remaining 25 % expire completely without recourse. One option entitles the holder to acquire one GESCO share. If neither targets are met at the time of execution, all options of the corresponding tranche expire completely without recourse. The maximum gain of the Executive Board members is capped at 50 % of the exercise price.

The Supervisory Board of GESCO AG initiated another tranche in September 2012. A total of 24,000 options were issued to members of the Executive Board and management employees of GESCO AG. GESCO AG reserves the right to provide partial or full cash compensation for gains under the programme. Non-cash expenditure under this programme is determined using a common binomial model, recorded in earnings and recognised in other provisions. The model assumes volatility of 36.77 % and a risk-free interest rate of 0.75 %; the exercise price of the options issued in September 2012 is € 65.10. The waiting period is four years and two months after the option is issued; after the end of the waiting period, the options may be exercised at any time up to 15 March of the year after next. The fair value per option on the issue date is € 8.15. The Executive Board members exercised a total of 30,000 shares in the reporting year.

The pension commitment (including widow and orphan benefits of 60 % and 30 %) of Executive Board members amounts to a specified percentage of the annual base salary paid prior to retirement. The actual percentage calculated for each Executive Board member includes two components: a basic percentage of 10 % of the annual base salary paid prior to retirement after a waiting period of five years, and an additional 0.5 % increase of the basic percentage for each completed working year.

Remuneration for the Supervisory Board consists of a fixed salary plus a fixed payment for each Supervisory Board meeting. In addition, each member of the Supervisory Board receives performance-based remuneration calculated as a fixed percentage of Group net earnings. The Chairman of the Supervisory Board receives twice the amount and the Deputy Chairman of the Supervisory Board receives one and a half times the amount of fixed remuneration.

DISCLOSURES UNDER SECTION 315 PARA. 4 OF THE GERMAN COMMERCIAL CODE (HGB)

The share capital of GESCO AG is € 8,645,000 and is divided into 3,325,000 registered shares. Each share is granted one vote in the Annual General Meeting.

According to Sections 76 and 84 of the Stock Corporation Act (AktG) and Section 6 para. 1 of the GESCO AG Articles of Association, the Executive Board consists of one or more persons. According to Section 6 para. 2 of the Articles of Association and in accordance with legal regulations, the Supervisory Board appoints and dismisses the Executive Board and establishes the term of service and the number of members. The Supervisory Board may also appoint replacement members. According to Section 17 para. 1 of the Articles of Association, resolutions are passed by the Annual General Meeting with a simple majority of the votes cast, unless binding legal regulations state otherwise; where the law requires a capital majority in addition to a majority of votes cast, resolutions are passed with a simple majority of the share capital represented when the resolution is voted on. According to Section 17 para. 2 of the Articles of Association, the Supervisory Board has the right to make amendments to the Articles of Association that affect only the wording.

The Annual General Meeting on 30 August 2012 authorised the Executive Board to increase the company's share capital once or several times by a total of € 864,500.00 until 29 August 2015 with the consent of the Supervisory Board by issuing new shares in exchange for cash or contributions in kind. Subscription rights may be excluded in certain cases. The Executive Board has not made use of this authorisation to date.

The Annual General Meeting on 2 September 2010 authorised the company to acquire up to ten out of every hundred shares of the share capital until 1 September 2015 counting own shares already held. Subject to the approval of the Supervisory Board and under certain conditions, the Executive Board is also authorised to dispose of the acquired shares in a manner other than via the stock exchange or by offering them to all shareholders, to use them for the purpose of acquiring companies or investments, or to retract some or all of them. The Executive Board has not made use of this authorisation to date. The company acquired a small number of treasury shares for the annual employee share scheme within the scope of a share acquisition pursuant to Section 71 para. 1 sentence 2 of the Stock Corporation Act (AktG). GESCO AG held 479 treasury shares as of the reporting date.

CORPORATE GOVERNANCE REPORT AND DECLARATION OF COMPLIANCE

The Corporate Governance Report and Declaration of Compliance in accordance with Section 289a of the German Commercial Code (HGB) are available on the company website at www.gesco.de.

OPPORTUNITY AND RISK REPORT

GESCO Group's concept is designed to recognise, evaluate and seize opportunities on the national and international markets on the one hand while identifying and limiting risks on the other. Managing risks and opportunities is ultimately an ongoing business process. GESCO Group is structured in a way that ensures negative developments for specific companies do not place the entire Group at risk. This is why we largely forego the use of instruments such as cash pooling or guarantees and contingencies.

The analysis of opportunities and risks is especially important when acquiring companies. GESCO AG generally acquires companies in the tool manufacture/mechanical engineering and plastics technology segments. In order to reduce its dependency on the cycles of individual segments and markets, GESCO AG attaches great importance to a diversified customer base. Accordingly, new companies that help broaden the spectrum of the customer base are of particular interest.

Since information asymmetry between buyer and seller is unavoidable in the course of company acquisitions, every purchase involves risks. The retirement of the existing owner-manager and the appointment of a new managing director are some of the critical aspects of succession planning. The risk lies in finding a suitable new managing director who can live up to expectations. On the other hand, replacing the management is also an opportunity to give new momentum to the company.

Prior to a purchase, companies are subjected to a due diligence assessment in order to identify the risks associated with any company acquisition to the extent that these are recognisable. In particular, the level of earnings used to establish a purchase price and respective company budgets are critically evaluated. When the expectations of buyer and seller regarding the future earnings potential of the acquisition target diverge, an earn-out agreement is an appropriate method for sharing the risks and opportunities of future developments.

Following an acquisition, companies are rapidly integrated into the GESCO Group reporting, controlling and the software-supported risk management system. Risks and classification thereof are assessed by estimating the effects on a subsidiary's earnings and their probability of occurrence. Risks are reported monthly by the subsidiaries, while high risks are reported to GESCO AG ad hoc.

A jointly developed annual budget establishes the framework for business developments, personnel measures and investments of the subsidiaries. During the year, GESCO AG receives monthly figures from the subsidiaries as part of regular reporting. GESCO AG records and assesses this information, adds its own financial and accounting figures and consolidates the information.

In monthly on-site meetings at each company, the GESCO AG business administration executive and the financial officers of the subsidiaries promptly analyse, interpret and evaluate these figures to determine the degree to which the objectives have been met. A member of the GESCO AG Executive Board visits each subsidiary at least once every quarter, particularly with a view to discussing strategic issues.

This prompt and detailed reporting system also continuously monitors the value of the shares owned by GESCO AG in its subsidiaries as well as its receivables from associated companies.



Detailed Group guidelines, available in the form of a manual, minimise accounting risks and define the standard to be complied with by all Group companies and auditors. The regular analyses of the subsidiaries' figures carried out during the year also include an analysis and assessment of accounting risks. The responsible employees at GESCO AG are available to offer advice and answer any questions on the subject of accounting by the subsidiaries' managers and financial officers.

The planning meeting, monthly meetings and strategy sessions examine the company's situation as a whole. Entrepreneurial opportunities and courses of action for enhancing the business volume in Germany and abroad as well as for increasing efficiency are analysed and risks are also evaluated.

Although it is necessary to standardise risk management, we place great importance on personal contact with the management and employees of our subsidiaries and engage in regular exchanges with them. We feel that implementing a system of checks and balances, critically questioning facts and circumstances, and using common sense is vital for supplementing any standardised system.

Risks can be limited but not ruled out. In the end, all entrepreneurial activities are associated with risks. In their operating business, all GESCO AG subsidiaries are subject to the opportunities and risks typical for their respective industries as well as general economic risks. The largest risks for GESCO Group companies currently arise from the general economic development in Germany and the export markets.

Procurement risks

Raw material, steel and energy prices fluctuated in 2012 but were relatively stable compared to previous years. The subsidiaries attempt to enter into framework agreements so as to obtain security for their planning or to conclude flexible price agreements with customers and suppliers.

Trade receivables are largely covered by credit insurance. Subsidiaries analyse the situation of relevant uninsurable customers and define further action to be taken, usually in direct discussion with customers. Significant, uninsured risks must always be discussed with GESCO AG. This is of course always a balancing act between attempting to limit risks and the need to take advantage of entrepreneurial opportunities and retain customers.



Overall **insurance coverage** for GESCO Group is regularly evaluated in order to ensure sufficient protection under adequate terms and conditions.

Currency risks from the operating business are generally hedged for significant orders.

Based on current knowledge, we are not aware of any **financing and/or equity** bottlenecks for our Group. In order to limit the interest rate risk, we have used interest rate swaps for part of the variable interest rate financing and thus exchanged each floating rate with a fixed rate. We expect interest rates to remain low in financial year 2013/2014. GESCO Group works with around two dozen different banks and is therefore not dependent on any one institution. In view of the capital increase conducted in the previous year, we currently see no need to increase our equity further.

There were no material changes to the **tax situation** in financial year 2012/2013. We are also not aware of any developments with regard to **legal conditions** that would have a significant impact on the Group. It is also important to note that the number of taxation and legal changes results in significant administrative costs for GESCO AG and our subsidiaries. Such changes ultimately need to be assessed at least in terms of their relevance.

The biggest risks typically arise from the operating business. As an industrial Group whose business is based to a notable extent on direct and indirect exports, we are significantly affected by economic fluctuations in Germany and abroad. Our diversification strategy, particularly in the customer sectors, is aimed at offsetting economic fluctuations in individual branches of industry and therefore reducing the risks arising from economic cycles.

We are not currently aware of any risks that could endanger or significantly affect survival of GESCO AG and the Group.

OUTLOOK

In its spring report, the Federal Government predicted 0.5 % growth in GDP for 2013, whereas it expects a decline of 2.2 % for investments in equipment. It anticipates economic growth in 2014 to be significantly higher at 1.6 %. The VDMA expects production to rise by 2 % and an increase in sales of around 4 % for 2013. The GKV predicts a recovery in 2013, particularly in the second half of the year, but has not issued specific figures.

Following the good 2012/2013 year, GESCO Group expects to see a slight increase in sales in the new financial year 2013/2014, primarily due to the changes in the scope of consolidation. We expect Group net income after minority interest to remain stable or decline slightly on the level seen in financial year 2012/2013, owing to the fact that some subsidiaries are likely to achieve lower margins than in the previous year on account of the current weak economic environment. This forecast applies to both segments. On the whole, we are currently seeing a certain slowdown in demand, but there is no evidence of a severe slump in GESCO Group. At year end, the Group had an order backlog of over € 200 million, which serves as a certain buffer against difficult economic times.

Should economic growth gather speed in the second half of 2013 as anticipated by the VDMA and GKV, and should 2014 bring a significant upturn in the economy, we expect to see growth in sales and earnings in both segments during the financial year 2014/2015.

We are planning to invest a record sum of over € 30 million for the new financial year 2013/2014. In addition to the usual replacement investments and some larger processing machines, the sum is to be invested in property acquisitions and investments, which represent major strategic shifts for the companies concerned.



Our diversified portfolio with its broad range of customer sectors means that we are less dependent on individual industry cycles. However, as an industrial group that focuses on capital goods, we are not completely immune to the fluctuations of the economy. Our goal is to generate sustainable, profitable growth through economic cycles using a combination of internal and external growth. In our opinion, the changes to the portfolio that have been underway since December 2011, as well as the massive investments in existing companies, have strengthened the Group further. This, as well as our stable financial basis, gives us grounds to be optimistic about the future development of the Group.

Nevertheless, we must acknowledge that there are still risks and uncertainties to be considered. Even if the sovereign debt crisis and the structural problems within the eurozone have temporarily faded into the background on the capital markets and in public discussion, they are by no means permanently resolved. In industry, this leads to hesitant and delayed ordering by customers, making it much more difficult to plan in the operating business. Germany's new energy policy in particular poses considerable uncertainty and cost burdens.

The statements on future development made in the outlook are based on assumptions and estimates that were available to GESCO AG at the time this report was created. These statements are subject to risks and uncertainties, meaning that the actual results may differ from those originally expected. Therefore, we assume no liability for the information presented.

There will be changes in the Supervisory Board of GESCO AG at the Annual General Meeting 2013. The Supervisory Board of GESCO AG was appointed by the Annual General Meeting in 2010, meaning that its term will end at the Annual General Meeting in 2015. When standing for election in 2010, Supervisory Board members Willi Back and Rolf-Peter Rosenthal both declared that they would not be standing for re-election in 2015 on grounds of age. Entrepreneur Stefan Heimöller, the largest single GESCO AG shareholder who holds more than 13% of the shares, announced at the Annual General Meeting in 2011 that he would consider standing for a position on the Supervisory Board at a later time. As Willi Back epitomises the entrepreneurial component of the Supervisory Board with his many years of operational experience, his successor would be entrepreneur Stefan Heimöller. The company would suffer a sudden loss of expertise were Willi Back and Rolf-Peter Rosenthal – both of whom have played a decisive role in shaping GESCO AG for many years – to step down from the Supervisory Board at the same time. As a result, following discussions within the Supervisory Board together with Stefan Heimöller, it was concluded that Willi Back would stand down at the Annual General Meeting in 2013, with Stefan Heimöller then standing for election. This will facilitate the transition of expertise within the Supervisory Board.

Klaus Möllerfriedrich, the founder of GESCO AG and the long-serving Chairman of the Supervisory Board, intends to stand for re-election to the Supervisory Board in 2015. Since 1990, Willi Back has played a significant role in shaping the business model and contributing to the successful economic development of GESCO AG, initially as sole member of the Executive Board and then later as Chairman. He has been a member of the Supervisory Board since 2004. On behalf of GESCO AG, we wish to express our heartfelt thanks to Willi Back for his commitment and achievements.

No significant events occurred after the end of the reporting period.

Wuppertal, 24 May 2013

The Executive Board

Robert Spartmann

Dr.-Ing. Hans-Gert Mayrose







2012/2013

ANNUAL FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

GESCO AG
SUMMARY OF THE ANNUAL FINANCIAL
STATEMENTS DATED 31 MARCH 2013

BALANCE SHEET

€'000	31.03.2013	31.03.2012
Assets		
Intangible Assets	27	37
Property, plant and equipment	409	346
Financial Assets	83,693	66,629
Non-current assets	84,129	67,012
Receivables and other assets	47,827	36,119
Securities and liquid funds	16,339	38,258
Current assets	64,166	74,377
Total assets	148,295	141,389
Equity and liabilities		
Equity	114,639	109,633
Provisions	6,878	5,830
Liabilities	26,778	25,926
Total Assets	148,295	141,389

INCOME STATEMENT

€'000	01.04.2012- 31.03.2013	01.04.2011- 31.03.2012
Earnings from investments	20,173	18,075
Other operating income and expenditure	-1,976	-3,763
Personnel expenditure	-2,807	-2,611
Depreciation on property, plant and equipment and intangible assets	-143	-120
Financial result	-300	-256
Earnings from ordinary business activity	14,947	11,325
Taxes on income and earnings	-934	-617
Net income	14,013	10,708
Transfer to revenue reserves	-5,702	-1,094
Retained Profit	8,311	9,614

PROPOSED APPROPRIATION OF RETAINED PROFIT:

For the 2012/2013 financial year, the Executive Board and Supervisory Board of GESCO AG are proposing the following appropriation of retained profit for the year in the amount of € 8,311,302.50:

Payment of a dividend in the amount of € 2.50 per share on the current share capital entitled to dividends (3,325,000 shares less 479 treasury shares)	€ 8,311,302.50
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The complete financial statements of GESCO AG compiled in accordance with the regulations of the German Commercial Code (HGB) and the Stock Corporation Act (AktG) and audited by Dr. Breidenbach und Partner GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Wuppertal, and attested with an unqualified audit opinion, are published in the German Federal Gazette and submitted to the commercial registry under HRB (German Commercial Registry) number 7847. The financial statements are available from GESCO AG.

GESCO GROUP
CONSOLIDATED FINANCIAL STATEMENTS
DATED 31 MARCH 2013

GESCO GROUP BALANCE SHEET

€'000		31.03.2013	31.03.2012	01.04.2011
Assets				
A. NON-CURRENT ASSETS				
I. Intangible assets				
1. Industrial property rights and similar rights and assets as well as licences	(1)	11,876	8,282	8,843
2. Goodwill	(2)	12,356	8,840	6,817
3. Prepayments made	(3)	75	340	132
		24,307	17,462	15,792
II. Property, plant and equipment				
1. Land and buildings	(4)	42,632	28,639	30,757
2. Technical plants and machinery	(5)	32,881	26,668	21,656
3. Other plants, fixtures and fittings	(6)	21,208	18,869	16,420
4. Prepayments made and plants under construction	(7)	2,949	1,786	2,029
5. Property held as financial investments	(8)	1,832	2,687	3,122
		101,502	78,649	73,984
III. Financial investments				
1. Shares in affiliated companies	(9)	40	240	60
2. Shares in associated companies	(10)	1,547	1,525	1,221
3. Investments	(11)	38	38	38
4. Securities held as fixed assets	(12)	0	1,000	1,000
5. Other loans		207	236	251
		1,832	3,039	2,570
IV. Other assets	(13)	2,551	2,728	1,333
V. Deferred tax assets	(14)	2,665	2,807	2,631
		132,857	104,685	96,310
B. CURRENT ASSETS				
I. Inventories	(15)			
1. Raw materials and supplies		21,286	18,966	16,872
2. Unfinished products and services		46,951	36,746	19,225
3. Finished products and goods		57,093	53,223	37,861
4. Prepayments made		579	354	232
		125,909	109,289	74,190
II. Receivables and other assets	(13)			
1. Trade receivables		53,121	47,762	43,136
2. Amounts owed by affiliated companies		672	813	807
3. Amounts owed by companies with which a shareholding relationship exists		676	1,035	821
4. Other assets		6,454	6,179	6,148
		60,923	55,789	50,912
III. Securities	(16)	1,000	18	18
IV. Cash and credit with financial institutions	(17)	36,464	42,940	38,494
V. Accounts receivable and payable		394	532	322
		224,690	208,568	163,936
C. ASSETS HELD FOR SALE	(18)	0	7,885	0
		357,547	321,138	260,246

[illegible]

GESCO GROUP INCOME STATEMENT

€'000		01.04.2012- 31.03.2013	01.04.2011- 31.03.2012
Sales revenues	(23)	440,417	415,426
Change in stocks of finished and unfinished products		8,643	9,053
Other company-produced additions to assets	(24)	805	959
Other operating income	(25)	6,262	4,637
Total income		456,127	430,075
Material expenditure	(26)	-236,208	-231,326
Personnel expenditure	(27)	-113,553	-97,458
Other operating expenditure	(28)	-54,603	-50,105
Earnings before interest, tax, depreciation and amortisation (EBITDA)		51,763	51,186
Depreciation on property, plant and equipment and intangible assets	(29)	-14,422	-12,070
Earnings before interest and tax (EBIT)		37,341	39,116
Earnings from securities		3	4
Earnings from investments		83	0
Earnings from investments in associated companies		-20	67
Other interest and similar income		476	528
Interest and similar expenditure		-3,635	-3,533
Minority interest in partnerships		-423	-510
Financial result		-3,516	-3,444
Earnings before tax (EBT)		33,825	35,672
Taxes on income and earnings	(30)	-11,088	-11,087
Group net income for the year after tax		22,737	24,585
Minority interest in incorporated companies		-1,821	-2,054
Group net income for the year after minority interest		20,916	22,531
Earnings per share (€) acc. to IFRS	(31)	6.30	7.40

STATEMENT OF COMPREHENSIVE INCOME

€'000		01.04.2012- 31.03.2013	01.04.2011- 31.03.2012
Group net income for the year		22,737	24,585
Currency conversion differences		74	-248
Revaluation of benefit obligations not impacting on income		-2,296	-109
Market valuation of hedging instruments		398	0
Capital increase transaction costs		0	-381
Income and expenditure recorded directly in equity	(32)	-1,824	-738
Total result for the period		20,913	23,847
of which shares held by minority interests		1,672	2,032
of which shares held by GESCO shareholders		19,241	21,815

GESCO GROUP CASH FLOW STATEMENT

€'000	01.04.2012- 31.03.2013	01.04.2011- 31.03.2012
Group net income for the year (including share attributable to minority interest in incorporated companies)	22,737	24,695
Depreciation on property, plant and equipment	14,422	12,070
Gains from investments in associated companies	20	-66
Share attributable to minority interest in partnerships	423	510
Increase in long-term provisions	-1,296	65
Other non-cash expenditure	-120	674
Cash flow for the year	36,186	37,948
Losses from the disposal of property, plant and equipment/intangible assets	616	369
Gains from the disposal of property, plant and equipment/intangible assets	-263	-151
Gains from changes to the scope of consolidation	-222	0
Increase in stocks, trade receivables and other assets	-8,628	-30,499
Increase in trade creditors and other liabilities	1,716	8,927
Cash flow from ongoing business activity	29,405	16,594
Incoming payments from disposals of property, plant and equipment/intangible assets	980	977
Disbursements for investments in property, plant and equipment	-21,609	-14,937
Disbursements for investments in intangible assets	-776	-992
Incoming payments from disposals of financial assets	31	19
Disbursements for investments in financial assets	-2	-615
Incoming payments from the sale of consolidated companies	3,500	0
Disbursements for the acquisition of consolidated companies and other business units	-14,100	-6,225
Cash flow from investment activity	-31,976	-21,773
Capital increase	0	19,249
Disbursements to shareholders (dividend)	-9,614	-6,046
Disbursement for the purchase of own shares	-66	-1,111
Incoming payments from the sale of own shares	674	480
Incoming payments from minority interests	0	2,017
Disbursements to minority interests	-2,725	-719
Incoming payments from raising (financial) loans	24,679	9,017
Outflow for repayment of (financial) loans	-16,871	-12,320
Cash flow from funding activities	-3,923	10,567
Cash increase in cash and cash equivalents	-6,494	5,388
Financial means on 01.04	42,958	38,512
Financial means on 31.03	36,464	43,900
Less cash and cash equivalents available for sale	0	-942
Financial means on 31.03 from continued operations	36,464	42,958

GESCO GROUP STATEMENT OF CHANGES IN EQUITY CAPITAL

€'000	Subscribed capital	Capital reserves	Revenue reserves	Own shares
As at 01.04.2011	7,860	36,167	64,879	-3
Changes in accounting			348	
Adjusted balance sheet	7,860	36,167	65,227	-3
Dividends			-6,046	
Acquisition of own shares				-1,111
Disposal of own shares				480
Capital increase	785	18,845		
Partial disposal of shares in subsidiaries			-341	
Other neutral changes			1,456	
Result for the period		-381	22,531	
Additions from first-time consolidation				
As at 31.03.2012	8,645	54,631	82,827	-634
Dividends			-9,614	
Acquisition of own shares				-66
Disposal of own shares		4		669
Partial disposal of shares in subsidiaries				
Other neutral changes			-418	
Result for the period			20,916	
Change in scope of consolidation				
As at 31.03.2013	8,645	54,635	93,711	-31

GESCO GROUP SEGMENT REPORT

€'000	Tool manufacture and mechanical engineering		Plastics technology	
	2012/2013	2011/2012	2012/2013	2011/2012
Order backlog	199,234	149,643	3,504	7,462
Incoming orders	414,519	395,737	24,373	42,771
Sales revenues	413,305	373,292	26,611	41,636
of which with other segments	0	14	0	0
Depreciation	10,356	8,012	1,552	1,798
EBIT	43,982	42,089	4,389	5,132
Investments	20,239	12,590	1,926	3,166
Employees (No./reporting date)	2,137	1,664	140	224

Exchange equalisation items	Revaluation of pensions	Hedging instruments	Total	Minority interest incorporated companies	Equity capital
-252	0	0	108,651	5,710	114,361
	-52		296	21	317
-252	-52	0	108,947	5,731	114,678
			-6,046	-460	-6,506
			-1,111		-1,111
			480		480
			19,630		19,630
			-341	1,707	1,366
			1,456		1,456
-248	-88		21,814	2,032	23,846
				1,149	1,149
-500	-140	0	144,829	10,159	154,988
			-9,614	-1,352	-10,966
			-66		-66
			673		673
				-419	-419
			-418		-418
73	-2,117	369	19,241	1,672	20,913
				1,795	1,795
-427	-2,257	369	154,645	11,855	166,500

	GESCO AG		Other/consolidation		Group	
	2012/2013	2011/2012	2012/2013	2011/2012	2012/2013	2011/2012
	0	0	0	0	202,738	157,105
	0	0	501	513	439,393	439,021
	0	0	501	498	440,417	415,426
	0	0	0	-14	0	0
	143	120	2,371	2,140	14,422	12,070
	-4,926	-6,493	-6,104	-1,613	37,341	39,115
	220	173	0	0	22,385	15,929
	15	11	0	0	2,292	1,899

GESCO AG – NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, 31 MARCH 2013

GENERAL INFORMATION

GESCO AG is a private limited company with headquarters in Wuppertal, Germany. The company is registered under commercial register number HRB 7847 at Wuppertal district court. The company is dedicated to acquiring investments in SMEs and providing consulting and other services. The consolidated financial statements of GESCO AG, Wuppertal, dated 31 March 2013 were prepared based on the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) as they apply in the EU and under consideration of Section 315a para. 1 of the German Commercial Code (HGB).

APPLICATION AND IMPACT OF NEW OR AMENDED STANDARDS

These consolidated financial statements of GESCO AG were prepared under consideration of all standards applicable to annual reporting years commencing prior to 1 April 2012. The following new or amended standards had to be considered for the 2012/2013 financial year:

- Amendments to IFRS 7 “Financial Instruments: Disclosures” – transfer of financial assets

The application of the above-mentioned regulations did not have any material effects on the consolidated financial statements of GESCO AG.

The following standards and interpretations are mandatory from financial year 2013/2014:

Standard	Adopted by the EU	Early application
Amendment to IAS 1 “Presentation of Financial Statements” – Presentation of Items of Other Comprehensive Income (OCI)	Yes	Permitted
Amendment to IAS 12 “Income Taxes” – Deferred Taxes: Recovery of Underlying Assets	Yes	Permitted
IAS 19 “Employee Benefits”	Yes	Permitted
Amendment to IFRS 1 “First-time Adoption of International Financial Reporting Standards” – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	Yes	Permitted
Amendment to IFRS 1 “First-time Adoption of International Financial Reporting Standards” – Government loans	Yes	Permitted
Amendment to IFRS 7 “Financial Instruments: Disclosures” – Netting of financial assets and liabilities	Yes	Permitted
IFRS 13 “Fair Value Measurement”	Yes	Permitted
IFRIC 20 “Stripping Costs in the Production Phase of a Surface Mine”	Yes	Permitted
Improvements to the International Financial Reporting Standards (Improvements Project 2009-2011)	Pending	Permitted

The following standards and interpretations are mandatory from financial year 2014/2015:

Standard	Adopted by the EU	Early application
IAS 27 "Separate Financial Statements"	Yes	Permitted
IAS 28 "Investments in Associates and Joint Ventures"	Yes	Permitted
Amendment to IAS 32 "Financial Instruments: Presentation" – Offsetting of Financial Assets and Financial Liabilities	Yes	Permitted
IFRS 10 "Consolidated Financial Statements"	Yes	Permitted
IFRS 11 "Joint Arrangements"	Yes	Permitted
IFRS 12 "Disclosure of Interests in Other Entities"	Yes	Permitted
Amendment to IFRS 10, IFRS 12 and IAS 27 – Investment Entities	Pending	Permitted
Amendment to IFRS 10, IFRS 11 and IFRS 12 – Transition Provisions	Pending	Permitted

Based on current information, standards and interpretations that will become mandatory in future periods have no material impact on the consolidated financial statements of GESCO AG.

IAS 19 "Employee Benefits" (published by the IASB in June 2011) was applied for the first time and in advance in the consolidated financial statements of GESCO AG. The amendments address the methods used to account and value defined benefit obligations as well as termination benefits. The previous year's figures were adjusted due to the first-time application of the standard. The amended items are shown below:

Group Balance Sheet: Adjustment as of 01.04.2011			
€'000	Amount adjusted 01.04.2011	Adjustment	Amount published 01.04.2011
Deferred tax assets	2,631	-98	2,729
Non-current assets	96,310	-98	96,408
Total assets	260,246	-98	260,344
Capital reserves	65,227	348	64,879
Other comprehensive income	-304	-52	-252
Minority interests (incorporated companies)	5,731	21	5,710
Total equity	114,678	317	114,361
Provisions for pensions	9,307	-53	9,360
Other liabilities	3,358	-332	3,690
Deferred tax liabilities	4,008	41	3,967
Non-current liabilities	68,584	-344	68,928
Other liabilities	25,505	-71	25,576
Current liabilities	76,984	-71	77,055
Total equity and liabilities	260,246	-98	260,344

Group Balance Sheet: Adjustment as of 31.03.2012

€'000	Amount adjusted 31.03.2012	Adjustment	Amount published 31.03.2012
Deferred tax assets	2,807	3	2,804
Non-current assets	104,685	3	104,682
Total assets	321,138	3	321,135
Capital reserves	82,827	239	82,588
Other comprehensive income	-640	-140	-500
Minority interests (incorporated companies)	10,159	-2	10,161
Total equity	154,988	97	154,891
Provisions for pensions	12,196	158	12,038
Other liabilities	2,243	-235	2,478
Deferred tax liabilities	5,541	46	5,495
Non-current liabilities	66,850	-31	66,881
Other liabilities	29,499	-63	29,562
Current liabilities	95,512	-63	95,575
Total equity and liabilities	321,138	3	321,135

Consolidated Income Statement

€'000	Amount adjusted 01.04.2011- 31.03.2012	Anpassung	Amount published 01.04.2011- 31.03.2012
Personnel expenditure	-97,458	-159	-97,299
EBITDA	51,186	-159	51,345
EBIT	39,116	-159	39,275
Financial result	-3,444	1	-3,445
EBT	35,672	-158	35,830
Taxes on income and earnings	-11,087	48	-11,135
Group net income for the year after tax	24,585	-110	24,695
Minority interest in incorporated companies	-2,054	1	-2,055
Group net income for the year after minority interest	22,531	-109	22,640
Earnings per share (€) acc. to IFRS	7.40	-0.04	7.44

Consolidated Statement of Comprehensive Income

€'000	Amount adjusted 01.04.2011- 31.03.2012	Adjustment	Amount published 01.04.2011- 31.03.2012
Group net income for the year	24,585	-110	24,695
Revaluation of defined benefit obligations not impacting on income	-110	-110	
Income and expenditure recorded directly in equity	-739	-110	-629
Total result for the period	23,846	-220	24,066
of which shares held by minority interests	2,032	-23	2,055
of which shares held by GESCO shareholders	21,814	-197	22,011

CONSOLIDATED FINANCIAL STATEMENTS – REPORTING DATE

The reporting date for the consolidated financial statements is the reporting date of the parent company (31 March 2013). The financial years of the subsidiaries and associated companies included in the consolidated financial statements match the calendar year, and therefore do not deviate from the parent company's financial year by more than three months. As a result, interim financial statements were not prepared for 31 March 2013 in accordance with IAS 27.22. There are only a few buying and selling relationships between the operating subsidiaries. Their products and services differ. Some loan relationships exist between the parent company and certain subsidiaries. Any significant events affecting included companies that occurred by the consolidated reporting date were considered in the preparation of the consolidated financial statements. Preparing and auditing additional interim financial statements would mean a disproportionately high expenditure of time and cost, with no corresponding gain of information.

SCOPE OF CONSOLIDATION

In addition to GESCO AG, the consolidated financial statements include all material subsidiaries for which GESCO AG directly or indirectly holds the majority of voting rights. Significant associated companies were included according to the equity method. In principle, first-time consolidation and deconsolidation takes place on the investment acquisition or disposal date. A property leasing company was included in the scope of consolidation according to SIC 12 since the Group is entitled to the economic benefits from the assets held by said company.

In April 2012, GESCO AG sold its 80 % share in Ackermann Fahrzeugbau GmbH, Wolfhagen, to AluTeam Fahrzeugtechnik GmbH, Bielefeld. The sale resulted in gains of € 222 thousand, which are included in other operating income.

GESCO AG acquired an 80 % share in C.F.K. CNC-Fertigungstechnik Kriftel GmbH, Kriftel, at the end of May 2012. CFK is an erosion and laser melting specialist. GESCO AG acquired its majority shareholding as part of a business succession settlement due to retirement.

At the beginning of July 2012, GESCO AG acquired 82.17 % of Protomaster Riedel & Co. GmbH, Wilkau-Hasslau. Protomaster produces high-quality body parts, primarily for premium producers in the automotive industry, and also develops and produces the necessary tools for its tasks. GESCO AG acquired the shares as part of a business succession settlement due to retirement.

In the middle of July 2012, GESCO AG acquired 100 % of Modell Technik GmbH & Co. Formenbau KG, Sömmerda, as well as 100 % of Modell Technik Beteiligungsgesellschaft mbH, Sömmerda. Modell Technik develops and produces complex tools for aluminium diecast components.

The above-mentioned companies were acquired at a fixed purchase price of € 19.5 million. The non-governing shares of the companies were recorded at € 1.7 million during the first-time consolidation; they are measured as a share of the companies proportionate to shareholdings. The ancillary company acquisition costs included in expenditure amounted to € 451 thousand.

The following companies were also included as fully consolidated companies in the consolidated financial statements in the reporting year: Middle Kingdom Special Steels Pte. Ltd., China; Jiashan Doerrenberg Mould & Die Trading Co. Ltd., China; Georg Kesel Machinery (Beijing) Co. Ltd., China; and MAE Machines (Beijing) Co., Ltd., China. These are legal entities that operate internationally as subsidiaries of the respective Group companies. TM Erste Grundstücksgesellschaft mbH, Wuppertal, a holding company founded in the reporting year, which acquired a property previously leased by a sibling company, was also included as a fully consolidated company in the consolidated financial statements in the reporting year for the first time.

The impact of the addition of the fully consolidated companies was as follows:

€'000	31.03.2013	31.03.2012
Intangible assets	8,306	2,916
Property, plant and equipment	14,586	5,214
Inventories	5,901	11,937
Trade receivables	3,997	1,368
Other current assets (excluding liquid assets)	1,224	436
Liquid assets	5,391	2,278
Provisions	642	2,771
Liabilities	17,359	11,731

The gross amount of the trade receivables is € 4,462 thousand; € 465 thousand of this amount was deemed to be uncollectible at the acquisition date.

Acquired goodwill of € 1.4 million is expected to be tax deductible.

These additions affected Group net income after minority interest by € 1.5 million (previous year: € 0 million) and Group sales by € 13.3 million. If the companies had been included in the consolidated financial statements of GESCO AG at the beginning of the financial year, earnings would have been affected by approximately € 3.2 million (previous year: € 0.4 million) and sales by approximately € 26.2 million (previous year: € 18 million). The earnings effect includes the impact from the first consolidation.

In addition to the parent company, a total of 47 companies are included in the consolidated financial statements according to the principle of full consolidation, and three other companies are included under the equity method.

Six subsidiaries with an immaterial effect on the assets, financial position and earnings were not consolidated but instead valued at their respective cost of acquisition. The effect on sales, earnings and total assets is less than 1.0%. Another company, which is also not of material significance, was valued at cost of acquisition. This affected earnings and total assets by less than 0.2 % overall.

A list of investments is included at the end of these notes.

CONSOLIDATION METHODS/EQUITY METHOD

Capital consolidation is based on a full revaluation on the respective acquisition date. The cost of acquisition is offset against the revalued or, in case of the equity method, proportionately revalued equity of the subsidiary on the acquisition date. Assets and liabilities are recorded at fair value.

Subsequent changes in the equity of associated companies are recorded as changes in the level of investment of the respective associated company.

Income and expenditure as well as receivables and liabilities between fully consolidated companies are eliminated.

To the extent that temporary differences arise from consolidation processes that affect earnings but are not related to goodwill, income tax effects are considered and deferred taxes (IAS 12) are recorded.

ACCOUNTING AND VALUATION METHODS

The financial statements, on which the consolidated financial statements dated 31 March 2013 are based, are consistently prepared according to uniform accounting and valuation methods.

In the individual financial statements, **foreign currency transactions** are converted using the exchange rate in effect at the time of the respective transaction. On the reporting date, monetary items are adjusted to their fair value using the relevant conversion rate; differences are included in earnings.

The companies outside the Eurozone prepare their financial statements in the respective national currency according to the functional currency concept. Assets and liabilities in these financial statements are converted to Euros using the exchange rate in effect on the reporting date. Equity is reported at the historical exchange rate, with the exception of

items recorded directly in equity. Income statement items are converted at average exchange rates and the resulting exchange rate differences are recognised directly in equity. The following table lists the exchange rates that were used:

		Reporting date rate		Average rate	
	1 €=	31.12.2012	31.12.2011	2012	2011
Brazil	BRL	2.7036	2.4159	2.5084	2.3423
China	CNY	8.2207	8.1588	8.0739	8.9770
Singapore	SGD	1.6111	1.6819	1.6055	1.7489
South Korea	KRW	1,406.23	1,502.16	1,447.69	1,540.88
Taiwan	TWD	38.4910	39.4290	38.1113	41.3026
Turkey	TRY	2.3551	2.4432	2.3135	2.3300
Hungary	HUF	291.2900	314.5800	289.2455	279.3726

In the listing of changes to property, plant and equipment, provisions and equity, the opening and closing balances are converted using the exchange rates on the respective reporting dates while changes during the year are converted using the average rate. Exchange rate differences are reported separately and excluded from income.

Intangible assets acquired in exchange for payment are reported at their cost of acquisition less regular amortisation.

Property, plant and equipment is valued at the cost of acquisition or production. Public sector subsidies are deducted from the original acquisition cost when the asset is recorded. Straight-line depreciation over the expected useful life is applied to property, plant and equipment.

Property, plant and equipment leased under financing lease contracts is recorded at the lower of fair value or cash value of the lease payments. Depreciation follows the principles of depreciation for property, plant and equipment owned by the Group (IAS 17) or under consideration of the shorter term of the leasing relationship.

Property held as financial investments is valued at the lower of fair value and the historical production or acquisition cost.

Investments included under financial investments are reported at the lower of fair value or the cost of acquisition. Investments in associated companies are valued according to the equity method.

Securities held as non-current assets are valued at market prices on the reporting date. Changes in value are included in equity with no effect on income. When securities are sold or in case of a permanent impairment, changes in value are included in the result for the period.

Raw materials and supplies are valued at the average cost of acquisition, while **unfinished and finished products** are valued at the cost of manufacture including the overhead costs of all essential materials and production. Realisation risks are taken into account through depreciation on the lower net sales price.

In principle, **receivables and other assets** are reported at fair value. Potential bad debts are covered by a commensurate allowance for doubtful accounts. Foreign currency receivables are converted using the exchange rates in effect on the reporting date.

Cash flow hedges are used to effectively hedge pending sales transactions in foreign currencies against exchange rate risks; these hedges are included in other comprehensive income without affecting income until such time as the hedged item occurs.

Assets and liabilities for sale include all assets and liabilities of subsidiaries that are set for sale. They are reported at fair value excluding costs of sale if this amount falls below book value.

Minority interests in our incorporated companies and partnerships pertain to the investments of managers in the companies they manage as well as the proportion of earnings to which they are entitled. Minority interests in our incorporated companies are reported as separate items in equity. In accordance with IAS 32, minority interests in our partnerships are reported as separate items in debt capital.

Reacquired **own shares** are openly reported as an adjustment to equity.

Provisions for pensions and similar obligations are calculated using the actuarial method according to IAS 19. In addition to pensions and entitlements known on the reporting date, expected future salary and pension increases as well as interest rate changes are also considered. Service expenditures are reported under personnel expenditures, and the interest portion of the provision allocation is reported in the financial result.

GESCO Group companies are applying IAS 19 “Employee Benefits”, which was adopted by the EU in June 2012, earlier than required. The main change in procedure is that actuarial gains and losses are no longer recognised using the corridor method, but instead are recognised directly in equity under other comprehensive income.

Other provisions include all liabilities identified on the reporting date that are based on past business transactions and where the amount or due date is uncertain. Provisions are established according to the best estimate of the actual liability and are not offset against positive profit contributions.

A legal or factual obligation to a third party is required in order to establish a provision. Provisions with a residual term of more than one year are discounted to the reporting date at a market interest rate suitable for the Group and term, and under consideration of future price developments.

Liabilities are always reported at their respective cash value. Foreign currency liabilities are converted using the exchange rates in effect on the reporting date. Gains and losses from exchange rate fluctuations are included in earnings. Discounts are deducted from liabilities to financial institutions and credited to the respective loan over its term.

Deferred taxes arising from timing differences between the commercial and tax balance sheet are calculated according to the balance sheet based liability method and reported separately. Deferred taxes are calculated based on current tax laws. Deferred tax assets are offset against deferred tax liabilities when the creditor, debtor and term are the same.

Contingent liabilities represent possible or existing obligations based on past events where resources are not expected to be expended. Therefore they are not included on the balance sheet. The reported contingent liabilities correspond to the scope of liability on the reporting date.

INFORMATION ON THE GROUP BALANCE SHEET

The breakdown of fixed assets as well as changes for the reporting year and the previous year are shown in the following tables:

GROUP STATEMENT OF FIXED ASSETS AS AT 31.03.2013

€'000	Cost of acquisition or manufacture					
	As at 01.04.2012	Change in scope of consoli- dation	Additions	Transfers	Disposals	Change Exchange rate difference
I. INTANGIBLE ASSETS						
1. Industrial property rights and similar rights and assets as well as licences to such rights and assets						
a. Building cost subsidies	20	0	0	0	10	0
b. Computer software	6,995	208	701	340	280	5
c. Technology	16,542	0	0	0	0	0
d. Customer base	2,867	4,582	0	0	0	0
	26,424	4,790	701	340	290	5
2. Goodwill	9,706	3,516	0	0	0	0
3. Prepayments made	340	0	75	-340	0	0
	36,470	8,306	776	0	290	5
II. TANGIBLE ASSETS						
1. Land and buildings	43,206	5,429	9,086	980	496	129
2. Technical plant and machinery	70,942	7,921	4,198	110	1,649	90
3. Other plant, fixtures and fittings	59,688	1,064	5,707	507	2,003	30
4. Prepayments made and plant under construction	1,786	172	2,618	-1,597	31	1
5. Property held as financial investments	6,941	0	0	0	1,509	0
	182,563	14,586	21,609	0	5,688	250
III. FINANCIAL ASSETS						
1. Shares in affiliated companies	240	0	0	0	200	0
2. Shares in associated companies	1,525	0	116	0	136	42
3. Investments	38	0	0	0	0	0
4. Securities held as non-current assets	1,000	0	0	-1,000 ¹⁾	0	0
5. Other loans	236	0	2	0	31	0
	3,039	0	118	-1,000	367	42
	222,072	22,892	22,503	-1,000	6,345	297

¹⁾ Securities were reclassified as current assets, as their residual terms as of 31 March 2013 were less than 12 months.

Depreciation						Book values	
As at 31.03.2013	As at 01.04.2012	Additions	Disposals	Change Exchange rate difference	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
10	16	0	6	0	10	0	4
7,969	4,641	862	279	5	5,229	2,740	2,354
16,542	12,050	783	0	0	12,833	3,709	4,492
7,449	1,435	587	0	0	2,022	5,427	1,432
31,970	18,142	2,232	285	5	20,094	11,876	8,282
13,222	866	0	0	0	866	12,356	8,840
75	0	0	0	0	0	75	340
45,267	19,008	2,232	285	5	20,960	24,307	17,462
58,334	14,566	1,429	301	8	15,702	42,632	28,640
81,612	44,274	5,957	1,547	47	48,731	32,881	26,668
64,993	40,820	4,662	1,715	18	43,785	21,208	18,868
2,949	0	0	0	0	0	2,949	1,786
5,432	4,254	142	796	0	3,600	1,832	2,687
213,320	103,914	12,190	4,359	73	111,818	101,502	78,649
40	0	0	0	0	0	40	240
1,547	0	0	0	0	0	1,547	1,525
38	0	0	0	0	0	38	38
0	0	0	0	0	0	0	1,000
207	0	0	0	0	0	207	236
1,832	0	0	0	0	0	1,832	3,039
260,419	122,922	14,422	4,644	78	132,778	127,641	99,150

GROUP STATEMENT OF FIXED ASSETS AS AT 31.03.2012

€'000	Cost of acquisition or manufacture						
	As at 01.04.2011	Change in scope of consoli- dation	Additions	Transfers	Disposals	Reclas- sification IFRS 5	Change Exchange rate difference
I. INTANGIBLE ASSETS							
1. Industrial property rights and similar rights and assets as well as licences to such rights and assets							
a. Building cost subsidies	20	0	0	0	0	0	0
b. Computer software	6,420	152	664	120	14	-339	-8
c. Technology	16,542	0	0	0	0	0	0
d. Customer base	2,126	741	0	0	0	0	0
	25,108	893	664	120	14	-339	-8
2. Goodwill	7,683	2,023	0	0	0	0	0
3. Prepayments made	132	0	328	-120	0	0	0
	32,923	2,916	992	0	14	-339	-8
II. TANGIBLE ASSETS							
1. Land and buildings	45,047	87	2,443	80	925	-3,350	-176
2. Technical plant and machinery	65,612	4,209	5,175	1,454	581	-4,802	-125
3. Other plant, fixtures and fittings	55,603	918	5,881	140	1,890	-917	-47
4. Prepayments made and plant under construction	2,029	0	1,438	-1,674	7	0	0
5. Property held as financial investments	6,941	0	0	0	0	0	0
	175,232	5,214	14,937	0	3,403	-9,069	-348
III. FINANCIAL ASSETS							
1. Shares in affiliated companies	60	0	180	0	0	0	0
2. Shares in associated companies	1,221	0	500	0	3	0	-193
3. Investments	38	0	0	0	0	0	0
4. Securities held as non-current assets	1,000	0	0	0	0	0	0
5. Other loans	251	0	4	0	19	0	0
	2,570	0	684	0	22	0	-193
	210,725	8,130	16,613	0	3,439	-9,408	-549

Including:

¹⁾ Unscheduled depreciation: € 280 thousand

		Depreciation						Book values	
	As at 31.03.2012	As at 01.04.2011	Additions	Disposals	Reclas- sification IFRS 5	Change Exchange rate difference	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
	20	16	0	0	0	0	16	4	4
	6,995	4,372	612	13	-323	-7	4,641	2,354	2,050
	16,542	10,698	1,352	0	0	0	12,050	4,492	5,842
	2,867	1,179	256	0	0	0	1,435	1,432	947
	26,424	16,265	2,220	13	-323	-7	18,142	8,282	8,843
	9,706	866	0	0	0	0	866	8,840	6,817
	340	0	0	0	0	0	0	340	132
	36,470	17,131	2,220	13	-323	-7	19,008	17,462	15,792
	43,206	14,290	1,316	78	-948	-14	14,566	28,640	30,757
	70,942	43,956	4,249	556	-3,289	-86	44,274	26,668	21,656
	59,688	39,183	3,850	1,572	-605	-36	40,820	18,868	16,420
	1,786	0	0	0	0	0	0	1,786	2,029
	6,941	3,819	435 ¹⁾	0	0	0	4,254	2,687	3,122
	182,563	101,248	9,850	2,206	-4,842	-136	103,914	78,649	73,984
	240	0	0	0	0	0	0	240	60
	1,525	0	0	0	0	0	0	1,525	1,221
	38	0	0	0	0	0	0	38	38
	1,000	0	0	0	0	0	0	1,000	1,000
	236	0	0	0	0	0	0	236	251
	3,039	0	0	0	0	0	0	3,039	2,570
	222,072	118,379	12,070	2,219	-5,165	-143	122,922	99,150	92,346

(1) INDUSTRIAL PROPERTY RIGHTS AND SIMILAR RIGHTS AND ASSETS AS WELL AS LICENCES

The assets summarised under this item are depreciated and amortised using the straight-line method over the following periods:

Building cost subsidies:	19-20 years
Computer software:	3-7 years
Technology:	10-13 years
Customer base:	6-10 years

The development of the individual items is shown in the asset history sheets (reporting year and previous year). The technology and customer base items are the result of hidden reserves uncovered as part of first-time consolidations.

(2) GOODWILL

In accordance with IFRS 3, goodwill is not subject to regular amortisation but is instead subjected to an annual impairment test. This process uses the cash flows from the current company budget for the next three years; a continuous growth rate of 1 % is assumed for subsequent periods. The resulting values are discounted using a weighted average cost of capital of 8.0 % (previous year: 10.0 %). This results in a present value (value in use) that is compared to the reported goodwill. As in the previous year, according to the results of the impairment test, no write-down was required on the reporting date.

This method of determining the cash value follows the relevant IFRS standards; it does not correspond to the method we use to determine company values for the purpose of acquisitions.

The addition is a result of the acquisition of C.F.K. CNC-Fertigungstechnik Kriftel GmbH, Protomaster Riedel & Co. GmbH and Modell Technik GmbH & Co. Formenbau KG, and relates to intangible assets that do not meet the criteria for separate recognition.

(3) PREPAYMENTS MADE

The reported amount is related to the acquisition and implementation of software.

(4) LAND AND BUILDINGS

Buildings are always depreciated over a 40 or 50 year period using the straight-line method.

(5) TECHNICAL PLANT AND MACHINERY

Technical plants and machinery are always depreciated over a five to 15 year period using the straight-line method. This balance sheet item also includes equipment under financing leases with a book value (cash value of the lease payments less planned depreciation) of € 733 thousand on the reporting date (previous year: € 1,079 thousand). The company is not free to dispose of the assets held under financing lease contracts. These assets are depreciated over their expected useful life.

(6) OTHER PLANTS, FIXTURES AND FITTINGS

Other plants, fixtures and fittings are always depreciated over a three to 15 year period using the straight-line method.

(7) PREPAYMENTS MADE AND PLANTS UNDER CONSTRUCTION

The amount reported primarily relates to buildings and machinery.

(8) PROPERTY HELD AS FINANCIAL INVESTMENTS

Fixed assets include two (previous year: three) properties that are held as financial investments and generate rental income.

These properties are valued at the cost of acquisition less straight-line depreciation on parts of the buildings over the estimated useful life of 40 years. The fair value of property held as financial investment was € 1,919 thousand (previous year: € 3,372 thousand). The fair values for each property were calculated using the gross rental method. This calculation was based on market interest rates of approximately 8.0 % (previous year: 8.0 %). No expert opinions regarding the attributable present values were obtained.

Property held as financial investment generated rental income in the amount of € 501 thousand (previous year: € 512 thousand) and resulted in directly attributable operating expenditure in the amount of € 161 thousand (previous year: € 142 thousand) and depreciation of € 142 thousand (previous year: € 435 thousand, of which € 280 thousand was unscheduled).

(9) SHARES IN AFFILIATED COMPANIES

Shares are held in distribution companies in the USA, Switzerland and the Ukraine.

(10) SHARES IN ASSOCIATED COMPANIES

Positive results of companies, valued at equity, are reported as additions on the Group asset history sheet. A share of a loss, dividend distributions and the sale of shares are reported under dispositions.

Currency translation differences are included in equity without affecting income.

Depreciation and the share of income for companies valued at equity are reported on the income statement under income from investments in associated companies.

The following table depicts significant **financial information** for associated companies: total values without consideration for the share held by the Group.

€'000	31.03.2013	31.03.2012
Assets	16,322	11,940
Liabilities	10,277	6,011
Sales	20,723	16,637
Net profit	-93	357

(11) INVESTMENTS

Companies of minor significance are reported under investments.

(12) SECURITIES HELD AS FIXED ASSETS

The securities reported in this item in the previous year are available for sale. These were reclassified as current assets in the reporting year as they are due within one year. No securities were sold during the reporting year.

(13) RECEIVABLES AND OTHER ASSETS

Receivables and other assets were adjusted for the expected level of losses. The resulting book values corresponded to the fair values. Other assets consist of the following:

€'000	31.03.2013	31.03.2012
Non-current		
Loan receivables	2,550	2,727
Miscellaneous	1	1
Total	2,551	2,728

Most of the loan receivables resulted from financing the acquisition of minority shares by the managers of the respective subsidiaries and are secured by pledging the shares. The loans have a term of up to ten years and are subject to interest at market rates.

€'000	31.03.2013	31.03.2012
Current		
Loan receivables	258	673
Income tax refund claims	2,248	1,792
Tax prepayments	1,119	911
Derivative financial instruments	533	140
Purchase price claims – real estate	430	0
Claims arising from purchase price adjustments	0	116
Prepayments made	0	844
Miscellaneous	1,866	1,703
Total	6,454	6,179

The decrease in value of other financial assets is as follows:

€'000	2012/2013	2011/2012
As of 01.04.	26	148
Reversals	-2	-122
As of 31.03.	24	26
(specific adjustments out of this amount)	(24)	(26)

Trade receivables

Trade receivables are non-interest-bearing and due within 12 months.

The decrease in value of trade receivables developed as follows:

€'000	2012/2013	2011/2012
As of 01.04.	1,260	1,173
Claims	-33	-54
Reversals	-225	-269
Additions	792	410
As of 31.03.	1,794	1,260
(specific adjustments out of this amount)	(1,041)	(685)

Allowances were recorded in specific cases under consideration of the credit rating, economic situation and economic environment of the respective business partners.

The maturity structure of receivables before allowances is as follows:

€'000	Book value	Not due	overdue up to ... days				
			30	60	90	180	over 180
31.03.2013	54,915	41,303	7,975	2,018	984	1,368	1,267
31.03.2012	49,022	40,072	4,816	1,838	725	825	746

(14) DEFERRED TAX ASSETS AND LIABILITIES

Deferred taxes are determined and reported at 30.5 % (previous year: 30.5 %) of the timing differences between the valuation of assets and liabilities in the IFRS financial statements and financial statements for tax purposes as well as realisable loss carry-forwards. The deferred taxes reported on the balance sheet result from the following balance sheet items and loss carry-forwards:

€'000	31.03.2013		31.03.2012	
	Deferred taxes		Deferred taxes	
	Assets	Liabilities	Assets	Liabilities
Intangible assets	2,017	2,094	1,208	1,510
Property, plant and equipment	312	5,477	231	4,998
Inventories	120	481	183	621
Pension provisions	1,843	0	825	0
Other provisions	360	73	312	53
Liabilities	533	38	771	0
Tax loss carry forwards	1,111	0	864	0
Other	170	345	59	5
	6,466	8,508	4,453	7,187
Net figure ¹⁾	-3,801	-3,801	-1,646	-1,646
Total	2,665	4,707	2,807	5,541

¹⁾ Deferred tax assets and liabilities are offset when the creditor, debtor and term are the same.

Deferred taxes on loss carry-forwards are capitalised if the future realisation of these potential tax reductions within a five-year planning horizon is reasonably certain on the reporting date. Deferred tax assets in the amount of approximately € 673 thousand (previous year: € 670 thousand) from loss carry-forwards for tax purposes were not reported since it is not considered very likely that a trade tax will be applied.

(15) INVENTORIES

Write-downs are distributed among the individual items as follows:

€'000	Raw materials and supplies		Unfinished products and services		Finished products and goods		Prepayments made		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Cost of acquisition or manufacture	23,339	21,301	48,794	37,502	61,535	56,880	579	354	134,247	116,037
Write-downs	2,053	2,335	1,843	756	4,442	3,657	0	0	8,338	6,748
As of 31.03.	21,286	18,966	46,951	36,746	57,093	53,223	579	354	125,909	109,289

(16) SECURITIES

Securities reported under current assets are highly liquid and not subject to material fluctuations in value and due within one year.

(17) DEPOSITS WITH FINANCIAL INSTITUTIONS

This item mainly consists of short-term fixed deposits and current account credit balances denominated in Euros and held by various banks. A partial amount of the reported deposit in the amount of € 1,064 thousand has been pledged to a financial institution.

(18) ASSETS AND LIABILITIES HELD FOR SALE

All interests in Ackermann Fahrzeugbau GmbH were sold in the reporting year. The figures reported in this item in the previous year included assets and liabilities reclassified in accordance with IFRS 5. These were assigned to the plastics technology segment.

€'000	31.03.2013	31.03.2012
Assets held for sale	0	7,885
of which current excluding liquid assets	0	2,700
of which liquid assets	0	942
of which non-current	0	4,243
Liabilities held for sale	0	3,788
of which current	0	1,133
of which non-current	0	2,655

(19) EQUITY CAPITAL

The **subscribed capital** of the Group equals the subscribed capital of GESCO AG and totals € 8,645 thousand divided into 3,325,000 registered shares with full voting and dividend rights.

The Annual General Meeting on 30 August 2012 authorised the Executive Board to increase the company's share capital once or several times by a total of € 864,500.00 until 29 August 2015 with the consent of the Supervisory Board by issuing new bearer shares in exchange for cash. Subscription rights may be excluded in certain cases. No use of this authorisation has been made to date.

The Annual General Meeting on 2 September 2010 authorised the company to acquire up to ten out of every hundred shares of the share capital until 1 September 2015 under consideration of own shares already held. Subject to the approval of the Supervisory Board and under certain conditions, the Executive Board is also authorised to dispose of the acquired shares in a manner other than via the stock exchange or by offering them to all shareholders, to use them for the purpose of acquiring companies or investments, or to retract some or all of them. The Executive Board has not made use of this authorisation to date. The Group acquired a small number of treasury shares for the annual employee share scheme within the scope of a share acquisition pursuant to Section 71 para. 1 no. 2 of the Stock Corporation Act (AktG). GESCO AG held 479 treasury shares as of the reporting date.

Shares in circulation and **own shares** developed as follows:

	Shares in circulation	Own shares held	
	No.	No.	Share of the share capital in %
As of 01.04.2011	3,022,929	71	0.00
Capital increase	302,000	0	0.00
Purchases	-18,000	18,000	0.54
Employee share scheme	8,283	-8,283	0.25
As of 31.03.2012	3,315,212	9,788	0.29
Purchases	-1,000	1,000	0.03
Employee share scheme	10,309	-10,309	0.31
As of 31.03.2013	3,324,521	479	0.01

In the past, the company offered an employee share scheme limited to approximately two months in the second half of the calendar year after the respective Annual General Meeting. The purpose of this scheme was to provide employees of GESCO Group with the opportunity to acquire GESCO AG shares at a discount from the market price. Shares with a total value of € 673 thousand (previous year: € 480 thousand) disposed of under the employee share scheme were issued to employees at a total selling price of € 430 thousand (previous year: € 286 thousand). The discount granted to employees was included in other operating expenditure. The proceeds from the sale were used to pay off liabilities.

Most of the **capital reserve** of € 54,635 thousand (previous year: € 54,631 thousand) is the result of shares issued at a premium.

The Annual General Meeting of GESCO AG on 2 September 2010 authorised the company to acquire own shares according to Section 71 para. 1 no. 8 of the German Stock Corporation Act (AktG) and to use these shares for the stock option programme launched in September 2007. The Supervisory Board of GESCO AG initiated sixth tranche in August 2012. A total of 24,000 options were issued to members of the Executive Board and management employees of GESCO AG. GESCO AG reserves the right to provide partial or full cash compensation for gains under the programme instead of issuing some or all of the shares.

Non-cash expenditure under this programme is determined using a common binomial model, recorded in earnings and recognised in liabilities. The model assumes volatility of 36.77 % and a risk-free interest rate of 0.75 %; the exercise price of the options issued in August 2012 is € 65.10. The waiting period is four years and two months after the option is issued; after the end of the waiting period, the options may be exercised at any time up to 15 March of the year after next. The fair value per option on the issue date is € 8.15. These annual financial statements are the first to include the expenditure (€ 39 thousand) resulting from the stock option programme initiated in the reporting year for a seven-month period. Total expenditure for the first to sixth tranche amounted to € 499 thousand in the reporting year; in the previous year total expenditure was € 445 thousand. Liabilities came to € 372 thousand as of the reporting date.

The key **terms and conditions** of the stock option programme are summarised in the following table:

	Tranche		
	2012	2011	2010
End of waiting period	31.10.2016	22.09.2015	01.11.2014
End of term	15.03.2018	15.03.2017	15.03.2016
Exercise price	€ 65.10	67.64	42.65
No. of options issued	24,000	24,000	24,000
Profit limit per option	€ 32.55	33.82	21.33
Fair value per option as of the reporting date 31.03.2013	€ 11.69	10.85	15.34
Fair value per option at the time of issue	€ 8.15	9.49	7.18

The development of claims arising from the stock option plan is as follows:

	2012/2013		2011/2012	
	No. of options	Weighted average exercise price €	No. of options	Weighted average exercise price €
Outstanding options 01.04.	87,000	50.21	93,000	46.79
In the financial year				
granted	24,000	65.10	24,000	67.64
returned	0		0	
exercised	-39,000	44.14	-30,000	53.56
expired	0		0	
Outstanding options 31.03.	72,000	58.46	87,000	50.21
Options that can be exercised 31.03.	0		15,000	

The company settled any profits for already exercised options in cash.

During the reporting year, **revenue reserves** increased by net earnings for the year in the amount of € 20,916 thousand. The figure was reduced in particular by the dividend of € 9,614 thousand (€ 2.90 per share) for the previous year and the acquisition of minority shares (€ -282 thousand).

In addition to exchange equalisation items, currency hedging transactions that do not affect income, **other comprehensive income** also includes the effects from actuarial gains and losses from pension obligations that do not impact income. The previous year's figure was adjusted accordingly.

The **proposed dividend** per share was € 2.50 on the financial statement preparation date. With 3,324,521 shares currently issued and outstanding, the proposed dividend payout is € 8,311 thousand. This dividend payout has no income tax consequences for the company.

(20) MINORITY INTERESTS

Minority interests consist of capital and earnings interests in the incorporated companies and partnerships. Minority interest in the incorporated companies is reported under equity and is mainly the result of investments in C.F.K. CNC-Fertigungstechnik Kriftel GmbH, Dörrenberg Edelstahl GmbH and its subsidiaries, Hubl GmbH, Protomaster Riedel & Co. GmbH, SVT GmbH, VWH Herschbach GmbH as well as WBL Holding GmbH and its subsidiaries.

In accordance with IAS 32, minority interest in partnerships is included under non-current liabilities. It is the result of investments in AstroPlast Kunststofftechnik GmbH & Co. KG, Franz Funke Zerspanungstechnik GmbH & Co. KG, Haseke GmbH & Co. KG as well as Georg Kesel GmbH & Co. KG.

Economically, both the company's equity and minority interest in partnerships are recognised in equity on the balance sheet.

(21) PROVISIONS

Pension provisions are based on salary-dependent direct benefits for managing employees and members of the Executive Board as well as fixed pension benefits for certain employees. Increases for some of the pension plans for managing employees are based on the benefit plans of the Essener Verband. Pension provisions refer exclusively to the defined benefit plans and are calculated according to the projected unit credit method under IAS 19. The new IAS 19 provisions were applied in advance in the reporting year. This resulted in the corridor method no longer being used for the actuarial gains or losses; instead they were recognised in other comprehensive income (OCI) without having an impact on income. The previous year's figures were adjusted accordingly (IAS 8).

Liability insurance policies obtained to finance pension obligations qualify as plan assets and are recorded at the value of the obligation if the insurance benefits coincide with the payments to entitled employees and are paid to the employees in case the employer becomes insolvent. The fair value of plan assets corresponds to the cash value of the underlying obligations.

The **projected unit credit of pension obligations** has developed as follows:

€'000	2012/2013	2011/2012
As of 01.04.	12,904	10,055
Change to the scope of consolidation	0	2,641
Service expenditure	129	109
Interest costs	640	502
Pension annuities paid	-936	-605
Actuarial losses	3,266	202
As of 31.03.	16,003	12,904

Development of plan assets (liability insurance):

€'000	2012/2013	2011/2012
As of 01.04.	708	747
Employer contributions	34	34
Benefits paid	-40	-18
Actuarial losses/gains	-48	-55
As of 31.03.	654	708

Pension provisions are derived as follows:

€'000	2013	2012
Projected pension obligations	16,003	12,904
Plan assets (liability insurance)	-654	-708
As of 31.03.	15,349	12,196

Asset coverage of pension obligations:

€'000	31.03.2013		31.03.2012	
	Pension commitments	Plan assets	Pension commitments	Plan assets
Without asset cover	15,250	0	12,088	0
Some asset cover	753	654	816	708
As of 31.03.	16,003	654	12,904	708

Pension costs consist of the following:

€'000	2012/2013	2011/2012
Service expenditure	129	109
Interest accruing on expected pension obligations	640	502
	769	611

The calculations are based on biometric core values according to Prof. Dr. Klaus Heubeck (2005 G) and the following **actuarial assumptions**:

in %	2012/2013	2011/2012
Interest rate	3.40	5.20
Increase in salaries	3.00	3.00
Increase in pensions	2.00	2.00
Staff turnover	1.00	1.00

The development of **pension obligations and fund assets** is shown in the following table:

€'000	2012/2013	2011/2012	2010/2011	2009/2010	2008/2009
Pension commitments	16,003	12,904	10,055	9,832	9,298
Plan assets	-654	-708	-747	-726	-702
Funded status	15,349	12,196	9,308	9,106	8,596

Expected contribution payments for the 2013/2014 financial year are € 34 thousand.

Expected future pensions are as follows:

€'000	2013/2014	2014/15- 2018/19	2019/20- 2024/25
Expected future pensions	857	3,515	4,105

Of the above-mentioned actuarial assumptions, the interest rate in particular had a material impact on the measurement of pension obligations on the reporting date. Had the discount factor for otherwise constant other assumptions been 100 basis points higher or lower as of the reporting date, pension obligations would have been € 1,819 thousand lower or € 2,258 thousand higher.

The composition and development of **other provisions** is shown in the following summary:

€'000	As of 01.04.2012	Change in scope of consoli- dation	Utilisation	Addition/ new creation	Release	Transfers	As of 31.03.2013
Non-current							
Purchase price annuity obligation	597	0	-20	0	0	0	577
Purchase price obligation	1,116	0	-620	0	0	-496	0
Total	1,713	0	-640	0	0	-496	577
Current							
Recultivation obligation	880	0	0	0	0	0	880
Guarantees and warranties	4,177	113	-872	1,314	-205	0	4,527
Purchase price obligation	0	0	0	0	0	496	496
Cost of annual financial statements	647	58	-544	640	-15	0	786
Follow-up costs	2,599	0	-2,580	2,185	0	0	2,204
Taxes and incidental tax expenses	1,036	0	-5	834	0	0	1,865
Impending losses	0					0	0
Miscellaneous	274	64	-132	241	-76	0	371
Total	9,613	235	-4,133	5,214	-296	496	11,129

The purchase price annuity obligation resulted from the acquisition of shares in a subsidiary and is reported at the projected unit credit according to IAS 19.

Other provisions mainly relate to taxes and additions to tax.

(22) LIABILITIES

€'000	As of 31.03.2013 (31.03.2012)	Residual term up to 1 year	Residual term up to 5 years	Residual term > 5 years
Liabilities to financial institutions	78,760	23,318	43,386	12,056
	(63,178)	(22,007)	(36,591)	(4,580)
Trade creditors	14,995	14,995	0	0
	(14,896)	(14,896)	(0)	(0)
Prepayments received on orders	27,301	27,301	0	0
	(18,918)	(18,918)	(0)	(0)
Liabilities on bills	0	0	0	0
	(279)	(279)	(0)	(0)
Liabilities to affiliated companies	16	16	0	0
	(7)	(7)	(0)	(0)
Liabilities to companies with which a shareholding relationship exists	3	3	0	0
	(74)	(74)	(0)	(0)
Other liabilities	34,941	31,318	3,606	17
	(31,742)	(29,499)	(2,243)	(0)
Total	156,016	96,951	46,992	12,073
	(129,094)	(85,680)	(38,834)	(4,580)

Liabilities with a remaining term of up to one year are as follows:

€'000	As of 31.03.2013 (31.03.2012)	Residual term up to 30 days	Residual term 30 to 90 days	Residual term 90 to 360 days
Liabilities to financial institutions	23,318	12,907	2,228	8,183
	(22,007)	(8,103)	(3,981)	(9,923)
Trade creditors	14,995	13,444	1,543	8
	(14,896)	(14,255)	(595)	(46)
Prepayments received on orders	27,301	1,252	2,912	23,137
	(18,918)	(1,680)	(3,565)	(13,673)
Liabilities on bills	0	0	0	0
	(279)	(149)	(130)	(0)
Liabilities to affiliated companies	16	16	0	0
	(7)	(7)	(0)	(0)
Liabilities to companies with which a shareholding relationship exists	3	3	0	0
	(74)	(0)	(74)	(0)
Other liabilities	31,318	14,302	6,366	10,650
	(29,499)	(13,418)	(4,510)	(11,571)
Total	96,951	41,924	13,049	41,978
	(85,680)	(37,612)	(12,855)	(35,213)

Liabilities to financial institutions are mainly secured by:

€'000	31.03.2013	31.03.2012
Load charges	36,838	31,431
of which on property held as financial investment	4,090	4,090
Book value of property	39,639	28,655
Assignment of		
movable fixed assets as security	11,792	11,346
inventories	13,722	13,918
Assignment of receivables	6,685	3,859

The parent company has also pledged shares in subsidiaries with a total book value of € 46,222 thousand (previous year: € 53,457 thousand).

€ 70,941 thousand (previous year: € 54,022 thousand) of the liabilities to financial institutions result from long-term loans of domestic companies with fixed repayment terms and a remaining term between one and 14 years (previous year between one and 11 years).

Interest rates for the Euro loans vary between 0.47 % and 7.50 % (previous year: 1.17 % and 7.50 %). These interest rates correspond to the market rates for the respective loans and companies. Other liabilities to financial institutions consist of current accounts.

Other liabilities consist of the following:

€'000	31.03.2013	31.03.2012
Wages, salaries, social security	14,504	13,228
Other taxes	4,144	3,070
Income taxes	5,524	4,344
Outstanding incoming invoices	1,994	1,748
Finance leasing	777	1,130
Purchase price commitments minority interest	1,644	2,654
Miscellaneous liabilities	6,354	5,568
Total	34,941	31,742

Most of the other liabilities result from current liabilities owed to third parties. Wage, salary and social security liabilities include partial retirement and anniversary obligations in the amount of € 694 thousand (previous year: € 765 thousand) that will be due in more than one year.

INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

Middle Kingdom Specials Steels PTE Ltd., Jiashan Doerrenberg Mould & Die Trading Co., Georg Kesel Machinery (Beijing) Co. Ltd., MAE International GmbH, WBL Holding GmbH, Werkzeugbau Laichingen GmbH, and Werkzeugbau Leipzig GmbH were included in the income statement for financial year 2012/13 for the first time for a 12-month period.

C.F.K. CNC-Fertigungstechnik Kriftel GmbH, Modell Technik GmbH & Co. Formenbau KG, Modell Technik Beteiligungsgesellschaft mbH, Protomaster Riedel & Co. GmbH, and TM Erste Grundstücksgesellschaft mbH were included on a pro-rata basis.

(23) SALES REVENUES

Sales revenue is recognised with the transfer of liabilities and benefits related to the assets that are sold. For more information, please consult the section on segment reporting.

(24) OTHER COMPANY-PRODUCED ADDITIONS TO ASSETS

This item mainly consists of reportable expenditure for technical equipment and tools.

(25) OTHER OPERATING INCOME

Other operating income breaks down as follows:

€'000	2012/2013	2011/2012
Income from writing back/utilising provisions	2,451	1,186
Price gains	994	611
Income from public subsidies	73	365
Income from the reversal of value adjustments and from the payment of receivables previously written off	252	343
Income from the disposal of fixed assets	485	151
Income from insurance refunds	103	192
Miscellaneous	1,904	1,789
Total	6,262	4,637

(26) MATERIAL EXPENDITURE

Material expenditure includes:

€'000	2012/2013	2011/2012
Expenditure on raw materials and supplies and goods purchased	207,436	207,121
Expenditure on services purchased	28,772	24,205
Total	236,208	231,326

(27) PERSONNEL EXPENDITURE

Personnel expenditure includes:

€'000	2012/2013	2011/2012
Wages and salaries	95,269	81,625
Social security contributions/expenditure on pensions and benefits	18,284	15,834
Total	113,553	97,459

The interest on pension provisions is included under interest and similar expenditure.

(28) OTHER OPERATING EXPENDITURE

Other operating expenditure breaks down as follows:

€'000	2012/2013	2011/2012
Operating expenditure	21,362	17,195
Administrative expenditure	6,714	5,447
Expenditure on distribution	18,480	19,628
Miscellaneous expenditure	8,047	7,835
of which allowances on receivables and other assets	742	410
Total	54,603	50,105

(29) DEPRECIATION ON PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Depreciation on property, plant and equipment and amortisation on intangible assets is reported in the Group asset history sheet. Additional information can be found in the notes regarding the corresponding balance sheet items.

(30) TAXES ON INCOME AND EARNINGS

Actual taxes on income and earnings as well as deferred taxes are reported as income tax. Income tax breaks down as follows:

€'000	2012/2013	2011/2012
Actual taxes	12,386	11,578
Deferred taxes	-1,298	-491
Total	11,088	11,087

The reconciliation between budgeted income tax expenditure based on a tax rate of 30.5 % (previous year 30.5%) and actual income tax expenditure reported on the income statement is as follows:

€'000	2012/2013	2011/2012
Group result before income tax	33,825	35,672
Anticipated income tax expenditure	-10,317	-10,880
Permanent differences arising on expenditure which is no tax deductible	-408	-328
Tax-free income	0	14
Income tax for different reporting periods	-110	342
Consolidation effects	-191	-89
Temporary differences for losses, for which no deferred taxes have been capitalised	0	10
Differences in tax rates	146	-8
Miscellaneous	-208	-148
Total	-11,088	-11,087

The capitalisation (previous year: capitalisation) of future tax savings from tax loss carryforwards led to a tax asset of € 0.2 million (previous year: tax asset of 0.2 million) in the 2012/2013 reporting year.

(31) EARNINGS PER SHARE

According to IAS 33, earnings per share are calculated by dividing the Group net earnings attributable to shareholders by the weighted average number of shares issued and outstanding:

	2012/2013	2011/2012
Group net income (€'000)	20,916	22,531
Weighted number of shares (number)	3,318,143	3,043,090
Earnings per share in accordance with IAS 33 (€)	6.30	7.40

There are no factors that would cause dilution.

(32) INCOME AND EXPENDITURE RECORDED DIRECTLY IN EQUITY

The actuarial losses from pension obligations contained in this item and currency hedging transactions were reduced by income taxes of € 1,185 thousand. The previous year's figure was adjusted accordingly.

INFORMATION ON THE CASH FLOW STATEMENT

In accordance with IAS 7 (Cash Flow Statement), the **cash flow statement** shows the movement in the inflows and outflows of funds in the Group during the reporting year. The financial resources portfolio includes credit balances held by financial institutions (€ 36,464 thousand).

Cash flow from investment activity includes € 58 thousand (previous year: € 157 thousand) in unpaid investments.

The company made and received the following cash flows during the financial year:

€'000	2012/2013	2011/2012
Interest paid	1,949	2,085
Interest received	793	491
Dividends received	83	0
Taxes paid	9,810	12,842

INFORMATION ON THE SEGMENT REPORT

The companies are assigned to segments according to their respective field of activity. Companies in the **tool manufacture and mechanical engineering segment** mainly focus on the production of machines and tools as well as the provision of related services. The **plastics technology segment** includes plastic processing companies that manufacture injection-moulded plastic parts as well as plastic and paper sticks.

The **GESCO AG** segment comprises the activities of GESCO AG as an investment holding company. Companies that are not assigned to any other segment as well as consolidation effects and reconciliations to the corresponding Group values are reported in the **other/consolidation** segment.

There are no material **business relationships** between the segments.

Segment investments relate to intangible assets (excluding goodwill) as well as property, plant and equipment.

The **evaluation of the results** of the reportable segments is based on German commercial law. The conversion to international accounting standards occurs in the other/consolidation segment. **Group EBIT** can be derived from Group net income for the year based on the consolidated income statement.

Sales revenues are divided by **region** as follows:

	2012/2013		2011/2012	
	€'000	%	€'000	%
Germany	286,609	65.1	270,888	65.2
Europe (excluding Germany)	83,082	18.8	78,477	18.9
Other	70,726	16.1	66,061	15.9
Total	440,417	100.0	415,426	100.0

Displaying information on sales revenues from products and services pursuant to IFRS 8.32 would incur disproportionate effort and expense due to the diverse range of products and services.

Non-current assets (only intangible assets and property, plant and equipment) per **region** are as follows:

	2012/2013		2011/2012	
	€'000	%	€'000	%
Germany	122,489	97.4	92,815	96.6
Reconciliation Group	3,320	2.6	3,296	3.4
Total	125,809	100.0	96,111	100.0

OTHER INFORMATION ON THE CONSOLIDATED FINANCIAL STATEMENTS

RESEARCH AND DEVELOPMENT COSTS

Research and development costs are treated as current expenditure. No capitalisation was required. Research and development costs totalled approximately 2 % of sales in both financial years.

INFORMATION ON FINANCIAL INSTRUMENTS

The **book values of the financial instruments** are divided into the following classes:

€'000	Book value		Fair value	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Trade receivables	53,121	47,762	53,121	47,762
Other receivables	8,106	8,990	8,106	8,990
Cash and cash equivalents	36,464	42,958	36,464	42,958
Securities held as non-current assets	1,000	1,000	1,000	1,000
Assets held for sale	0	1,350	0	1,350
Financial assets	98,691	102,060	98,691	102,060
Trade creditors	14,995	14,896	14,995	14,896
Liabilities to financial institutions	78,760	63,178	78,760	63,178
Other liabilities	56,737	46,659	56,737	46,659
Liabilities held for sale	0	3,499	0	3,499
Financial liabilities	150,492	128,232	150,492	128,232

The following table shows the **assignment of assets and liabilities to categories according to IAS 39**:

€'000	Balance sheet amount		Fair value		Net result on the income statement	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Loans and receivables	98,654	101,060	98,654	101,060	468	507
Assets available for sale	1,000	1,000	1,000	1,000	8	16
Financial assets	99,654	102,060	99,654	102,060	476	523
Liabilities held for trading	482	622	482	622	183	-622
Other financial liabilities	150,010	127,610	150,010	127,610	-2,738	-2,720
Financial liabilities	150,492	128,232	150,492	128,232	-2,555	-3,342

The net result mainly includes interest, dividends as well as income and expenditure from derivative financial instruments.

CONTINGENT LIABILITIES

€'000	2012/2013	2011/2012
Liabilities from the issue and assignment of bills	0	300
Liabilities under guarantees	0	38

Investment projects initiated during the reporting year resulted in commitments in the amount of € 4,239 thousand (previous year: € 2,246 thousand). These investments will be concluded in the 2013/2014 financial year.

Various companies in GESCO Group are required to maintain specific covenants.

There are no ongoing legal disputes that are expected to result in an effect on income in excess of the provisions that have already been established. The guarantees received are within industry standards. Where claims are expected, provisions have been established for the expected amounts based on current information.

RENTAL AND LEASE AGREEMENTS

The following payment obligations exist for finance lease arrangements:

€'000	Total	2013/14	2014/15- 2017/18	2018/19 & following years
Minimum lease payments	886	340	546	0
Discounting amount	89	49	40	0
Cash value	797	291	506	0

Some of the lease agreements contain purchase options to acquire the leased items at the end of the lease term.

Rental and lease agreements (operating leases) have been concluded for buildings as well as other plant, fixtures and fittings. Related rental and lease payments amounted to € 3,884 thousand for the reporting year (previous year: € 2,644 thousand).

Due dates for the minimum lease payments arising from operating leases and rental agreements are as follows:

€'000	2012/2013	2011/2012
Up to one year	3,170	3,892
One to five years	6,758	4,704
Over five years	5,371	2,860
Total	15,299	11,456

Some of the lease agreements contain purchase options to acquire the leased items at the end of the lease term.

RISK MANAGEMENT

In order to recognise risks as early as possible and initiate compensating measures, GESCO Group implemented a Group-wide risk management system in 1999. Detailed information regarding risks and opportunities can be found in the Group management report.

The GESCO Group is exposed to **financial instrument risk** in the form of credit risk, liquidity risk and market price risk. All types of risk may affect the assets, financial position and earnings of the Group.

Credit risk mainly affects trade receivables.

Liquidity risk refers to the risk of being unable to meet payment obligations as they come due.

Market price risk mainly consists of exchange rate changes relating to business operations as well as interest rate and exchange rate changes related to financing.

Since the type and scope of the respective risks affects every company differently, the management of these risks is defined separately for each company in the Group. Most risk management activities are implemented as part of business operations and financing activities.

Information on the individual risk categories:

1. CREDIT RISK

Credit risk consists of the potential for an economic loss when a contractual partner does not pay on time or fails to meet all or part of the payment obligations. Great emphasis is placed on the management of trade receivables within the Group. The receivables are highly diversified; there are no debtors that owe more than 10 % of the Group's receivables portfolio. The type and extent of credit insurance coverage depends on the credit rating of the respective customer. Commonly used instruments include export insurance, letters of credit, credit insurance, prepayments, guarantees, bonds and the retention of title. The risk of default for the Group is limited to the ordinary business risk. Allowances for doubtful accounts were established for identifiable default risks. Counterparty risk for derivative financial instruments is limited by only entering into derivative transactions with well-known domestic financial institutions.

The theoretical maximum default risk (credit risk) equals a total loss of the book value of the financial instruments. Based on current information, the default risk for unadjusted financial instruments is low since risk management tools limit the probability of default.

2. LIQUIDITY RISK

Cash is managed separately by each company in the Group; there is no centralised cash pooling for the Group. Expected cash flows from business operations as well as financial assets and liabilities are considered for cash management purposes.

Future payments are largely covered by receipts from business operations. Peak financing requirements are covered by the existing liquidity and by lines of credit.

3. MARKET PRICE RISK

Market price risk refers to the risk of exchange rate changes related to business operations as well as the risk of interest rate changes related to financing and fluctuations in the market price of securities.

Market price risk due to the **risk of exchange rate changes** is the result of international business relationships. Exchange rate fluctuations are constantly monitored using a variety of information sources. The relationship between the US dollar and the Euro is especially important. The general competitiveness and profitability of specific projects for companies within the Group that have production facilities in the Euro region while issuing invoices in US dollars is naturally affected by changes in the relationship between the US dollar and the Euro.

For significant business transactions, exchange rate risks are hedged by means of forward exchange transactions. These forward exchange transactions may be subject to market price risk to the extent that currencies must be sold at the current spot price on the settlement date. The ultimate purpose of forward transactions is to avoid risks resulting from exchange rate fluctuations. As a result, potential losses due to exchange rate changes are eliminated along with potential gains. The term and scope of these transactions corresponds to the underlying business transactions.

In accordance with IFRS 7, the company prepares a sensitivity analysis for market price risk in order to determine the effects of hypothetical changes to the risk variables. These hypothetical changes are applied to the financial instrument portfolio on the reporting date. This process assumes that the portfolio on the reporting date is representative for the entire year.

Interest rate risk mainly results from debt financing. According to IFRS 7, interest rate risk is represented by means of a sensitivity analysis. The sensitivity analysis illustrates the effects of hypothetical changes in market interest rates on interest expenditure. Had market interest rates been 100 basis points higher or lower during the reporting year, Group net earnings and consolidated equity after minority interests would have been € 535 thousand (previous year: € 448 thousand) lower or higher.

Currency risks from the supply of goods and services are only limited for GESCO Group. For goods supplied by subsidiaries outside the Eurozone, larger orders are almost entirely hedged by forward transactions.

Trade receivables denominated in foreign currencies amounted to € 4,696 thousand (previous year: € 2,766 thousand) on the reporting date. This corresponds to 8.8 % (previous year: 5.8 %) of total trade receivables. Receivables are denominated in the following currencies:

€'000	2012/2013	2011/2012
US dollar:	3,594	1,371
Singapore dollar:	308	771
Taiwanese dollar:	441	412
African rand:	167	154
Hungarian forint:	41	58
Chinese renminbi yuan:	90	0
Swiss francs:	54	0

A 10 % fluctuation in exchange rates on the reporting date would have affected both equity and Group net earnings after minority interests by either € -263 thousand or € +322 thousand (previous year: € -160 thousand or € +195 thousand).

Forward exchange transactions and foreign currency loans are used to hedge pending sales transactions in USD against exchange rate risks. The fair value of hedging transactions amounted to € 573 thousand on the reporting date. Other comprehensive income amounted to € 369 thousand after deferred taxes and minority interests (third party). Cash flows of USD 23.0 million are hedged.

The following cash flows are expected to be due in the following financial years:

€'000	2013/2014	2014/2015	2015/2016	2016/2017
Expected cashflows	19,368	2,336	694	578

INFORMATION ON RELATIONSHIPS WITH AFFILIATED COMPANIES

Business relationships between fully consolidated and not fully consolidated companies within the Group are conducted under regular market terms and conditions. Receivables from related companies are mainly due from Frank Lemeks TOW, Ukraine.

EMPLOYEES

The average number of employees was as follows:

	2012/2013	2011/2012
Factory staff	1,336	1,158
Office staff	711	614
Trainees	98	86
Total	2,145	1,858

Marginal part-time employees were converted to the equivalent in full-time employees.

EXEMPTION REQUIREMENTS FOR GROUP COMPANIES

Since AstroPlast Kunststofftechnik GmbH & Co. KG, Dörmer GmbH & Co. KG Stanz- und Umformtechnologie, Franz Funke Zerspanungstechnik GmbH & Co. KG, Haseke GmbH & Co. KG, Georg Kesel GmbH & Co. KG, Modell Technik GmbH & Co. Formenbau KG, Molineus & Co. GmbH + Co. KG, Paul Beier GmbH Werkzeug- und Maschinenbau & Co. KG, Q-Plast GmbH & Co. Kunststoffverarbeitung, Setter GmbH & Co. Papierverarbeitung und Tomfohrde GmbH & Co. Industrieverwaltungen KG have been included in the consolidated financial statements of GESCO AG, they are exempt from the obligation to prepare, audit and publish annual financial statements and a management report in accordance with the applicable regulations for incorporated companies as per Section 264b of the German Commercial Code (HGB).

According to Section 264 para. 3 of the German Commercial Code (HGB), MAE Maschinen- und Apparatebau Götzen GmbH is exempt from the obligation to prepare, audit and publish annual financial statements and a management report according to Sections 264ff of the German Commercial Code (HGB).

PUBLICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for 2012/2013 are to be examined and approved by the Supervisory Board of GESCO AG in its meeting on 28 May 2013 and are then authorised for publication.

The consolidated financial statements will be published on 11 June 2013 in conjunction with an annual accounts press conference and analysts' meeting in Wiesbaden.

CORPORATE GOVERNANCE

The Executive Board and Supervisory Board of GESCO AG comply with the German Corporate Governance Code and have made a declaration of compliance available to shareholders on the website of GESCO AG.

The Executive Board holds a total of approximately 0.6 % of company shares. Members of the Supervisory Board hold a total of approximately 0.2 % of company shares.

AUDITOR

The fee included in expenditure for the financial year amounted to € 128 thousand (previous year: € 128 thousand) for the audit of the annual and consolidated financial statements of GESCO AG, € 0 thousand (previous year: € 3 thousand) for other audit services, € 10 thousand (previous year: € 4 thousand) for tax consulting services and € 44 thousand (previous year: € 18 thousand) for other services.

Fees were also incurred in the amount of € 223 thousand (previous year: € 216 thousand) for the audit of consolidated subsidiaries, € 44 thousand (previous year: € 52 thousand) for tax consulting services and € 21 thousand (previous year: € 5 thousand) for other services.

EXECUTIVE BODIES OF THE COMPANY

EXECUTIVE BOARD

Robert Spartmann, Gevelsberg
Member of the Executive Board

Dr.-Ing. Hans-Gert Mayrose, Mettmann
Member of the Executive Board

Remuneration received by the Executive Board – distributed among its members – is as follows (previous year):

€'000	Fixed remuneration		Variable remuneration		Stock option		Total	
Robert Spartmann	255	(255)	313	(339)	61	(46)	629	(640)
Dr.-Ing. Hans-Gert Mayrose	244	(244)	313	(339)	61	(46)	618	(629)
Total	499	(499)	626	(678)	122	(92)	1,247	(1,269)

Each Executive Board member received 7,500 stock options.

By the reporting date, members of the Executive Board achieved an entitlement to the following percentages of their pensions commitments based on their assessment value (most recent fixed salary):

Robert Spartmann	13.5 %
Dr.-Ing. Hans-Gert Mayrose	14.0 %

On the reporting date, defined benefit obligations (DBO) and changes for 2012/2013 came to:

€'000	Pension commitments		Additions	
Robert Spartmann	529	(330)	199	(55)
Dr.-Ing. Hans-Gert Mayrose	563	(354)	209	(58)
Total	1,092	(684)	408	(113)

Remuneration received by a former member of the Executive Board amounted to € 71 thousand in the financial year (€ 51 thousand). To cover this, the company's pension obligations (DBO) amounted to € 758 thousand (€ 615 thousand) on 31.03.2013.

SUPERVISORY BOARD

Klaus Möllerfriedrich, Wuppertal

Chairman, Auditor

Chairman of the Supervisory Board:

- MicroVenture GmbH & Co. KGaA Beteiligungsgesellschaft, Düsseldorf (until 4 September 2012)
- COREST AG, Düsseldorf (until 21 August 2012)

Deputy Chairman of the Supervisory Board:

- TopAgers AG, Langenfeld
- GHG Gesellschaft für Logistikleistung im Handel AG, Graz/Austria (from 21 December 2012)

Member of the Supervisory Board:

- Dr. Ing. Thomas Schmidt AG, Cologne

Rolf-Peter Rosenthal, Wuppertal

Deputy Chairman, Retired bank director

Chairman of the Advisory Board:

- Siegfried Leithäuser GmbH & Co. KG, Hamm (until 28.02.2013)

Deputy Chairman of the Supervisory Board:

- ETRIS Bank GmbH, Wuppertal

Member of the Advisory Board:

- Jackstädt Holding GmbH, Wuppertal
- Coroplast Fritz Müller GmbH & Co. KG, Wuppertal
- Siegfried Leithäuser GmbH & Co. KG, Hamm (from 1 March 2013)

Willi Back, Neckargemünd

Retired Chairman of the Executive Board of GESCO AG, Wuppertal

Member of the Advisory Board:

- Metall-Chemie Holding GmbH, Hamburg

Remuneration received by the Supervisory Board – distributed among its members – is as follows (previous year):

€'000	Fixed remuneration		Variable remuneration		Total	
Klaus Möllerfriedrich	20	(19)	75	(78)	95	(97)
Rolf-Peter Rosenthal	17	(17)	75	(78)	92	(95)
Willi Back	15	(14)	75	(78)	90	(92)
Total	52	(50)	225	(234)	277	(284)

GESCO AG has obtained a "Directors' and Officers' Liability Insurance" (D&O insurance) policy for Group management. This policy covers the members of the Executive Board and Supervisory Board of GESCO AG as well as the managers of the subsidiaries. Insurance premiums of € 32 thousand (previous year € 65 thousand) were paid during the 2012/2013 financial year.

Wuppertal, 24 May 2013

The Executive Board

R. Spartmann Dr.-Ing. H.-G. Mayrose

STATEMENT OF THE LEGAL REPRESENTATIVES

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the group management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group.

Wuppertal, 24 May 2013

The Executive Board

R. Spartmann Dr.-Ing. H.-G. Mayrose

SIGNIFICANT GROUP SHAREHOLDINGS

Fully consolidated companies ¹⁾	Proportion of capital in %
Alro GmbH, Wuppertal	100
AstroPlast Kunststofftechnik GmbH & Co. KG, Sundern	80
AstroPlast Verwaltungs GmbH, Sundern ²⁾	100
C.F.K. CNC-Fertigungstechnik Kriftel GmbH, Kriftel	80
Degedenar Grundstücksverwaltungsgesellschaft mbH & Co. Immobilien-Vermietungs KG, Eschborn ³⁾	100
Dömer GmbH & Co. KG Stanz- und Umformtechnologie, Lennestadt	100
Dömer GmbH, Lennestadt ²⁾	100
Dörrenberg Edelstahl GmbH, Engelskirchen	90
Dörrenberg Tratamientos Térmicos SL, Alasua, Navarra, Spain	60
Dörrenberg Special Steels PTE. Ltd., Singapore	90
Dörrenberg International PTE. Ltd., Singapore	90
Doerrenberg Special Steels Taiwan Ltd., Tainan, Taiwan	100
Middle Kingdom Special Steels PTE Ltd., Singapore	60
Jiashan Doerrenberg Mould & Die Trading Co., China	100
Frank Walz- und Schmiedetechnik GmbH, Hatzfeld	100
Frank-Hungaria Kft., Özd, Hungary	100
Franz Funke Zerspanungstechnik GmbH & Co. KG, Sundern	80
Franz Funke Verwaltungs GmbH, Sundern ²⁾	100
Georg Kesel GmbH & Co. KG, Kempten	90
Kesel International GmbH, Kempten	100
Georg Kesel Machinery (Beijing) Co., Ltd., China	100
Kesel & Probst Verwaltungs-GmbH, Kempten ²⁾	100
Haseke GmbH & Co. KG, Porta Westfalica	80
Haseke Beteiligungs-GmbH, Porta Westfalica ²⁾	100
Hubl GmbH, Vaihingen/Enz	80
MAE Maschinen- und Apparatebau Götzen GmbH, Erkrath	100
MAE International GmbH, Erkrath	100
Modell Technik GmbH & Co. Formenbau KG, Sömmerda	100
Modell Technik Beteiligungsgesellschaft mbH, Sömmerda ²⁾	100
Molineus & Co. GmbH + Co. KG, Wuppertal	100
Grafic Beteiligungs-GmbH, Wuppertal ²⁾	100
Paul Beier GmbH Werkzeug- und Maschinenbau & Co. KG, Kassel	100
WM Werkzeug- und Maschinenbau Verwaltungs-GmbH, Kassel ²⁾	100
Protomaster Riedel & Co. GmbH, Wilkau-Haßlau	82.17
Q-Plast GmbH & Co. Kunststoffverarbeitung, Emmerich	100
Q-Plast Beteiligungs-GmbH, Emmerich ²⁾	100
Setter GmbH & Co. Papierverarbeitung, Emmerich	100
Setter GmbH, Emmerich ²⁾	100
HRP-Leasing GmbH, Emmerich	100
SVT GmbH, Schwelm	90
Tomföhrde GmbH & Co. Industrierwerbungen KG, Wuppertal	100
Tomföhrde GmbH, Wuppertal ²⁾	100
VWH Vorrichtung- und Werkzeugbau Herschbach GmbH, Herschbach	80
WBL Holding GmbH, Laichingen	85
Werkzeugbau Laichingen GmbH, Laichingen	100
Werkzeugbau Leipzig GmbH, Leipzig	100
TM Erste Grundstücksgesellschaft mbH, Wuppertal	100

¹⁾ Share capital held directly or via majority shareholdings

²⁾ Corporation as the general partner

³⁾ Special purpose entity according to SIC 12

Companies valued at equity ¹⁾	Proportion of capital in %
Saglam Metal Sanayi Ticaret A.S., Istanbul, Turkey	20
Doerrenberg Special Steels Korea Co. Ltd, Jeongwang-dong, South Korea	50
Gluckstahl Comercio Importacao e Exportacao Ltda., Sao Paulo, Brazil	50

Companies of material significance valued at the cost of acquisition ¹⁾	Proportion of capital in %
Connex SVT Inc., Houston, USA	100
MAE.ch GmbH, Unterstammheim, Switzerland	100
MAE Amerika GmbH, Erkrath	100
MAE of America, Inc., Wilmington, USA	100
MAE Machines (Beijing) Co., Ltd., China	100
Frank Lemeks Tow, Ternopil, Ukraine	75

¹⁾ Share capital held directly or via majority shareholdings

AUDITOR'S REPORT

We have audited the consolidated financial statements prepared by GESCO AG comprising the balance sheet, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and the notes to the consolidated financial statements, together with the Group management report for the financial year from 1 April 2012 to 31 March 2013. The preparation of the consolidated financial statements and the Group management report in accordance with IFRS, as adopted by the EU, and the additional requirements of Section 315a para. 1 of the German Commercial Code (HGB) are the responsibility of the legal representatives of the company. Our responsibility is to express an opinion on the consolidated financial statements and on the Group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Section 317 of the German Commercial Code (HGB) and generally accepted German standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW – Institute of Public Auditors in Germany). Those standards require that we plan and perform the audit so that material misstatements affecting the presentation of the assets, financial position and earnings in the consolidated financial statements in accordance with the applicable financial reporting framework and in the Group management report are detected with reasonable assurance. Knowledge of the business activities and economic and legal environment of the Group as well as expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the Group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in the consolidation, the accounting and consolidation principles used and significant estimates made by the legal representatives, as well as evaluating the overall presentation of the consolidated financial statements and the Group management report. We believe that our audit provides a reasonable basis for our assessment.

Our audit did not lead to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRS as adopted by the EU and the additional requirements under German commercial law pursuant to Section 315a para. 1 of the German Commercial Code (HGB) and give a true and fair view of the assets, financial position and earnings of the Group in accordance with these requirements. The Group management report is consistent with the consolidated financial statements and as a whole provides a suitable presentation of the Group's position and the opportunities and risks of future development.

Wuppertal, 24 May 2013

Dr. Breidenbach und Partner GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

(Dr. Wollenhaupt)	(Wendlandt)
Auditor	Auditor

REPORT FROM THE SUPERVISORY BOARD

GESCO AG's financial year 2012/2013 was characterised by changes to the portfolio and the development of the existing companies. In an increasingly difficult economic environment, the Group performed very well.

In this report, the Supervisory Board provides information about its activities in financial year 2012/2013. The main topics are its continuous dialogue with the Executive Board and the audit of the annual financial statements and consolidated financial statements.

WORK OF THE SUPERVISORY BOARD

Throughout the reporting year, the Supervisory Board observed the tasks incumbent upon it in accordance with German law and the Articles of Association. These tasks included the regular exchange of information with the Executive Board and the supervision of the company's management. The Supervisory Board was directly involved in all decision-making of fundamental importance to the company. The financial position of GESCO AG and the subsidiaries as well as the internal and external development of the Group were discussed in detail. The Executive Board regularly briefed the Supervisory Board both in writing and verbally, promptly and comprehensively on all relevant issues of corporate planning and its strategic development, on the course of transactions, the position of the Group and the individual subsidiaries including the risk situation, as well as on risk management. The Supervisory Board received detailed reports of the internal control and risk management system from the GESCO AG employee responsible for these areas at its four regular meetings. As scheduled, the Supervisory Board engaged with the structure and content of this system.

Detailed annual plans of the main subsidiaries were submitted to the Supervisory Board and discussed with the Executive Board. Deviations in the course of business from the respective annual plans and objectives were explained to the Supervisory Board in detail and collectively analysed by both the Executive Board and Supervisory Board. The members of the Supervisory Board and the Chairman in particular were also in regular contact with the Executive Board outside Supervisory Board meetings and stayed informed on current trends in the business situation and any significant business transactions. The Supervisory Board thoroughly investigated the reports and proposals for resolutions from the Executive Board and, as far as this was required in accordance with legal and statutory provisions, cast its vote.

Acquisition plans were extensively discussed by the Supervisory and Executive Boards. In the run-up to an acquisition, target companies are also appraised at their locations by a Supervisory Board member.

In financial year 2012/2013, the Supervisory and Executive Boards discussed the further development of the Group as part of a separate strategy conference and once again worked together to engage with GESCO Group's strategic objectives and their realisation.

The Supervisory Board of GESCO AG has consciously been kept small with three members in order to facilitate efficient work and intensive discussions both in strategic and detailed issues. The Supervisory Board therefore believes that it is not sensible or appropriate to create Supervisory Board committees. This also applies to an accounting committee, whose tasks continue to be carried out by the entire Supervisory Board. Supervisory Board committees were therefore not created in financial year 2012/2013.

SUPERVISORY BOARD –
KLAUS MÖLLERFRIEDRICH (CHAIRMAN),
ROLF-PETER ROSENTHAL (DEPUTY CHAIRMAN),
WILLI BACK (L. TO R.)



A total of twelve Supervisory Board meetings took place in financial year 2012/2013. All members of the Supervisory Board attended each of these meetings. The Supervisory Board was also briefed in detail between meetings in the form of written reports on all projects and plans which were of particular importance to the company.

In order to gain a better understanding of the individual subsidiaries, the Supervisory Board visits one or two subsidiaries per year together with the Executive Board. Major, strategic investments at subsidiaries are also associated with on-site visits and in-depth discussions. The Supervisory Board also uses the opportunity of a direct exchange of ideas with the individual managers of subsidiaries of GESCO AG during the management meetings of GESCO Group. In the reporting year, all newly acquired companies were visited within the scope of two management meetings.

CORPORATE GOVERNANCE

The Supervisory Board continuously monitored the development of corporate governance standards. The Executive Board also reports on behalf of the Supervisory Board on corporate governance at GESCO AG pursuant to Section 3.10 of the German Corporate Governance Code. The Executive Board and Supervisory Board submitted an updated declaration of compliance in accordance with Section 161 of the German Stock Corporation Act (AktG) in December 2012 and made it permanently accessible to the shareholders on the company's website. GESCO AG complies with the recommendations of the Government Committee on the German Corporate Governance Code, with the exception of the deviations given and explained in the declaration of compliance.

An efficiency audit of the Supervisory Board's work was last conducted in May 2011. It was carried out as a survey based on a structured questionnaire. A new audit was not conducted, as no changes were made to the composition or work of the Supervisory Board.

In 2012/2013, the Chairman of the Supervisory Board participated in a range of training events on the subject of the tasks of supervisory boards and therefore complied with the recommendations of the Corporate Governance Code.

REMUNERATION OF THE EXECUTIVE BOARD

The management report and notes to the consolidated and individual financial statements include detailed information on the structure of Executive Board remuneration. The Annual General Meeting approved the amended remuneration system on 2 September 2010 within the frame of a say on pay ruling.

AUDIT OF ANNUAL FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Corresponding to the legal provisions, the auditor selected by the Annual General Meeting on 30 August 2012, Dr. Breidenbach und Partner GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Wuppertal, was commissioned by the Supervisory Board to audit the annual financial statements and consolidated financial statements on 16 January 2013. The auditor confirmed its independence to us in a letter dated 21 May 2012. Further, the auditor provided evidence that it is qualified to audit listed companies due to its successful participation in a quality control audit conducted by the German Chamber of Auditors.

The annual financial statements drawn up for the financial year from 1 April 2012 to 31 March 2013 by the Executive Board in accordance with the regulations of the German Commercial Code (HGB) and the management report of GESCO AG were audited by the auditor. The auditor issued an unqualified auditor's report.

The consolidated financial statements and Group management report of GESCO Group for the financial year from 1 April 2012 to 31 March 2013 were drawn up by the Executive Board and audited by the auditor on the basis of the International Financial Reporting Standards (IFRS), taking into account Section 315a of the German Commercial Code (HGB). The auditor furnished the consolidated financial statements and Group management report with an unqualified auditor's report.

This year, the focal points of the audit by the auditor for the individual financial statements of GESCO AG were the valuation of investments, accrual and recoverable amount of receivables from associated companies and the completeness and valuation of other provisions, as well as the determination of tax refund claims, tax provisions and deferred taxes. The focal points of the audit of the consolidated financial statements were business combinations (purchase price allocation), impairment of assets including goodwill (impairment test), the application in advance of IAS 19 (rev. 2011) and the completeness of the notes to the consolidated financial statements. Prior to the audit, the Chairman of the Supervisory Board and the auditor discussed the focal points of the audit. The complete financial statements as well as the accompanying auditor's reports were sent to all members of the Supervisory Board in good time before the accounts meeting. They were the subject of intensive discussions in the meeting of the Supervisory Board on 24 May 2013. The auditors were in attendance at the meeting, reported on the main results of the audits and were available to the Supervisory Board for questions and additional information. The auditors gave comprehensive answers to all questions from the Supervisory Board. No objections were raised to the annual financial statements and the management report after the final result of the audit carried out by the Supervisory Board. After its own audit of the annual financial statements, the consolidated financial statements, the management report and the Group management report, the Supervisory Board approved the result of the audit by the auditor and accepted the annual financial statements and the consolidated financial statements in the meeting on 28 May 2013. The annual financial statements of GESCO AG have thereby been adopted. The Supervisory Board consented to the proposal of the Executive Board to appropriate the retained profit.

CHANGES TO THE SUPERVISORY BOARD

Changes to the Supervisory Board of GESCO AG will take place at the Annual General Meeting 2013. The current Supervisory Board was appointed by the Annual General Meeting in 2010, meaning that its term will end at the Annual General Meeting in 2015. When standing for election in 2010, Supervisory Board members Willi Back and Rolf-Peter Rosenthal both declared that they would not be standing for re-election in 2015 due to their age. Entrepreneur Stefan Heimöller, the largest single GESCO AG shareholder who holds more than 13 % of the shares, announced at the Annual General Meeting in 2011 that he would consider standing for a position on the Supervisory Board at a later time. As Willi Back epitomises the entrepreneurial component of the Supervisory Board with his many years of operational experience, his successor would be entrepreneur Stefan Heimöller. The company would suffer a sudden loss of expertise were Willi Back and Rolf-Peter Rosenthal – both of whom have played a decisive role in shaping GESCO AG for many years – to step down from the Supervisory Board at the same time. As a result, following discussions within the Supervisory Board together with Stefan Heimöller, it was concluded that Willi Back would stand down at the Annual General Meeting in 2013, with Stefan Heimöller then standing for election. This would smooth the expertise transition of the Supervisory Board.

As part of this decision-making process, the Supervisory Board has also taken a close look at the correct composition of the body that included aspects related to diversity and has concluded that the current combination of expertise offers the best conditions for GESCO AG to conduct successful business and that this combination will be guaranteed in the future following this change.

For Willi Back, a long era of commitment on behalf of GESCO AG lasting nearly 24 years is therefore set to come to a close. In 1989, I succeeded in convincing him to join the Supervisory Board, and later the Executive Board, of the then-young company. Under his leadership, the business model was honed and developed; the Group grew and prospered, and, in 1998, Willi Back brought GESCO AG to the stock market as part of a highly successful IPO. It is no exaggeration to say that Willi Back was instrumental in forming and shaping the “GESCO model”. At the end of March 2004, Willi Back stepped down from the Executive Board after turning 65. The Annual General Meeting held on 9 September 2004 appointed him to the Supervisory Board, where he has since continued to work with great commitment on behalf of the company. On the Supervisory Board, he has epitomised the entrepreneurial component of the body and contributed through his decades of operational experience, especially in the run-up to acquisitions. In the name of the entire Supervisory Board, I would like to express our heartfelt thanks and recognition of his work and achievements on behalf of GESCO AG. Our best wishes will accompany him on the rest of his life's journey.

THANKS FOR THE WORK ACHIEVED

The Supervisory Board would like to thank the Executive Board, the managers of the subsidiaries and all GESCO Group employees for their impeccable loyalty and great commitment in the past financial year. Their work has made a key contribution to GESCO Group's success.

Wuppertal, 28 May 2013

Klaus Möllerfriedrich
Chairman of the Supervisory Board

FINANCIAL CALENDAR / SHAREHOLDER CONTACT

FINANCIAL CALENDAR

11 June 2013

Annual Accounts Press Conference and Analysts' Meeting

25 July 2013

Annual General Meeting in the Stadthalle, Wuppertal

August 2013

Announcement of figures for the first quarter (01.04.-30.06.2013)

November 2013

Despatch of the interim report (01.04.-30.09.2013)

November 2013

German Equity Forum, Frankfurt/Main

February 2014

Announcement of figures for the first nine months (01.04.-31.12.2013)

26 June 2014

Annual Accounts Press Conference and Analysts' Meeting

August 2014

Announcement of figures for the first quarter (01.04.-30.06.2014)

28 August 2014

Annual General Meeting in the Stadthalle, Wuppertal

November 2014

Despatch of the interim report (01.04.-30.09.2014)

SHAREHOLDER CONTACT

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GESCO GROUP - PROFILES OF THE COMPANIES

SETTER

HASEKE

FUNK/ASTROPLAST

GESCO DÖMER

MAF SVT BEIER

DÖRRENBERG

FRANK

VWH

CEK.

WERKZEUGBAU
LEIPZIG

MOBIL
TECHNIK

PROTOMASTER

HUBL

WERKZEUGBAU
LAICHINGEN

KESEL



Independent operations that are part of
a strong Group: an overview of the main
subsidiaries and their products, markets
and managers.





Independent operations that are part of a strong Group: an overview of the main subsidiaries and their products, markets and managers.



GESCO GROUP: SIGNIFICANT COMPANIES

COMPANY	SALES 2012 €'000	STAFF 31.12.2012	GESCO AG SHAREHOLDING IN %
ASTROPLAST KUNSTSTOFFTECHNIK GMBH & CO. KG, SUNDERN	11,711	76	80
PAUL BEIER GMBH WERKZEUG- UND MASCHINENBAU & CO. KG, KASSEL	14,254	106	100
C.F.K. CNC-FERTIGUNGSTECHNIK KRIFTTEL GMBH, KRIFTTEL	7,745	50	80
DÖMER GMBH & CO. KG STANZ- UND UMFORMTECHNOLOGIE, LENNESTADT	13,566	97	100
DÖRRENBURG EDELSTAHL GMBH, ENGELSKIRCHEN	176,309	498	90
FRANK GROUP, HATZFELD	33,623	278	100
FRANZ FUNKE ZERSPANUNGSTECHNIK GMBH & CO. KG, SUNDERN	16,860	81	80
HASEKE GMBH & CO. KG, PORTA WESTFALICA	12,006	55	80
HUBL GMBH, VAIHINGEN/ENZ	10,545	109	80
GEORG KESEL GMBH & CO. KG, KEMPTEN	11,342	75	90
MAE MASCHINEN- UND APPARATEBAU GÖTZEN GMBH, ERKRATH	34,098	131	100
MODELL TECHNIK GMBH & CO. FORMENBAU KG, SÖMMERDA	12,847	106	100
PROTOMASTER RIEDEL & CO. GMBH, WILKAU-HASSLAU	3,707	72	82.17
SETTER GROUP, EMMERICH	14,900	62	100
SVT GMBH, SCHWELM	44,015	183	90
VWH VORRICHTUNGS- UND WERKZEUGBAU HERSCHBACH GMBH, HERSCHBACH	10,808	103	80
WERKZEUGBAU LAICHINGEN GROUP, LAICHINGEN/LEIPZIG	21,217	175	85

ASTROPLAST KUNSTSTOFFTECHNIK
GMBH & CO. KG, SUNDERN

2012 SALES
IN € MILLION

11.7



STRATEGY AND BUSINESS SEGMENTS

AstroPlast is a specialist for high precision injection-moulded plastics. The company develops, produces and markets its own range of plastic spools, which are sold to manufacturers of wires, cables, tapes and optical fibres. AstroPlast also produces customised injection-moulded parts for the electrical, household appliances and automotive industries as well as the logistics sector. Based on its high level of technical expertise and its state-of-the-art machine park, AstroPlast has positioned itself as a consultant and a partner during development for its customers. Large machines with locking pressure of up to 2,300 tonnes particularly distinguish the company from its competitors.

FINANCIAL YEAR 2012

Following strong growth in sales in the previous year, AstroPlast recorded a severe decline in sales in 2012. This is primarily due to weaker sales in the consumer goods industry, which was one of the drivers of growth in 2011. Its export ratio stood at 18.8%.



DR. WOLFGANG KEMPER,
MANAGING DIRECTOR

OUTLOOK AND GOALS FOR 2013

AstroPlast expects business to recover and generate considerable growth in sales in 2013.

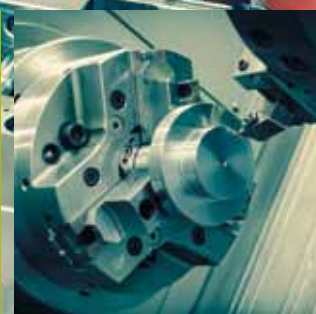
At the beginning of 2013, AstroPlast heralded a milestone in the company's development and laid the foundations for future expansion by purchasing land in Meschede, which is to be the site of a new warehouse scheduled for completion by the end of 2013. The company headquarters are to be moved gradually from the current location to Meschede, depending on economic development.

GESCO AG SHAREHOLDING	80 %
MANAGEMENT SHAREHOLDING	20 %
CAPITAL RATIO (31.12.2012)	36.8 %
2012 SALES (IN € MILLION)	11.7 (-18.7 %)
STAFF (31.12.2012)	76 (+1.3 %)
MEMBER OF THE GESCO GROUP	SINCE 01.05.1995

PAUL BEIER GMBH WERKZEUG- UND
MASCHINENBAU & CO. KG, KASSEL

2012 SALES
IN € MILLION

14.3



STRATEGY AND BUSINESS SEGMENTS

The company was founded in 1924 and has established an excellent reputation as a systems provider in sophisticated tool manufacturing and single and small-series part and component manufacturing for the specialist machinery industry. Beier offers its customers one-stop solutions starting with consulting and design all the way to production and on-site testing.

Paul Beier's customer base is largely from the automotive and mechanical engineering industries as well as the chemical and food industries. The company has been a strategic partner to Deutsche Bahn AG for many years. Thanks to its grading tools for parts with rotational symmetry, the company enjoys a special position as a supplier to gear manufacturers. Products include casting machines and heat exchangers for the food industry, gears and worm gears, pumps, as well as complete cutting, stamping, pulling and grading tools. The company also works for the aeronautical engineering industry and is certified to their highest security levels.

FINANCIAL YEAR 2012

Paul Beier generated sales of € 14.3 million, which was the highest level in the company's history. At the same time, the machinery site was modernised and the company made extensive investments in state-of-the-art production technology.

OUTLOOK AND GOALS FOR 2013

The company started the new financial year with a positive order backlog and expects sales to remain at a high level in 2013. The company will be implementing an integrated ERP system to further streamline processes.



DR. ANDREAS WENDE,
MANAGING DIRECTOR

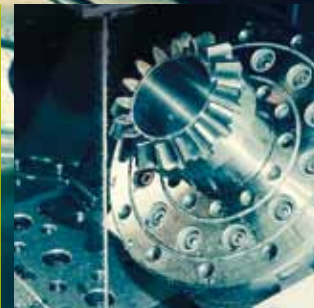
GESCO AG SHAREHOLDING	100 %
CAPITAL RATIO (31.12.2012)	42.1 %
2012 SALES (IN € MILLION)	14.3 (+46.7 %)
STAFF (31.12.2012)	106 (+15.2 %)
MEMBER OF THE GESCO GROUP	SINCE 01.04.1999



C.F.K.
CNC-FERTIGUNGSTECHNIK KRIFTEL GMBH,
KRIFTEL AM TAUNUS

2012 SALES
IN € MILLION

7.7



STRATEGY AND BUSINESS SEGMENTS

Founded in 1986, CFK is one of the leading names in high-precision wire erosion and die sinking in Germany. CFK deploys high-precision technology to produce its domestic and foreign customers' parts, many of which are used in advanced safety and security systems. The items produced range from a few microgrammes to several tonnes in weight. The Kriftel plant is also involved in producing parts with complex geometrical profiles, such as conical forms

The fully climate-controlled production areas are home to a cutting-edge production line, currently comprising 40 large-scale machines. A high-precision measuring management system ensures that all parts can be produced to the most exacting documented and reproducible standards. CFK processes parts for companies active in different engineering segments as well as for firms from the aerospace, medical and microtechnology sectors.

The company's second-to-none expertise in wire erosion and die sinking is complemented by its advanced laser melting systems. This technology entails the

use of 3D data to construct parts layer by layer, and it is predominantly used for creating functional prototypes, small series, tool fittings and medical implants.

ACQUISITION IN MAY 2012

GESCO AG acquired a majority shareholding from founder and managing director Günter Kochendörfer as part of a business succession settlement due to retirement with effect from 31 May 2012. The second managing director Dr. Christoph Over joined the company as his successor in 2009 and will continue to hold a 20% stake in the business. Dr. Over assumed sole responsibility for running the company following Mr. Kochendörfer's retirement at the end of 2012.

OUTLOOK AND GOALS FOR 2013

CFK looks back on an extremely successful 2012 financial year, which was also marked by large orders, and expects sales to decline slightly in 2013.



GÜNTER KOCHENDÖRFER (UNTIL 31.12.2012)
AND DR. CHRISTOPH OVER,
MANAGING DIRECTOR

GESCO AG SHAREHOLDING	80 %
MANAGEMENT SHAREHOLDING	20 %
CAPITAL RATIO (31.12.2012)	48,3 %
2012 SALES (IN € MILLION)	7.7
STAFF (31.12.2012)	50
MEMBER OF THE GESCO GROUP	SINCE 31.05.2012

DÖMER GMBH & CO. KG STANZ- UND
UMFORMTECHNOLOGIE, LENNESTADT

2012 SALES
IN € MILLION

13.6



STRATEGY AND BUSINESS SEGMENTS

Dömer was formed in 1969 and has long-standing expertise in metal stamping, bending and forming, as well as in related tool manufacture. The company manufactures sophisticated parts for the automotive, metal fittings and railway industries. In-depth expertise in machining technology and an above-average equipped machine park are major strengths, which are particularly important in the areas of advanced special components, complex structures and exacting material specifications.

FINANCIAL YEAR 2012

Against the backdrop of a difficult market environment and following strong growth in the previous year, which was marked by temporary export orders, Dömer recorded a decline in business volume in 2012.

OUTLOOK AND GOALS FOR 2013

Given the persistently tough market environment, Dömer expects sales in the new financial year to remain at about the same level as in the previous year. Managing director Dr. Jochen Asbeck resigned from the company at his own request as of 31 March 2013. Thomas Bierlich, member of the Management Board at GESCO AG, will act as interim managing director at Dömer until the designated successor joins the company.



DR. JOCHEN ASBECK (UNTIL 31.03.2013) AND
THOMAS BIERLICH (SINCE 01.04.2013),
MANAGING DIRECTOR

GESCO AG SHAREHOLDING	100 %
CAPITAL RATIO (31.12.2012)	52.7 %
2012 SALES (IN € MILLION)	13.6 (-6.1 %)
STAFF (31.12.2012)	97 (-4.0 %)
MEMBER OF THE GESCO GROUP	SINCE 30.08.2005



DÖRRENBURG EDELSTAHL GMBH,
ENGELSKIRCHEN

2012 SALES
IN € MILLION

176.3



STRATEGY AND BUSINESS SEGMENTS

Dörrenberg is active in the stainless steel, stainless steel mould castings, steel works, precision castings and surface technology business segments. The company offers its customers in a wide variety of industries expert technical consulting, often as early as in the design stage. The customer industries are widely spread, with the main sectors being machine and plant construction, tool manufacture and automotive.

Over decades, the company has developed an in-depth knowledge of metallurgy, conducts research and development activities with universities and institutes as well as increasing its ownership of numerous patents on steels developed in-house.

Dörrenberg Edelstahl GmbH has a majority shareholding in a joint venture in Spain with a focus on surface technology as well as a minority shareholding in a renowned stainless steel specialist in Turkey. Furthermore, the company has significantly expanded its presence in the emerging markets in recent years and now has subsidiaries in Singapore, Taiwan, China, Korea and Brazil.

In 1997, Dörrenberg was the first German stainless steel manufacturer to introduce an environmental management system. Besides the compulsory quality management system, the company also implemented an energy management system in 2011 and adopted the new DIN EN ISO 50001 standard in 2012.

FINANCIAL YEAR 2012

Following strong growth in the previous year, Dörrenberg recorded a slight decline in sales in 2012. Nevertheless, Dörrenberg achieved the second highest sales level in its company history.

OUTLOOK AND GOALS FOR 2013

The company expects sales in the 2013 financial year to remain below the level of 2012.



DR. FRANK STAHL (L.) AND GERD BÖHNER,
MANAGING DIRECTORS

GESCO AG SHAREHOLDING AG	90 %
MANAGEMENT SHAREHOLDING	10 %
CAPITAL RATIO (31.12.2012)	63.7 %
2012 SALES (IN € MILLION)	176.3 (-1.7 %)
STAFF (31.12.2012)	498 (+4.2 %)
MEMBER OF THE GESCO GROUP	SINCE 01.01.1996



FRANK GROUP, HATZFELD

2012 SALES
IN € MILLION

33.6



STRATEGY AND BUSINESS SEGMENTS

Frank Walz- und Schmiedetechnik GmbH is Europe's leading supplier of wear parts and components for the agriculture market. The products are also used in the municipal technology sector and in industry. The company produces rolled and forged parts made from specialist steel alloys. Frank is original equipment manufacturer (OEM) to agricultural machinery manufacturers in areas such as soil cultivation and harvesting technology. It also supplies spare parts to specialist wholesales and cooperatives. The FRANK ORIGINAL brand has been well established with the relevant target groups for decades and stands for first class quality, both nationally and internationally. The company's production is mainly located at its headquarters in Hatzfeld, Hessen as well as at its Hungarian subsidiary Frank Hungária Kft./Ozd. Frank also owns the distribution company Frank Lemeks TOW/Ternopil in Ukraine.

FINANCIAL YEAR 2012

Following strong growth in the previous year, 2012 was a year of major consolidation for Frank.

OUTLOOK AND GOALS FOR 2013

Frank is optimistic for the next financial year and expects sales to rise. The company will invest in expanding its capacity in order to pave the way for continued growth.



DR. FRANK GROTE,
MANAGING DIRECTOR

GESCO AG SHAREHOLDING	100 %
CAPITAL RATIO (31.12.2012)	48.3 %
2012 SALES (IN € MILLION)	33.6 (+2.0 %)
STAFF (31.12.2012)	278 (-3.1 %)
MEMBER OF THE GESCO GROUP	SINCE 01.08.2006

FRANZ FUNKE ZERSpanungSTECHNIK
GMBH & CO. KG, SUNDERN

2012 SALES
IN € MILLION

16.9



STRATEGY AND BUSINESS SEGMENTS

Franz Funke Zerspanungstechnik turns parts made of brass, aluminium, red brass and steel into dimensions from 6 to 65 mm on cutting-edge CNC controlled machines. The company's customers are primarily from the plumbing, air conditioning, electrical and mechanical engineering sectors. In addition to machining-based manufacturing, Funke offers services including galvanic surface finishing, assembly installation and thermal material treatments, as well as connection technology such as soldering, welding and compression. Consulting and other services position Funke as a problem solver and support customer retention.

FINANCIAL YEAR 2012

Franz Funke was once again able to increase its sales significantly, which was primarily due to brisk business in building technology.

OUTLOOK AND GOALS FOR 2013

The company deems itself to be in a good position to increase sales even further in 2013.



DR. WOLFGANG KEMPER,
MANAGING DIRECTOR

GESCO AG SHAREHOLDING	80 %
MANAGEMENT SHAREHOLDING	20 %
CAPITAL RATIO (31.12.2012)	30.4 %
2012 SALES (IN € MILLION)	16.9 (+9.4 %)
STAFF (31.12.2012)	81 (+5.2 %)
MEMBER OF THE GESCO GROUP	SINCE 01.05.1995



HASEKE GMBH & CO. KG,
PORTA WESTFALICA

2012 SALES
IN € MILLION

12.0



STRATEGY AND BUSINESS SEGMENTS

Haseke manufactures ergonomically optimised solutions on the interface between man and machine, e.g. equipment for optimally placing monitors or operator panels in working environments. In its Medical and Industry business segments, the company develops and sells applications for medical technology and solutions for industrial and office technology based on its “raise, lower, swivel” concept.

Haseke has established itself as a system supplier providing excellent quality “Made in Germany”. Its products are ergonomic, well designed and technologically advanced. The company also offers its customers extensive before and after sales service and advice.

The company uses an innovative, sophisticated modular system to quickly implement individual customer requirements and it develops new products from these ideas.



UWE KUNITSCHKE,
MANAGING DIRECTOR

FINANCIAL YEAR 2012

Following the success of the previous year, Haseke was once again able to increase sales in 2012 despite the difficult market environment. The company continued to expand its international activities and raised its export ratio from 9.0 % to 10.9 %. The company invested in a new coating line, enabling it to increase productivity while preserving resources and reducing environmental impact.

OUTLOOK AND GOALS FOR 2013

Haseke sees considerable potential for both business segments in the new financial year and anticipates sales growth. Internationalisation will also be a high priority in 2013.

GESCO AG SHAREHOLDING	80 %
MANAGEMENT SHAREHOLDING	20 %
CAPITAL RATIO (31.12.2012)	47.9 %
2012 SALES (IN € MILLION)	12.0 (+1.7 %)
STAFF (31.12.2012)	55 (+1.9 %)
MEMBER OF THE GESCO GROUP	SINCE 01.01.1990



HUBL GMBH, VAIHINGEN/ENZ

2012 SALES
IN € MILLION

10.5



STRATEGY AND BUSINESS SEGMENTS

Hubl GmbH was founded in 1976 and develops and produces high-end precision machine cladding, coverings, housings and stainless steel sheet components. Important consumers include the mechanical engineering, biotechnology, pharmaceuticals, semiconductors, photovoltaics and food industries. Hubl's strengths include the construction department with its excellent staff and state-of-the-art equipment as well as a high quality machine park. Using its creativity and flexibility, the company develops superior solutions with sophisticated designs. Hubl has positioned itself as a system supplier to a wide range of customers and sectors, and provides complex development and construction services to its customers or is actively involved in respective customers' processes. The company focuses on product development, custom-made products and small series equipment.

FINANCIAL YEAR 2012

Hubl was unable to escape the general weakness in the semiconductor and solar/ photovoltaic industries in 2012 and recorded a decline in sales.

OUTLOOK AND GOALS FOR 2013

Hubl expects moderate growth for the new financial year.



RAINER KIEFER,
MANAGING DIRECTOR

GESCO AG SHAREHOLDING	80 %
MANAGEMENT SHAREHOLDING	20 %
CAPITAL RATIO (31.12.2012)	48,0 %
2012 SALES (IN € MILLION)	10,5 (-14,0 %)
STAFF (31.12.2012)	109 (-1,8 %)
MEMBER OF THE GESCO GROUP	SINCE 01.01.2002



GEORG KESEL GMBH & CO. KG,
KEMPTEN

2012 SALES
IN € MILLION

11.3



STRATEGY AND BUSINESS SEGMENTS

Established in 1889, Kesel develops and produces milling machines and clamping systems. The milling machine product range includes rack and bandsaw blade milling machines. Machines for milling steering racks are a special product of the company. The company's clamping division has a broad range of systems meeting different specifications and offering a variety of clamping forces.

Kesel positions itself in market niches, serves a broad customer base from a number of industries and has significantly expanded its international presence in the last few years.

FINANCIAL YEAR 2012

Following strong growth in the previous year, Kesel registered a decline in sales in 2012. A large domestic order, which had boosted sales in the previous year, was not renewed in 2012. As a result, the export ratio increased from 50 % to 71 %, which was in line with the long-term average.

OUTLOOK AND GOALS FOR 2013

Kesel expects sales in the new financial year to remain at approximately the same level as in the previous year.



MARTIN KLUG,
MANAGING DIRECTOR

GESCO AG SHAREHOLDING	90 %
MANAGEMENT SHAREHOLDING	10 %
CAPITAL RATIO (31.12.2012)	55.8 %
2012 SALES (IN € MILLION)	11.3 (-7.6 %)
STAFF (31.12.2012)	75 (+15.4 %)
MEMBER OF THE GESCO GROUP	SINCE 23.04.2009



MAE MASCHINEN- UND APPARATEBAU
GÖTZEN GMBH, ERKRATH

2012 SALES
IN € MILLION

34.0



STRATEGY AND BUSINESS SEGMENTS

The company, founded in 1931, is a global leader in automatic levelling machines as well as wheel presses for rolling stock. In recent years, ground-breaking innovations have enabled the company to expand its market position in both product groups and win over new target groups. These activities are complemented by a standard range of manual level presses and special machines for clearing, assembling, checking and forming. Major customer sectors are the automotive and automotive supply industry, railway vehicle manufacturers and maintenance workshops, mechanical engineering, and the machine tools and steel industries.

FINANCIAL YEAR 2012

Following the surge in sales in the previous year, MAE has again slightly expanded its business volume and thus set a new sales record. The automotive and rail industries were the key driving force. The export ratio was 55.6%.

The construction of a new administration building that was commenced in 2011 was completed in 2012. In addition, construction and renovation measures were launched in the area of manufacturing, which should be completed in 2014.

OUTLOOK AND GOALS FOR 2013

MAE anticipates sales in the new financial year to remain at the very good level seen in 2012.



MANFRED MITZE AND RÜDIGER SCHURY,
MANAGING DIRECTORS

GESCO AG SHAREHOLDING	100 %
CAPITAL RATIO (31.12.2012)	58.0 %
2012 SALES (IN € MILLION)	340 (+1.3 %)
STAFF (31.12.2012)	131 (+4.8 %)
MEMBER OF THE GESCO GROUP	SINCE 01.01.1997



MODELL TECHNIK GMBH & CO.
FORMENBAU KG, SÖMMERDA

2012 SALES
IN € MILLION

12.8



STRATEGY AND BUSINESS SEGMENTS

Modell Technik develops and manufactures moulds for aluminium and magnesium die casting. The company specialises in tools for manufacturing highly complex, large components, mainly for use in the automotive industry. The manageable tools weigh between approximately 1.8 tonnes and 45 tonnes. As part of its systematic development towards becoming a full service provider, Modell Technik has significantly expanded its repair and service portfolio in recent years. In addition, the company has its own foundry with three efficient die casting presses (400 tonne, 1,000 tonne and 2,300 tonne clamping force) to test and optimize tools as well as to manufacture prototypes, series start-ups and small-scale series for customers. Modell Technik can draw on special expertise when it comes to components such as gear boxes, valve bodies, steering gear housing, cylinder valve covers and structural components such as vehicle doors.

With its efficient construction department, well-equipped machine park and in-house foundry, Modell Technik clearly sets itself apart from its European and international competitors. Almost 20 % of sales are generated through exports.



MATTHIAS HUKÉ,
MANAGING DIRECTOR

ACQUISITION IN JULY 2012

As part of a succession plan, GESCO AG acquired the shares from managing partner Matthias Huke and two shareholders who are not involved in day-to-day business operations. Mr. Huke will remain active within the company as managing director for the upcoming years, ensuring continuity for the company's management.

OUTLOOK AND GOALS FOR 2013

Modell Technik generated the highest sales in its company history in 2012 and expects sales to remain at a similar high level in the new financial year.

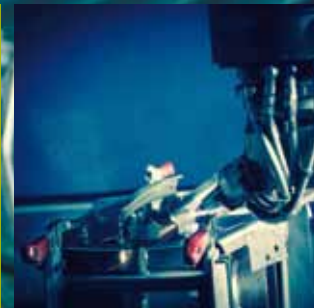
GESCO AG SHAREHOLDING	100 %
CAPITAL RATIO (31.12.2012)	37.1 %
2012 SALES (IN € MILLION)	12.8
STAFF (31.12.2012)	106
MEMBER OF THE GESCO GROUP	SINCE 11.07.2012



PROTOMASTER RIEDEL & CO. GMBH,
WILKAU-HASSLAU

2012 SALES
IN € MILLION

3.7



STRATEGY AND BUSINESS SEGMENTS

Protomaster Riedel & Co. GmbH specialises in prototype construction as well as small and medium series of high-quality outer skin, structural parts and complete assemblies, primarily made from aluminium, for the automotive industry. Its customers include companies such as Porsche, Lamborghini, Bentley, Mercedes-AMG, BMW and VW Group as well as automotive suppliers.

Protomaster develops and produces the necessary tools, some of which are complex and very large, at its own production plant. The company's first-class technical equipment includes milling machines, 3D laser cutting systems and robot technology. The company produces the components in its own moulding presses, including a 2,100-tonne large press.

As Protomaster produces both components as well as complete tools, and owing to the fact that (large) tools are not invoiced every year, sales fluctuate greatly from year to year. For this reason, the company's economic performance is better

measured based on the total annual output. Although sales in 2012 amounted to only € 3.7 million, this amount was offset by increases in inventory of almost the same amount, which are only transformed into sales in subsequent periods.

ACQUISITION IN JULY 2012

GESCO AG acquired the shares from company founder Wilfried Riedel as part of a succession agreement following his retirement. The other company founder and current managing director Mario Mößler retains a 17.83 % share, therefore maintaining continuity in the company's management.

OUTLOOK AND GOALS FOR 2013

Protomaster Modell Technik has a positive order book and anticipates rising sales in 2013.



MARIO MOSSLER,
MANAGING DIRECTOR

GESCO AG SHAREHOLDING	82.17 %
MANAGEMENT SHAREHOLDING	17.83 %
CAPITAL RATIO (31.12.2012)	59.7 %
2012 SALES (IN € MILLION)	3.7
STAFF (31.12.2012)	72
MEMBER OF THE GESCO GROUP	SINCE 03.07.2012



SETTER GROUP, EMMERICH

2012 SALES
IN € MILLION

14.9



STRATEGY AND BUSINESS SEGMENTS

Setter Group was founded in 1963 and comprises Setter GmbH & Co. Papierverarbeitung and its wholly-owned subsidiaries Q-Plast GmbH & Co. as well as HRP Leasing GmbH. The company produces plastic and paper sticks and, marketing its products across all continents, generates some 90 % of its sales revenue from exports. It also sees itself as the quality and volume leader in the niche market of paper sticks. Setter supplies companies in the sweets and hygiene industry. The sticks are used in products such as lollipops, cotton buds or medical products.



ROBERT PRAGER,
MANAGING DIRECTOR


FINANCIAL YEAR 2012

Following strong growth in the previous year, during which the company profited from a bulk order, sales in 2012 declined as expected.

OUTLOOK AND GOALS FOR 2013

Setter expects sales in the new financial year to be slightly lower than in the previous year.

GESCO AG SHAREHOLDING	100 %
CAPITAL RATIO (31.12.2012)	86.5 %
2012 SALES (IN € MILLION)	149 (-10.2%)
STAFF (31.12.2012)	62 (-19.5%)
MEMBER OF THE GESCO GROUP	SINCE 30.04.2004



SVT GMBH, SCHWELM

2012 SALES
IN € MILLION

44.0



STRATEGY AND BUSINESS SEGMENTS

SVT develops, manufactures and markets high-quality technical equipment for loading and unloading liquid and gaseous materials on and off ships and tankers. The company's customers come primarily from the chemical and petrochemical as well as the petroleum and gas industry. An important product group manufactured by the company is land and ship loading equipment for so-called liquefied natural gas (LNG), which is natural gas cooled to minus 165 °C. In this growth market, SVT offers superior technology and is regarded as the world's second largest provider.

SVT generates the majority of its sales abroad. Products are used globally, including the EU, the US, the Middle East and Asia to as far away as Australia. The company has the technical expertise to design equipment and control units according to the standards in each respective country.



HARM STÖVER,
MANAGING DIRECTOR

FINANCIAL YEAR 2012

SVT was again able to expand its business significantly in financial year 2012. Its export quota stood at 79 % (previous year 83 %). The development and marketing of an additional loading arm for LNG bunkering, a safe and reliable technological solution for fuelling ships with environmentally friendly LNG fuel, were a key focus here.

In January 2012, managing director Harm Stöver acquired a 10 % share in SVT GmbH.

OUTLOOK AND GOALS FOR 2013

SVT is optimistic for the new financial year and plans to increase sales slightly.

GESCO AG SHAREHOLDING	90 %
MANAGEMENT SHAREHOLDING	10 %
CAPITAL RATIO (31.12.2012)	64.2 %
2012 SALES (IN € MILLION)	44.0 (+9.6 %)
STAFF (31.12.2012)	183 (+6.4 %)
MEMBER OF THE GESCO GROUP	SINCE 01.01.2002



VWH VORRICHTUNGS- UND
WERKZEUGBAU HERSCHBACH GMBH,
HERSCHBACH

2012 SALES
IN € MILLION

10.8



STRATEGY AND BUSINESS SEGMENTS

VWH specialises in automation technology with specialised know-how in robotic and camera technology. The company's core competence is the development and manufacture of complex partially and fully automated production systems for the assembly of components, including the appropriate testing technology. VWH is a total project manager specialising in custom plant engineering for automation technology, mould construction and in-line systems for manufacturing components for electrical and electronic vehicle systems.

A further business segment is the development and production of highly sophisticated injection moulding forms for technical articles with a focus on metal or electronic overmoulds as well as functional and density testing applications. VWH has its own technical centre to determine production parameters for later customer use of the injection moulding solutions developed by VWH.

VWH supplies well-known companies in the automotive and supplier industry, the electrical and electronics industry as well as the medical technology sector. Thanks to its high level of technical expertise, its clients turn to VWH as a competent partner from the development phase onwards.

FINANCIAL YEAR 2012

VWH recorded strong demand in 2012 and was able to increase its business volume once again.

OUTLOOK AND GOALS FOR 2013

The company expects sales in 2013 to be stable or slightly declining.



THOMAS STURM,
MANAGING DIRECTOR

GESCO AG SHAREHOLDING	80 %
MANAGEMENT SHAREHOLDING	20 %
CAPITAL RATIO (31.12.2012)	33.8 %
2012 SALES (IN € MILLION)	10.8 (+6.5 %)
STAFF (31.12.2012)	103 (+2.0 %)
MEMBER OF THE GESCO GROUP	SINCE 25.04.2007



WERKZEUGBAU LAICHINGEN GROUP,
LAICHINGEN AND LEIPZIG

2012 SALES
IN € MILLION

21.2



STRATEGY AND BUSINESS SEGMENTS

The Werkzeugbau Laichingen Group, comprising WBL Holding GmbH and its 100 % subsidiaries Werkzeugbau Laichingen GmbH at its headquarters in Baden-Württemberg as well as Werkzeugbau Leipzig GmbH, produces high-performance tools for the automotive and automotive supply industry and for household goods manufacturers. WBL's specialisation in complex and large sheet metal forming tools, in particular, has made it a renowned partner of major players in the German industrial sector. The company has a sophisticated service concept that includes the provision of permanent services at its customers' production plants. This sets it apart from the competition. In addition, WBL uses its own presses to produce equipment for series start-ups and small-scale series for its customers.

In December 2011, GESCO AG acquired 85 % of the WBL Group. Long-time managing partner Jürgen Mangold retains his 15 % share, thus maintaining continuity for the company's management.



JÜRGEN MANGOLD,
MANAGING DIRECTOR

FINANCIAL YEAR 2012

The WBL Group is able to look back on a very successful 2012, during which it increased sales significantly. The export quota, which is subject to fluctuation on account of the project business, reached almost 30 % in the financial year. The company invested in a new five-axis machining centre at the Leipzig plant and purchased the almost 30,000 square metre property in Laichingen from the previous owner.

OUTLOOK AND GOALS FOR 2013

The WBL Group expects sales in the new financial year to remain at about the same level of 2012. An additional assembly hall is to be built at the headquarters in Laichingen in 2013. The company also plans to invest in a new milling machine and large presses at the Laichingen site.

GESCO AG SHAREHOLDING	85 %
MANAGEMENT SHAREHOLDING	15 %
CAPITAL RATIO (31.12.2012)	37.2 %
2012 SALES (IN € MILLION)	21.2
STAFF (31.12.2012)	175
MEMBER OF THE GESCO GROUP	SINCE 30.12.2011



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