

Ladies and Gentlemen,

In our current IR newsletter, our management board member in charge of sales, Jürgen Köppel, looks back at the industry's leading trade fair Ligna and comes to a positive conclusion. We also talk about how we are helping our customers in Japan at present, how we convey our purchasing strategy to suppliers and about the development of our subsidiary HOMAG eSOLUTION.

We hope you enjoy reading this newsletter and find it informative.

Schopfloch, September 2011



Dr. Markus Flik
CEO

Ligna 2011: Record orders fueled by innovations

From May 30 to June 3, we presented our Company as the largest exhibitor with an exhibition floor space totaling 7,500 m² at Ligna in Hanover, the world's leading trade fair for the wood processing industry. At "HOMAG City" our visitors were able to closely examine our numerous innovations, new process engineering technologies and pioneering processing unit technologies and to see many product launches. Head of Sales, Jürgen Köppel looks back at Ligna.



Jürgen Köppel –
Director of Sales, Service and Marketing

Editors: Mr. Köppel, was Ligna able to demonstrate its role as the world's leading trade fair again in 2011?

As far as I'm concerned, the answer is definitely yes! There were a total of over 90,000 visitors to Ligna and more than 40 percent of them came from abroad. That makes Ligna by far the leading trade fair in our industry and an ideal opportunity to gauge the mood worldwide. It is still the most important platform for showcasing our Company.

Editors: How international were visitors to the HOMAG Group's two trade fair stands?

At our trade fair stands we welcomed visitors from more than 90 countries. In fact, more than 50 percent of our visitors came from abroad. We have thus demonstrated yet again our position as a global player. Most of the visitors to our "HOMAG City" came from Europe, certainly, but the Asian and US markets were likewise well represented. Interest from BRIC countries also remains keen – about 6 percent of our visitors came from these regions.

Editors: What made "HOMAG City" such a major attraction this year?

As the industry leader and largest exhibitor our stand has of course

traditionally been a must on the itinerary of many trade fair visitors. With our unique product portfolio and our extensive competence as a system supplier we can offer the perfect solution for just about every inquiry. What is really important is that visitors feel comfortable to spend time at the stand, that we offer them optimal and tailored concepts from a single source and that we kindle their enthusiasm. I think our efforts were very successful; because we focused on our passion for technology. A hive of activity, our InnovationCenter presented future trends, new process technology and numerous technology highlights.

Editors: Could you briefly talk about some of these highlights?

Showcased patented innovations included, for instance, the revolutionary **reacTec** laminating technology or the integration of **laserTec** in processing centers. With the **ecoPlus** concept, which is found throughout our product range, we were a clear trend setter and technology leader in the field of resource efficiency. **ecoPlus** encompasses numerous innovations, which cut energy consumption by as much as 30 percent, thus permanently reducing our customers' operating costs. Moreover, about 80,000 metric tons of CO₂ can be avoided with **ecoPlus**. We are thus taking responsibility – to ensure our customers' success and protect our environment.

Editors: What were your expectations from Ligna 2011 and were they met?

Following our crisis year 2009, this year's Ligna served as a litmus test for the state of our markets and for our customers' willingness to invest – both industrial customers and small- to medium-sized businesses. The record-breaking trade fair of 2007 set the benchmark, although it would have been somewhat unrealistic to set our sights on this target already this year. So we were all the more pleased to see ourselves break the record order intake figures of 2007 by about 20 percent, which meant an increase of almost 50 percent compared to 2009. Another objective was to win new customers, particularly from the eastern European, South American and Asian markets.

Based on the large number of promising trade fair contacts from these regions, we are more than satisfied with the way the trade fair progressed and the results of the marketing campaigns leading up to the event.

Editors: How would you assess the post-trade-fair business?

On account of the above-average number of intensive talks and the associated large number of new offers made, we anticipate good post-trade-fair business, assuming the frame conditions remain stable. More than 40 percent of interested parties that visited our trade fair stand wanted an immediate quote or for one of our sales representatives to visit them to flesh out a concrete investment project. Now that Ligna is over, we are seeing demand on a broad front with a healthy mix of stand-alone machines, cells and production lines as well as service packages. We thus clearly see Ligna 2011 as a good investment that has paid off for us and for our current and future customers!

Support for Japanese customers

As part of the initiative "HOMAG Cares" the sales subsidiary HOMAG Japan is helping customers affected by the devastating natural disaster in March. For instance, we have supported four customers, whose factories were completely destroyed, with express supplies of warehouse machines. Thanks to these machines, three of these companies have already been able to restart production. At five customers, our service technicians provided immediate assistance to put HOMAG machines back into operation; and at one customer, whose factory was located in Fukushima's evacuation zone, we installed machines in a new factory. At the same time, we are helping customers on site with materials and power supply issues.

Supplier Day in Schopfloch

Under the slogan "we grow – you benefit" almost 20 key system suppliers



The "HOMAG City" at Ligna 2011

attended the HOMAG Group's supplier day in Schopfloch at the beginning of June 2011. The management board presented to the participants the HOMAG Group's strategy, the purchasing strategy and the production system. Our guests were also able to see how the production system is implemented in practice in a tour of the factory. The specifications that the HOMAG Group requires from its suppliers were presented together with solution approaches and an example that has already been implemented in practice. The suppliers were very satisfied with the event and now intend to put together a plan of activities that reflects their contributions to the positive development of the HOMAG Group going forward.

A good start for HOMAG eSOLUTION

After starting operations at the start of the year, HOMAG eSOLUTION GmbH was already able to present the first software products at Ligna which have since been adopted by leading furniture manufacturers in Europe. This will optimize the processes of HOMAG's customers, not only on the shop floor but also in their design and sales departments. The new software solutions mean that furniture manufacturers can rely on fast and accurate planning combined with zero-defect and precise production. In addition, they can offer their product range on the internet and allow

their customers or retailers to plan customized products. With the direct link to production guaranteed, software and machine are better integrated than before. It also means shorter production lead times and better utilization of machines. The software products are available as standard solutions for both industrial customers and cabinet shops, and can be customized to individual needs.

Financial calendar

November 14, 2011

Nine-month report 2011

November 22, 2011

German Equity Forum, Frankfurt

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