



HÖFT & WESSEL

Half-Year Report 2009



KEY FINANCIALS:

In EUR thousands	30/06/09	30/06/08	30/06/07	30/06/06	30/06/05
Sales revenues	47,104	42,502	42,536	38,795	38,136
Operating result before depreciation and amortisation (EBITDA)	3,833	3,216	2,653	2,471	3,316
Operating result (EBIT)	1,569	941	312	89	1,068
in % of sales revenues	3.3	2.2	0.7	0.2	2.8
Earnings before taxes (EBT)	1,108	231	(347)	(222)	723
in % of sales revenues	2.4	0.6	-	-	1.9
Group earnings	741	174	(511)	(90)	743
Earnings per share (in EUR)	0.09	0.02	(0.06)	(0.06)	0.09
Cash flow from current operating activities	(1,578)	(2,353)	(542)	4,094	5,372
Cash flow from Investment activities	(2,083)	(2,567)	(2,330)	(2,719)	(2,565)
Net cash flow	(278)	(633)	(2,083)	(201)	290
Average number of employees Group	499	502	502	502	500

ABOUT THE COMPANY:

Höft & Wessel AG, Hanover, established by the entrepreneurs of the same name in 1978, is a German IT and Engineering Group with focus on public transport, parking as well as retail and logistics. Listed on the stock market since 1998, the company today is a medium-sized enterprise with sales revenues of around EUR 100 million and a workforce of 500 employees.

Each year around EUR 8 million is invested in the Research & Development division, which sets the pace in the company's technological orientation and employs about a third of the total workforce.

In line with its internationalisation strategy, the company operating in the business-to-business segment already generates more than 40 per cent of sales revenues abroad. In addition to Europe, the United States is one of the key target markets.

- In Europe, the **Almex** division is among the leading providers of ticketing and telematics systems for public transport and check-in solutions for the airline industry.
- The British subsidiary **Metric** Parking is one of the largest providers of parking space management systems in the world.
- As one of Europe's largest manufacturers of mobile terminals, the **Skeye** division offers system solutions for retail and logistics as well as point-of-sale solutions, and it is the market leader in Germany's retail sector.

1. Presentation of fundamentals and business

1.1 Economic environment

According to forecasts by leading economists, the substantial decline in aggregate economic output anticipated for 2009 was confirmed in the first half of the year. The Kiel-based Institut für Weltwirtschaft (IfW) assumes that global Gross Domestic Product (GDP) will decline by roughly 1.5 per cent.

Germany and the United Kingdom are the most important markets for the Höft & Wessel Group. The IfW and other institutes estimate that GDP in Germany will decline by roughly 6 per cent in 2009; this is because Germany is heavily dependent on exports. From the year 2010, a gradual economic recovery is forecast, with a slight increase in GDP by approximately 0.4 per cent. For the United Kingdom, where the economic crisis occurred earlier, the forecasts are slightly better. Economists expect GDP to decline by up to 4 per cent in 2009, followed by a slight rise by roughly 0.6 per cent in the year 2010. For the euro zone as a whole, the IfW has forecast a GDP decline by roughly 4.3 per cent, and a slight increase by about 0.4 per cent for 2010.

As a result, the economic conditions remained fairly bleak for the Höft & Wessel Group. According to the economic forecasts, a gradual slight improvement will be in evidence only from the forthcoming year. The impacts on the company's key industry segments, namely public transport, parking as well as retail and logistics, are continually monitored and evaluated. According to these indicators, the ongoing difficult economic conditions are resulting in intensified competition and pressure on margins. Moreover, there is an ongoing investor reluctance in evidence in the retail and logistics sectors.

1.2 Business trends

Despite the difficult economic fundamentals, the Höft & Wessel Group ramped up its sales revenues by almost 11 per cent as at 30 June 2009, to EUR 47.1 million (30 June 2008: EUR 42.5 million), confirming the positive business trends this year.

The lion's share of sales revenues, 52 per cent, was generated in Germany, followed by the UK with 24 per cent, the other EU countries at 14 per cent, as well as the U.S. and the remaining countries with a combined total of 10 per cent.

The operating result increased by nearly 67 per cent for the period from 1 January to 30 June 2009, to EUR 1.6 million (30 June 2008: EUR 0.9 million).

The order intake, at EUR 44.0 million, was at a similar level as in the previous year (30 June 2008: EUR 44.1 million). A large-scale order placed with the UK Metric subsidiary by the U.S. city of Philadelphia made a substantial contribution in this context.

The order portfolio remained stable at EUR 85.1 million after having reached EUR 117.5 million as at 30 June 2008 as a result of a series of large-scale orders placed. Roughly 56 per cent of the order portfolio was accounted for by Germany, 19 per cent by the United Kingdom, 15 per cent by the U.S. and other countries outside Europe, as well as 10 per cent by the remaining EU states.

1.2.1 Almex business segment – public transport

In the first six months of 2009, Almex succeeded in extending its market position even further as a developer and supplier of ticketing and telematics solutions for public transport as well as check-in terminals for the airline industry. Sales revenues increased substantially by almost 60 per cent, to EUR 26.7 million (30 June 2008: EUR 16.7 million).

The operating result (EBIT) also rose sharply in the first six months to EUR 2.5 million, more than twice the year ago figure (30 June 2008: EUR 1.1 million).

In the first half of the year, Almex supplied more than 300 new check-in terminals to Deutsche Lufthansa within the tight timeframe stipulated. According to the customer, already one third of check-ins at Frankfurt International Airport are processed at terminals from Höft & Wessel.

An order placed by hannoversche Verkehrsbetriebe üstra for the supply of 318 stationary ticketing terminals was also finalised. The initial statistics of the transport corporation reflect an increase in ticket sales at terminals. Other features highlighted were their ease of use for the disabled, simple operation and acceptance of all payment methods available. At the Midttrafik transport corporation based in Denmark's second largest city, Aarhus, ticketing terminals were installed in buses and at stations along with the appropriate software. In addition, Deutsche Bahn and the Danish state railways were supplied with ticket terminals. The Swiss state railways ordered additional mobile ticketing terminals as well as accessories. Moreover, new software solutions were implemented at several public transport corporations and services rendered within the scope of various orders placed.

In the first half of the year, Almex managed to acquire new contracts both for stationary ticketing machines and for mobile terminals for train attendants. Further public transport companies ordered system solutions. With the new self-service terminal for airline passenger check-ins, an order placed by the Russian Vnukovo airport near Moscow gave the company initial access to the eastern European market.

1.2.2 Metric business segment – parking

Metric, the subsidiary based in Swindon, west of London, succeeded in further consolidating its position as one of the world's leading providers of parking machines and parking space management systems. In the first six months, sales revenues in home currency (GBP) were up slightly by more than 3 per cent. After translation into euros, sales revenues decreased by roughly 10 per cent due to currency factors, to EUR 10.4 million (30 June 2008: EUR 11.6 million).

The operating result (EBIT), at EUR 385 k, turned out significantly higher than in the previous year (30 June 2008: -EUR 228 k), reflecting the positive trend within this business division in the first half of the year.

In the first six months, Metric delivered more than 170 car park ticket machines featuring RFID technology in the London borough of Hillingdon as well as to the town of Stratford-upon-Avon within the stipulated time schedule. On the whole, the British home market has witnessed positive development. Cities and communities as traditional regular customers are increasingly investing in parking systems again. Apart from ticketing terminals, pay-on-foot systems also feature prominently and will be installed in the well known Alton Towers Theme Park in the United Kingdom and at other locations.

The U.S. region is gaining increasing importance for Metric. As part of a large-scale order placed by the Philadelphia Parking Authority for more than 1,000 car park ticket machines, the first terminals have been successfully installed and commissioned along with the extensive back-office system involved. All terminals are to be delivered and installed by March 2010. Besides the large-scale order placed, several small orders were acquired e.g. from the city of Lowell, Massachusetts. And finally, orders were received from such export markets as Switzerland, Latvia, Italy and Cyprus.

Apart from parking space management systems, a further strength of Metric lies in providing comprehensive services within the scope of maintenance agreements. Another maintenance contract for Oyster card terminals of the London Underground was awarded in the first half of the year.

1.2.3 Skeye business segment - retail and logistics

As a manufacturer of mobile terminals and point-of-sale (POS) solutions, Skeye was affected by persistent capital-spending restraint in the retail and logistics segments of relevance for these products. Even though sales revenues and operating result were down, this business division succeeded in defending its position as the market leader in the German retail sector and as a supplier in Europe and the U.S. Skeye's sales revenues declined by about 29 per cent year-on-year, to EUR 10.1 million (30 June 2008: EUR 14.3 million).

Owing to intensified pressure on margins, the operating result (EBIT) turned out negative in the first half of the year at -EUR 0.8 million (30 June 2008: EUR 1.1 million).

The Skeye division assumes that the challenging market environment will continue. Sales of new, innovative solutions will be postponed. For this reason, Skeye focuses more strongly on basic business with portfolio customers. In particular, this includes the supply and installation of mobile terminals along with system and application software for deployment as part of merchandise management systems in the retail sector. In the first half of the year, Edeka, Rewe and Rossmann Drogeriemärkte were supplied, amongst others.

In the field of logistics, additional hardware and software was delivered to the Swiss Post.

Terminals with large touch screens are gaining importance as mobile solutions for ordering and selling at points of sale. In Germany, these devices are increasingly used at events. In the U.S., the restaurant chain Outback Steakhouse deploys this product as a POS system for placing orders.

Despite the difficult environment, new orders received from existing and new domestic and foreign customers rose encouraging in the first half of the year. The order intake was well in excess of sales revenues.

1.3 Workforce

In the first half of 2009, the size of the workforce of the Höft & Wessel Group only saw marginal changes. On average, 499 persons were employed (30 June 2008: 502). Of these, 21 are trainees. Some 300 work at the Hanover location and 200 in Swindon, UK, as well as at the other locations.

1.4 Production and procurement

The business model of Höft & Wessel includes outsourcing the manufacture of products. The flexibility acquired in the process also makes it possible to execute speedy delivery when large-scale orders are placed. While the Almex and Skeye business divisions generally have products manufactured by German suppliers subject to close cooperation and comprehensive quality controls, the British Metric subsidiary has production facilities of its own. This unit is responsible for final assembly of prefabricated modules and circuit boards in accordance with customers' specifications. Production was ramped up to maximum capacity utilisation in the first half of this year.

1.5 Research and development

More than one third of the workforce of Höft & Wessel is engaged in research and development. Some 170 IT specialists and engineers located in Hanover and Swindon develop new hardware and software solutions, adjust products and software to customers' requirements and create complex application software.

1.6 Service

With a share of total sales revenues amounting to some 25 per cent, services are a key mainstay of the basic business, which accounts for a total of roughly 50 per cent of total sales. Moreover, in business-to-business operations, this service is called for as and represents an integral element of hardware and software.

2. Statement of the company's asset, financial and earnings position

2.1 Asset position

Non-current assets rose slightly compared with 31 December 2008. The most material item in this regard was the increase in capitalised development activities by EUR 0.3 million.

Following a shift from finished devices to raw materials and supplies and an increase in advance payments made, inventory assets increased to EUR 28.1 million (previous year: EUR 26.9 million).

The intensity of receivables has increased from 20 percent to 22 percent and is thus one of the main drivers behind the rise in total assets. Domestic receivables rose by EUR 2.1 million, while foreign receivables dropped by EUR 1.3 million. The volume of receivables sold declined by EUR 1.7 million.

The substantial increase of EUR 2.0 million in other assets is attributable to a cash deposit made in connection with the issue of a contractual performance bond.

Total assets increased by a total of EUR 5.8 million compared with the position as at 31 December 2008.

In the first six months of the financial year, shareholders' equity increased by EUR 1.7 million. Against the backdrop of the increase in total assets, the equity capital ratio contracted slightly from 36.6 per cent to 36.0 per cent.

Non-current liabilities increased only slightly by EUR 0.1 million.

The substantial rise in current liabilities by a total of EUR 4.0 million is due to the increase in financial liabilities to banks, which were up by EUR 5.3 million. At the same time, financial liabilities to other creditors dropped by EUR 1.9 million due to the modification of the factoring contract.

2.2 Financial position

The effects indicated above led to a cash flow from current operating activities of -EUR 1,578 k (previous year: -EUR 2,353 k) The cash flow from investment activities, at -EUR 2,083 k, was down EUR 484 k on the previous year (2008: -EUR 2,567 k) The cash flow from financing activities declined substantially by EUR 904 k from EUR 4,287 k in 2008 to EUR 3,383 k. The Group remains financed on the basis of short-term credits with a number of regular bankers.

The decrease in financial funds before currency exchange factors with an impact on profit and loss amounts is due to cash management factors and amounts to -EUR 278 k (previous year: decrease by -EUR 633 k).

2.3 Earnings position

Sales revenues of the Höft & Wessel Group in the first half of 2009, at EUR 47,104 k, were up 11 per cent year-on-year (2008: EUR 42,526 k) despite an increasingly difficult business environment and a weaker GBP exchange rate. The high inventory of finished devices was reduced sharply particularly in the Almex segment, while there was a slight increase in inventories at Metric. As a result, inventory changes amount to a total of -EUR 872 k (previous year: increase in inventories of EUR 5,618 k). Income from company produced additions to plant and equipment equal EUR 1,455 k, after EUR 1,821 k recorded in the previous year. Among other things, this reflects the fact that it was possible to reduce development activities for the Aura parking ticket vending machine. As a result, aggregate output, at EUR 47,687 k fell short of the previous year's figure of EUR 49,941 k.

The result for the quarter amounts to EUR 1,569 k following a figure of EUR 941 k in the previous year. In the period under review, the percentage-based contribution margin related to aggregate output came to 44.2 percent, i.e. unchanged over the previous year.

Personnel expenses dropped by EUR 699 k to EUR 12,406 k as a result of staff cost reductions at Metric. This effect was additionally amplified by the weakness of pound sterling relative to the euro. Adjusted for currency translation effects, the savings at Metric came to EUR 307 k. Otherwise, the structure of expense and income essentially remained unchanged. Gains due to exchange rate factors on items of the profit and loss statement amounted to a balance of EUR 107 k (previous year: -EUR 269 k). Against the backdrop of a substantial fall in interest rates, the level of net financial income improved considerably from -EUR 710 k in the previous year to -EUR 461 k.

3. Outlook

Höft & Wessel AG perceives its long-term strategy of using three largely independent business divisions to focus in a targeted fashion on customers in selected markets as having made the grade. Thanks to the diversification possible within the group of companies, the ongoing success of the ticketing segment and the sustained turnaround unfolding at the UK subsidiary in fiscal 2009, on the whole the Höft & Wessel Group anticipates positive business trends this year.

Considering its successful performance in the first six months, the company sees itself well on the way to achieving its objectives. In spite of ongoing difficult economic conditions and the resultant market and currency risks, Höft & Wessel AG has forecast sales revenues of more than EUR 98 million and operating result in excess of EUR 4 million for 2009.

IFRS-CONSOLIDATED HALF-YEAR FINANCIAL STATEMENT
CONSOLIDATED BALANCE SHEET (ABRIDGED VERSION, UNAUDITED)

ASSETS	30/06/2009	31/12/2008
in EUR thousands		
Non-current assets		
Intangible assets	10,402	10,076
Tangible assets	3,542	3,546
Deferred tax assets	4,313	4,180
Total non-current assets	18,257	17,802
Current assets		
Inventories	28,139	26,940
Trade receivables	14,824	12,346
Cash and cash equivalents	470	732
Other assets	6,423	4,503
Total current assets	49,856	44,521
Total assets	68,113	62,323
EQUITY AND LIABILITIES	30/06/2009	31/12/2008
in EUR thousands		
Equity		
Subscribed capital	8,497	8,497
Capital reserves	20,083	20,000
Revenue reserves	1,649	908
Exchange rate compensation item	(5,690)	(6,590)
Total equity	24,539	22,815
Non-current liabilities		
Staff related provisions	411	402
Financial leasing liabilities	54	77
Deferred tax liabilities	3,143	3,150
Other liabilities	564	513
Total non-current liabilities	4,172	4,142
Current liabilities		
Provisions	2,505	2,292
Current income tax liabilities	582	582
Financial leasing liabilities	230	244
Financial liabilities to banks	17,775	12,443
Financial liabilities to other lenders	484	2,396
Trade payables	8,584	8,963
Advance payments received	5,074	5,364
Personnel-related accrued/deferred liabilities	1,186	811
Other liabilities	2,982	2,271
Total current liabilities	39,402	35,366
Total equity and liabilities	68,113	62,323

CONSOLIDATED PROFIT AND LOSS ACCOUNT (ABRIDGED VERSION, UNAUDITED)
FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2009

in EUR thousands	Q2		Cumulative	
	01/04 – 30/06 2009	2008	01/01 – 30/06 2009	2008
Sales revenues	22,638	26,219	47,104	42,502
Inventory changes relating to finished goods and work-in-progress	(327)	3,034	(872)	5,618
Other company-produced additions to plant and equipment	624	748	1,455	1,821
Aggregate output	22,935	30,001	47,687	49,941
Other income	892	0	1,725	461
Cost of materials and services procured	(12,349)	(17,238)	(26,617)	(27,871)
Personnel expenses	(6,216)	(6,745)	(12,406)	(13,104)
Other expenses	(2,795)	(2,963)	(6,556)	(6,211)
Operating result before depreciation and amortisation (EBITDA)	2,467	3,056	3,833	3,216
Depreciation and amortisation of property, plant, and equipment and intangible assets	(1,118)	(1,141)	(2,264)	(2,275)
Operating result (EBIT)	1,349	1,915	1,569	941
Financial income	(34)	0	2	0
Financial expenses	(215)	(375)	(463)	(710)
Net financial income	(249)	(375)	(461)	(710)
Earnings before taxes (EBT)	1,100	1,540	1,108	231
Tax position	(151)	109	(367)	(57)
Group earnings	949	1,649	741	174
Earnings per share in EUR (basic)	0.11	0.20	0.09	0.02
Earnings per share in EUR (diluted)	0.11	0.20	0.09	0.02
Consolidated statement of comprehensive income				
Group earnings	949	1,650	741	174
Difference arising from currency translation	382	126	935	(1,175)
Cash flow hedges	114	-	(51)	-
Deferred taxes on cash flow hedges	(36)	-	16	-
Cumulative other equity	460	126	900	(1,175)
Total earnings for the period	1,409	1,776	1,641	(1,001)

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED) FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2009

in EUR thousands	2009	2008
Operating result (EBIT)	1,569	941
-/+ Expenses / income with no impact on payments	83	95
-/+ Expenses / gains from income taxes	(367)	(57)
+ Interest income	2	17
- Interest expenses	(463)	(727)
+ Depreciation of fixed assets	2,264	2,275
+/- Increase / decrease in provisions	597	(103)
-/+ Profit / loss from retirement of fixed assets	-	19
-/+ Increase / decrease in deferred tax assets capitalised	(133)	(4)
+/- Increase / decrease in deferred tax liabilities charged	(8)	192
-/+ Increase / decrease in inventories	(1,062)	(5,246)
-/+ Increase / decrease in trade receivables	(2,197)	(1,990)
+/- Increase / decrease in other assets	(1,920)	(2,063)
+/- Increase / decrease in long term liabilities	51	-
+/- Increase / decrease in current income tax liabilities	-	(7)
+/- Increase / decrease in trade payables	(336)	(2,694)
+/- Increase / decrease in down payments	(289)	6,245
+/- Increase / decrease in other liabilities	631	754
Cash flow from current operating activities	(1,578)	(2,353)
- Disbursements for investments in property, plant and equipment	(547)	(510)
- Disbursements for investments in intangible assets	(1,536)	(2,057)
Cash flow from investment activities	(2,083)	(2,567)
+/- Deposits / disbursements from taking out / repaying financial credit facilities	3,420	4,437
- Disbursement for finance leasing	(36)	(150)
Cash flow from financing activities	3,383	4,287
Decrease in liquid funds	(278)	(633)
Cash and cash equivalents at the beginning of the period	732	1,399
+/- Changes in exchange-rate compensation item	16	(103)
Cash and cash equivalents at the end of the period	470	663

PERFORMANCE OF SHAREHOLDERS' EQUITY (UNAUDITED) FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2009

in EUR thousands	Subscribed capital	Capital reserves	Revenue reserves	Hedging activities	Currency reserves	Total
Status 01/01/2008	8,497	19,800	7,659		(1,321)	34,635
Expenses and income posted directly in equity	-	-	-	(351)	(4,918)	(5,269)
Earnings for period	-	-	(6,751)	-	-	(6,751)
Total consolidated earnings	0	0	(6,751)	(351)	(4,918)	(12,020)
Issue of stock options	-	200	-	-	-	200
Status 31/12/2008	8,497	20,000	908	(351)	(6,239)	22,815
Expenses and income posted directly in equity	-	-	-	(35)	935	900
Earnings for period	-	-	741	-	-	741
Total consolidated earnings	0	0	741	(35)	935	1,641
Issue of stock options	-	83	-	-	-	83
Status 30/06/2009	8,497	20,083	1,649	(386)	(5,304)	24,539

(1) Reporting entity

Höft & Wessel AG is a company that is domiciled in Germany. The Company is headquartered in Hanover, Rotenburger Strasse 20. In addition to Höft & Wessel AG, the current half-year financial statements include all German and foreign subsidiaries in which Höft & Wessel AG holds the majority of voting rights. Höft & Wessel AG and its subsidiaries develop, manufacture and distribute hardware and software in the business segments Almex: ticketing products for railways, buses and air travel; Skeye: products for mobile data recording, and Metric: products for parking space management. An exact forecast of sales revenues and earnings is subject to certain risks since sales generated by the Höft & Wessel Group are not distributed equally across a fiscal year. Moreover, the Group's project business, which accounts for a total of approx. 25 percent of sales, the allocation of sales revenues and earnings to certain periods can only be effected to a limited extent. Finally, public-sector projects are subject, in principle, to objections being filed, which may also result in delays being encountered.

(2) Principles of preparing the financial statements

Höft & Wessel AG prepared its consolidated annual financial statements for fiscal 2008 in conformity with the International Financial Reporting Standards (IFRS). This interim report as at 30 June 2009 was also prepared in accordance with IAS 34.

These interim financial statements do not contain all the information published in full annual financial statements and should be read in conjunction with the Annual Report for 2008. We dispensed with the need to audit these interim financial statements.

(3) Accounting and valuation principles

In preparing these interim financial statements and determining the comparative figures for the previous year, the same accounting and valuation methods as well as consolidation principles were used as for the 2008 consolidated financial statements. A detailed description of these methods is published in the notes to the consolidated financial statements in the 2008 Annual Report. This Annual Report is also available for download from the Company's website: HYPERLINK „<http://www.hoeft-wessel.com/de/aktie/finanzberichte.htm>“ www.hoeft-wessel.com/de/aktie/finanzberichte.htm.

The valuation parameters are based on estimates and assumptions and are therefore exposed to risks. The actual results may differ from these estimates and assumptions. Where necessary, all the findings known at the time of preparing the half-year report were taken into account.

(4) Foreign currency management

The euro is the Group's primary currency. The Group is exposed to currency risks arising from sales, purchases and loans. The decisive risks exist in the currencies USD (predominantly purchases), CHF (predominantly sales) and GBP (predominantly sales and consolidated subsidiaries). As a matter of principle, the outstanding net currency items are hedged at a rate of 33 to 75 per cent. Currency hedging is performed exclusively in the form of forward exchange or simple option transactions. The hedge instruments deployed turned out to be effective.

(5) Segment reporting

The Group is engaged in the following business segments:

- Almex: ticketing and telematics systems for public transport
- Metric: systems for parking space management, service and parking management
- Skeye: mobile terminals for retail and logistics as well as POS solutions
- Corporate Services: Costs of holding function and the listing on the securities exchange.

Group sales revenues are not subject to any particular seasonal or cyclical influences but may fluctuate more strongly from one quarter to another, depending on the projects under way.

01/01 - 30/06	Almex		Metric		Skeye		Corporate Services		Total	
in EUR thousands	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Germany	17,689	10,138	-	-	6,722	10,818	-	-	24,411	20,956
Great Britain	2,452	434	8,740	10,129	58	79	-	-	11,250	10,642
Rest of EU	5,103	3,510	528	385	955	2,106	-	-	6,586	6,001
USA and remaining states	1,440	2,611	1,098	1,037	2,319	1,255	-	-	4,857	4,903
Total sales	26,684	16,693	10,366	11,551	10,054	14,258	-	-	47,104	42,502
Inventory change	(1,513)	4,850	586	165	74	604	(1)	(1)	(872)	5,618
Company-produced additions to plant and equipment	333	506	313	567	786	748	23	-	1,455	1,821
Aggregate output	25,504	22,094	11,247	12,283	10,914	15,610	22	(1)	47,687	49,941
Cost of material	(14,884)	(13,541)	(5,178)	(5,264)	(6,565)	(9,051)	10	(15)	(26,617)	(27,871)
Contribution margin 1	10,620	8,508	6,069	7,019	4,349	6,559	32	(16)	21,070	22,070
Personnel expenses	(4,201)	(4,193)	(3,284)	(4,128)	(2,612)	(2,534)	(2,309)	(2,249)	(12,406)	(13,104)
Contribution margin 2	6,419	4,315	2,785	2,891	1,737	4,025	(2,277)	(2,265)	8,664	8,966
Other expenses and income	(3,265)	(2,743)	(1,670)	(2,281)	(1,772)	(2,227)	1,876	1,501	(4,831)	(5,750)
EBITDA	3,154	1,572	1,115	610	(35)	1,798	(401)	(764)	3,833	3,216
Depreciation and amortisation	(655)	(521)	(730)	(838)	(776)	(670)	(103)	(246)	(2,264)	(2,275)
EBIT	2,499	1,051	385	(228)	(811)	1,128	(504)	(1,010)	1,569	941
Financial income									(463)	(727)
Financial expenses									2	17
EBT									1,108	231
Tax position									(367)	(57)
Group result									741	174

(6) Movements of selected non current assets

in EUR thousands	Net carrying amount 01/01/09	Additions	Disposals / other	Write-downs	Net carrying amount 30/06/09
Development activities	9,920	1,473	344	(1,518)	10,219
Tangible assets	3,541	547	146	(710)	3,524

(7) Research and development costs

in EUR thousands	30/06/2009	30/06/2008
Total research and development costs	4,429	4,413
thereof, capitalised development costs	(1,313)	(1,802)
Capitalisation rate in %	30	41
Amortisation of capitalised development costs	1,518	1,335
Research and development costs acc. to profit & loss statement	4,634	3,946

(8) Inventories

in EUR thousands	30.06.2009	31/12/2008
Raw materials, supplies and trading stock	8,058	6,797
Work and services in progress	5,828	5,889
Finished goods and trading stock	13,415	14,102
Advance payments made	838	152
Total	28,139	26,940

(9) Contingent liabilities and contingent receivables

A contractual performance guarantee for USD 10 million was issued in connection with a major project for the delivery of parking ticket vending machines. This guarantee is secured with a cash deposit of EUR 2 million. Otherwise, there were no material changes in contingent liabilities and contingent receivables as of 30 June 2009 compared with the consolidated financial statements for 2008.

(10) Financial liabilities

Financial liabilities, with the exception of those arising from leasing, amounting to EUR 54 k (previous year: EUR 77 k), have a residual term to maturity of less than one year.

(11) Shareholdings of Supervisory Board and Management Board

The following overview shows the number of shares held as at 30 June 2009 by members of the Management Board and the Supervisory Board along with the rights granted to the persons in question to subscribe to such shares:

Supervisory Board:

Michael Höft: 36,527 shares

Rolf Wessel: 49,350 shares

Manfred Zollner: 1,500 shares

H&W Holding GmbH: 3,450,000 shares

Zollner Elektronik AG: 818,034 shares

Board of Management:

Hansjoachim Oehmen: 24,000 shares and 200,000 stock options from the 2005 option programme of Höft & Wessel AG.

Peter Claussen: 750 shares

(12) German Corporate Governance Code

The current statements on § 161 of the German Companies Act (AktG) on the German Corporate Governance Code of the Board of Management and Supervisory Board of Höft & Wessel AG are accessible on the Company's website under www.hoeft-wessel.com.

(13) Events of material significance after the balance-sheet date

There were no events of material significance following the close of the first six months of fiscal 2009.

Hanover, 31 July 2009

Höft & Wessel AG
The Board of Management

BALANCE SHEET OATH

In relation to the 2009 Half-year Financial Statements in accordance with § 37 y WpHG, read in conjunction with §§ 297 (2) sentence 3 and 315 (1) sentence 6 of the German Commercial Code - HGB

“To the best of our knowledge, and in accordance with the applicable accounting principles for interim reporting, we warrant that the consolidated interim 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 Group's expected development.”

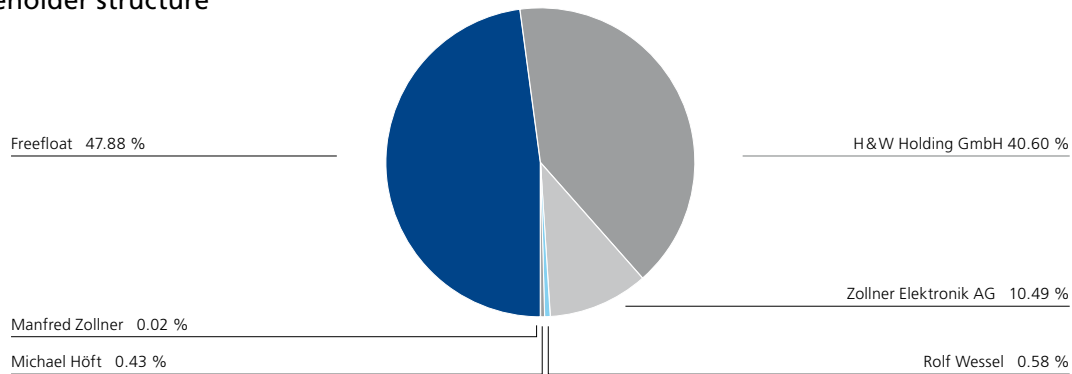
Hanover, 31 July 2009

Höft & Wessel AG
The Board of Management

ISIN: DE0006011000
 WKN: 601100
 Symbol: HWS

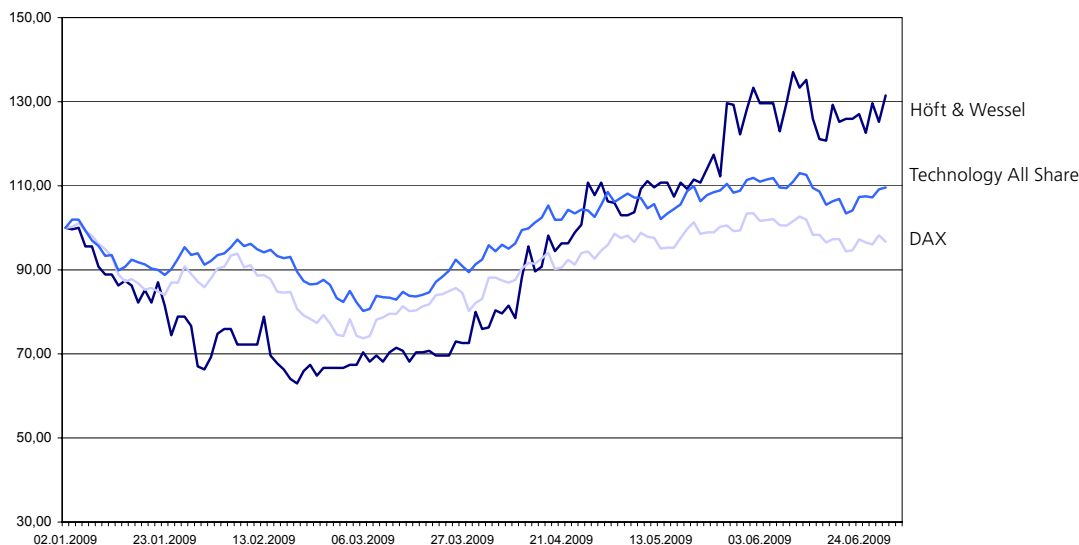
Stock exchange: Frankfurt, Germany – Prime Standard
 Capital stock: EUR 8,497,490
 Market capitalisation: EUR 30.2 million (30/06/2009)

Shareholder structure



Market trend 2009

Höft & Wessel in comparison to Technology All Share Index and DAX in %



The price of Höft & Wessel shares rose significantly in the first half of the year. The maximum price amounted to EUR 3.70 at the end of the reporting period (10 June 2009), and the lowest point was EUR 1.70 on 2 February 2009. Price trends were characterised by high volatility. Höft & Wessel’s stock outperformed both the comparative Technology All Share index and the DAX. Since February 2009, its share price managed to gain substantially in relation to the indexes. While the DAX showed little or no change in the first half of the year, the Technology All Share index was up by 18.66 per cent and Höft & Wessel shares by as much as 29.1 per cent.

Another gratifying development is that the level of market liquidity has improved with a similar upward trend. A high volume of sales led to positive price movements in the period under review.

Höft & Wessel AG believes that its encouraging share price trend is also attributable to the positive expectations of business trends in the course of this year. The early forecast met with a positive response on the capital markets.

In the light of the current business development planned, the foundations have been laid for a further positive share price performance.

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Status: 06/08/2009

Financial Calendar

Nine-Month Report
Analyst Conference, German Equity Forum, Frankfurt

05/11/2009

10/11/2009