

17,82	2194,71	▼	35,51	11,6%	0,00	CHE	13802,71	6260,47
0,94	3610,30	▼	50,37	5,8%	0,00	VSA	2817,06	3610,30
98,32	9486,12	▲	12,03	10,9%	0,00	VSA	4071,07	9486,12
104,84	4551,45	▼	9,51	9,3%	0,00	LFZ	4071,07	4551,45
4,76	1902,02	▶	140,74	19,4%	0,00	SVM	8540,64	1902,02
75,03	7031,94	▲	2,54	7,7%	0,00	VSA	1407,53	7031,94
28,90	5098,01	▲	82,50	2,0%	0,00	ROS	35319,27	5098,01
256,07	9376,51	▶	18,58	16,1%				
93,86	7091,48	▼	531,35	6,1%				
388,21	9178,72	▼	85,22	9,8%				
173,98	8043,12	▼	683,76	8,5%				
			290,33	7,2%				
14,32	4217,03	▲	17,26	4,3%				
2,55	1003,74	▲	4,17	0,5%				
18,20	2491,17	▼	20,21	11,2%				
49,04	3169,31	▶	44,09	16,4%				
0,71	1428,78	▼	2,56	1,2%				
23,54	2093,10	▲	14,71	4,4%				
7,22	7581,09	▼	3,90	0,2%				
10,45	3467,17	▼	63,75	13,4%				
33,09	2012,94	▼	16,38	7,8%				
29,44	2194,71	▲	33,51	11,6%				
17,82	6298,47	▶	50,37	5,8%				
0,94	3610,30	▼	12,03	10,9%				
98,32	9486,12	▲	9,51	9,3%				
104,84	4551,45	▼	140,74	19,4%				
4,76	1902,02	▶	2,54	7,7%				
75,03	7031,94	▲	82,50	2,0%				
28,90	5098,01	▲	18,58	16,1%				
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28,90	5098,01	▲	18,58	16,1%				



Interim Report
January 1 to September 30, 2013

Highlights of the first nine months of 2013

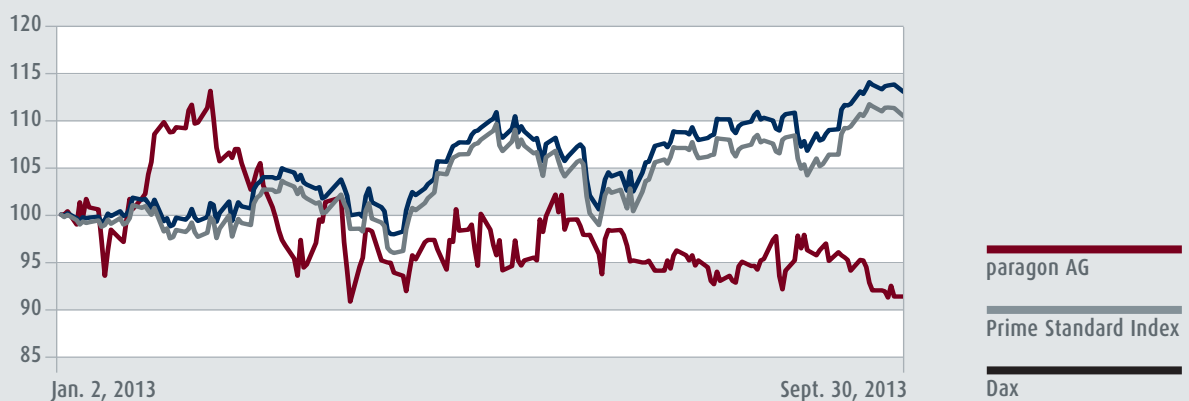
- Q3/2013 characterized by customer plant holidays; strong fourth quarter anticipated
- Order backlog 12.4% higher than in prior year; new major orders in the pipeline
- WHO report on air quality will stimulate growth of business
- Production in U.S., Mexico and China in planning stage

Key figures of the first nine months of 2013

in EUR thousands	Jan. 1 to Sept. 30, 2013	Jan. 1 to Sept. 30, 2012	Change in in %
Revenue	52,214	54,486	- 4.2
EBITDA	6,870	10,276	- 33.1
EBITDA margin in %	13.2	18.9	
EBIT	3,626	7,331	- 50.5
EBIT margin in %	6.9	13.5	
Net income	1,757	4,670	- 62.4
Earnings per share in EUR	0,43	1,13	- 62.4
Total assets	50,914	44,244	15.1
Total equity	13,344	14,468	- 7.8
Equity-to-assets ratio in %	26.2	32.7	
Free cash flow	14,311	10,086	41.9
Interest-bearing liabilities	23,433	13,751	70.4
Net debt*	9,122	2,929	211.4
Operating cash flow	921	4,507	- 79.6

* Net debt = Interest-bearing liabilities ./ free cash flow

Share Price Developments (Indexed)



Overall Economic Conditions

The Institut für Weltwirtschaft, Kiel (ifw – Kiel Institute for the World Economics, Kiel) reported concerning a recovery in the economy in its autumn forecast of 2013. Especially in the advanced economies, the prospects have brightened during the year. For the year as a whole, the experts now predict that world output will grow by 3.1%. Especially in the eurozone, the Institute notes a recovery from the recession starting in the spring of 2013.

The economy has picked up speed again in Germany as well. From the point of view of the ifw, the currently expected increase in the gross domestic product by 0.5% should not obscure the fact, however, that the upturn is fraught with considerable risks. Both economic policy decisions within Germany as well as uncertainties regarding the yet unresolved crisis in the eurozone could have a dampening effect on the momentum for growth and expansion.

In the third quarter of 2013, the ailing German passenger car market rebounded. The Association of the Automotive Industry (VDA) reported robust growth in production and exports in the month of September. Compared to the year before, the number of new registrations decreased by only 1%. Overall, the Western European passenger car market is recovering. In September, new car sales rose by 5.4% to 1.1 million units, thus resulting in a volume of 8.8 million new registrations for the first three quarters. Even the countries heavily impacted by the euro crisis recently reported significant gains.

However, the U.S. and China in particular are still the growth engines of the global automotive market. By August 2013, both countries had already topped the 10-million mark in passenger car sales. The Chinese automotive market demonstrated particular momentum in September. The 1.5 million units sold represented a gain of 29% compared to September 2012. Overall, the Chinese market grew by 20.8% in the first nine months in relation to 2012; the United States followed with a gain of 8.1%.



Business Development and Significant Events

Previously, in the report on the first half of the year 2013, paragon announced that revenue in the third quarter of the current year would be adversely impacted by the plant holidays of the vehicle manufacturers. As expected, revenue was lower than in the second quarter of 2013 by EUR 2.6 million. In contrast, inventories increased by approximately EUR 1.2 million compared to the previous quarter. In total, there were only minor deviations from the plan, as deliveries were postponed to the fourth quarter of 2013.

Thus the third quarter of 2013 is substantially similar to the third quarter of 2012, with the difference that the material component was higher due to the increased sales of tools. This growth is only temporary, since it is due to the announced new product launches. If the cost of materials is adjusted to include the tooling costs, the cost of materials ratio is even reduced by 0.8% during the reporting period compared to 2012.

In a 9-month comparison, revenues were lower by EUR 2.3 million compared to the prior year. This decline (EUR 2.0

million) resulted primarily from the first half of 2013 and is explained (as reported before) by one-time effects. Development revenues of approximately EUR 1.9 million were realized in the second quarter of 2012, although the corresponding expenses were incurred already in 2011. This one-time effect is absent in the current year.

A positive trend is seen in the order books. Among most key customers, paragon currently has a higher order backlog than on the same date (September 30) of 2012. The total increase is 12.4% across all customers. For the first quarter of 2014, the current order backlog is even 15.6% higher than in the first quarter of 2013. The planning is currently being revised based on the newly added business segments; paragon will publish the results in December.

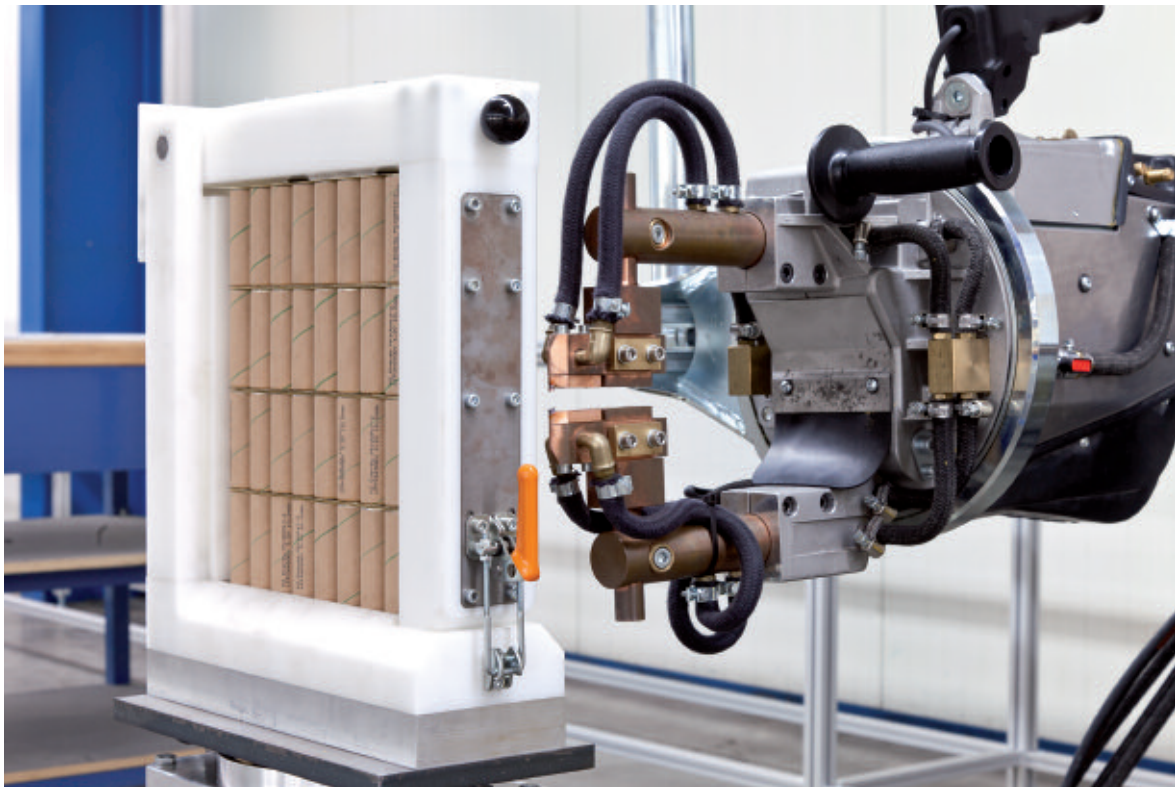
The fixed costs increased in the first nine months of 2013 compared to the prior year by approximately EUR 1.0 million. The new business segments Electromobility and Body Works Kinematics were the reason for cost increases in the first nine months of 2012 amounting to approximately EUR 1.0 million. In the same period in 2013, paragon invested almost EUR 2.0 million for these two business segments. This comparison shows that a higher margin would have been

possible; paragon has accepted a lower margin in order to lead the new business segments to succeed under their own power.

Revenue distribution by business segments

First nine months 2013	in EUR thousands	in %
Sensors business segment	20,579	39.5 %
Acoustics business segment	8,730	16.7 %
Cockpit business segment	20,488	39.2 %
Electromobility business segment	206	0.4 %
Body Works Kinematics business segment	2,211	4.2 %
Total	52,214	100.0 %

In the largest business segments Sensors and Cockpit, the strong inventory business determined the business development in the third quarter of 2013 as well. The Sensors business segment brought the orders on hand for the air improvement system AQI® for the vehicle interior further in the direction of series production. The Cockpit business segment received a positive response from customers for a concept for transmitting HD images from mobile devices to vehicle displays.



paragon received an additional order in the Acoustic business segment. A prominent premium manufacturer awarded a development order with subsequent series production for a new built-in microphone. The high wind resistance of the new microphone in particular was convincing for the long-standing customer. This enabled paragon to specifically expand the product range in the field of microphones.

The unique belt-mic® seatbelt microphone will soon be available in additional vehicles based on orders and inquiries that have already been received. paragon is already working on new solutions for both product lines, which will allow more applications. For the purpose of expanding the product range, the company is also developing a new sound system that can compete with existing market solutions.

In the Cockpit business segment, additional opportunities are arising through the development of a platform concept for the display instruments from paragon.

The flexible modular system for battery packs is proving to be a success model for the young Electromobility business segment. Further significant major orders are expected for the fourth quarter of 2013. The decision to develop so-called intrinsically safe battery packs turns out to be correct. Based on special design principles, such intrinsically safe systems prevent an unsafe condition from occurring in the event of a fault. As a first in the industry, paragon offers battery packs that conform to ISO 26262 and are designed to meet the high safety level of ASIL C. An independent testing laboratory accredited in accordance with EN ISO/IEC 17025 has recently confirmed this quality.

The young Body Works Kinematics business segment has also expanded its activities again. Despite an extremely tight schedule, paragon succeeded in meeting the delivery date for the first series production parts for the steering wheel gearshift paddles. The customer was very satisfied with the reduced gear shifting time that can be achieved by the new product. paragon also installed an assembly line for spoilers in September 2013, and the associated end-of-line test bench will be available by year-end 2013.

Since its initiation, the Body Works Kinematics business segment has cooperated with KarTec GmbH, which became

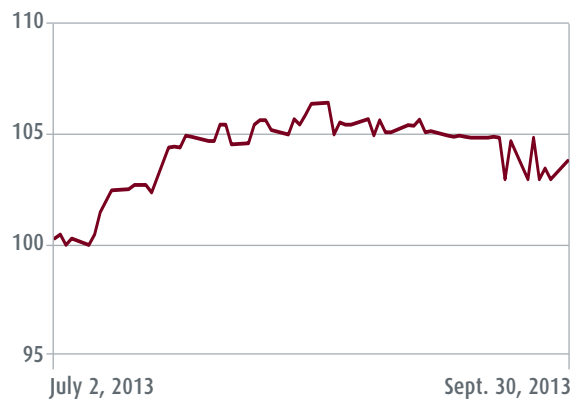
a subsidiary of paragon AG effective July 29, 2013. For that reason, KarTec GmbH was shown in the quarterly consolidated financial statements for the first time on September 30, 2013.

The sales office in China, with its registered office in Shanghai, enables paragon to control its activities in the Asian region even more specifically. In the third quarter, the managers in Shanghai continued their visits to potential customers. The first results of the talks held in 2013 are already present in the form of queries, particularly in the field of air quality. In September, paragon also conducted an extensive test drive in Beijing, the results of which will feed into the development of products for the Asian market.

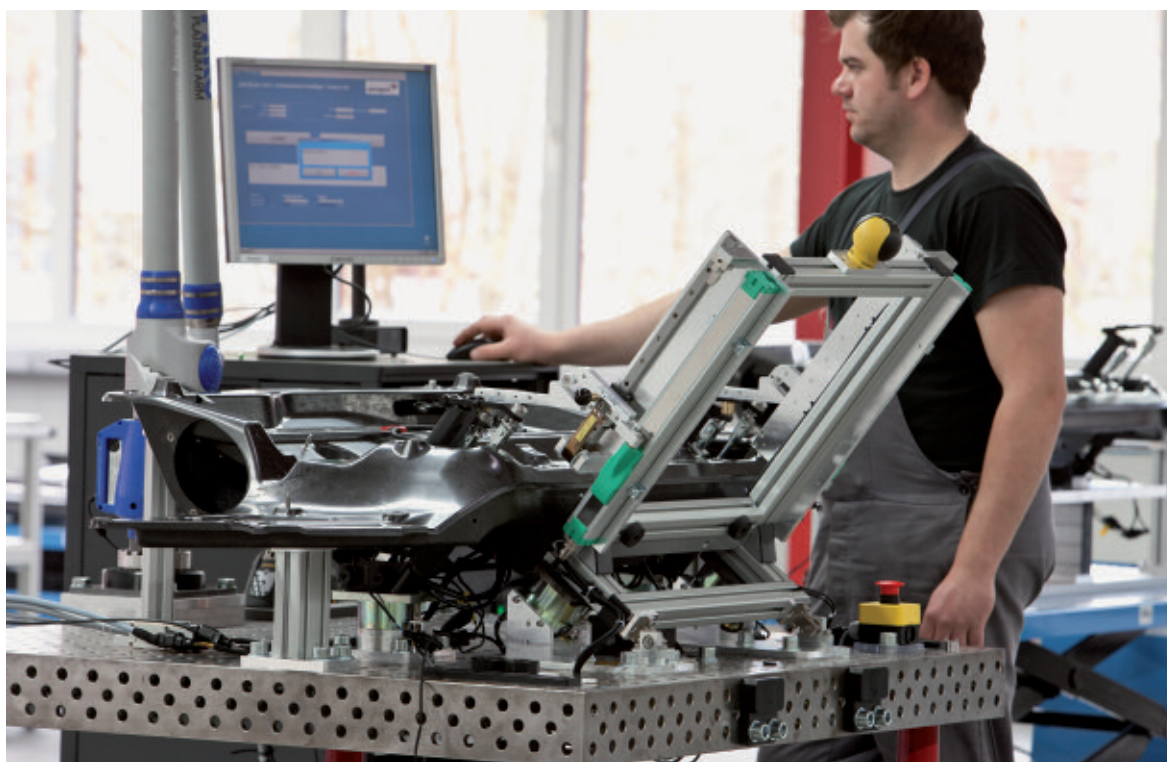
The issue of the corporate bond, which generated proceeds of EUR 10 million, resulted in total costs in the amount of EUR 0.6 million in the third quarter of 2013. These expenses are measured and capitalized under IFRS as transaction costs of issuance and are recognized in income over the term of the bond. The effect on income in 2013 will amount to approximately EUR 55,000. The interest on the bond estimated for the current year comes to EUR 0.4 million. The corporate bond burdened EBIT with amortization of the transaction costs in the amount of EUR 27,000.

In the Management Board's view, the price performance of the bond on the Entry Standard of the Frankfurt Stock Exchange reflects the market's confidence in the potential of paragon.

Bond performance



paragon AG Bond



Results of Operations

Due to the plant holidays of the vehicle manufacturers, paragon generated lower revenues in the third quarter than in the second quarter (EUR -2.6 million). This was in line with the forecast in the report on the first half of the year. In addition, the cost of materials ratio increased compared to the previous quarter of 2013 to 7.7%, since a higher proportion of bills for tools was invoiced based on numerous upcoming product launches. The EBIT margin thus reached a value of 6.9%, down from 8.3% as of June 30, 2013. The effect described is also reflected in the EBITDA margin. As of September 30, 2013, it was at 13.2%, while a value of 14.3% was reported after the second quarter.

In the view of the Management Board, these only temporarily declining earnings figures are substantially in line with internal planning. With regard to both revenue and EBIT, the Company expects a strong fourth quarter of 2013.

It is expected that development costs to customers incurred in 2013 will be settled in the fourth quarter, so that the Management Board's forecast for the year can be confirmed from the present perspective.

In the third quarter, paragon also pressed ahead with the cost-cutting program in purchasing, which was mentioned in the report on the first half. The cost of materials ratio adjusted for the tooling costs came to 47.3% in the period under review (prior year: 48.1%). Compared to the same period last year, the absolute costs in this area declined from EUR 28.1 million in 2012 to EUR 27.2 million in 2013.

With highly qualified staff, paragon ensures that it has the capability of offering customers innovative products with unique features. Personnel expenses remained almost constant at EUR 14.5 million despite a slight decrease in headcount (prior year: EUR 14.3 million). Compared to the third quarter of 2012, the personnel expense ratio increased from 26.1% to 27.7%.

Overall, the Company reported EBIT of EUR 3.6 million in the first nine months of 2013 (prior year: EUR 7.3 million) and EBITDA of EUR 6.9 million (prior year: EUR 10.3 million).

The finance costs in the third quarter of 2013 rose compared to the second quarter of 2013 by EUR 0.4 million to EUR 0.9 million. The cause for this was the successful issue of a bond as of July 2, 2013, which entails an interest burden of EUR 0.2 million per quarter.

As of September 30, 2013 paragon AG recorded net income according to IFRS of EUR 1.8 million (prior year: EUR 4.7 million). This resulted in earnings per share of EUR 0.43 (prior year: EUR 1.13).

Financial Position and Net Assets

Total assets as of September 30, 2013 increased to EUR 50.9 million compared to EUR 44.2 million as of September 30, 2012, reflecting a relative increase of 15.1%. The reason for the increase was the first-time recognition of the bond on the balance sheet as of the reporting date.

Non-current assets rose by EUR 1.1 million to EUR 19.2 million (prior year: EUR 18.1 million). Current assets were increased from EUR 26.1 million to EUR 31.8 million, primarily reflecting the rise in cash and cash equivalents as well as the tax assets.

Non-current provisions and liabilities increased to EUR 26.0 million (prior year: EUR 16.3 million). This was due to the first-time recognition of the SME bond in the amount of EUR 10 million.

In contrast, current provisions and liabilities were reduced significantly by EUR 2.0 million to EUR 11.5 million (prior year EUR 13.5 million). This decrease is mainly due to the reduction in other current liabilities by EUR 1.6 million.

The equity-to-assets ratio decreased compared to the prior year by 6.5% to 26.2% (prior year: 32.7%). This reduction is related on the one hand to the increase in total equity and liabilities (EUR 50.9 million; prior year: EUR 44.2 million) and on the other hand to the dividend of EUR 2.5 million paid for the fiscal years 2011 and 2012.

The operating cash flow amounted to EUR 1.3 million in the third quarter. Thus, the turnaround achieved with regard to operating cash flow in the second quarter was shown to be sustainable. paragon generated a total operating cash flow in the first nine months of 2013 of EUR 0.9 million (prior year: EUR 4.5 million).

Research & Development

In all business segments, paragon continued the future-oriented activities in research and development with great momentum in the third quarter of 2013. In this connection, the Company is constantly concerned with occupying attractive niches and the development of products with unique selling points that allow paragon to distinguish itself from the competition. In the third quarter of 2013, the focus of the development work included the following aspects: the near-series further development of the air improvement system AQI® (Sensors business segment), a novel stepper motor with a standardized interface for integration into high-quality control and display instruments (Cockpit business segment), Company-owned powerful algorithms for optimized voice processing (Acoustics business segment), the expansion of the battery system module for integration of additional cell types (Electromobility business segment) as well as the optimization of the overall aerodynamics of a complete vehicle by active control of movable systems (Body Works Kinematics business segment). paragon invested a total of EUR 4.9 million (prior year: EUR 4.8 million) in research and development from January 1, 2013 to September 30, 2013.

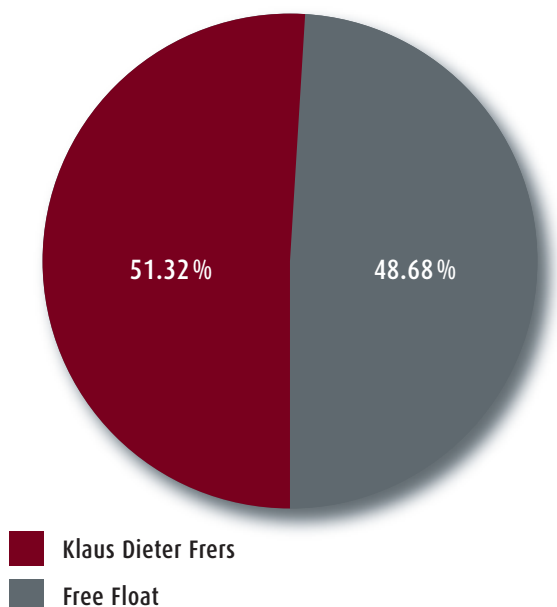
Employees

On September 30, 2013 paragon AG employed 388 of its own workers and 50 temporary staff members in Germany. Compared to the prior-year reporting date, the total number of employees remained nearly constant (September 30, 2012: 382 employees and 48 temporary staff members). The expansion at the corporate headquarters in Delbrück by 20 to 94 employees has been nearly offset by slight declines in the other locations. Compared to the previous quarter (June 30, 2013: 377 employees and 46 temporary staff workers), the number of employees has also changed little. The individual locations accounted for the following figures (own workers/temporary staff members) as of September 30, 2013: Delbrück (94/1), Suhl (209/45), Nuremberg (32/3), and St. Georgen (53/1).

ISIN:	DE 000 555 8696
WKN:	555869
Ticker symbol:	PGN
Market segment:	Prime Standard
Sector:	Technology
Stock exchange:	Frankfurt/Main (Xetra)
Number of shares:	4,114,788
Share price on Sept. 30, 2013:	EUR 8.35
Market capitalization on Sept. 30, 2013:	EUR 34.4 million

Investor Relations

In the third quarter of 2013, the German Stock Index (DAX) broke the 8,000-point barrier after failing to permanently surpass it in the months of April to June. The index of the German stock market started the period under review at 7,984 points. As early as July 9, the DAX surged to 8,058 points and despite some setbacks, its trend was steadily upward during the rest of the quarter. On September 30, the index closed at 8,594 points, surpassing its peak in the first half of the year (8,531 points on May 22).



The paragon share could not keep pace with this positive trend. At the beginning of the quarter, the share price was quoted at EUR 9.00 (July 1), declined to EUR 8.47 (July 31) and then climbed back to EUR 8.94 (August 20 and 27). By the end of the quarter, however, the price fell to EUR 8.35 (September 30).

Risk Report

The disparate trend of the global automotive markets with a decline in Western Europe and strong growth in China and the United States brings with it new challenges for paragon. The Company's key customers – the German premium manufacturers – are already well positioned in these dominating markets. paragon is committed to expanding the internationalization with additional activities abroad. At the time of publication, no additional risks have been identified that might jeopardize the Company's continued existence.

Outlook

After a slight increase in global economic momentum in the summer months, the Institute for the World Economy (ifw), Kiel, now expects world output to grow by 3.1% for the full year 2013. The economic experts do see a two-tier development: While the advanced economies are on the upswing, the outlook for emerging markets remains rather subdued.

The process of economic recovery in Germany is likely to continue until year-end and increase in both breadth and pace in 2014. Thus, the ifw predicts a further increase in growth of the gross domestic product of 0.5% (2013) to 1.8% (2014). With unemployment rates continuing to fall, inflation is expected to increase in the coming year to 2.1% after 1.6% anticipated for 2013.

The Association of the Automotive Industry (VDA) celebrated the 65th International Motor Show (IAA), which took place in Frankfurt/Main in September 2013, as a tremendous success. With 1,098 exhibitors from 35 countries, a foreign share of manufacturers of 42% and 159 world premieres, the IAA consolidated its position as the leading international trade fair for mobility.

Looking at the industry data in the third quarter of 2013, the VDA made it clear that the German market is stabilizing as expected. The Western European passenger car market in September created a sensation by increasing 5.4%. The momentum of the global passenger car markets, however, continues to be dominated by the U.S. and China. Because the German manufacturers are well positioned in these

countries, they are largely able to compensate for the declines in their own country (September 30, 2013: down 1% from the previous year) and in Western Europe (September 30, 2013: down 4% from the previous year).

The development of paragon AG so far in 2013 has confirmed the Management Board's projections. A slow start was followed by a satisfactory second quarter; moreover, the well-filled order books allow for a positive outlook on the future. Based on the current order situation, the Management Board continues to expect an increase in sales compared to last year of about 5 percent and a stable EBIT margin of approximately 11%.

paragon's best prospects are in the individual business segments. The Sensors business segment with a focus on air quality is likely to benefit over the medium term from a recent study by the International Agency for Research on Cancer (IARC) of the World Health Organization (WHO), which for the first time has classified air pollution as a trigger for cancer. The study indicates that polluted air causes lung cancer and increases the risk of bladder cancer. Particulate matter has been classified as a major component of air pollution as a carcinogen; even the smallest particles can settle deep in the lungs. After evaluating more than 1,000 scientific studies, the experts see the effects of air pollution as worse than second hand smoke.

Since as early as 1994, paragon has supplied the automotive industry with innovative systems which protect passengers from gaseous substances and particulate matter in the air. With regard to air quality inside the vehicle, paragon is clearly the world leader and will capture an above-average share of the market due to the findings of the WHO. It is expected that vehicle manufacturers worldwide will now increase their demand for systems that improve air quality for occupants. Particularly in Asia, paragon expects to see significant opportunities in the market. The company also collaborates with vehicle manufacturers in developing additional new products that will greatly enhance the protection of passengers and come to market as early as 2015. As a preliminary step, additional paragon customers will employ the air improvement system AQI®, which conditions interior air. The development work on scenting has resulted in a prototype, which is now being presented to potential customers.

paragon is pushing forward intensively with the further internationalization of its business activities. The sales office in China will be expanded to include an application engineer as of December 1, 2013. Specific discussions are already underway concerning the construction of a production facility in China in cooperation with partners. For cost reasons, paragon is not currently planning to construct its own plant.

New orders from the automotive industry will make a local production facility necessary in Mexico starting in 2015. This production facility will be completed together with a German partner that already produces locally.

In anticipation of highly attractive orders for battery packs from the U.S., paragon is also investigating the possibilities for building its own plant in Texas that will operate in conjunction with the German plants and the future production facility in Mexico. The Management Board expects that the new U.S. plant can be operational during the first half of 2014.

In terms of acquisitions, paragon has pressed ahead with ongoing processes and, together with a management consulting firm, has identified and investigated numerous new potential acquisition targets. In any case, this involves an expansion of existing business segments and not new product lines. After intensive negotiations, a project was terminated due to excessive purchase price demands. In another case, the talks have been positive and a deal is considered to be possible. In another case, the talks have been delayed due to internal projects of the seller; however, it is still possible that the acquisition may be effected in spring 2014. The pipeline of further M&A projects is being filled. The Management Board is confident that paragon will be able to significantly increase the enterprise value in the next six months.

Consolidated Balance Sheet as of September 30, 2013

in EUR thousands	September 30, 2013	September 30, 2012
Assets		
Non-current assets		
Intangible assets	5,812	4,211
Property, plant and equipment	13,205	13,285
Financial assets	0	400
Other assets	128	161
Deferred taxes	0	48
Total non-current assets	19,145	18,105
Current assets		
Inventories	7,750	7,392
Trade receivables	3,851	3,078
Income tax assets	1,271	196
Other assets	1,410	1,330
Cash and cash equivalents	17,487	14,143
Total current assets	31,769	26,139
Total assets	50,914	44,244

in EUR thousands	September 30, 2013	September 30, 2012
Equity and liabilities		
Equity		
Subscribed capital	4,115	5,143
Capital reserve	2,450	2,450
Revaluation deficit	- 803	- 426
Profit carried forward	5,826	2,631
Net income/comprehensive income	1,757	4,670
Currency translation differences	- 1	0
Total equity	13,344	14,468
Non-current provisions and liabilities		
Non-current lease obligations	107	103
Non-current borrowings	11,409	11,817
Non-current bonds	9,558	0
Special item for investment grants	1,644	2,239
Deferred taxes	481	0
Pension provisions	2,833	2,114
Total non-current provisions and liabilities	26,032	16,273
Current provisions and liabilities		
Current portion of finance lease obligations	204	196
Current borrowings and current portion of non-current borrowings	2,155	1,635
Trade payables	3,547	3,654
Other provisions	203	320
Income tax liabilities	0	679
Other current liabilities	5,429	7,019
Total current provisions and liabilities	11,538	13,503
Total equity and liabilities	50,914	44,244

Figures for the period from January 1 to September 30, 2013

Consolidated Income Statement of paragon AG, Delbrück, for the period from January 1 to September 30, 2013

in EUR thousands	Jan. 1 to Sept. 30, 2013	Jan. 1 to Sept. 30, 2012	Q3 2013 July 1 to Sept. 30, 2013	Q3 2012 July 1 to Sept. 30, 2012
Sales revenue	52,214	54,486	16,558	16,851
Other operating income	804	1,355	275	419
Increase or decrease in finished goods and work in process	817	532	1,199	221
Other own work capitalized	1,286	1,665	361	643
Total operating performance	55,121	58,038	18,393	18,134
Cost of materials	- 27,177	- 28,068	- 9,263	- 8,674
Gross profit	27,944	29,970	9,130	9,460
Staff costs	- 14,488	- 14,246	- 4,910	- 4,652
Depreciation and amortization of property, plant, equipment and intangible assets	- 3,102	- 2,875	- 1,048	- 1,006
Impairment of property, plant and equipment and intangible assets	- 142	- 70	- 55	351
Other operating expenses	- 6,586	- 5,448	- 2,435	- 1,774
Earnings before interest and taxes (EBIT)	3,626	7,331	682	2,379
Financial income	29	25	5	6
Financial expense	- 925	- 771	- 426	- 244
Net financing costs	- 896	- 746	- 421	- 238
Earnings before taxes (EBT)	2,730	6,585	261	2,141
Income taxes	- 973	- 1,915	- 259	- 1,112
Net income	1,757	4,670	2	1,029
Earnings per share (basic)	0.43	1.13	0.00	0.25
Earnings per share (diluted)	0.43	1.13	0.00	0.25
Average number of shares outstanding (basic)	4,114,788	4,114,788	4,114,788	4,114,788
Average number of shares outstanding (diluted)	4,114,788	4,114,788	4,114,788	4,114,788

**Consolidated Cash Flow Statement of paragon AG, Delbrück,
in accordance with IFRS**

in EUR thousands	Jan. 1 to Sept. 30, 2013		Jan. 1 to Sept. 30, 2012	
Earnings before income taxes	2,730		6,585	
Depreciation/amortization of non-current assets	3,102		2,875	
Net financing costs	896		747	
Gain (-), loss (+) from disposal of items of property, plant and equipment and non-current financial assets	2		0	
Increase (+), decrease (-) in other provisions and pension provisions	9		- 457	
Income from the reversal of the special item for investment grants	- 446		- 470	
Other non-cash expenses and income	0		2	
Increase (-), decrease (+) in trade receivables, other receivables and other assets	- 1,758		- 2,860	
Impairment of intangible assets	142		70	
Increase (-), decrease (+) in inventories	- 437		- 660	
Increase (+), decrease (-) in trade payables and other liabilities	- 665		1,195	
Interest paid	- 925		- 770	
Income taxes paid	- 1,729		- 1,750	
Cash flow from operating activities		921		4,507
Proceeds from disposal of property, plant and equipment	0		32	
Cash payments to acquire property, plant and equipment	- 1,792		- 2,147	
Cash payments to acquire intangible assets	- 2,071		- 1,772	
Payments for investments in financial assets	0		- 400	
Interest received	29		23	
Cash flow from investing activities		- 3,834		- 4,264
Distribution to owners	- 1,440		0	
Cash repayments of borrowings	- 1,159		- 2,141	
Amounts paid on insolvency ratio	- 903		0	
Cash proceeds from issuing loans	629		874	
Cash repayments for liabilities from finance leases	- 159		- 163	
Net cash proceeds from the issuance of bonds	9,349		0	
Cash flow from financing activities		6,317		- 1,430
Cash-effective change in liquidity	3,404		- 1,187	
Cash and cash equivalents at beginning of period	14,083		15,330	
Cash and cash equivalents at end of period	17,487		14,143	

Consolidated Statement of Changes in Equity of paragon AG, Delbrück

in EUR thousands	Subscribed capital	Capital reserve	Revaluation deficit	Currency translation reserve	Accumulated profit		Total
					Profit carried forward	Net income	
January 1, 2012	4,115	3,478	- 426	0	2,631	0	9,798
Net income	0	0	0	0	0	4,670	4,670
Other comprehensive income	0	0	0	0	0	0	0
Comprehensive income	0	0	0	0	0	4,670	4,670
Transfer from capital reserves	1,028	- 1,028	0	0	0	0	0
September 30, 2012	5,143	2,450	- 426	0	2,631	4,670	14,468
in EUR thousands	Subscribed capital	Capital reserve	Revaluation deficit	Currency translation reserve	Profit carried forward	Net income	Total
January 1, 2013	4,115	2,450	- 803	0	7,266	0	13,028
Net income	0	0	0	0	0	1,757	1,757
Other comprehensive income	0	0	0	- 1	0	0	- 1
Comprehensive income	0	0	0	- 1	0	1,757	1,756
Dividend payout	0	0	0	0	- 1,440	0	- 1,440
September 30, 2013	4,115	2,450	- 803	- 1	5,826	1,757	13,344

Additional Disclosures

The report for the first nine months has been prepared according to the uniform accounting principles of the International Financial Reporting Standards (IFRS), which were also applied in the Annual Report for the fiscal year ending December 31, 2012. The standards of the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) apply. The form and content of the interim report comply with the reporting requirements of the German stock exchange. The report for the first nine months represents an update of the Annual Report. Its focus is on the current reporting period and should be read in conjunction with the Annual Report and the supplementary information concerning the Company contained therein.

KarTec GmbH as well as paragon Automotive Technology (Shanghai) Co., Ltd. were consolidated for the first time in the third quarter. As a result, paragon AG prepares consolidated financial statements as of September 30, 2013

Detailed information on paragon AG's individual risk situation was given in the opportunities and risk report of the Annual Report for the fiscal year ended on December 31, 2012. The statements contained therein with respect to the overall risk continue to be applicable.



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1,01	▲	18,58	16,1%	0,00	MEI	20476,15	5098,01	16,08
1,94	▲	82,50	2,0%	0,00	ROS	35319,27	7031,94	54,14
402,02	▲	2,54	2,7%	0,00	KRA	14272,53	1902,02	29,90
2459,12	▲	9,51	9,3%	0,00	LEZ	40391,07	9486,12	28,72
253,45	▲	140,74	19,4%	0,00	SWM	85610,64	4551,45	49,41
6298,17	▲	50,37	11,0%	0,00	CHE	29518,30	3810,30	59,21
1349,27	▲	2,01	2,0%	0,00	KSA	9817,46	5810,30	59,21
3210,30	▲	12,03	10,9%	0,00	HAM	13802,71	4274,74	42,74
13802,71	▲	0,00	0,0%	0,00	BRM	33691,63	4217,03	32,73
2917,46	▲	0,00	0,0%	0,00	LOS	11067,14	1003,74	80,31
40391,07	▲	0,00	0,0%	0,00	KAT	16965,07	2491,17	11,64
85610,64	▲	0,00	0,0%	0,00	GER	54812,98	3169,31	94,59
14272,53	▲	0,00	0,0%	0,00	BLG	9951,03	1428,78	51,05
35319,27	▲	0,00	0,0%	0,00	LON	30121,62	2093,10	67,81
20476,15	▲	0,00	0,0%	0,00	BKG	13002,81	7581,09	47,62
1945,65	▲	0,00	0,0%	0,00	MUC	15873,07	712,45	12,45
2833,08	▲	0,00	0,0%	0,00	BER	63057,29	17,76	17,76
4612,71	▲	0,00	0,0%	0,00	CHE	29518,30	31,65	31,65
2498,93	▲	0,00	0,0%	0,00	HAM	13802,71	42,74	42,74
1945,65	▲	0,00	0,0%	0,00	KSA	9817,46	59,21	59,21
2833,08	▲	0,00	0,0%	0,00	LEZ	40391,07	28,72	28,72
4612,71	▲	0,00	0,0%	0,00	SWM	85610,64	49,41	49,41
2498,93	▲	0,00	0,0%	0,00	KRA	14272,53	29,90	29,90
1945,65	▲	0,00	0,0%	0,00	ROS	35319,27	54,14	54,14
2833,08	▲	0,00	0,0%	0,00	MEI	20476,15	16,08	16,08
4612,71	▲	0,00	0,0%	0,00	POM	1945,65	9376,51	0,00
2498,93	▲	0,00	0,0%	0,00	RAS	2833,08	7091,48	0,00
1945,65	▲	0,00	0,0%	0,00	SAN	4612,71	9178,72	0,00
2833,08	▲	0,00	0,0%	0,00	TAF	2498,93	8043,12	0,00
4612,71	▲	0,00	0,0%	0,00	BRM	33691,63	4217,03	32,73
2498,93	▲	0,00	0,0%	0,00	LOS	11067,14	1003,74	80,31
1945,65	▲	0,00	0,0%	0,00	KAT	16965,07	2491,17	11,64
2833,08	▲	0,00	0,0%	0,00	GER	54812,98	3169,31	94,59
4612,71	▲	0,00	0,0%	0,00	BLG	9951,03	1428,78	51,05
2498,93	▲	0,00	0,0%	0,00	LON	30121,62	2093,10	67,81
1945,65	▲	0,00	0,0%	0,00	BKG	13002,81	7581,09	47,62
2833,08	▲	0,00	0,0%	0,00	MUC	15873,07	712,45	12,45
4612,71	▲	0,00	0,0%	0,00	BER	63057,29	17,76	17,76
2498,93	▲	0,00	0,0%	0,00	CHE	29518,30	31,65	31,65
1945,65	▲	0,00	0,0%	0,00	HAM	13802,71	42,74	42,74
2833,08	▲	0,00	0,0%	0,00	KSA	9817,46	59,21	59,21
4612,71	▲	0,00	0,0%	0,00	LEZ	40391,07	28,72	28,72
2498,93	▲	0,00	0,0%	0,00	SWM	85610,64	49,41	49,41
1945,65	▲	0,00	0,0%	0,00	KRA	14272,53	29,90	29,90
2833,08	▲	0,00	0,0%	0,00	ROS	35319,27	54,14	54,14
4612,71	▲	0,00	0,0%	0,00	MEI	20476,15	16,08	16,08