DISCOVER

Interim Results 9-month figures FY 13

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HEIDELBERG

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Key Investment Considerations

- **We operate in a large, stable market with the right portfolio**
  - Volume of printed products did not change significantly, despite internet hype
  - Sheetfed offset is the most stable technology
  - Pockets of Growth are: Emerging countries, applications like packaging printing, technologies like Digital, Printshopsoftware
  - Sky-high entry barriers for new competitors
- **We are in a privileged position**
  - Not too much price pressure from the customer, performance still counts in many segments
  - Leading market share, strong brand, most global company within industry
  - (Only) three major competitors, two of which are stumbling, but ...
  - Two streams of income, New Equipment and Service/ Spareparts/ Consumables for the largest installed basis
  - Economies of scale offer the potential for cost-/margin leadership
  - Financially stable, significant tax shield by carry-forward-losses
- **Two phases ahead of us**
  - Regain sustainable performance and minimize Net Debt in 2013
  - Implementation of mid-term corporate strategy 2014-2016

Two phases ahead of us

- **Regain sustainable performance and minimize Net Debt in 2013**
  - Implementation of BA structure
  - Finalize restructuring
  - Net working capital project
  - Margin optimization

- **Implementation of midterm corporate strategy 2014-2016**
  - Portfolio optimization (invest/deinvest)
  - New business opportunities

We are in an early stage of Portfolio-discussions

- We recently launched a **portfolio analysis process**, which classifies performance units by strategic categories
  - Each performance unit has to define strategies to increase/protect their value to the company
  - Each strategy is backed by resource-plans
  - After the first planning cycle the board will allocate the company resources (CapEX, R&D, Talent)
  - For selective units we will compare their value contribution with their market value
  - A special section will deal with our new business opportunities (Automotive, Electronics, Materials)

- Once we regained profitability and thereby better access to capital, we will immediately start implementing portfolio optimization measures

Outlook FY 2012/13 and FY2013/14

- Planning assumptions: Sovereign debt crises in Europe does not escalate and no major distortions in the real economy occur. Continued stable developments in Asia and especially in China.
- FY 2012/13:
  - Savings of above € 60m related to Focus 2012 efficiency program
  - Excluding special items, the **result of operating activities should be clearly positive**
- FY 2013/14:
  - Total savings of € 180m p.a. effective
  - Burdening effects arising from implementation of revised IAS 19 to the targeted result from operating activities excluding special items of approx. € 150m are to be compensated as fast as possible.
  - **Net profit in FY 2013/14 (unchanged)**

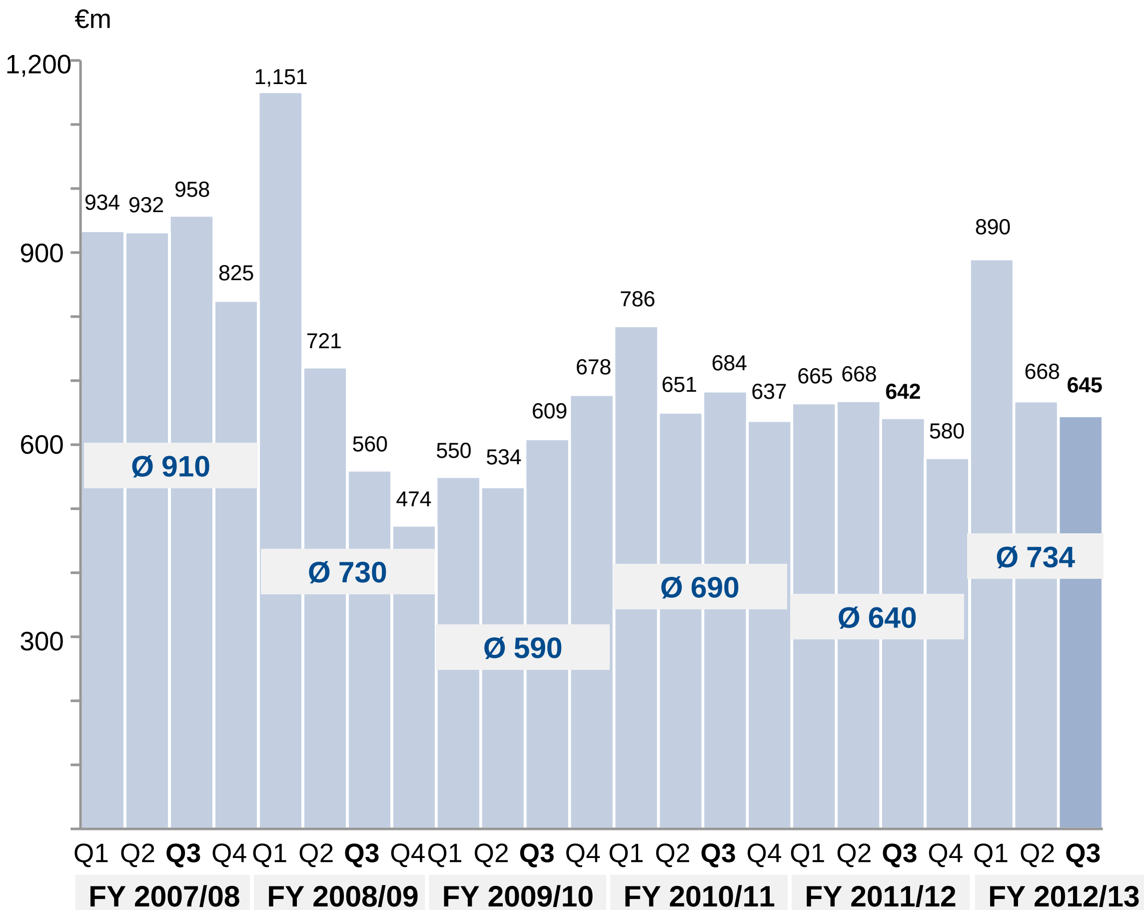
Review Q3 FY 2012/2013

- **Net Sales** in Q3 increased by 9% yoy to € 687m (PY € 631m), after 9m at € 1.9bn (PY € 1.8bn).
- **EBIT** (excl. special items) of € 25m in Q3 (PY € 2m), after 9m still negative at € -32m (PY € -19m).
- **Order intake** of € 645m in Q3 on par with previous year (€ 642m), after 9m at € 2.203bn approx. 12% above previous year's figure (€ 1.975bn). **Order backlog** also on par with previous year € 728m (€ 728m).
- Positive **free cash flow** of € 28m in Q3 (PY €-4m) reduces **net debt** to € 325m.
- **FOCUS 2012**, started in Jan-2012, is progressing according to plan. Target savings of € 180m by FY 2013/14, thereof more than1/3 already in FY 2012/13.
- **Outlook** unchanged

Business Development

Order Intake – stable market conditions

Order Intake (Q development)

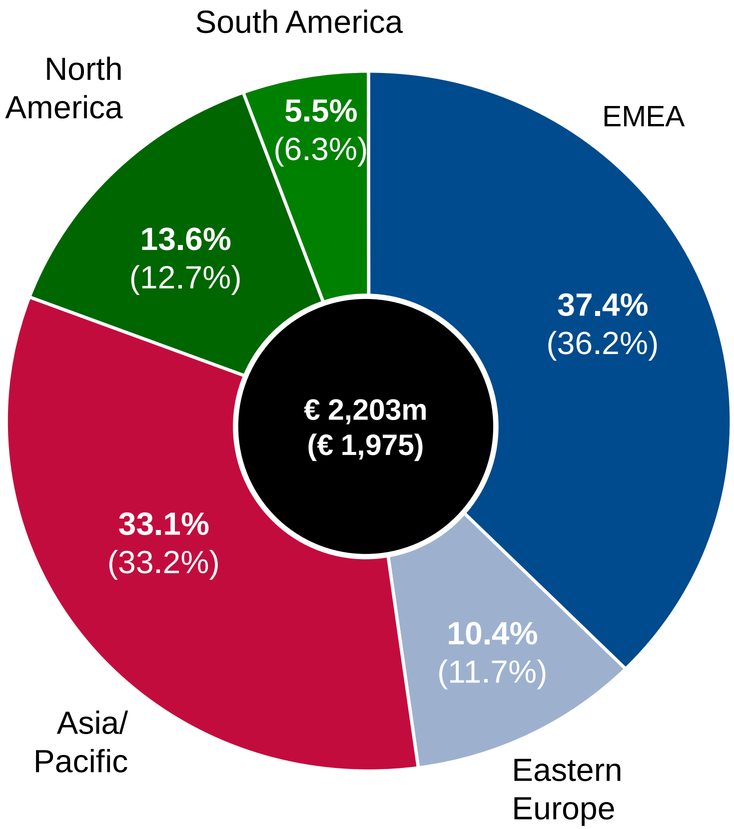


- 3rd quarter on par with previous year
- After nine months 12% above previous year
- Order backlog on par with previous year at € 728m
- Main risk remains the development of global economic conditions, especially in Europe and China

Business Development

Order Intake – Strong development in North America

Order Intake – Split by region 9m 2012/2013 (PY)

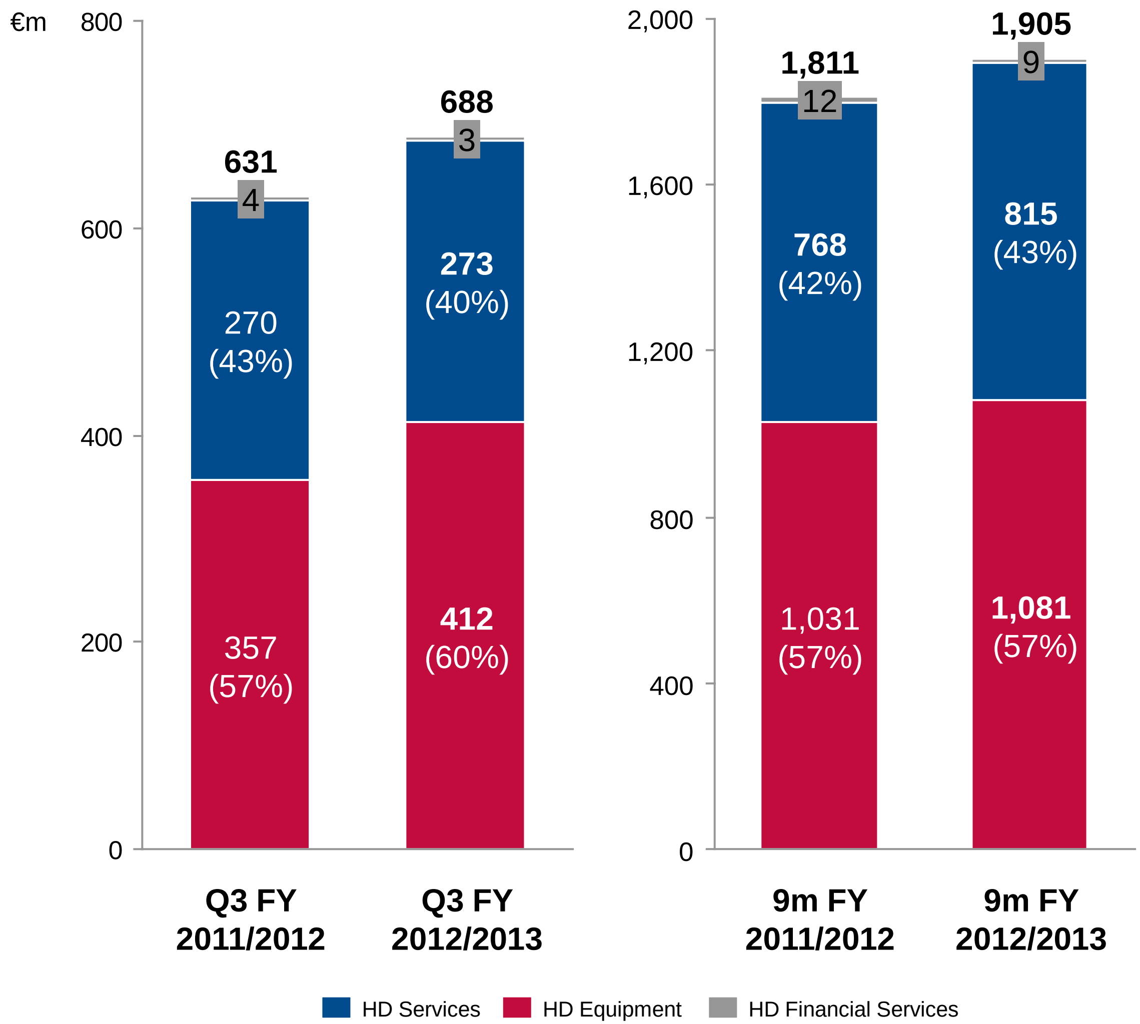


- **EMEA**: 15% above previous year due to drupa fair
- **Eastern Europe**: slight decrease by 2%
- **Asia / Pacific**: 11% above previous year. Good development in Japan and China.
- **South America**: In line with previous year. Weak development in Brazil was compensated by smaller markets.
- **North America**: Orders increased by 20%. Strong development mainly in Canada and US

Business Development

Sales – by division

Net Sales Q3 / 9m FY 2012/2013 yoy

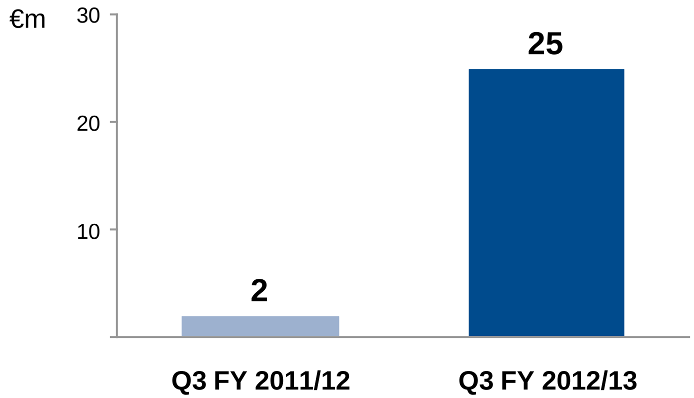


- **Group sales** increased by 5% after nine months and 9% in Q3 against previous year.
- **HD Equipment Q3**: Sales increase of 15% against previous year due to drupa orders. 60%-share of group sales.
- **HD Services Q3**: Stable volume compared to previous year . 40%-share of group sales.
- Sales in **Financial Services** Division reduced as planned due to declining direct financing portfolio.

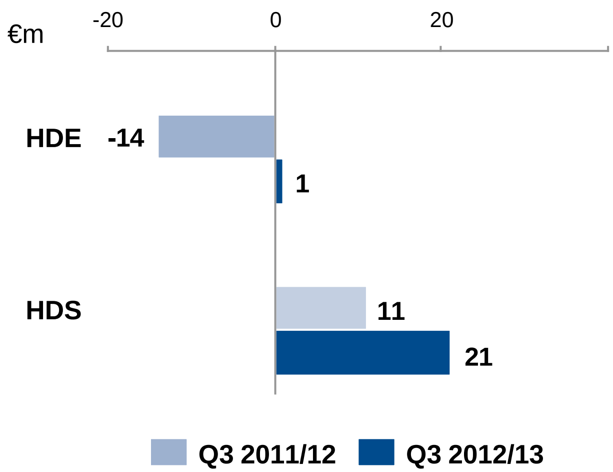
Business Development

Operating Profit – considerable improvement in Q3

EBIT (before special items) **Q3 FY 2012/2013 yoy**



EBIT by Division* (before special items) **Q3 FY 2012/2013 yoy**



**Heidelberg Financial Services: Q3 FY 11/12: €5m; Q3 FY 12/13: €3m*

- **Operating result** in Q3 improves by € 23m compared to previous year's quarter. Higher sales and Focus 2012 - savings were main contributors.
- After 9m still negative at € -32m (PY € -19m), also due to drupa costs
- **HD Equipment** with slight profit in Q3 of € 1m (PY € -15m) due to higher sales volume and Focus 2012 savings.
- **HD Services** rose by € 10m y-o-y in Q3 to € 21m supported by Focus 2012 savings.

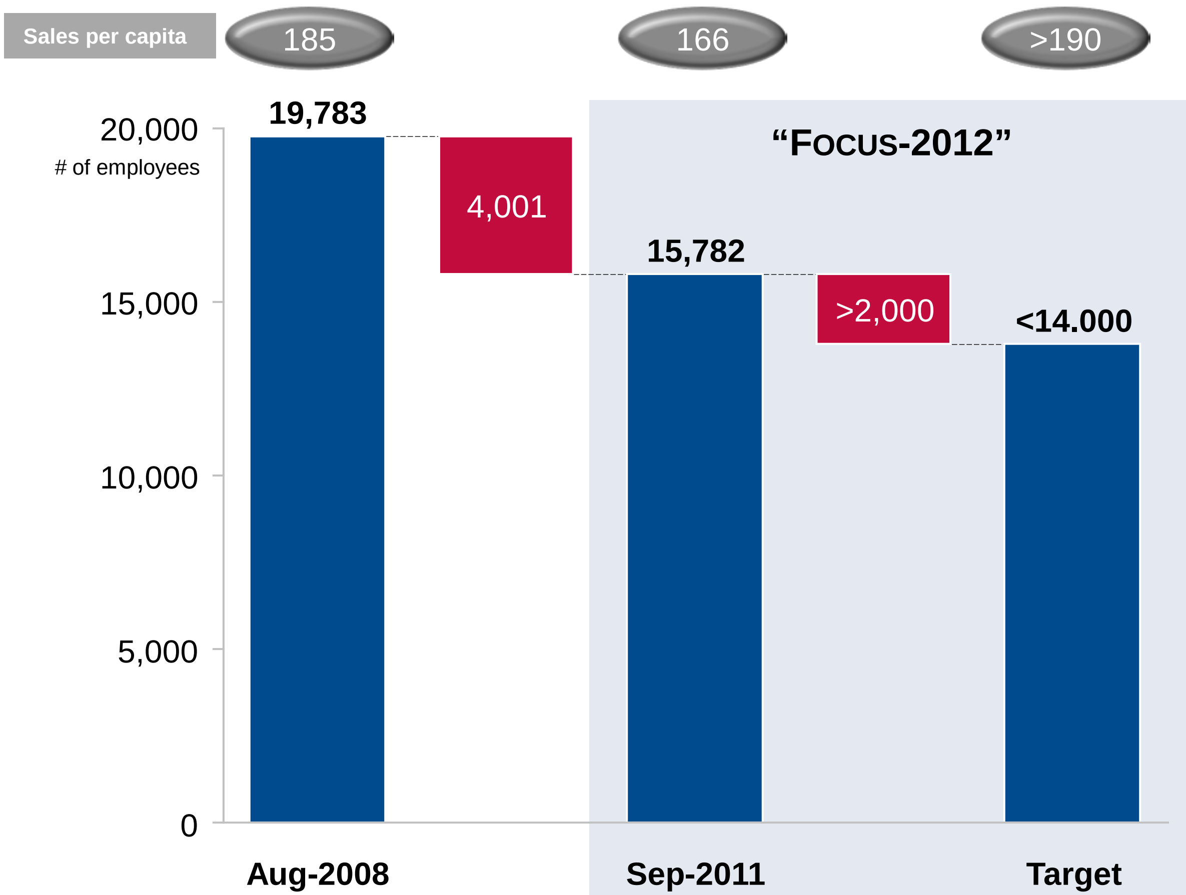
Key Figures

in €m	FY 2012 Q3	FY 2013 Q3	*Δ to pY*
Order intake	642	645	*0.4%*
Net Sales	**631**	**688**	*9.0%*
EBITDA	24	46	*+22 Mio.*
EBIT before Special items	**2**	**25**	*+23 Mio.*
Special items	-7	-2	*+5 Mio.*
Financial result	-20	-19	*+1 Mio.*
Profit before Tax	**-25**	**5**	***+30 Mio.***
Net profit/Net loss	**-14**	**16**	***+30 Mio.***
Free Cash Flow	**-4**	**28**	*+32 Mio.*
Net debt	**273**	**325**	*+52 Mio.*

- **EBITDA** before special items almost doubled from € 24m to € 46m
- **Special items** € 2m were mainly the result of personnel related expenses under Focus 2012.
- **Financial result slightly** improves by € 1m – burdened by costs related to Focus 2012
- **Profit before taxes** positive at € 5m
- **FCF** positive at € 28m in Q3 due to lowered NWC and despite costs related to Focus 2012
- **Net debt** reduced against Q2 (€ 357m) to € 325m

In 2013 we will achieve higher sales per capita than in our “boom” year 2008

Headcount / Sales per capita/ T€



Net Sales	€ 3,670m	€ 2,629m

Comments

- Headcount reduction from 2008 - 2011 from approx. 20,000 to 16,000
- Focus 2012 additional headcount reduction of >2,000 until mid 2014
- Headcount as of Dec 2012 reduced to 14,563
- Sales per employee should be higher than in pre-crisis year 2008

Balance Sheet

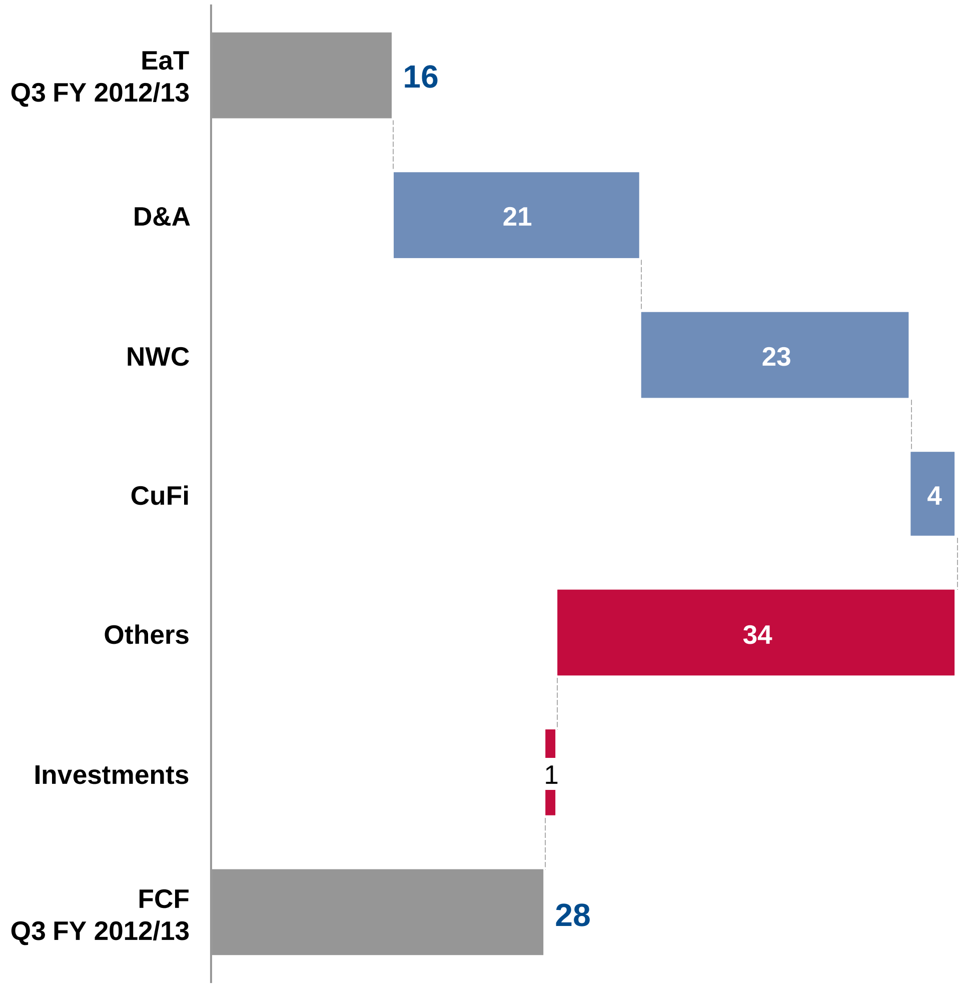
in €m	FY 2012 31.12.2011	FY 2012 31.03.2012	FY 2013 31.12.2012		FY 2012 31.12.2011	FY 2012 31.03.2012	FY 2013 31.12.2012
Fixed assets	**844**	**835**	**807**	**Shareholder's equity**	**779**	**576**	**377**
Current assets	**1.710**	**1.624**	**1.561**	**Provisions**	**822**	**933**	**1.017**
thereof inventories	*890*	*786*	*846*	*thereof provisions for pensions*	*267*	*326*	*464*
thereof receivables from customer financing	*146*	*156*	*128*	**Other Liabilities**	**1.006**	**933**	**955**
thereof trade receivables	*341*	*361*	*330*	*thereof trade payables*	*184*	*165*	*152*
thereof liquid assets	*163*	*195*	*137*	*thereof financial liabilities*	*435*	*438*	*462*
Def tax assets, Prepaid expenses, other	**134**	**59**	**53**	**Def. tax liabilities, deferred income**	**81**	**76**	**72**
thereof deferred tax assets	*115*	*39*	*37*	*thereof deferred tax liabilities*	*13*	*8*	*7*
thereof deferred income	*17*	*18*	*13*	*thereof deferred income*	*68*	*68*	*65*
Total assets	**2.688**	**2.518**	**2.421**	**Total equity and liabilities**	**2.688**	**2.518**	**2.421**

	FY 2012 31.12.2011	FY 2012 31.03.2012	FY 2013 31.12.2012
Equity ratio	*29%*	*23%*	*16%*
Net debt	*272*	*243*	*325*

* As of December 31, 2012 a discount rate of 3.5 percent (Dec 31, 2011: 5.0 percent; Mar 31, 2012: 4.5 percent, was used to determine actuarial gains and losses for domestic entities.

Cash flow statement

Cash Flow statement Q3 FY 2011/2012



- Positive **Earnings after Taxes** in Q3
- **Depreciation** slightly below previous year
- Decrease in Net Working Capital **(NWC)**
- Lower **direct financing** portfolio
- **Net investments** on low level
- Positive **FCF** significantly better than planned

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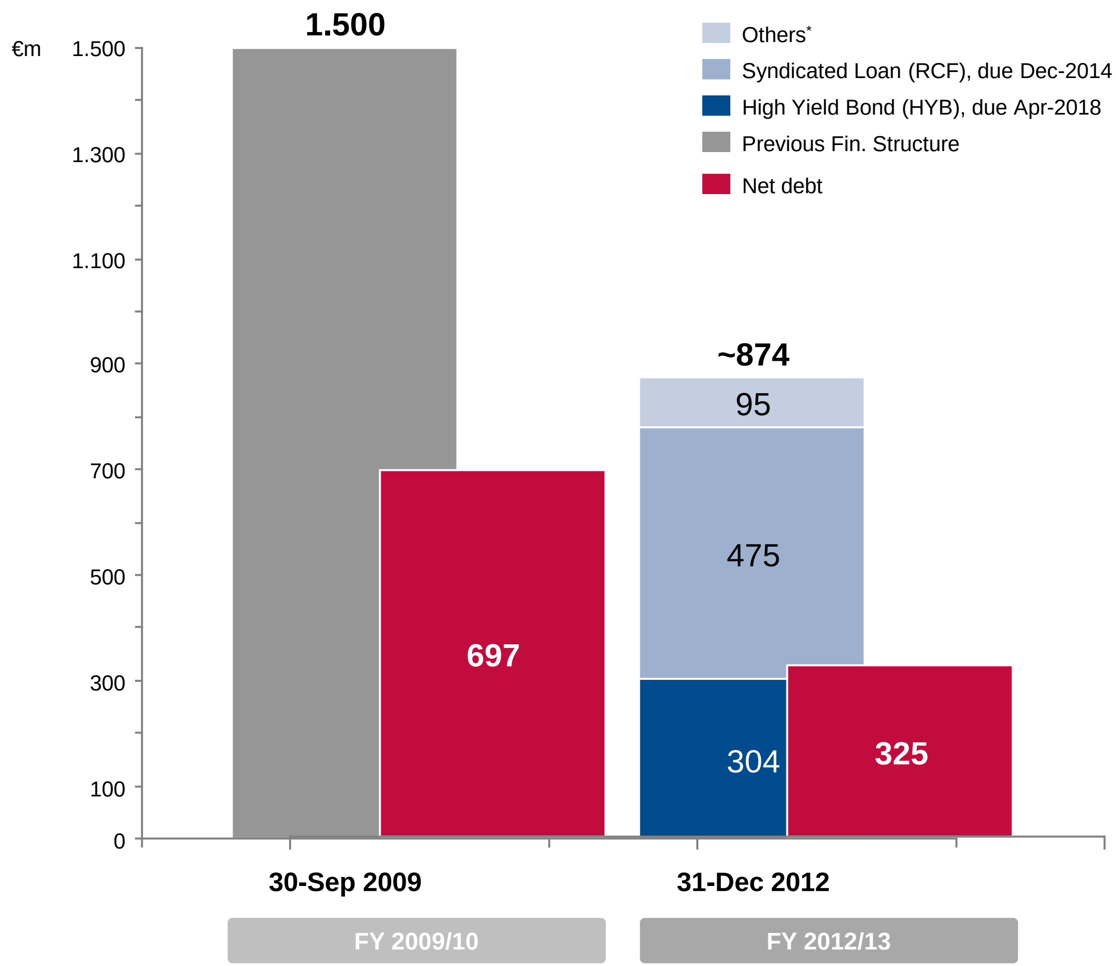
Financing Structure

Financial framework of approx. € 874m



* Promissory notes, real estate lease

- Sufficient **financial headroom**: Clearly reduced net financial debt (comp. to Sep-2009)
- Net debt increased within financial year to € 325m due to higher inventories for drupa-orders and payments related to Focus 2012
- Financial framework of approx. € 874m arranged
- Diversification of financing structure with regard to sources of financing and maturities (Dec-2014 and Apr-2018)
- Amendment of credit conditions and financial covenants of the revolving credit facility in March 2012, to model in the additional financial burdens arising from Focus 2012

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BACKUP

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Key Figures

in €m	FY 2012 9m	FY 2013 9m	*Δ to pY*
Order intake	1.975	2.203	*11.5%*
Net Sales	**1.811**	**1.905**	*5.1%*
EBITDA	50	30	*-20 Mio.*
EBIT before Special items	**-19**	**-32**	*-13 Mio.*
Special items	10	24	*+14Mio.*
Financial result	-62	-55	*+6Mio.*
Profit before Tax	**-91**	**-111**	***-20 Mio.***
Net profit/Net loss	**-79**	**-88**	***-9 Mio.***
Free Cash Flow	**-23**	**-87**	*-64 Mio.*
Net debt	**273**	**325**	*+52 Mio.*

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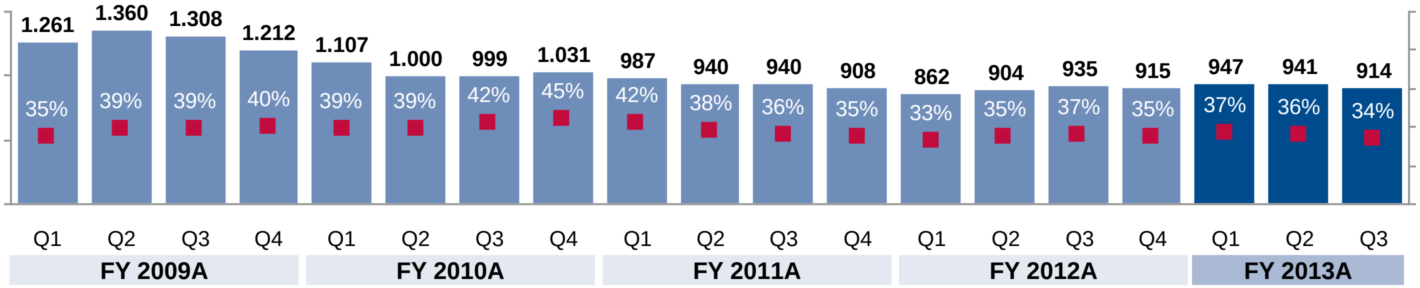
Further focus on tight cash management

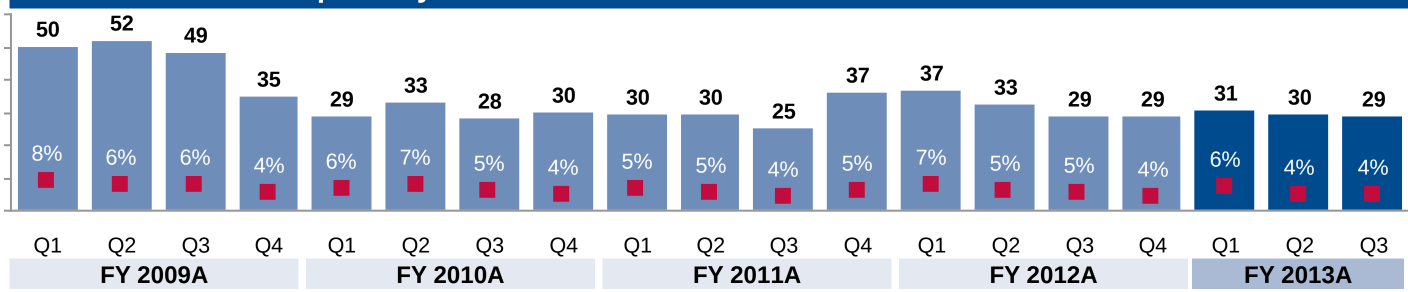
Mid-term target

Net working capital in €m / as % of LTM sales [1]



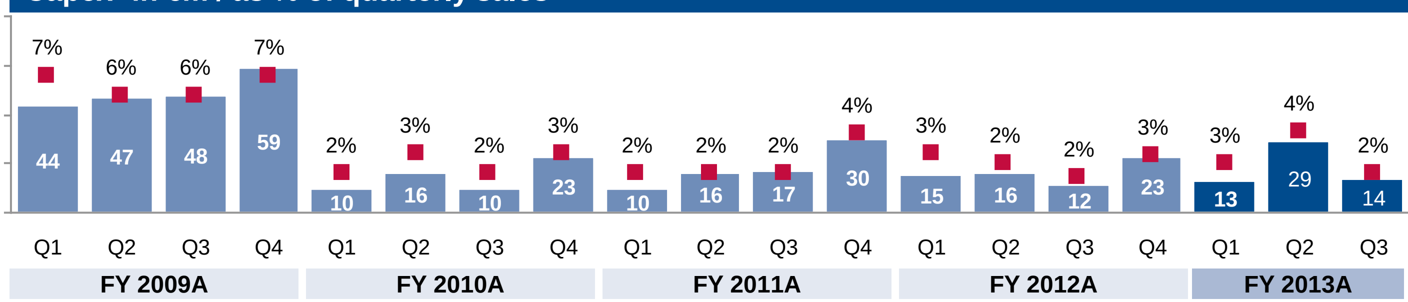
< 35%

R&D in €m / as % of quarterly sales



≤ 5%

Capex[2] in €m / as % of quarterly sales



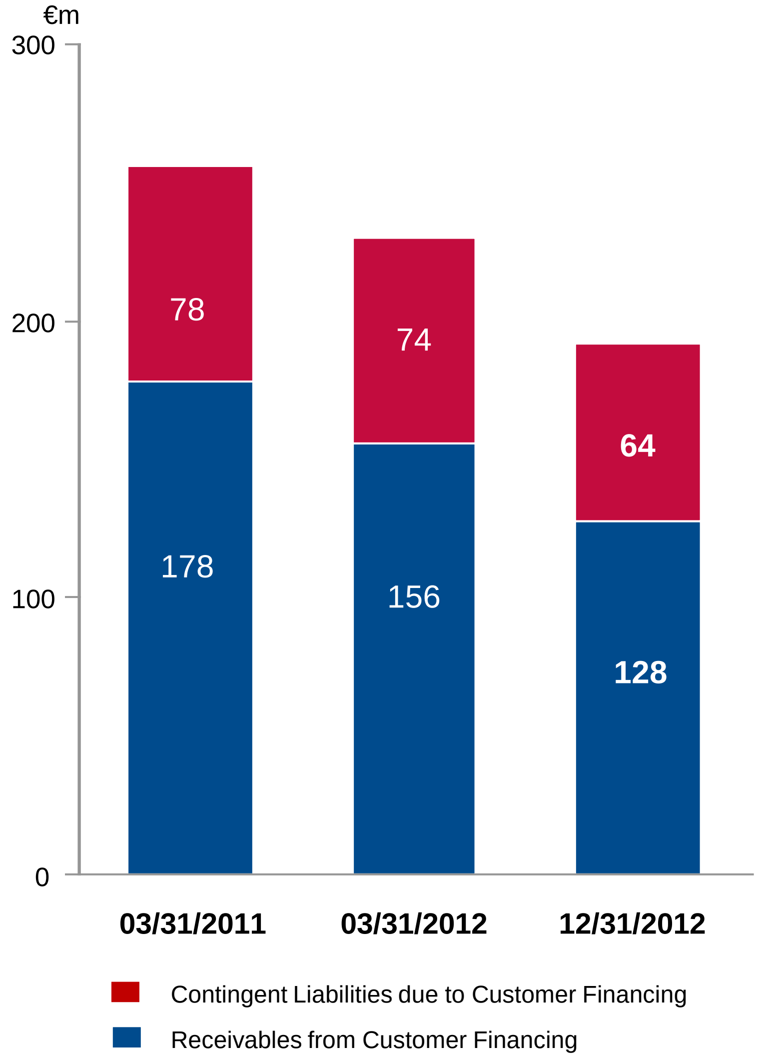
c. 2%

Source: Heidelberg quarterly reports; financial data based on Heidelberg fiscal year (FYE 31 Mar); actuals
(1) Net working capital ("NWC") includes inventory and trade receivables net of trade payables and advance payments; "LTM": last twelve months
(2) Capex is defined as investments in intangible assets, tangible assets and investment property

Ongoing reduction of customer financing

Achieved in difficult economic environment

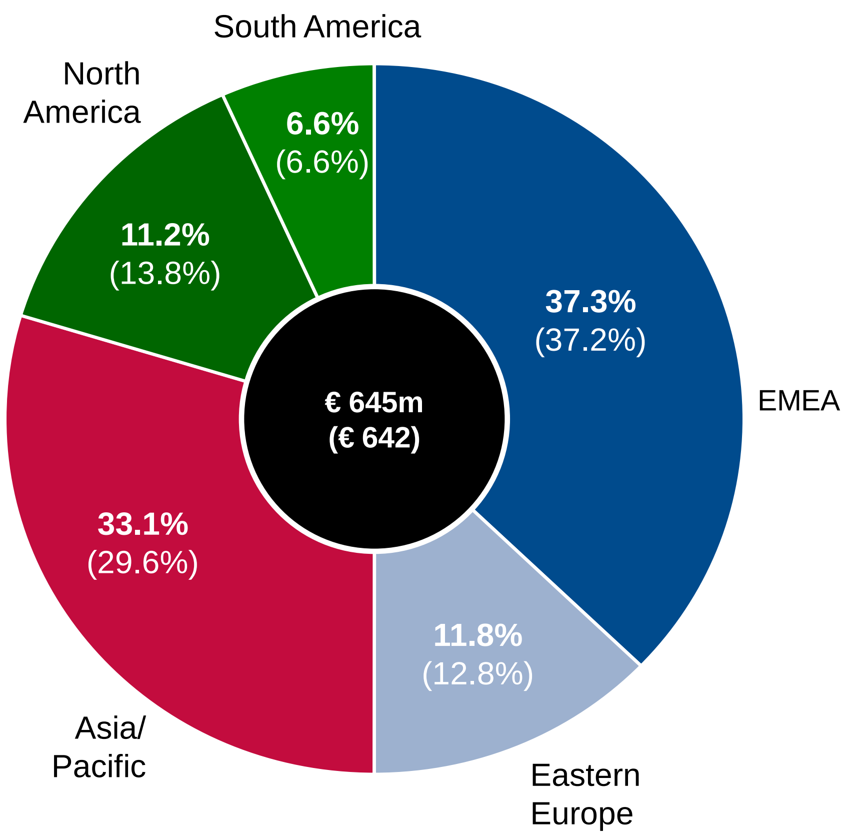
Customer Financing



Business Development

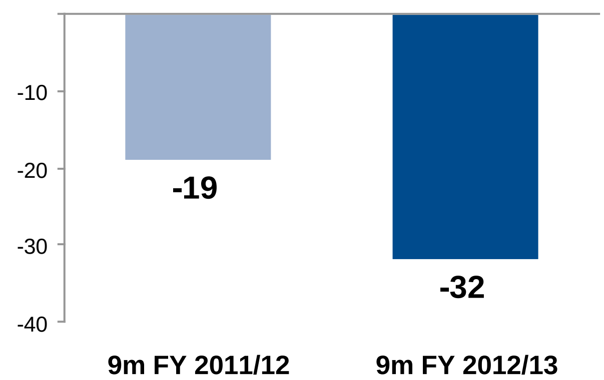
Order Intake 3rd quarter FY 2012/13

Order Intake – Split by region Q3 FY 2012/2013 (PY)

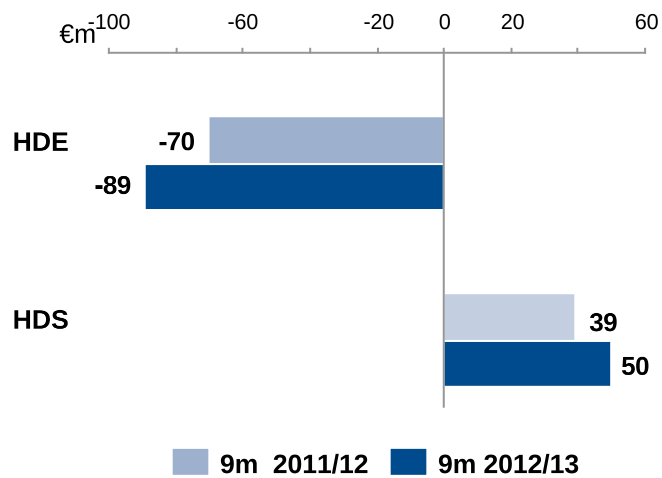


Business Development
Operating Profit – 9m comparison

EBIT (before special items) **9m FY 2011/2012**

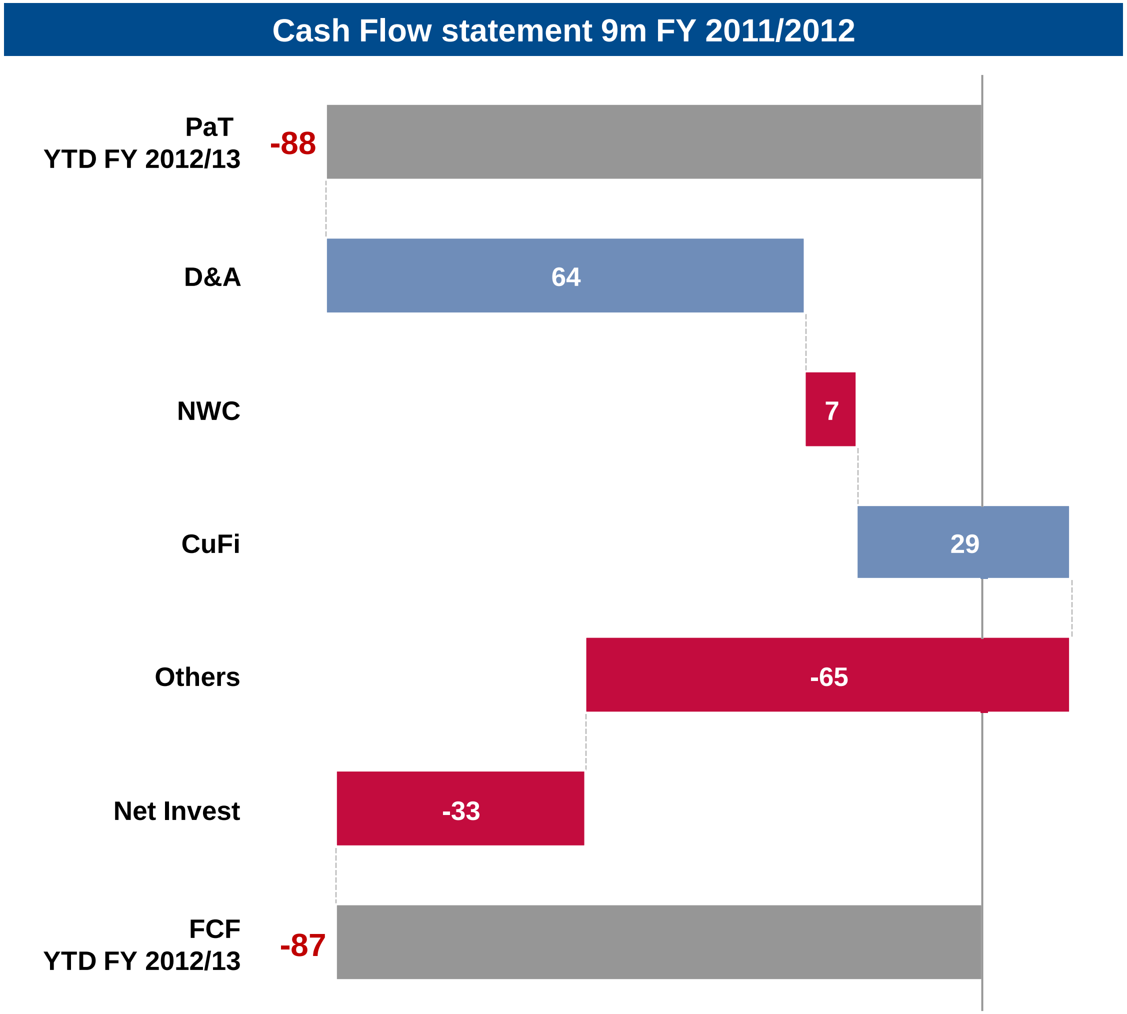


EBIT by Division* (before special items) **9m FY 2011/2012**



**Heidelberg Financial Services: 9M FY 11/12: €12m; 9M FY 12/13: €7m*

Cash flow statement



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Financial Calendar 2013

Event	Date
Release of the figures for FY 13	June 13, 2013
Annual Analysts' and Investors' conference	June 13, 2013
Annual General Meeting	July 23, 2013

Investor Relations

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