This
is
what
we
want.

HEIDELBERGER DRUCKMASCHINEN AG, NOVEMBER 12, 2014

Interim Results 6-month figures FY 15

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Heidelberg systematically gears portfolio toward profitability and growth – clearly positive EBITDA for first half-year of FY 2014/2015

- **All regions, except Asia, in line with expectations – economic slowdown in China keeps sales on muted level**

- **EBITDA margin* in HY1 improved to 5.3%, target of at least 8% in FY 2015/16 confirmed**

- **Major steps for repositioning of portfolio in this year's focus – significant one-off effects expected**

** before special items*

Strategic repositioning of Heidelberg‘s portfolio on track

Realignment completed in Postpress

- Postpress Packaging: Agreement with Masterwork Machinery signed End of October
- Postpress Commercial: Agreement with Müller Martini signed End of August
- Restructuring of Ludwigsburg site and closing of Leipzig site agreed

Leaner and more flexible structures in Sheetfed equipment production

- Increase profitability and adapt structures to the normal fluctuations in market demand
- Modularization and standardization to achieve economies of scale despite the reduced production volume
- Lowering the break-even threshold for the operating result by adjusting staffing levels

Target:

Short-term increase of profitability

Strategic repositioning of Heidelberg‘s portfolio on track

Growth in Consumables business

- Move into printing chemical manufacturing through acquisition of European supplier Blueprint
- Worldwide product roll-out through Heidelberg sales channel

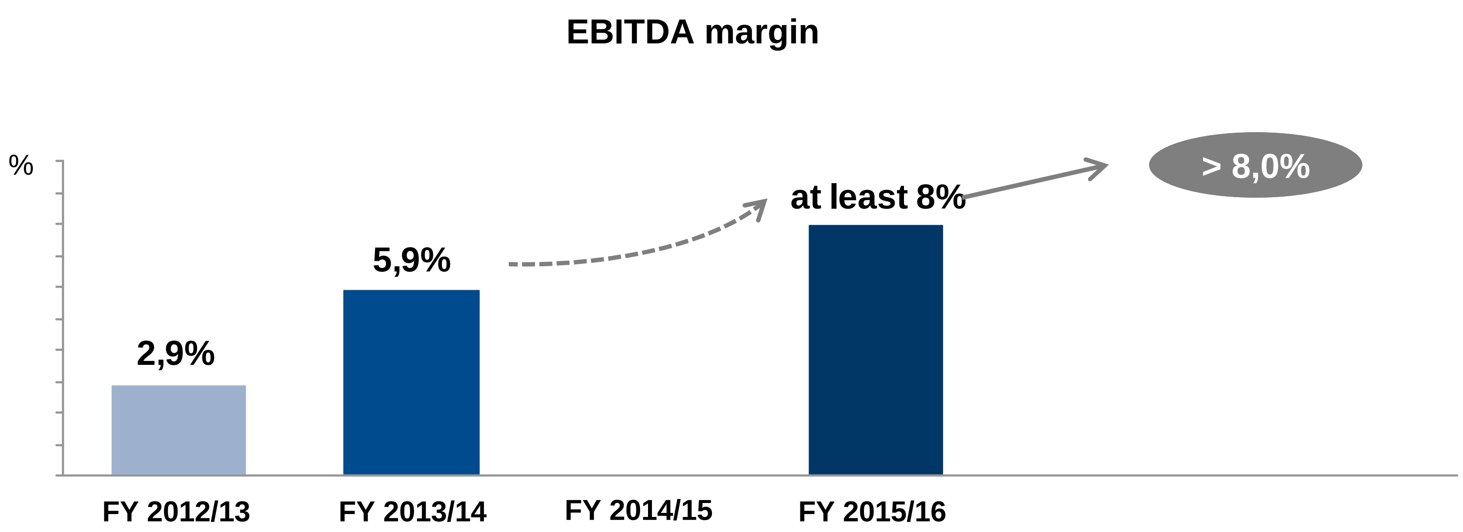
Rapid expansion of Digital business

- New digital press for the growth market of digitally printed labels unveiled in September
- New generation of high-performance digital presses from partner Ricoh
- Complete takeover of software manufacturer Neo7even

Target:

Expansion of growth segments

We deliver what we promise: EBITDA margin to reach at least 8 %

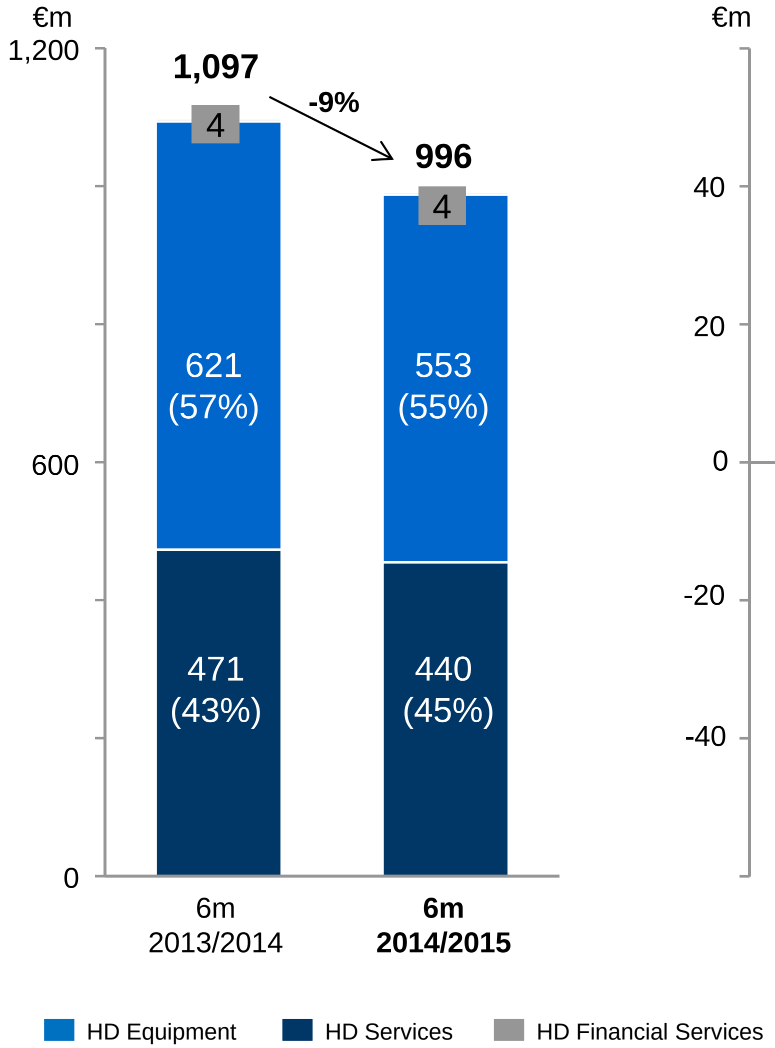


Target: Sustainable profitability

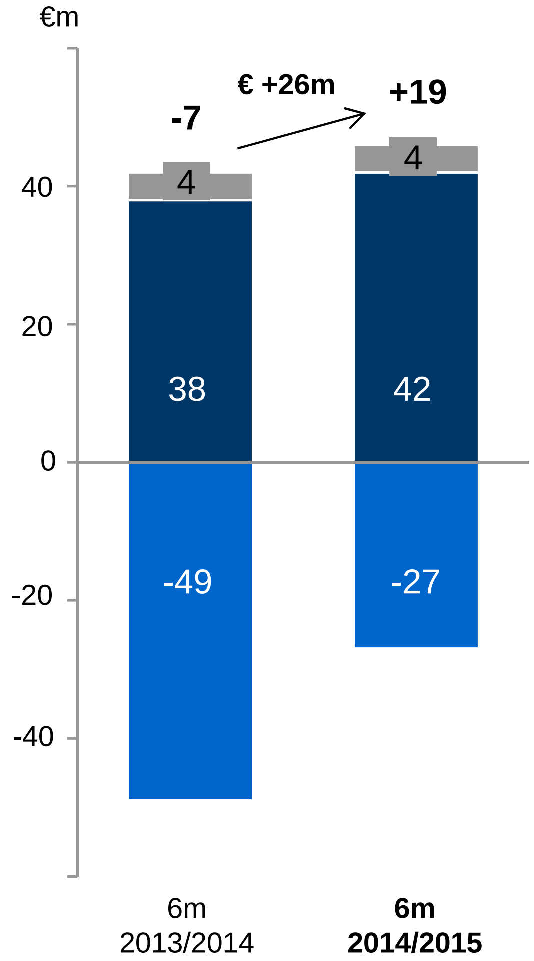
- Result in FY 2014/2015 depending on one-off impact of portfolio optimization
- Striving for EBITDA margin of at least 8 % in FY 2015/2016

Improvement of profitability despite lower volume; positive impact of Gallus transaction in Q2

Net Sales by division



EBIT* by division



Comments

- **Sales** down by 9% yoy due to low order backlog as of March 2014 and slower China business
- **Operating result (EBIT)** further improved against previous year on lower sales volume
- Favorable impact of sustainable savings measures and higher profit contributions
- Positive one-time effect from Gallus transaction of € 18m in Q2
- Divestment of Postpress business burdens temporarily operating profitability
- **HDE** volume reduced, but further improved result, also helped by Gallus-effect in Q2
- **HDS-EBIT** margin improved to 9.5% (8% previous year)

** before special items*

Improvement of profitability on track - Leverage on target level

Key figures

in €m	6m 2013/14	6m 2014/15	Δ to pY
Net Sales	1,097	**996**	-9%
EBITDA	31	**53**	€ +22m
EBIT before Special items	-7	**19**	€ +26m
Special items	-1	-18	
Financial result	-28	-33	
Profit before Tax	-36	**-32**	€ +4m
Net result after taxes	-47	**-42**	€ +5m
Equity	348	**300**	€ -48m
Free Cash Flow	28	**-30**	€ -58m
Net debt*	239	**272**	€ -33m
Leverage**	1.6	**1.6**	

* Net total of financial liabilities and cash and cash equivalents
** Net financial debt in relation to EBITDA L4Q excl. special items

Comments

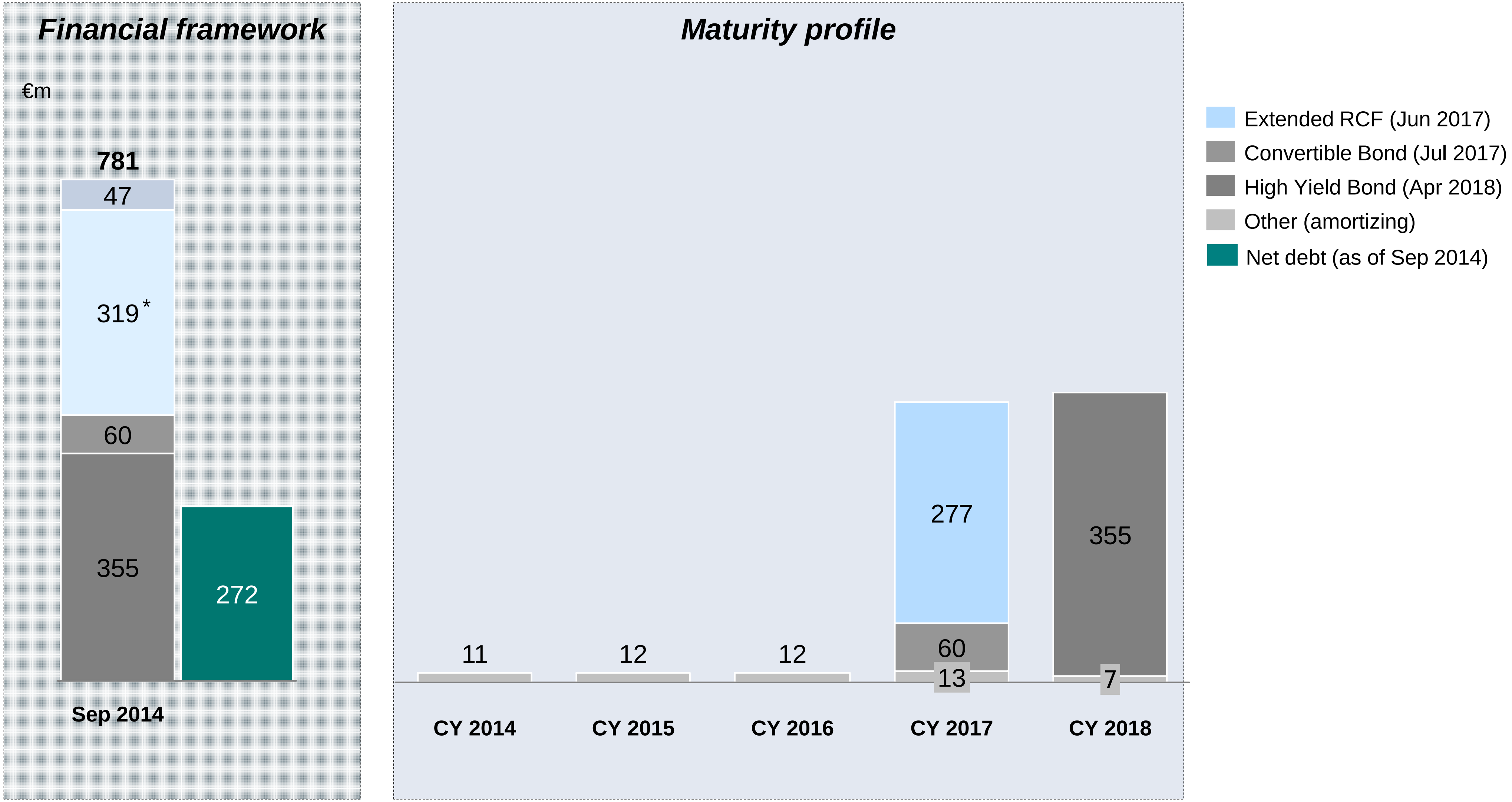
- **EBITDA** margin at 5% after 6 months; positive **EBIT**
- Special items include restructuring cost for Postpress commercial business (Leipzig site and Ludwigsburg site)
- Financial result slightly below last year's figure due to increased finance costs (bond tap, convertible bond)
- Improved **Profit before Tax and Net Result** after 6 months
- **Equity ratio** at 13%; positive impact from capital increase against contribution in kind in Q2 was offset by reduction of pension discount rate
- Positive **FCF** in Q2 (36m€) improves half-year figure to -30m€, including cash out for restructuring (20m€)
- **Net debt** remains below 300m€, Leverage on target level of 2x

Balance sheet

> Assets Figures in mEUR	FY 2014 30.09.2013	FY 2014 31.03.2014	FY 2015 30.09.2014
Fixed assets	**776**	**751**	**722**
Current assets	**1.399**	**1.426**	**1.451**
thereof inventories	732	623	740
thereof trade receivables	243	328	260
thereof receivables from customer financing	100	91	93
thereof liquid assets (incl. marketable sec. afs)	198	243	209
Def tax assets, Prepaid expenses, other	**57**	**67**	**93**
thereof deferred tax assets	33	51	56
thereof deferred income	20	13	22
Total assets	**2.231**	**2.244**	**2.266**

> Equity and liabilities Figures in mEUR	FY 2014 30.09.2013	FY 2014 31.03.2014	FY 2015 30.09.2014
Equity	**348**	**359**	**300**
Provisions	**903**	**879**	**973**
thereof provisions for pensions	413	450	563
Other Liabilities	**910**	**936**	**925**
thereof trade payables	142	148	181
thereof financial liabilities	437	481	481
Def. tax liabilities, deferred income	**71**	**70**	**68**
thereof deferred tax liabilities	8	8	8
thereof deferred income	63	63	61
Total equity and liabilities	**2.231**	**2.244**	**2.266**
Equity ratio	15,6%	16,0%	13,3%
Net debt	239	238	272

Financial framework: No major maturities until CY 2017/2018

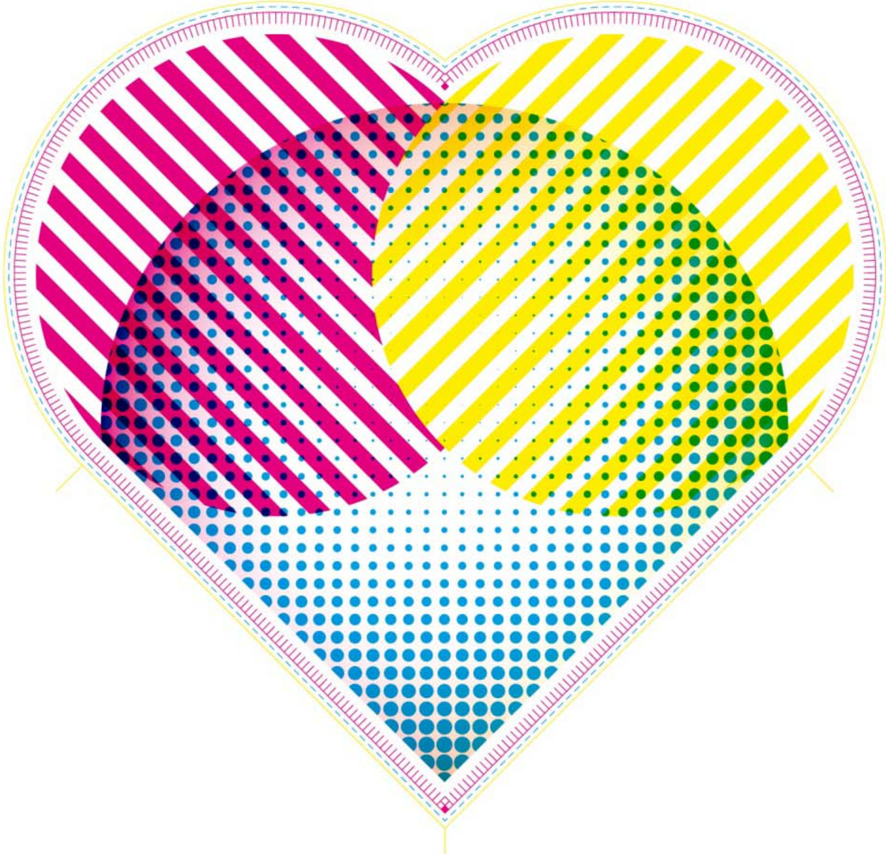


* Reduced to EUR 277 million as of Jan 2015

Highlights Q2 FY 2014/15

- Muted China business and low order backlog at the beginning of the year lead to declining **Sales** in H1 (-9% against previous year)
- **EBITDA** improves to € 53m (previous year € 31m) – positive one-time effect from Gallus transaction and temporary burden from Postpress
- **Free cash flow of** € 36m in Q2 improves half-year figure to € -30m
- **Leverage** of 2x kept on target level
- Profitability target of **>8% EBITDA** margin confirmed

This is what we want.



Q&A

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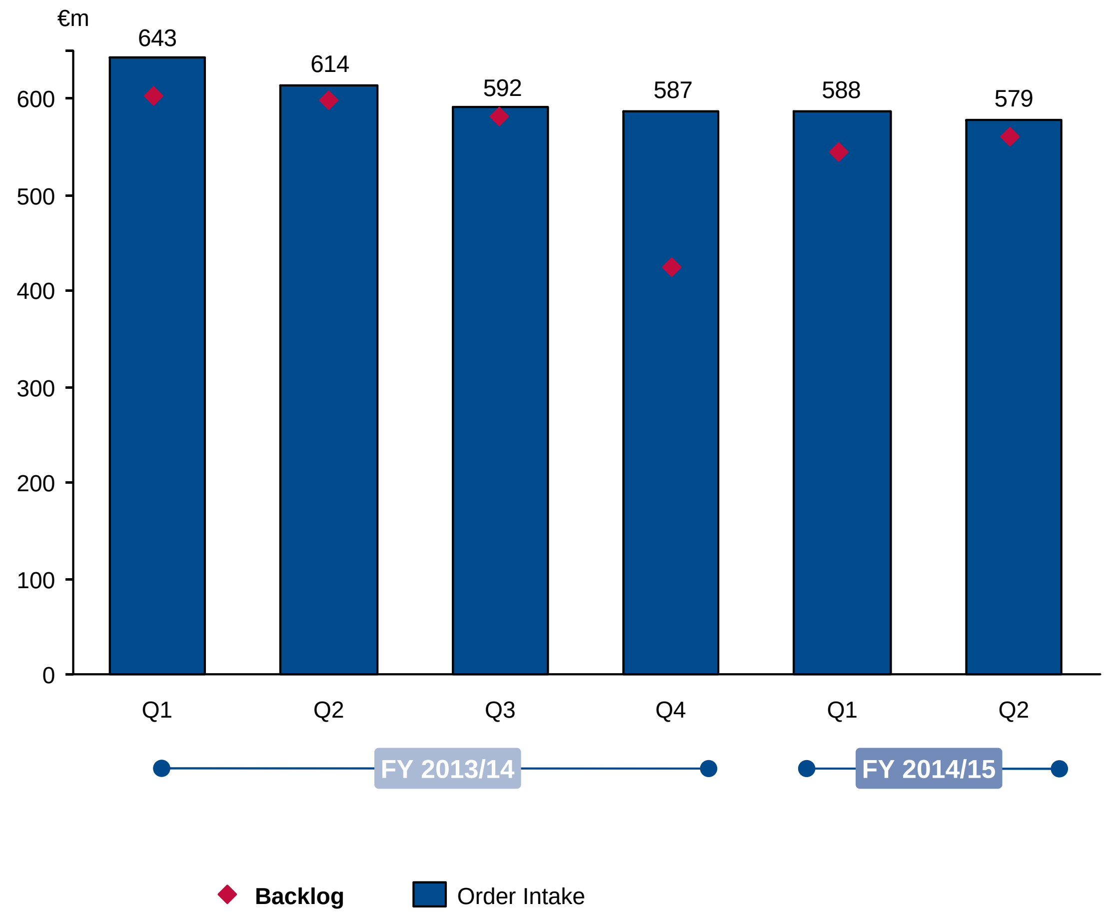
Financial Calendar 2013/14

	Date
Release of the figures for the third quarter 2014/2015	February 4, 2015
Publication of the final figures FY 2014/2015	June 10, 2015
AGM FY2014/15	July 24, 2015

Subject to change

Order intake in Q2 in line with previous quarters

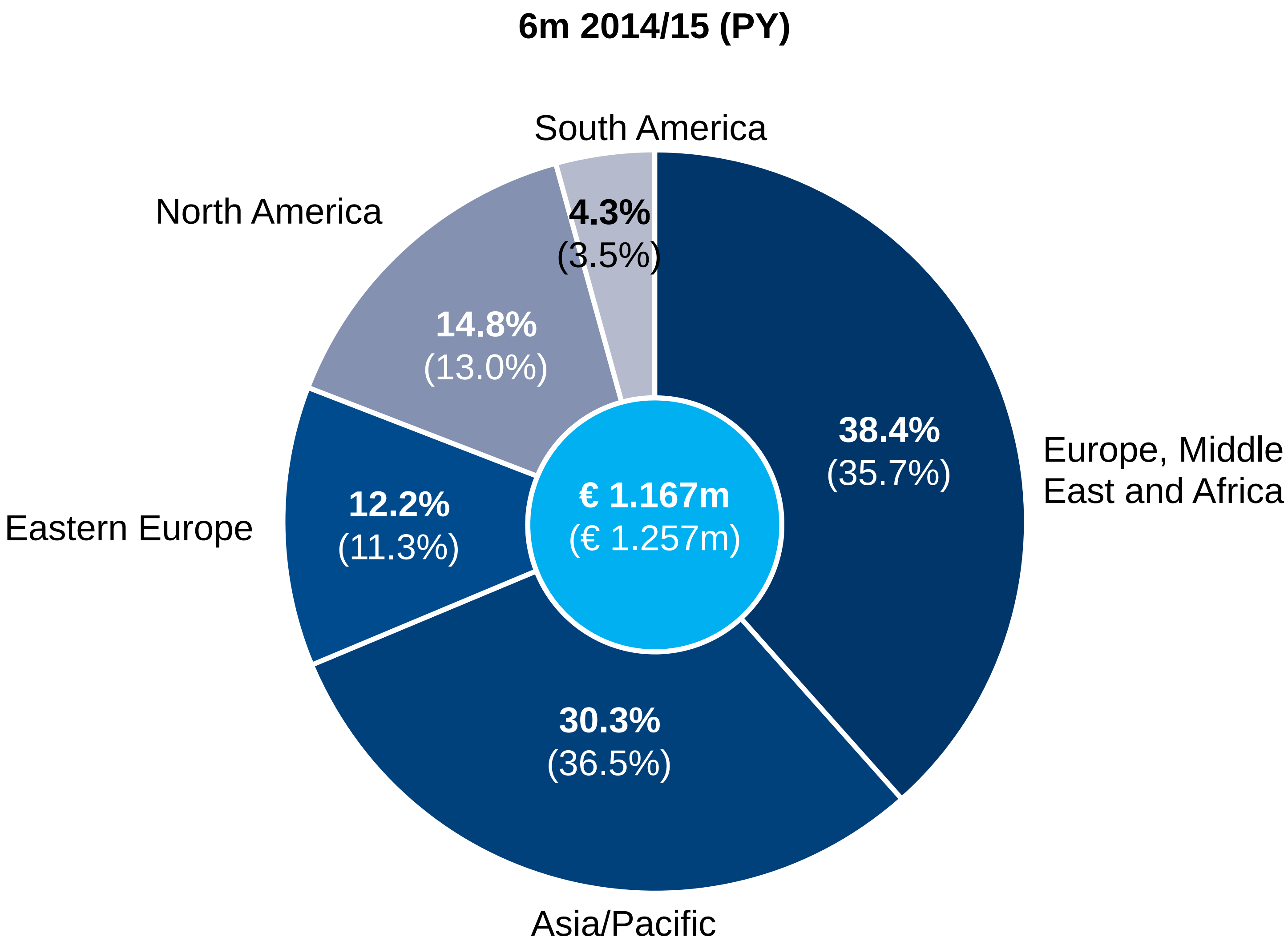
Order intake FY 2013/14 – Q2 2014/15



Comments

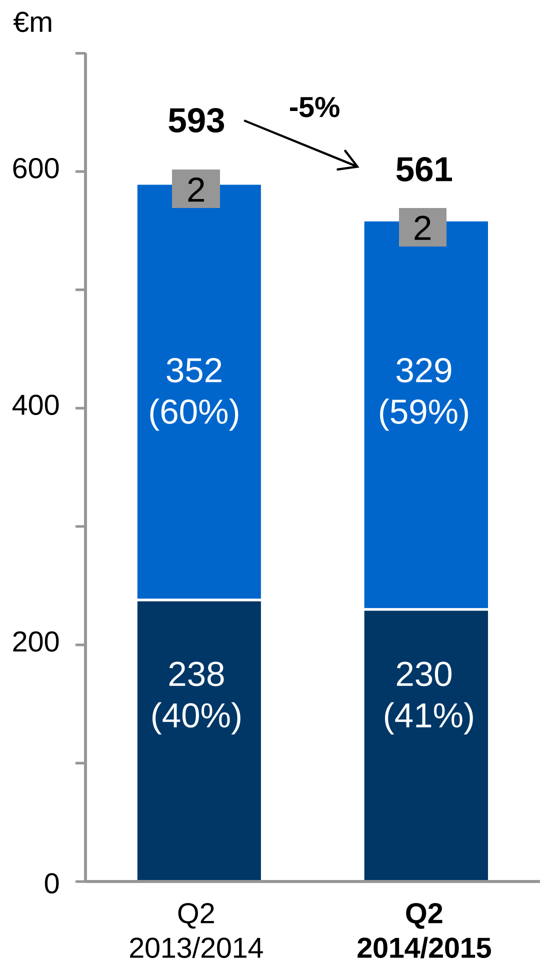
- Order intake Q2 14/15 at € 579m on previous quarters' level; headwind from FX and investment reluctance in A/P
- Order backlog increased to € 560m
- Main risk to our business: ongoing economic uncertainties and risks, particularly in emerging economies, China and Euro zone as well as substantial currency effects

Order intake – Regional split

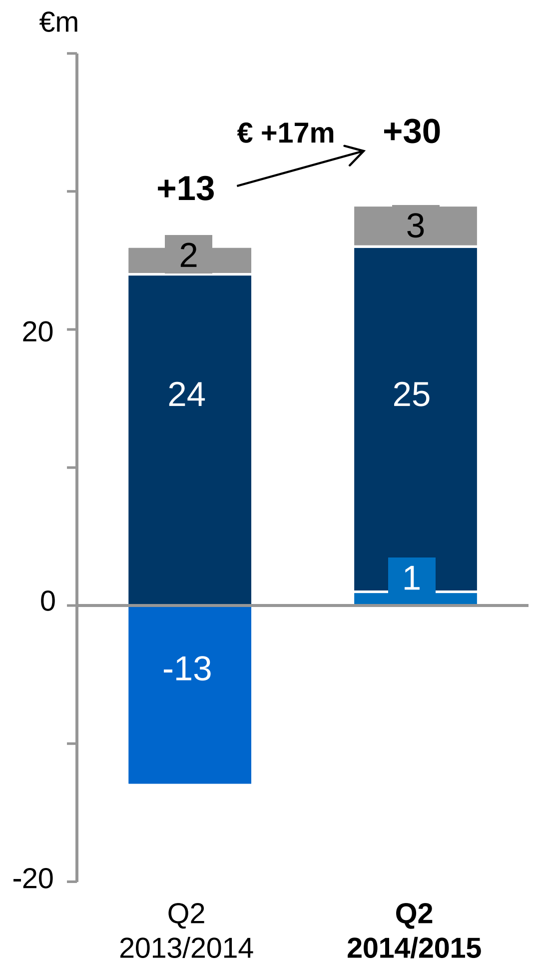


Improvement of profitability despite lower volume; positive impact of Gallus transaction in Q2

Net Sales by division



EBIT* by division



HD Equipment HD Services HD Financial Services

* *before special items*

Comments

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- **HDS-EBIT** margin improved to 11% in Q2 (10% previous year)

Improvement of profitability on track - Leverage on target level

Key figures

in €m	Q2 2013/14	Q2 2014/15	Δ to pY
Net Sales	593	**561**	-5.4%
EBITDA	33	**47**	€ +14m
EBIT before Special items	13	**30**	€ +17m
Special items	0	-18	
Financial result	-16	-16	
Profit before Tax	-3	**-4**	€ +1m
Net result after taxes	-9	**-8**	€ +1m
Equity	348	**300**	€ -48m
Free Cash Flow	28	**36**	€ +8m
Net debt*	239	**272**	€ +33m
Leverage**	1.6	**1.6**	

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Comments

- **EBITDA** margin at 8.4 % in Q2 (previous year 5.6%)
- Special items include restructuring cost for Postpress commercial business (Leipzig site and Ludwigsburg site)
- Financial result on previous year's level in Q2
- **Profit before Tax and Net Result** on previous year's level
- **Equity ratio** at 13%; positive impact from capital increase against contribution in kind in Q2 was offset by reduction of pension discount rate
- Positive **FCF** in Q2 (36m€) improves half-year figure to -30m€, including cash out for restructuring (20m€)
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