HEIDELBERG

AG

Non-consolidated
financial statements
2014/2015

Heidelberger Druckmaschinen Aktiengesellschaft

Figures in € millions	2010/2011	2011/2012	2012/2013	2013/2014	**2014/2015**
Incoming orders	1,285	1,186	1,238	1,130	1,070
Net sales	1,265	1,228	1,289	1,130	1,051
Foreign sales share in percent	83	84	84	83	81
Result of operating activities	– 57	– 56	– 53	– 15	– 57
in percent of sales	– 5	– 5	– 4	– 1	– 5
Net loss	– 22	– 30	– 77	– 109	– 127
in percent of sales	– 2	– 2	– 6	– 10	– 12
Investments [1]	38	28	53	35	41
Research and development costs	104	109	102	100	102
Total assets	2,371	2,257	2,038	1,995	1,953
Non-current assets	1,476	1,308	1,335	1,257	1,252
Equity	875	849	772	665	606
Subscribed capital	597	600	600	600	659
Equity ratio in percent	37	38	38	33	31
Earnings per share in € [2]	– 0.10	– 0.13	– 0.33	– 0.47	– 0.49
Share price at financial year-end in € [3]	3.34	1.50	1.80	2.23	2.49
Market capitalization at financial year-end	779	352	421	522	641
Average number of employees for the year [4]	8,553	8,286	7,639	7,044	6,739

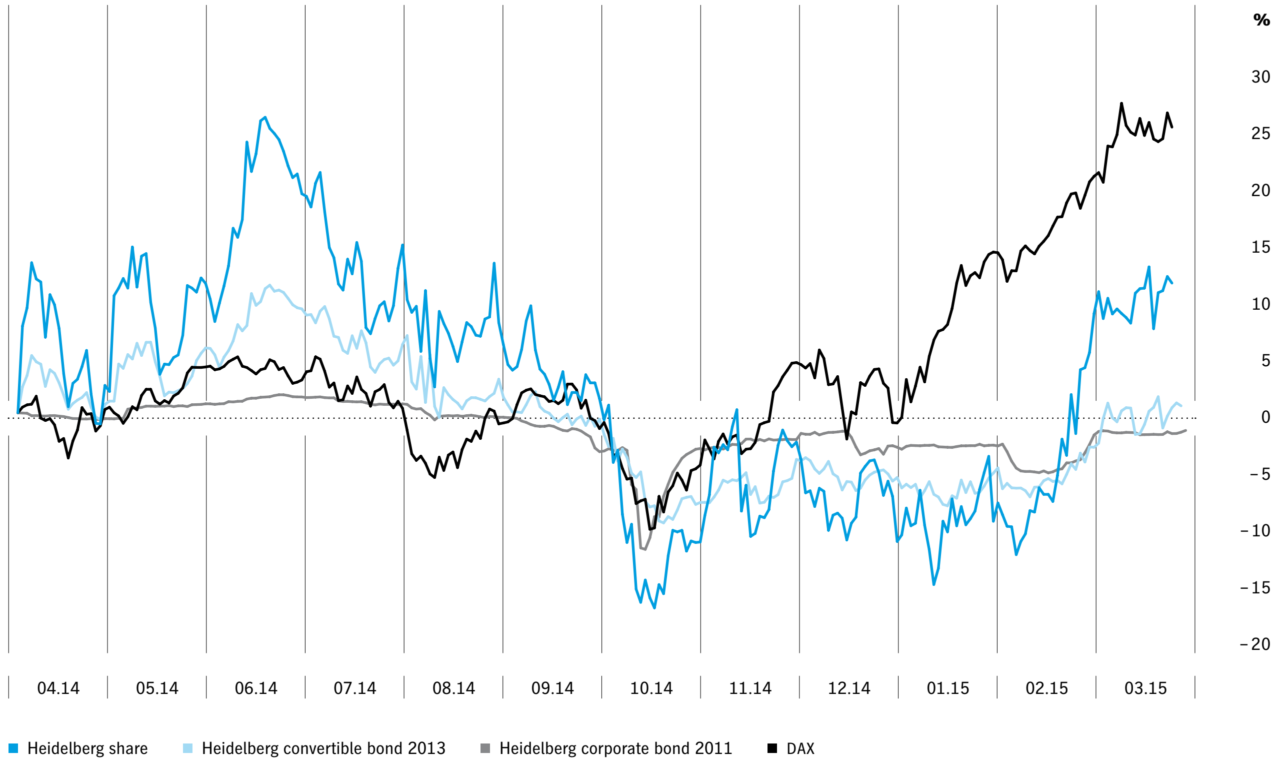
[1] Not including financial assets
[2] Number of shares at the reporting date not including treasury shares
[3] Adjusted to reflect the number of shares following the capital increase; Xetra closing price, source for prices: Bloomberg
[4] Number of employees excluding trainees

Contents 2014/2015

Heidelberg on the capital markets

Performance of the Heidelberg share and the Heidelberg bonds

Compared to the DAX (Index: April 1, 2014 = 0 percent)



The Heidelberg share and the Heidelberg bonds

During the first half of the reporting year 2014/2015, the HEIDELBERG SHARE outperformed the DAX. Following the publication of the figures for the 2013/2014 financial year, the share reached its high of € 2.82, up 26 percent on its value at the start of the financial year. Starting from the middle of 2014, the Heidelberg share followed the negative development of the indices, reaching its lowest level of € 1.85 at the end of October. The share subsequently recovered – albeit to a lesser extent than the DAX – up until the end of the financial year. On March 31, 2015, the share closed at € 2.49, around 11 percent higher than the closing price of the previous year.

The Heidelberg bonds recorded a stable development. The HEIDELBERG 2013 CONVERTIBLE BOND constantly traded at above 105 percent during the 2014/2015 financial year. Like the Heidelberg share and the 2011 corporate bond, it reached its high for the year in mid-June at 134 percent. It closed the financial year as at March 31 on a par with the previous year's level at around 117 percent.

The HEIDELBERG 2011 CORPORATE BOND started the 2014/2015 financial year at around 106 percent and was traded almost continuously at over 100 percent. In line with the Heidelberg share, it reached its highest level in June 2014 at 107.8 percent and its low for the year in October at 93.3 percent. The corporate bond recovered very rapidly, rising back above 100 points and closing the reporting year at around 104 percent as at March 31, 2015, down slightly on the start of the financial year. Since April 2015, the Heidelberg corporate bond has been reduced by two partial repayments. The first of these amounted to around € 55 million and took place on April 30, 2015, while the second totaling around € 185 million took place on May 15, 2015. At the date this report was printed, the nominal amount of the corporate bond was € 114,519,450.

The **PARTIAL REPAYMENTS OF THE HEIDELBERG 2011 CORPORATE BOND** described above were made by issuing two new capital market instruments: On March 30, 2015, we successfully issued another convertible bond with an issue volume of € 58.6 million (Heidelberg 2015 convertible bond). The unsecured, unsubordinated convertible bond has a term of seven years. The initial conversion price is € 3.1104; the coupon was set at 5.25 percent and is distributed at the end of every quarter. The convertible bond is admitted for trading on the open market of the Frankfurt Stock Exchange.

Another corporate bond with a nominal amount of € 205.4 million was placed on May 5, 2015 (Heidelberg 2015 corporate bond). The unsecured bond matures in May 2022 and bears interest at a coupon rate of 8 percent p. a. The corporate bond has been admitted for trading on the Luxembourg Stock Exchange.

German benchmark index consistently above 10,000 points

Following a good start to the 2014/2015 financial year, the German benchmark index DAX gained further momentum as a result of the announcement that the EU would continue with its expansive monetary policy, and on June 5, 2014 it rose above the 10,000 points mark for the first time in its history. However, the geopolitical tensions in Ukraine, Iraq and Syria, as well as the referendum in Scotland and the Chinese government's decision not to provide further economic assistance, subsequently temporarily unsettled the international capital markets. The index reached its low for the year of 8,476 points in October as a result of the poor economic and inflation data from Europe and weaker than expected labor market data from the US. It then continued to rise towards the end of the year, reaching a new all-time high of 12,167 points in mid-March 2015. After a consolidation phase, the DAX finally closed at 11,966 points at the end of the financial year on March 31, 2015, and thus closed the reporting year with a gain of around 25 percent.

Capital market communications: In constant dialog with private investors, institutional investors and analysts

The aim of our investor and creditor relations activities is to present Heidelberg transparently on the capital markets in order to achieve an appropriate valuation for the Heidelberg share and bonds. For that purpose, we inform all stakeholders in an open and timely manner and set great store on not only publishing financial figures but also explaining them. This includes working continuously with the more than 15 financial analysts and rating agencies that regularly covered the Heidelberg share and bonds in the year under review. When issuing the additional convertible bond in March 2015 and the additional corporate bond in May 2015, we continued to build up capital market communication relationships with investors specializing in such bonds.

The analysts' conference in June 2014 was held at our plant in Wiesloch-Walldorf for the first time. On-site at the demo center for packaging printing, guests were able to gain an overview of the future of this growth area. In addition to our investor relations activities, our Company's locations were visited numerous times by investors and analysts. As well as one-on-ones and group discussions with the Management Board and the Investor Relations team, these visits included tours of our production facilities. We held roadshows in Germany and abroad and gave presentations at a number of international capital market conferences. We also provided regular reports in the form of conference calls and IR press releases about the current course of business and market developments.

Contact with **PRIVATE INVESTORS** is very important to us. We therefore participate in events for private shareholders in cooperation with Schutzgemeinschaft der Kapitalanleger e. V. (SdK), Deutsche Schutzvereinigung für Wertpapierbesitz e. V. (DSW) and regional banks. This financial year, we were represented at a total of five events. Our upcoming events and the option to sign up for them can be found on our IR Web site in the section "Events for Private Investors". Beyond presenting the Company at these events, we also offer opportunities for personal meetings with the Company representatives present. Investors can also contact the Investor Relations team by telephone at any time on + 49-62 22-82 67121 if they have questions about the Company, the share or the bonds; they are also welcome to use the online IR contact form. Our IR Web site also contains extensive information on the Heidelberg share and bonds, audio recordings of conference calls, the latest IR presentations, corporate news and dates of publications.

Annual General Meeting 2014 approves all agenda items by large majority

On July 24, 2014, around 1,750 shareholders attended our Annual General Meeting for the 2013/2014 financial year, which was held at the Rosengarten Congress Center in Mannheim. This meant that around 29 percent of Heidelberg's share capital was represented.

The Management Board explained the Company's strategy and the balance sheet figures for the past financial year (April 1, 2013 to March 31, 2014). In his speech, the Company's CEO Dr. Gerold Linzbach analyzed the status quo and revealed how the Company will develop in the medium term. The Company's shareholders then voted on four of the five agenda items. All these agenda items were approved by a significant majority.

Shareholder structure – free float at around 91 percent

The proportion of shares in Heidelberger Druckmaschinen Aktiengesellschaft in free float on March 31, 2015, was around 91 percent of the share capital of 257,437,779 shares.

Since summer 2014, Ferd. Rüesch AG has held 9.02 percent of the shares. At the time this report was printed, other shareholders holding more than 3 percent of Heidelberg shares were Universal-Investment-Gesellschaft mit beschränkter Haftung (8.18 percent), UBS AG (4.85 percent), Dimensional Fund Advisors LP (3.01 percent) and Dimensional Holdings Inc. (3.01 percent).

Credit rating as of March 31, 2015

	Standard & Poor's	Moody's
Company	B	B3
Outlook	stable	stable
Corporate bond 2011	CCC+	Caa1

Key performance data of the Heidelberg share

Figures in € ISIN: DE 0007314007	2013/2014	2014/2015
Basic earnings per share [1]	0.02	–0.29
Cash flow per share	0.30	–0.48
High	3.10	2.82
Low	1.50	1.85
Price at beginning of financial year [2]	1.78	2.41
Price at end of financial year [2]	2.23	2.49
Market capitalization – financial year-end in € millions	523	641
Number of shares outstanding in thousands (reporting date)	234,438	257,438

Key performance data of the Heidelberg 2011 corporate bond

Figures in percent RegS ISIN: DE 000A1KQ1E2	2013/2014	2014/2015
Nominal volume in € millions	355	355 [4]
High	107.6	107.8
Low	98.1	93.3
Price at beginning of financial year [3]	98.9	106.1
Price at end of financial year [3]	106.1	104.4

Key performance data of the Heidelberg 2013 convertible bond

Figures in percent ISIN: DE 000A1X25N0	2013/2014	2014/2015
Nominal volume in € millions	60	60
High	134.7	129.7
Low	102.7	105.2
Price at beginning of financial year [3]	104.7	119.2
Price at end of financial year [3]	116.5	117.3

[1] Determined based on the weighted number of outstanding shares
[2] Xetra closing price, source: Bloomberg
[3] Closing price, source: Bloomberg
[4] Planned repayments: around € 55 million on April 30, 2015, and around € 185 million on May 15, 2015

MANAGEMENT REPORT

Basic information on Heidelberger Druckmaschinen Aktiengesellschaft

Business model of Heidelberger Druckmaschinen Aktiengesellschaft

Company profile

Heidelberger Druckmaschinen Aktiengesellschaft is the parent company of the Heidelberg Group. The Company has been a major provider for the global printing industry for many years and develops, manufactures and distributes products and technologies for commercial and packaging printing. In addition to manufacturing printing presses and equipment for printing plate imaging, the Company sells service parts and remarketed equipment and offers comprehensive services, as well as making its precision engineering expertise available to other companies within the framework of contract manufacturing. Heidelberger Druckmaschinen Aktiengesellschaft also carries out Group functions.

Sites

Heidelberger Druckmaschinen Aktiengesellschaft operates the following six sites in Germany: Heidelberg, Wiesloch-Walldorf, Amstetten, Brandenburg, Kiel and Neuss (formerly Langenfeld). Central administration, development and several training centers are located at the Heidelberg site. Sheetfed offset printing presses are manufactured at specialized production sites operating as part of a production network. Precisely processed castings are delivered from Amstetten, rotationally symmetrical and profiled parts are supplied by the Brandenburg plant, and model parts, electronic components and experimental components are produced at the Wiesloch-Walldorf plant, where we also assemble the vast majority of our sheetfed offset printing presses. The Wiesloch-Walldorf production site is also home to development work and prepress services, while the Langenfeld production site focuses primarily on development work and services for folder gluers.

The business activities of the production site at Amstetten, Germany, were spun off as Heidelberg Manufacturing Deutschland GmbH, Wiesloch, Germany, effective April 1, 2015.

Strategic reorientation of the Heidelberg Group largely completed

The reorganization of loss-making non-core activities of the Heidelberg Group focused on the area of postpress in the reporting year. For instance, the Heidelberg Group entered into a cooperation with Masterwork Machinery from China in packaging, and in the commercial segment we sold parts of the portfolio to Müller Martini. The production site structure was also optimized by initiating the necessary restructuring of Heidelberg Postpress Deutschland GmbH, Heidelberg, in Ludwigsburg and/or closing the Leipzig production site. This affected around 650 employees in total. We are anticipating an earnings improvement as a result of these measures.

The market volume in the core business area of sheetfed offset is generally stagnating at around € 2.3 billion, with pronounced, short-term fluctuations in investment behavior due to economic developments. Accordingly, in the year under review we further revised our structures in line with market maturity by downsizing around 350 jobs Group-wide at the Wiesloch-Walldorf production site. As a result we can react to fluctuations more flexibly and be profitable.

In addition to the strategic measures as part of the Group's transformation, Heidelberger Druckmaschinen Aktiengesellschaft also took several steps to achieve sustainable profitability in the 2014/2015 financial year and to secure long-term financial stability and liquidity. These include the diversification of financial instruments, prolonging maturity structures, improving financing costs and the reorganization of the company pension plan with the corresponding adjustment of pension obligations. Details of this can be found in the report on the results of operations, net assets and financial position.

Organization

In line with its internal reporting structure, the operating activities of Heidelberger Druckmaschinen Aktiengesellschaft are divided into the following SEGMENTS: Heidelberg Equipment, Heidelberg Services and Heidelberg Financial Services.

Within the segments, the Company is divided into BUSINESS AREAS (BAs). Each business area formulates plans for how best to leverage the potential offered by their respective submarket. The Production and Sales functions, which continue to be organized centrally, derive targets on the basis of these plans and implement them. This organizational approach allows us to define our strategies at the level of the respective submarkets while generating synergies within the functions and upholding the principle of “one face to the customer”.

Research and development

In our research and development activities, we always work in close cooperation with partners such as customers, suppliers, other companies and universities. By combining our strengths with those of our partners, we are able to meet the requirements of our customers and markets in a targeted and comprehensive way.

In the year under review, we focused primarily on the strategic growth areas in digital printing and enhancing efficiency in the sheetfed offset segment.

In order to achieve our medium-term growth targets in the digital segment, we have made substantial investments in the expansion of our digital range while also stepping up our development activities in this area. We want to be able to offer integrated offset and digital solutions for the different market segments.

In the sheetfed offset segment, the main focus of our work – in addition to streamlining the product range, reducing complexity and lowering manufacturing costs – related to reducing setup time and waste paper (paper used when setting up the machine).

A total of 814, or around 12 percent, of our employees are active in the area of R&D. In the year under review, we invested € 102 million, or 9.7 percent, of our sales in research and development.

Economic report

With the initiation and implementation of the portfolio optimization measures, we achieved key strategic targets in the year under review. The next phase involves implementing further measures aimed at sustainably safeguarding profitability and increasing it in the medium term.

An assessment of the business activity of Heidelberger Druckmaschinen Aktiengesellschaft requires a differentiation between its function as the largest operating company and its function as the holding company and parent of the Heidelberg Group.

Heidelberger Druckmaschinen Aktiengesellschaft’s business represents an excerpt of the overall business activity of the Heidelberg Group and is managed on the basis of the Group’s key performance indicators. Only the consolidated financial statements of the Heidelberg Group can provide a comprehensive analysis of these performance indicators.

Heidelberger Druckmaschinen Aktiengesellschaft’s function as the holding company and parent of the Heidelberg Group is reflected in its financial result in particular.

Economic environment and industry development

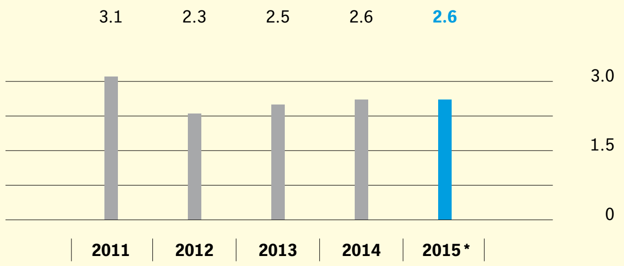
The pace of global economic expansion increased over the course of 2014. The economic recovery also progressed in the industrialized nations, though momentum remained moderate at 1.7 percent. In the emerging markets the economy continued to grow at a subdued rate of 4.3 percent. Among other things, this was due to China, where overall economic performance rose by only 7.4 percent in 2014 and was therefore slower than one year previously. However, the situation in Eastern Europe, under the influence of the conflict between Ukraine and Russia, and the economic situation in many Latin American countries, characterized by structural problems and rising rates of inflation, contributed to the downturn in growth in the emerging nations.

The printing press industry was unable to disconnect from the reduced momentum in the emerging nations, particularly in China. Based on statistics published by the German Engineering Association (VDMA), sales of printing presses by German manufacturers declined by 12 percent year-on-year in 2014. Incoming orders decreased by 5 percent over the same period.

In the industrialized nations, the consolidation of print shops and changes in media consumption as a whole continued to have an adverse effect on investment behavior with regard to new machinery. In countries in which this consolidation has largely already occurred, such as the United States, there are minor indications of an incipient recovery.

Change in global GDP [1]

Figures in percent



* Forecast
[1] Data determined in accordance with the straight aggregate method. The chain-weighted method would deliver the following results: 2011: 3.1%; 2012: 2.5%; 2013: 2.6%; 2014: 2.7%; 2015: 2.9%

Source: Global Insight (WMM); calendar year; as of April 2015

The MARKET FOR PRINTED PRODUCTS is stable and the development in global print production volumes remained stable. For this reason, the market volume in the service and consumables business remained unchanged. The total number of print shops – particularly small and medium-sized businesses – declined once again, but larger companies, print shops in networks, online print shops and specialists succeeded in realizing profitability and growth. All in all, print shops focusing on packaging printing enjoyed more stable business development than print shops with a focus on commercial printing.

The annual global printing volume is in excess of € 400 billion. The majority of this volume relates to the sheetfed offset, web offset, flexo and digital printing processes. Heidelberger Druckmaschinen Aktiengesellschaft offers products, services and solutions for these printing processes with the exception of web offset printing (which is used primarily in printing high-volume publishing products).

Business development

In the 2014/2015 financial year the central goals of portfolio optimization were implemented as advised. Services was boosted by acquisitions (BluePrint Products, Printing Systems Group). In the Digital segment we significantly expanded our position with the full takeover of the Gallus Group and the presentation of a digital label printing machine in the fall of the year under review.

As anticipated, the implementation of the portfolio measures implemented significantly increased earnings in the year as a whole.

The effects of the general slowdown in growth in China and the implementation of portfolio measures were the main reasons why sales were down year-on-year at € 1,051 million in the reporting year (previous year: € 1,130 million). Incoming orders declined to € 1,070 million (previous year: € 1,130 million). As a result of the decline in sales and the expenses incurred in connection with our portfolio optimization project, EBITDA and the result of operating activities decreased as against the previous year.

In the year under review we also optimized the financing structure and thus achieved further diversification of our instruments and maturities. The one-time expenses of this optimization squeezed the financial result, but the rise in net investment income more than compensated for the one-time expenses. The improvement in the financial result did not offset the expenses of the portfolio measures or the decline in sales.

Excluding special or one-time effects, such as the reorganization of the company pension plan and portfolio optimization, net result after taxes increased in line with planning. Including these effects, the net result after taxes was negative at € – 127 million (previous year: € – 109 million).

Total sales in the Heidelberg Services segment were largely unchanged year-on-year at € 205 million (previous year: € 211 million). The reluctance to invest due to the slowdown in economic growth in the People's Republic of China was noticed in the Heidelberg Equipment segment, where total sales amounted to € 846 million (previous year: € 919 million).

The decline in sales was partially compensated by a rise in sales in the Europe, Middle East and Africa (EMEA) region, particularly the markets of Italy and the UK. The Italian market posted good incoming orders and sales thanks to an investment program by the country's government. The increase in sales in the UK was achieved thanks to the improved market environment.

Brazil is the core market of our South America sales region. Although the individual market of Brazil developed in line with expectations with sales growth of 13 percent as against the previous year, the total sales for the region were down on account of the weak state of several smaller markets.

Net assets, financial position and results of operations

Despite a decline in sales of € 79 million, EBITDA excluding special and one-time effects remained virtually constant year-on-year in the 2014/2015 financial year. The financial result improved strongly compared to the previous year, but did not entirely offset the additional expenses affecting earnings, with the result that the net result after taxes declined to € – 127 million. Adjusted for special and one-time effects, the net result after taxes would have increased.

Income statement

Figures in € millions	2013/2014	**2014/2015**
Net sales	1,130	1,051
Total operating performance	1,140	1,064
EBITDA [1]	14	– 26
in percent of sales	1 %	– 2 %
EBIT [2]	– 15	– 57
in percent of sales	– 1 %	– 5 %
Financial result	– 92	– 64
Result from ordinary activities	– 107	– 121
in percent of sales	– 9 %	– 12 %
Taxes on income	– 2	– 6
Net loss	– 109	– 127
in percent of sales	– 10 %	– 12 %

[1] Result of operating activities before depreciation and amortization
[2] Result of operating activities

The expenses incurred in connection with the portfolio adjustments and the decline in sales reduced EBITDA from € 14 million in the previous year to € – 26 million. The result of operating activities declined to € – 57 million in the year under review after € – 15 million in the previous year. After adjustment for special and one-time effects, such as the portfolio optimization and the reorganization of the company pension plan, EBITDA was still negative in the double-digit million euro range in the reporting year. The decline in sales amounted to € 79 million in the year under review and essentially related to the Asia / Pacific region and, within that region, to the Equipment segment. In addition, staff costs rose to € 511 million in connection with portfolio adjustments (previous year: € 494 million), while the number of employees declined at the same time. These effects contributed to a decline in the result of operating activities.

The rise in other operating expenses of € 45 million to € 313 million is due essentially to a higher transfer to provisions (up € 28 million). This includes the non-recurring cost of portfolio adjustments of € 18.0 million.

Offsetting this, other operating income rose to € 228 million in the year under review (previous year: € 158 million). The increase in other operating income mostly related to the reversal of provisions in the amount of € 99 million (previous year: € 17 million). This essentially includes the reduction in pension provisions as a result of the reorganization of the company pension plan and the decrease in warranty provisions. In addition, exchange rate gains climbed to € 62 million (previous year: € 54 million). The € 8 million rise in income from currency translation was offset by an increase of € 7 million in expenses from currency translation (€ 61 million; previous year: € 54 million), reported under other operating expenses. There were no reversals of write-downs on equity investments in subsidiaries in the year under review (previous year: € 19 million).

The costs of portfolio adjustments amounted to around € 68 million in the reporting year.

In March of the year under review we issued a second convertible bond and in May 2015 a new corporate bond. In addition to these positive measures to optimize our financing structure, the **FINANCIAL RESULT** improved by € 28 million as against the previous year. The improvements include the increase in net investment income of € 22 million and the improvement in net interest income of € 6 million. In particular, the rise within net investment income is due to the profits transferred at Heidelberg Consumables GmbH, Wiesloch, and Heidelberg Boxmeer Beteiligungs-GmbH, Heidelberg.

TAX EXPENSES of around € 6 million were incurred in the year under review due to withholding tax (previous year: € 2 million). In net terms the changes described in the reporting year result in a net result after taxes of € – 127 million, a significant improvement year-on-year before special items.

Balance sheet structure

Figures in € millions	31-Mar-2014	as a percentage of total assets	**31-Mar-2015**	as a percentage of total assets
Fixed assets	1,257	63	1,252	64
Current assets [1]	738	37	701	36
Total assets	**1,995**	**100**	**1,953**	**100**
Equity	665	33	606	31
Special reserves	1	0	1	0
Provisions	396	20	386	20
Liabilities [1]	933	47	960	49
Total equity and liabilities	**1,995**	**100**	**1,953**	**100**

[1] Including deferred income / prepaid expenses

TOTAL ASSETS declined by around 2 percent or € 42 million to € 1,953 million in the reporting year. The reduction in fixed assets is largely attributable to financial assets. Current assets were down as a result of declining receivables from affiliated companies, the reduction in other assets and the decline in other securities. This was offset by the rise in cash and cash equivalents in the year under review. On the equity and liabilities side of the statement of financial position, equity and provisions for pensions and similar obligations were down; other provisions and liabilities were up following the issue of the 2015 convertible bond. Within liabilities, this was offset by the reduction in liabilities to affiliated companies. Details can be found in the section on the Company's net assets, financial position and results of operations.

In the year under review there were additions to **PROPERTY, PLANT, AND EQUIPMENT** of € 32 million, predominantly relating to leasehold improvements / operating facilities, internally manufactured demonstration machinery and leased machinery.

The carrying amounts of **FINANCIAL ASSETS** decreased by € 7 million as against the previous year (€ 925 million). The declines were due to a capital reduction at a subsidiary in the amount of € 79 million and write-downs on two subsidiaries of € 7 million in total. The reductions were offset by additions to equity investments of € 76 million. This was due to the acquisition of shares in three companies, essentially Gallus, the capital increase at two affiliated companies and the increase in a long-term loan to a domestic subsidiary.

The decline in **CURRENT ASSETS** of € 37 million to € 701 million is essentially due to the reduction in receivables from affiliated companies (€ – 81 million) and other assets (€ – 11 million) and the decline in other securities (€ – 10 million). The reduction in receivables from affiliated companies is mainly due to the receipt of payment on a receivable in the previous year from a capital reduction implemented in the 2013 / 2014 financial year. This was offset by the increase (of € 57 million) in cash and cash equivalents following the issue of the 2015 convertible bond on March 30, 2015 and the rise in trade receivables of € 10 million. Other assets were down by € 8 million in the year under review as a result of the decline in receivables from employees and the fiscal authorities in the year under review. We again reduced our capital commitment through the continuation of our net working capital program.

The € 59 million reduction in EQUITY to € 606 million can be attributed to the net loss for the year under review of € – 127 million on the one hand and, on the other, the non-cash capital increase as part of the Gallus transaction led to a rise in subscribed capital of € 59 million and in capital reserves of € 3 million. In addition, capital reserves were up by € 6 million due to the conversion option vested in the 2015 convertible bond. The equity ratio was 31 percent as of the end of the reporting period (previous year: 33 percent) and was therefore at a good level.

PROVISIONS fell by € 10 million to € 386 million. In the year under review pension obligations were reduced to € 181 million (previous year: € 220 million). This is due firstly to the reorganization of the company pension plan and secondly to the rise in the fair value of the assets offset. Other provisions climbed to € 205 million (previous year: € 176 million). The rise in other provisions was essentially the result of higher staff obligations (up € 21 million), partly due to the portfolio adjustments.

LIABILITIES including deferred income increased by € 27 million to € 960 million in the year under review. The issue of the 2015 convertible bond in the year under review increased liabilities by € 59 million. In addition, liabilities to banks were up by € 8 million following the addition of an amortizing loan in the amount of € 20 million. In addition, trade payables and other liabilities plus advance payments on orders rose by € 26 million at the reporting date. These increases are offset by a reduction in liabilities to affiliated companies of € 67 million, essentially as a result of a capital reduction at an affiliated company in the year under review.

Financing structure: Further diversification of financing sources and maturities

The three pillars of our financing portfolio – corporate bonds, the syndicated credit line and other instruments such as convertible bonds – are now well balanced.

To achieve this, we firstly prolonged the syndicated credit facility to mid-2017 early in the 2013/2014 financial year and secondly further diversified financing sources with the placement of a convertible bond (maturing in July 2017). In the year under review we significantly increased our diversification by issuing another convertible bond maturing in 2022 and also reduced our future financing costs as we repaid some of our higher-interest corporate bond with the net issue proceeds from the newly placed convertible bond in April 2015. In May 2015 we were able to reduce the existing bond again with the net issue proceeds from issuing another corporate bond (maturing in 2022) of around € 205 million and to once more diversify and prolong the maturity structure.

With this range of instruments, Heidelberg Druckmaschinen Aktiengesellschaft currently has total credit facilities of around € 750 million with balanced diversification and a balanced maturity structure until 2022.

We supplement our financing with operating leases where economically appropriate. Other off-balance-sheet financing instruments do not have any significant impact on the Company's economic position. Heidelberger Druckmaschinen Aktiengesellschaft therefore also has a stable liquidity framework. In future, we will continue to work on ensuring the diversification of sources and maturities in order to substantially reduce our dependency on individual instruments or due dates.

Events after the end of the reporting period

- On May 5, 2015 Heidelberger Druckmaschinen Aktiengesellschaft issued a high-yield, uncollateralized bond of € 205 million with a term of seven years and a coupon of 8.00 percent p.a. As a result of the full utilization of the net issue proceeds from the convertible bond issued on March 30, 2015 and this further high-yield bond, the existing high-yield bond was reduced early in the first quarter of the 2015/2016 financial year to around € 115 million. With its current financing portfolio, Heidelberg Druckmaschinen Aktiengesellschaft has credit facilities with balanced diversification and a balanced maturity structure until 2022.
- On April 13, 2015 Heidelberger Druckmaschinen Aktiengesellschaft acquired the European Printing Systems Group (PSG), Almere, the Netherlands, a group of companies with around 400 employees in Benelux and Southern Europe. Heidelberger Druckmaschinen Aktiengesellschaft has significantly expanded its service and consumables business with this acquisition of the PSG Group.
- The business activities of the production site at Amstetten, Germany, were spun off as Heidelberg Manufacturing Deutschland GmbH, Wiesloch, Germany, effective April 1, 2015.
- Robert J. Koehler, Chairman of the Supervisory Board of Heidelberger Druckmaschinen Aktiengesellschaft, died at the age of 66 on May 17, 2015. Robert J. Koehler was appointed to the Supervisory Board of Heidelberger Druckmaschinen Aktiengesellschaft in 2003. He was the Board's Chairman from 2011 until the time of his passing. Until further notice, the Supervisory Board of Heidelberger Druckmaschinen Aktiengesellschaft will be chaired by his deputy Rainer Wagner.

Employees

At the reporting date, Heidelberger Druckmaschinen Aktiengesellschaft had a total of 6,630 employees (excluding trainees) across its six production sites – 204 fewer than in the previous year. This headcount reduction was achieved as part of the portfolio adjustment. At the same time, even in a period of workforce reduction, we have largely ensured the retention of employees in key functions and other key performers through human resources policy instruments such as programs for management trainees.

Human resources activities in the year under review again focused on supporting Group-wide change processes and ensuring that they are reflected in the workforce and management structure. One of the main tasks of the Human Resources department was to support the measures for optimizing the portfolio structure.

At Heidelberger Druckmaschinen Aktiengesellschaft, variable remuneration components are linked to the achievement of financial targets in a transparent manner, with responsibilities clearly allocated. Defined financial targets are assigned various weightings in a scorecard depending on the respective function.

Our training rate has been constant for a number of years at around 5 percent. On September 1, 2014, some 100 trainees started their professional career at Heidelberger Druckmaschinen Aktiengesellschaft. In Germany, we provide training in 15 occupations and offer various dual bachelor programs in the areas of technology, media and business.

Number of employees per site

	2013/2014	**2014/2015**
Heidelberg	1,400	1,124
Wiesloch-Walldorf	3,788	3,929
Amstetten	864	821
Brandenburg	504	477
Kiel	223	224
Neuss (formerly Langenfeld)	55	55
	6,834	**6,630**
Trainees	389	332
	7,223	**6,962**

Sustainability

For Heidelberger Druckmaschinen Aktiengesellschaft, sustainability means taking ecology, economy and social responsibility into account simultaneously. Environmental targets form part of our environmental standards and our standards of conduct and – with regard to our products and our production processes alike.

Compliance with standards of conduct and environmental standards is mandatory. Our product development process is designed in such a way that safe and environmentally sound solutions are found for the entire product life cycle. Environmental protection is integrated into the organization. Suppliers and contracting parties are included in our targets at all our production sites and are asked to comply with similar standards.

With our sustainability concept, we are pursuing a comprehensive end-to-end approach: All of the stages in the process are taken into account, from product development and manufacture via utilization at the customer through to recycling or disposal. Responsibility for our products therefore begins in the development stage. We lay the foundations for sustainable products in this phase by systematically analyzing and – where possible – minimizing their environmental impact.

Risks and opportunities

Risk and opportunity management

Control system

Handling business risks and opportunities responsibly is one of the principles of good corporate governance. The Management Board ensures adequate risk and opportunity management and risk controlling throughout the Company. Clear values, principles and guidelines help the Management Board and senior executives to manage the Company. Our internal auditors examine compliance with all guidelines and accounting standards on a regular basis using random samples. The principles, processes and measures of our internal control system are designed to ensure that management decisions are implemented effectively, that business activities are profitable, that laws and internal regulations are observed, and that accounting is undertaken properly.

Manuals, guidelines and operating instructions can be accessed at all times, including via the Company's intranet. These form the basis for the internal control system of Heidelberger Druckmaschinen Aktiengesellschaft. It is the responsibility of all senior executives to establish an internal control system for their respective areas of responsibility.

The **PRINCIPLE OF DUAL CONTROL** applies to all transactions. Every declaration of intent that is binding for Heidelberger Druckmaschinen Aktiengesellschaft in Germany and abroad or that exposes the Company to a risk must be authorized by at least two individuals. Adequate **FUNCTIONAL SEPARATION** is ensured through the organizational separation of administrative, implementation, invoicing and authorization functions. Limits and responsibilities are set out in an **AUTHORIZATION TABLE** and must be observed when authorizing transactions. Within the framework of our planning, the responsible divisional managers confirm that all significant risks have been recorded in full, and that the internal control system has been complied with.

The effectiveness of the internal control system at the processing level is monitored by the internal auditors using random sampling. The effectiveness of the risk management system is also regularly monitored by the internal auditors. The Management Board informs the Supervisory

Board of risks and their development on a regular basis. Finally, the Audit Committee also deals with the effectiveness of the internal control system and the internal audit system, examines their functionality and arranges for regular reporting on audit planning and findings (including by the directly responsible executive staff in some cases).

Risk and opportunity management system

Risk and opportunity management is firmly integrated within strategic and operational planning and controlling at Heidelberger Druckmaschinen Aktiengesellschaft. The efficiency of the risk management process is controlled regularly by our Internal Audit team. Our risk early identification system satisfies the legal requirements of the German Corporate Sector Supervision and Transparency Act (KonTraG).

Our cross-sector committee is required to periodically analyze risks and opportunities from all angles. This applies in particular to non-quantifiable risks. Our Risk Committee consists of selected senior executives from various areas; they design the risk catalog with the approximately 30 most important risks and, among other things, they determine the materiality thresholds and the ranking of the risks. They are also working constantly to improve the risk management process.

Risks are quantified in accordance with the key parameters "probability of occurrence", "extent of loss upon occurrence" and "expected risk development during the planning period." Our guidelines and organizational directives stipulate a strictly formal process by means of which we systematically identify individual risks and the overall risk to which the Company is exposed, as well as detecting, assessing and quantifying opportunities. All operating units and divisions are integral components of this process. Information on risks is collected locally. The risk-relevant areas of observation as well as the risk survey methodology are set out in the guidelines. The classification into risk categories is based on the potential impact on the net result after taxes and the free cash flow of the individual units. Reporting thresholds are set on a uniform basis. All significant areas, such as Production, Procurement, Development, Human Resources, IT, Legal and Finance, receive a risk form that they are required to complete and return. Risk Controlling summarizes the risks reported three times a year at Group level to form a risk catalog and assigns these risks to risk categories. The reports are circulated to the entire Management Board as well as to the Audit Committee of the Supervisory Board.

The central Corporate Treasury unit manages the Company's financing activities and secures its liquidity. Liquidity risks are systematically minimized throughout the Company. We identify the potential funding requirements of the Company and the resulting potential liquidity risks at an early stage with the help of our monthly rolling liquidity planning system. Corporate Treasury identifies risks arising from changes in interest rates or exchange rates, on the basis of which it introduces appropriate measures and strategies in order to counteract these risks. These measures also cover derivatives, specifically currency forwards, currency options and interest rate swaps. Details of these instruments and the impact of hedging transactions can be found in note 27 of the notes to the non-consolidated financial statements. The functional and physical separation of trading, processing and risk controlling in the Corporate Treasury department is ensured. Furthermore, this department is regularly monitored by our internal auditors.

Accounting-related internal control and risk management system

Accidental or deliberate accounting errors could theoretically result in a view of the net assets, financial position and results of operations that does not correspond to reality. We systematically implement measures to counteract this risk, as well as the further risks that could result from it. The control system that we have established for this purpose is based on the framework for internal control systems of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). We make every effort to prevent errors in the annual financial statements and the management report of Heidelberger Druckmaschinen Aktiengesellschaft by means of systematic controls and established processes which, among other things, involve reviews that are conducted on a test basis.

The annual financial statements and the management report of Heidelberger Druckmaschinen Aktiengesellschaft are prepared by the central FR department (Financial Steering & Reporting). This department also regularly monitors whether the books and records are being correctly maintained, thereby ensuring that the financial information complies with regulatory requirements.

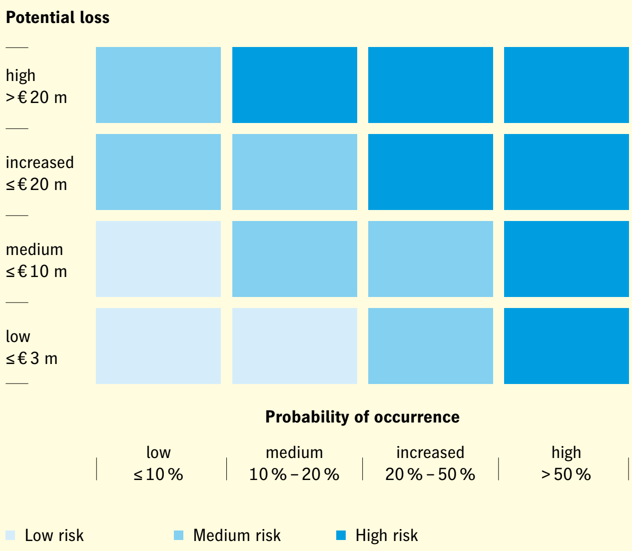
The Internal Audit team, which has access to all data, also examines the individual areas of the Company on a test basis. In doing so, it examines, among other things, whether the internal control system has been implemented in this regard or whether transactions have been controlled, and whether the principle of dual control is adhered to in all areas. The latter is mandatory, for example, for every order that is placed, every invoice that is issued, and every investment decision that is made. Compliance with all other internal guidelines and directives that have an impact on accounting operations is also monitored.

Risks are also reduced by means of a number of automated controls. Authorization models have been implemented within the uniform Company-wide IT system. If a unit is examined by Internal Audit, these authorization models and their implementation are also reviewed. Automated controls and plausibility checks ensure the completeness and accuracy of data inputs, and in some cases data is validated on a fully automated basis and discrepancies are brought to light. Collectively, these procedures ensure that reporting on the business activities of the Company is consistent and compliant with the approved accounting guidelines. The effectiveness of the internal accounting control system is regularly monitored by our Internal Audit team.

Risk and opportunity report

Risks with a probability of more than 50 percent are integrated into our planning process and are therefore not discussed in the risk report. Based on probability of occurrence and possible loss, risks are categorized as low, medium or high. Our risks and opportunities are recognized and evaluated in the context of the key financial performance indicators of the Heidelberg Group. As our management focuses on financial performance indicators, we also monitor and evaluate early warning indicators that suggest a rise in non-quantifiable risk.

Risk matrix



General statement by the Management Board on risks and opportunities

In order to determine our overall risk, we bundle individual risks with similar content. Risks are not offset against opportunities.

No **RISKS** to Heidelberger Druckmaschinen Aktiengesellschaft **AS A GOING CONCERN** are discernible at Heidelberger Druckmaschinen Aktiengesellschaft for the foreseeable future. This applies both to business activities already implemented and to operations that we are planning or have already introduced.

We consider our **STRATEGIC RISK** to be low. It is assumed that the share of the printing volume produced using the sheetfed offset process will remain stable. As the barriers to market entry are enormously high in sheetfed offset printing, no significant competition from new providers is anticipated. The precise transportation of sheets at high speed is one of the Heidelberger Druckmaschinen Aktiengesellschaft's core competences, which makes us an ideal partner for providers of new technologies – particularly because we also have a strong sales and service network worldwide. Before investing in possible new ventures, we weigh up the risks and opportunities on the basis of various scenarios. Partnerships allow us to combine the innovative strength of our partners with our own in order to respond more quickly to current market conditions.

The Management Board and the Supervisory Board deal with risks that could arise from organization, management or planned changes. For further information, please see our detailed corporate governance declaration on the Internet.

There are risks of not achieving our earnings targets if, for example, our sales in the Heidelberg Equipment segment in particular are weaker than forecast owing to general economic conditions.

OPPORTUNITIES for the Company result in particular from the strategic measures aimed at sustainable profitable growth. The strategic reorientation, the optimization of the portfolio with a view to profitable business areas and growth fields, and the further streamlining of company structures were mostly completed in the year under review. Ensuring financial stability and liquidity by prolonging maturity structures, improving financing costs and the optimization of the company pension plan will also open up future opportunities for active portfolio management and growth. More positive economic development than is currently forecast could also lead to growth in the investment volume on the part of our customers.

Operational risks from the economy, market, industry and competition; economic and market risks

In the business planning for our Heidelberg Equipment and Heidelberg Services segments, we are assuming moderate growth in the global economy. If the global economy were to grow less than expected, or if key markets were to suffer an unexpected economic downturn, there would be a risk that we might not be able to achieve the planned sales performance, particularly in our Heidelberg Equipment segment.

We are paying special attention to our most important individual markets of Germany and China. Economic growth in China has slowed and the recent downturn in exports suggests a further decline in economic growth. Nonetheless, incoming orders in China have been stable at a reduced level over the last six quarters.

The political and economic problems in Ukraine and Russia could negatively impact our business in Eastern Europe.

The Heidelberg Services segment is considerably less cyclical as it depends on the installed base and the volume for printed products to a greater extent than new machinery business. The most recent acquisitions (BluePrint Products, Printing Systems Group) and the associated boost to service business will help Heidelberger Druckmaschinen Aktiengesellschaft to be less prone to economic fluctuations.

Industry and competition risks

In the year under review, manufacturers continued to reduce capacities to a significant extent. We have also reduced capacity, particularly in the Heidelberg Equipment segment, with our reorganization.

In our core business, sheetfed offset printing, our activities have been dedicated in particular to reducing manufacturing costs in order to improve profitability, but also to reducing set-up times and increasing the energy efficiency of machinery so as to offer print shops quantifiable cost and competitive advantages. As part of our strategic reorientation, we view digital business as an important growth market for Heidelberger Druckmaschinen Aktiengesellschaft. We are therefore investing in new business applications and cooperating with innovative partners who are the leaders in their respective segment. Furthermore, we view ourselves not only as a supplier of equipment and machinery, but also above all as a partner providing a comprehensive range of services to our customers, as print shops are increasingly looking for consulting and comprehensive services. The products and solutions we offer are geared towards the trends that determine the ongoing development of the print media industry around the world.

In our research and development activities, we always work in close cooperation with partners such as customers, suppliers, other companies and universities. This enables us to meet the requirements of our customers and markets in a targeted and comprehensive way. Partnerships also allow us to combine the innovative strength of our partners with our own in order to respond more quickly to current market conditions and reduce our product risks. Before investing in possible new ventures, we weigh up the risks and opportunities on the basis of various scenarios. We then protect the results of our research and development work with our own property rights, thereby reducing risks in relation to research and development.

With regard to printing service providers, we continue to anticipate a changed and dynamic market environment. In the industrialized nations, we expect further consolidation with a decreasing number of printing companies and growing size of the companies. On the emerging markets – particularly in the Asia/Pacific region – we anticipate further growth in the printing volume, whereas in the industrialized nations we generally see a growing need for individualized and elaborately processed printed products.

The development of key foreign currencies such as the US dollar and the Japanese yen in relation to the euro can also have a major impact on our competition and thus directly on our sales volumes. A continued weak yen could lead to a considerable intensification of competition with our Japanese counterparts. By contrast, the appreciation of the US dollar strengthens the competitiveness of German companies. Following the decoupling of the Swiss franc from the minimum euro exchange rate, currency-related risks in particular could also arise for our business operations in Switzerland. We are seeking to reduce the influence of exchange rate developments by expanding our procurement and production outside the euro zone.

The risk that prices in the industry could come under pressure from increased competition, thereby threatening our sales targets, has decreased considerably in our view. Nonetheless, there is a risk that price increases on the market, particularly for new machinery, may be possible only to a limited extent.

Overall, we consider our operational risks from the economy, market, industry and competition to be medium.

Risks from global sales partnerships

As we are continuing to focus on global strategic partnerships, the termination of a SALES PARTNERSHIP in the various areas could entail risks for our business development. We can reduce our risks from global sales partnerships with our recent acquisition of the Printing Systems Group, previously a major sales partner. We consider this risk to be medium.

Financial risks

The Company is exposed to financial risks in the form of liquidity risks, risks from interest rate and exchange rate fluctuations, and the risk of default in relation to sales financing.

Liquidity risks arise from a potential lack of funds to service debt in terms of maturity and volume. Heidelberger Druckmaschinen Aktiengesellschaft recently further optimized its financing structure in terms of sources and maturities. In the year under review, we successfully issued a convertible bond maturing in 2022 at the end of March 2015 and thus further increased diversification while also reducing financing costs, as we used the net issue proceeds to repay part of the high-yield bond, which bears interest at a higher rate. In addition, in May 2015 we issued another bond maturing in 2022 and reduced the existing bond further, thereby diversifying and prolonging the maturity structure once more. Overall, the Company has total credit facilities with balanced diversification and a balanced maturity structure until 2022. Our asset and net working capital management led to a further reduction in net debt in the year under review (net total of financial liabilities less cash and cash equivalents and short-term securities). The details of the financing structure are described in the section relating to the Company's financial position on page 10. Note 23 of the notes to the non-consolidated financial statements also explains that financing is linked to standard financial covenants that we have committed to comply with over the term of the financing. If our results of operations and financial position were to deteriorate to such a degree that compliance with these financial covenants cannot be guaranteed and we were unable to modify them, this would have an adverse financial impact on the Company. There are currently no indications of such a development.

Interest rate, currency and exchange rate risks and opportunities

Interest rate risks arise from potential changes in market interest rates and affect floating rate liabilities. Fluctuations in interest rates may have either a positive or a negative impact on earnings. We no longer consider there to be any material interest rate risk.

A further reduction of the interest rates used for discounting pension obligations would increase interest expenses and thus lead indirectly to a decline in equity. We partly compensated for the resulting negative effects in the year under review through a reorganization of the company pension plan, which was changed from a previously defined benefit plan to a defined commitment plan. On the other hand, a rise in the interest rates used to discount pension obligations would indirectly have a correspondingly positive effect on equity.

Exchange rate fluctuations can also significantly impact our equity in either direction.

Owing to our global operating activities, we are exposed to potential risks from exchange rate developments. We have hedged against the risk of fluctuations in the exchange rates of our principal foreign currencies for foreign currency volumes. Nonetheless, there are still exchange rate risks that we constantly analyze and evaluate.

We consider our interest rate, currency and exchange rate risks and opportunities as low to medium.

Sales financing risks

In SALES FINANCING, there are still risks of default due to industry, customer, residual value and country risks. The majority of our portfolio consists of receivables from customers located in emerging countries, particularly Brazil. We further reduced the volume of our Brazil portfolio in the year under review. As a result of the persistently weak economy in Brazil, we still have a relatively high share of overdue contracts. However, we have further reduced these by means of intensive receivables management. The risks arising from counter-liabilities that we have assumed again decreased year-on-year. Overall, losses on sales financing were below the long-term average. Our proven strategy of many years of externalizing financing arrangements helps us to reduce our sales financing risks.

We currently rate our sales financing risks as medium.

Legal and compliance risks

As part of its general business operations, Heidelberger Druckmaschinen Aktiengesellschaft is involved in judicial and extra-judicial LEGAL DISPUTES whose outcome cannot be predicted with certainty. Legal disputes may arise, for example, in connection with product liability cases and warranties. Provisions are recognized accordingly for risks resulting from legal disputes, provided utilization is likely and the probable amount of the provision required can be reliably estimated. There are other legal disputes in connection with divestments and rental and consultancy agreements. Provisions have been recognized in an appropriate amount for these cases, too. Further risks – with a probability of less than 50 percent – are discussed appropriately in the risk report and are monitored closely. We reduce LEGAL RISKS from individual agreements by utilizing standardized master agreements wherever possible. We protect our interests in the area of patents and licenses in a targeted manner. Additional risks are limited by systematically controlling adherence to our comprehensive guidelines in all areas. We currently consider our legal and compliance risks to be medium.

Supplier risks

Risk management is a fixed component of our supplier management. We work closely with our systems suppliers on a contractual basis and reduce risks relating to supplier defaults and late deliveries of components or low-quality components. We work continuously on our supply methods, design efficient procurement processes with our key suppliers and hence ensure the reliable supply of parts and components of the highest quality. A flexible material supply at the optimal inventory level is essential, particularly with a view to fluctuations in demand. In order to keep our capital commitment as low as possible, we continuously optimize inventories along the entire value chain. We have continued our purchasing activities in foreign currencies during the year under review in order to reduce risks associated with exchange rate fluctuations. As we generate just under two-thirds of our sales outside the euro zone, we are continuing to expand our global procurement, thereby making the Company less dependent on exchange rate effects. In the Heidelberg Services segment, we generally pursue a dual vendor strategy with regard to consumables, as this allows us to prevent unilateral dependencies. We deviate from this strategy only where mutual exclusivity is assured, and then, under appropriate market and competitive conditions, we also assume the sale of our partners' entire product range. At present, we consider our supplier risks to be low.

Production risks

Although Heidelberger Druckmaschinen Aktiengesellschaft has implemented very high technical standards and safety standards, the risk of a business interruption at the production sites cannot be entirely ruled out. Such interruptions can result from external factors that are beyond the Company's control, such as natural disasters. A failure or interruption of manufacturing facilities could have a significant negative impact on the Company. Specific risks in this context are covered by insurance policies with typical insured sums. We consider this risk to be low.

IT risks

Heidelberger Druckmaschinen Aktiengesellschaft relies on a wide range of IT systems. A serious system or application failure could have a direct impact on production or, for example, on the processing of the supply chain, resulting in corresponding business interruptions. However, we do not presently anticipate any serious risk of failure in our IT systems. The probability of losses resulting from attacks on these systems has been reduced through extensive preventative measures. We made the necessary investments in our IT infrastructure in the year under review, thereby increasing overall system security. At present, we consider our IT risks to be low.

Opportunities from strategic measures and economic development

Opportunities for the Company result in particular from its STRATEGIC MEASURES. This relates in particular to the transformation of Heidelberger Druckmaschinen Aktiengesellschaft into a profit and market-oriented company. We have resolved to focus on four action areas with different strategic conditions and management approaches. In the year under review, this already included the reorganization of non-profitable business areas and further structural adjustments in the core business of sheetfed offset. Within the four areas of activity, one notable development is the strong growth in future-oriented digital business. We are continuing to invest in this area – with a considerable portion of our R&D spending – and will strengthen it further in the context of our partnerships. In addition, the share of sales in our Services segment, which is less cyclical, is expected to rise. We anticipate growth potential in this higher-margin area from our global service and logistics network and from the integration of independent providers into this network and increased value added for customers. We can strengthen our position in the area of consumables with the acquisition of the European PSG Group and the Belgian BluePrint Products in the printing chemicals segment. The complexity management that has already been initiated will be continued in the four areas of activity, leading to a further reduction in complexity, and hence costs, while maintaining the same service and quality level.

Above and beyond this, a major opportunity for the Company lies in the possibility of MORE POSITIVE ECONOMIC PERFORMANCE than is currently forecast. The economic upturn in the industrialized nations could lead to a rise in the investment volume. In countries in which this consolidation has largely already occurred, such as the United States, there are already minor indications of an incipient recovery and confidence. In the emerging economies, too, there is a possibility that economic growth will be higher than anticipated. In China, for example, reform efforts by the government could improve the country's economic stability and lay the foundations for a further growth phase. A shift in exchange rates in our favor would also have a positive effect on our sales and earnings development. There are opportunities – as well as risks – that social and political changes, government intervention, customs regulations and changes in legislation could influence our business development in several countries.

Future prospects

Global economic growth is generally forecast to be at roughly the same level in 2015 as in 2014. However, the economy will remain prone to risks and disruptions. The advanced economies are expected to see higher growth rates than in the last two years, though economic expansion in the emerging nations will barely gain any momentum as lower raw materials prices and structural problems are preventing a rapid return to high expansion rates.

There is uncertainty regarding the start of interest rate hikes in the United States, which could further influence exchange rates, and in terms of the implications of the decline in the price of oil. Geopolitical crises such as the Russia-Ukraine conflict or the unstable situation in the Middle East will continue to sway the trajectory of the global economy. The escalation of the current situation or new crises of global significance could result in substantially weaker expansion by the global economy.

According to “Global Insight”, despite recently disappointing economic data, a growth rate of 2.8 percent is forecast for the US. A similar improvement in momentum is expected for Japan, though it is only set for moderate growth of 0.9 percent. The economy is increasingly gathering pace in the euro area, hence growth in gross domestic product of 1.6 percent can be assumed for 2015. While the emerging nations are benefiting from stronger demand in the developed economies, economic growth in 2015 is expected to slow to 6.5 percent in China and by 1 percent in Brazil.

The development of global printing volumes is assumed to be stable and is expected to increase moving ahead as well thanks to the growth in the emerging nations, although media consumption and the structure in the printing industry will continue to change in the industrialized nations. However, the investment behavior of the majority of our customers are also influenced by country-specific and general economic developments. The effects on the Heidelberg Equipment segment are generally considerably more pronounced and more direct than on the Heidelberg Services segment, which is less cyclical in nature. Owing to the economic risks and the ongoing consolidation of print shops in some industrialized nations, we are not anticipating an increase in the market volume for new sheetfed offset presses in the coming years and have adjusted our structures accordingly. At the same time, we have geared our portfolio towards profitability and further expanded the growth areas of services and digital in the past financial year.

In light of this, we expect sales in the 2015/2016 financial year to repeat the level seen in the year under review. As in the previous year, the share of sales is again expected to be higher in the second half of the financial year than in the first half.

Assuming that the initiatives to increase margins and optimize the portfolio take effect as planned in the current financial year, we intend to further increase our like-for-like profitability and are aiming for a moderate improvement in EBITDA.

We will propose a dividend to the Annual General Meeting only when we have achieved our medium-term objectives in terms of profitability and the capital structure and if this seems appropriate in light of the outlook for the Company.

Important note

These annual financial statements contain forward-looking statements based on assumptions and estimates by the management of Heidelberger Druckmaschinen Aktiengesellschaft. Even though the management is of the opinion that these assumptions and estimates are accurate, actual future developments and results may deviate substantially from these forward-looking statements due to various factors, such as changes in the overall economic situation, exchange rates and interest rates, as well as changes within the print media industry. Heidelberger Druckmaschinen Aktiengesellschaft provides no guarantee and assumes no liability for future developments and results deviating from the assumptions and estimates made in these annual financial statements. Heidelberger Druckmaschinen Aktiengesellschaft neither intends nor assumes any obligation to update the assumptions and estimates made in these annual financial statements to reflect events or developments occurring after the publication of these annual financial statements.

Legal disclosures

Remuneration report – Management Board and Supervisory Board

The Supervisory Board discussed the appropriateness of Management Board remuneration and the structure of the remuneration system during the year under review. This was done in connection with the agreement and review of target agreements with Management Board members, among other things. With the introduction of the new remuneration system in financial year 2012/2013, the procedure and the parameters for measuring the variable remuneration components were defined and, in respect of the long-term variable remuneration components, adjusted to reflect the requirements of the loan agreement and its financial covenants. This practice continued in the year under review.

The overall structure and amount of remuneration of the Management Board are determined at the recommendation of the Human Resources Committee of the Supervisory Board of Heidelberger Druckmaschinen Aktiengesellschaft and reviewed at regular intervals. In each case, Management Board remuneration amounts to a maximum of 280 percent of fixed annual basic remuneration, divided into 100 percent for fixed annual basic remuneration and a maximum of 180 percent for the variable remuneration components, i.e. a maximum of 90 percent each for the variable single-year remuneration and variable multi-year remuneration.

The remuneration of the Management Board consists firstly of a fixed annual salary paid in equal installments at the end of each month, variable single-year remuneration and multi-year remuneration, which is calculated on the achievement of certain three-year targets using defined parameters, and secondly of benefits in kind and a Company pension scheme (in addition to share-based pension benefits).

The variable single-year remuneration is dependent on the Group's success in the respective financial year, the benchmarks for which have been defined as EBIT and free cash flow. In addition, each member of the Management Board receives a personal, performance-based bonus that is determined by the Supervisory Board at the recommendation of the Human Resources Committee, taking into account their particular duties and responsibilities in addition to any individual targets agreed. If targets are achieved in full, the personal bonus can amount to up to 30 percent of the basic annual salary; the Company bonus can also account for up to 30 percent or 60 percent if targets are exceeded. With respect to their personal annual bonuses for the year under review, the Supervisory Board and the Management Board again agreed to give priority to the annual financial targets, at least until the restructuring has been fully completed. Until further notice – starting with financial year 2012/2013 – the 30 percent of the personal bonus will be added on to the Company bonus subordinate to the financial targets on which it is based.

The Supervisory Board determines the targets for the multi-year variable remuneration for the forthcoming financial years based on the respective business situation. Targets are therefore set each financial year for the coming financial year, and for a new three-year period for the multi-year variable remuneration. The achievement of goals is also checked and ascertained each year. However, the multi-year variable remuneration for the achievement of goals will be paid only after the end of the respective three-year period. Multi-year variable remuneration can amount to 90 percent of the basic annual salary if goals are met in full.

Following the corresponding measurement of target attainment for financial years 2012/2013 and 2013/2014, the temporary solution agreed in financial year 2012/2013 with an exceptional assessment period of two financial years led to the payment of a long-term bonus for the first time in the year under review.

Finally, it was determined that a minimum threshold of 25 percent will be set for target attainment so that the achievement of a target is assessed within a corridor of 25 percent to 100 percent.
This meant that the previous structure of Management Board remuneration was unchanged in the year under review.

The members of the Management Board have undertaken to each invest 10 percent of both the variable single-year and multi-year remuneration (before deduction of personal taxes) in shares of the Company that they may dispose of only after a holding period of 24 months. As such, the single-year variable remuneration and the multi-year variable remuneration alike provide an additional long-term performance incentive, increasingly gearing the remuneration structure towards sustainable business development. The corresponding shares of the single-year variable remuneration paid for financial year 2013/2014 and the multi-year variable remuneration for financial years 2012/2013 and 2013/2014 (temporary solution) were invested in shares of the Company by Dr. Gerold Linzbach, Dirk Kaliebe and Stephan Plenz immediately following the Annual General Meeting. In accordance with section 15a of the German Securities Trading Act, this investment was reported to the German Federal Financial Supervisory Authority by all three Management Board members and published on the Company's Web site on July 28, 2014.

Remuneration in kind primarily consists of the value of the use of a company car, deductible in accordance with tax provisions, as well as the value for tax purposes of expenditure for other means of transportation (rail) and the assumption of accommodation costs.

With effect from April 1, 2014, the Supervisory Board of the Company appointed HARALD WEIMER as an ordinary member of the Management Board for a period of three years.

Remuneration of the individual members of the Management Board (German Commercial Code)

Figures in € thousands		**Non-performance-related components**		**Performance-related component**		**Components with a long-term incentive effect**	**Total remuneration [1]**
		Basic salary	Remuneration in kind	Single-year variable remuneration	Bonus waived	Multi-year variable remuneration	
Dr. Gerold Linzbach	**2014/2015**	550	8	495	–	495	1,548
	2013/2014	550	8	495	–20	495	1,528
Dirk Kaliebe	**2014/2015**	390	15	351	–	351	1,107
	2013/2014	370	15	333	–20	333	1,031
Stephan Plenz	**2014/2015**	390	12	351	–	351	1,104
	2013/2014	370	11	333	–20	333	1,027
Harald Weimer [2]	**2014/2015**	325	24	293	–	97	739
	2013/2014	–	–	–	–	–	–

[1] Marcel Kiessling's term as a member of the Management Board ended on March 31, 2014. His contract of employment with Heidelberger Druckmaschinen Aktiengesellschaft ended on December 31, 2014. Remuneration (excluding in connection with his resignation) in financial year 2013/2014 totaled € 1,048 thousand and broke down as follows: € 370 thousand; additional benefits: € 12 thousand; single-year variable remuneration: € 333 thousand; multi-year variable remuneration: € 333 thousand

[2] Member of the Management Board since April 1, 2014

Remuneration and benefits paid to individual members of the Management Board [1] [2]

Figures in € thousands	Dr. Gerold Linzbach Chief Executive Officer				Dirk Kaliebe Chief Financial Officer and Financial Services			
	2014/2015	2013/2014	2014/2015 (Min)	2014/2015 (Max)	**2014/2015**	2013/2014	2014/2015 (Min)	2014/2015 (Max)
Fixed remuneration	550	550	550	550	390	370	390	390
Additional benefits	8	8	8	8	15	15	15	15
Total	558	558	558	558	405	385	405	405
Single-year variable remuneration	495	495	138	495	351	333	98	351
Bonus waived	–	– 20	–	–	–	– 20	–	–
Multi-year variable remuneration	495	495	124	495	351	345	88	351
Tranche 2013/2014 [3]	–	495	–	–	–	345	–	–
Tranche 2014/2015 [3]	495	–	124	495	351	–	88	351
Total fixed and variable remuneration components	1,548	1,528	820	1,548	1,107	1,043	591	1,107
Cost of benefits	659	606	659	659	137	130	137	137
Total remuneration	2,207	2,134	1,479	2,207	1,244	1,173	728	1,244

Figures in € thousands	Stephan Plenz Member of the Board Equipment				Harald Weimer Member of the Board Services (since 1-Apr-2014)			
	2014/2015	2013/2014	2014/2015 (Min)	2014/2015 (Max)	**2014/2015**	2013/2014	2014/2015 (Min)	2014/2015 (Max)
Fixed remuneration	390	370	390	390	325	–	325	325
Additional benefits	12	11	12	12	24	–	24	24
Total	402	381	402	402	349	–	349	349
Single-year variable remuneration	351	333	98	351	293	–	81	293
Bonus waived	–	– 20	–	–	–	–	–	–
Multi-year variable remuneration	351	345	88	351	332	–	83	332
Tranche 2013/2014 [3]	–	345	–	–	–	–	–	–
Tranche 2014/2015 [3]	351	–	88	351	332	–	83	332
Total fixed and variable remuneration components	1,104	1,039	588	1,104	974	–	513	974
Cost of benefits	137	130	137	137	114	–	114	114
Total remuneration	1,241	1,169	725	1,241	1,088	–	627	1,088

[1] In accordance with section 4.2.5 (3) of the German Corporate Governance Code in the version published on September 30, 2014
[2] Marcel Kiessling's term as a member of the Management Board ended on March 31, 2014. The remuneration and benefits paid to him (excluding in connection with his resignation) in financial year 2013/2014 totaled € 1,281 thousand and were broken down as follows: Fixed remuneration: € 370 thousand; additional benefits: € 12 thousand; single-year variable remuneration: € 333 thousand; multi-year variable remuneration: € 333 thousand; cost of benefits: € 233 thousand
[3] Term: 3 years

Inflow [1]

Figures in € thousands	Dr. Gerold Linzbach Chief Executive Officer		Dirk Kaliebe Chief Financial Officer and Financial Services		Stephan Plenz Member of the Board Equipment		Harald Weimer Member of the Board Services (since 1-Apr-2014)	
	2014/2015	2013/2014	**2014/2015**	2013/2014	**2014/2015**	2013/2014	**2014/2015**	2013/2014
Fixed remuneration	550	550	390	370	390	370	325	–
Additional benefits	8	8	15	15	12	11	24	–
Total	558	558	405	385	402	381	349	–
Single-year variable remuneration	495	495	351	333	351	333	293	–
Bonus waived	–	–20	–	–20	–	–20	–	–
Multi-year variable remuneration	426	261	333	216	333	216	–	–
Tranche 2012/2013 [2]	–	261	–	216	–	216	–	–
Tranche 2012/2013 [3]	426	–	333	–	333	–	–	–
Total fixed and variable remuneration components	1,479	1,294	1,089	914	1,086	910	642	–
Cost of benefits [4]	659	606	137	130	137	130	114	–
Total remuneration	2,138	1,900	1,226	1,044	1,223	1,040	756	–
of which: agreed personal investment	92	74	68	53	68	53	29	–

[1] Marcel Kiessling's term as a member of the Management Board ended on March 31, 2014. The inflow for financial year 2013/2014 is broken down as follows: Fixed remuneration: € 370 thousand; additional benefits: € 12 thousand; single-year variable remuneration: € 333 thousand; multi-year variable remuneration: € 216 thousand; cost of benefits: € 233 thousand. He was owed his basic salary of € 292 thousand as of December 31, 2014. In exchange for the early termination of his contract of employment and as settlement for the remuneration lost, he received a one-time compensation payment of € 1,209 thousand, outplacement consulting costs of € 48 thousand (including VAT), and non-cash remuneration of € 2 thousand

[2] 2-year temporary tranche

[3] 3-year tranche

[4] Not yet accrued in the financial year

POST-EMPLOYMENT BENEFITS for members of the Management Board are as follows:

DR. GEROLD LINZBACH has been appointed as an ordinary member of the Management Board, the Chief Executive Officer and Personnel Director for the duration of five years. His pension agreement provides for a defined contribution plan that is essentially consistent with the defined contribution plan for executive staff. On July 1 of each year, the Company pays a corresponding contribution based on the relevant basic salary retroactively for the previous financial year into an investment fund. In deviation from the 35 percent usually set for members of the Management Board, the fixed pension contribution for Dr. Gerold Linzbach is only 22 percent of his respective basic salary. In return for this reduced pension contribution, at the start of his employment he was granted a performance-based pension commitment to be paid in cash at the end of his contractual term in office on August 31, 2017; this will be paid pro rata temporis in the event of his early departure.

DIRK KALIEBE, STEPHAN PLENZ and HARALD WEIMER have each been appointed as ordinary members of the Management Board for periods of three years. The pension agreements for Dirk Kaliebe, Stephan Plenz and Harald Weimer each provide for a defined contribution plan that is essentially consistent with the defined contribution plan for executive staff. On July 1 of each year, the Company pays a corresponding contribution based on the relevant basic salary retroactively for the previous financial year into an investment fund. The annual contribution is 35 percent of the corresponding basic salary.

The pension agreements for all members of the Management Board stipulate that the amount paid can rise depending on the result of operations of the Company. The exact amount of the pension also depends on the investment success of the fund. The pension can be paid as an early pension from the age of 60. In the event of a member of the Management Board leaving the Company, the pension will be paid from the age of 65 or 60 respectively, principally as a non-recurring payment of pension capital.

In addition, the agreements also provide for disability and surviving dependents' benefits (60 percent of the disability payment or the pension) contingent on the amount of the last basic remuneration. In the event of a disability pension, in deviation from the defined contribution plan for executive staff, the percentage is based on the length of service with the Company, with a maximum pension percentage of 60 percent due to the attributable time – with the exception of Dr. Gerold Linzbach – having already been reached for Dirk Kaliebe, Stephan Plenz and Harald Weimer. If the contract of employment expires prior to the start of benefit payments, the claim to the established pension capital at that point in time remains valid. The other pension benefits (disability and surviving dependents' benefits) earned in accordance with section 2 of the German Company Pension Act (BetrAVG) remain valid on a pro rata temporis basis. Moreover, the statutory vesting periods have been met for Dirk Kaliebe, Stephan Plenz and Harald Weimer.

MARCEL KIESSLING was an ordinary member of the Management Board until March 31, 2014; his contract of employment with Heidelberger Druckmaschinen Aktiengesellschaft ended on December 31, 2014. The pension agreement for Marcel Kiessling provides for a defined contribution plan that is essentially consistent with the defined contribution plan for executive staff. On July 1 of each year, the Company pays a corresponding contribution based on the relevant basic salary retroactively for the previous financial year into an investment fund. In financial year 2012/2013, the annual contribution was set at 35 percent of the corresponding basic salary. The termination agreement stipulates that the Company will still pay the pension contribution in the amount of 35 percent of the eligible remuneration on the due dates of July 1, 2014 and, following the termination of the contract of employment, July 1, 2015 providing that benefits are not yet being paid in accordance with the terms of the pension plan at the respective date. Above and beyond this, the statutory vesting requirements for the pension benefits based on the pension contributions have been satisfied.

In terms of EARLY TERMINATION BENEFITS, all service agreements provide for the following uniform regulations in the event of the effective revocation of a Management Board member's appointment or a justifiable resignation by a member of the Management Board: The service agreement ends after the statutory notice period in accordance with section 622 (1), (2) of the German Civil Code (BGB). In event of the effective revocation of a Management Board member's appointment, the member receives compensation at the time of termination of the service agreement in the amount of his or her previous total remuneration as per the service agreement for two years, but

Pension benefits of the individual members of the Management Board [1] [2]

Figures in € thousands		Accrued pension funds as of the reporting date	Pension contribution for the reporting year [3]	Defined benefit obligation	Service cost
Dr. Gerold Linzbach	**2014/2015**	1,551	655	1,575	659
	2013/2014	891	602	931	606
Dirk Kaliebe	**2014/2015**	1,086	137	1,250	137
	2013/2014	921	130	1,185	130
Stephan Plenz	**2014/2015**	1,006	137	1,168	137
	2013/2014	843	130	1,105	130
Harald Weimer [4]	**2014/2015**	195	114	294	114
	2013/2014	–	–	–	–

[1] Marcel Kiessling's term as a member of the Management Board ended on March 31, 2014. His contract of employment with Heidelberger Druckmaschinen Aktiengesellschaft ended on December 31, 2014. The pension contribution for the full financial year 2014/2015 will be credited to him on July 1, 2015. The resulting additional expense in the amount of € 103 thousand is included in the service cost of € 233 thousand for financial year 2013/2014

[2] The pension entitlement achievable up until the age of 65 (Dirk Kaliebe; Stephan Plenz; Harald Weimer) or until the end of the term of office (Dr. Gerold Linzbach) depends on personal salary development, the respective EBIT and the return generated, and hence cannot be determined precisely in advance. If the pension option is utilized and the current assumptions continue to apply, the retirement pension resulting from the accrued pension capital is expected to be as follows: Dr. Gerold Linzbach: approx. 5 percent (not including the performance-based pension commitment), Dirk Kaliebe: approx. 36 percent, Stephan Plenz: approx. 34 percent and Harald Weimer: approx. 23 percent of the respective last fixed salary

[3] For Dr. Gerold Linzbach, Dirk Kaliebe, Stephan Plenz and Harald Weimer, the pension contribution for the reporting year is calculated on the basis of the pensionable income on March 31, without taking into account the not yet determined earnings-related contribution

[4] Member of the Management Board since April 1, 2014

not exceeding the amount of the remuneration for the originally agreed remainder of the service agreement. This does not affect the right to extraordinary termination for cause in accordance with section 626 BGB. The compensation is paid in quarterly installments in line with the originally agreed residual term, but in not more than eight quarterly installments. Other payments received by a then former member of the Management Board, which this former member has agreed to disclose to the Company, must be offset in accordance with sections 326 (2) sentence 2 and 615 (2) BGB mutatis mutandis during the originally agreed residual term. If a member of the Management Board becomes unable to work due to disability, the benefits stipulated in the respective pension agreement will be paid.

The remuneration of the members of the **SUPERVISORY BOARD** is governed by the Articles of Association and approved by the Annual General Meeting.

Each member of the Supervisory Board receives fixed remuneration of € 40,000.00. The Chairman of the Supervisory Board receives three times this amount, the Deputy Chairman twice this amount. The members of the Management Committee, the Audit Committee and the Committee on Arranging Personnel Matters of the Management Board receive additional remuneration for work on these committees. Each committee member receives remuneration of € 1,500.00 per meeting for participation in a meeting of these committees. The Chairman of the Audit Committee receives remuneration of € 4,500.00 per meeting; the

Remuneration of the Supervisory Board (excluding VAT)

Figures in €	2013/2014				2014/2015			
	Fixed annual remuneration	Attendance fees	Committee remuneration	Total	Fixed annual remuneration	Attendance fees	Committee remuneration	Total
Robert J. Koehler [1]	120,000	4,500	5,000	129,500	120,000	5,000	5,000	130,000
Rainer Wagner [2]	80,000	6,500	10,500	97,000	80,000	6,000	10,500	96,500
Ralph Arns [3]	0	0	0	0	30,000	1,500	0	31,500
Edwin Eichler	40,000	2,500	0	42,500	40,000	2,500	0	42,500
Wolfgang Flörchinger [4]	13,333	1,000	0	14,333	0	0	0	0
Martin Gauß [4]	13,333	1,000	0	14,333	0	0	0	0
Mirko Geiger	40,000	6,000	7,500	53,500	40,000	6,000	7,500	53,500
Gunther Heller [4]	13,333	1,000	0	14,333	0	0	0	0
Jörg Hofmann [5]	40,000	2,500	0	42,500	13,333	1,000	0	14,333
Dr. Siegfried Jaschinski	40,000	5,500	7,500	53,000	40,000	5,500	7,500	53,000
Kirsten Lange [6]	0	0	0	0	6,667	1,500	0	8,167
Dr. Herbert Meyer	40,000	5,000	18,000	63,000	40,000	5,000	22,500	67,500
Dr. Gerhard Rupprecht [4]	13,333	500	1,500	15,333	0	0	0	0
Beate Schmitt	40,000	3,500	3,000	46,500	40,000	3,500	3,000	46,500
Lone Fønss Schrøder [7]	40,000	1,500	0	41,500	33,333	500	0	33,833
Prof. Dr.-Ing. Günther Schuh	40,000	3,000	0	43,000	40,000	3,500	3,000	46,500
Peter Sudadse [5]	40,000	4,000	0	44,000	13,333	1,500	0	14,833
Christoph Woesler [8]	30,000	3,500	0	33,500	40,000	3,000	0	43,000
Roman Zitzelsberger [3]	0	0	0	0	30,000	1,500	0	31,500
Total	643,332	51,500	53,000	747,832	606,666	47,500	59,000	713,166

[1] Chairman of the Supervisory Board (until May 17, 2015)
[2] Vice Chairman of the Supervisory Board (since May 18, 2015 has assumed the rights and obligations of the Chairman of the Supervisory Board until further notice)
[3] Member of the Supervisory Board since July 24, 2014
[4] Member of the Supervisory Board until July 23, 2013
[5] Member of the Supervisory Board until July 24, 2014
[6] Member of the Supervisory Board since February 2, 2015
[7] Member of the Supervisory Board until January 31, 2015
[8] Member of the Supervisory Board since July 23, 2013

The members of the union and Works Council have declared that they will transfer their Supervisory Board remuneration to the Hans Böckler Foundation in accordance with the guidelines of IG Metall.

Chairman of the Management Committee and the Chairman of the Committee on Arranging Personnel Matters of the Management Board receive remuneration of € 2,500.00 per meeting. The members of the Supervisory Board also receive an attendance fee of € 500.00 per meeting for attending a meeting of the Supervisory Board or one of its committees. Furthermore, the expenses incurred by members of the Supervisory Board and value added tax thereon will be reimbursed. In order to boost the Supervisory Board's role as a controlling body, remuneration does not include a variable, performance-based component.

Since the Annual General Meeting on July 23, 2013, the Supervisory Board has consisted of 12 members after the provisions of the German Codetermination Act and the German Stock Corporation Act made it possible for the number of members to be reduced from 16 to 12 when new elections were held and the corresponding status proceedings were concluded without legal objection.

Takeover disclosures in accordance with section 289 (4) HGB

In accordance with section 289 (4) sentence 1 nos. 1 – 9 of the German Commercial Code (HGB), the management report addresses all points that could be relevant in the event of a public takeover bid for Heidelberger Druckmaschinen Aktiengesellschaft:

As of March 31, 2015, the **SUBSCRIBED CAPITAL** (share capital) of Heidelberger Druckmaschinen Aktiengesellschaft amounted to € 659,040,714.24 and was divided into 257,437,779 no-par-value bearer shares that are not subject to any restriction on transferability. As of the end of the reporting period, the Company held 142,919 treasury shares, from which no rights arise for the Company in accordance with section 71b of the German Stock Corporation Act (AktG).

The **APPOINTMENT AND DISMISSAL OF MEMBERS OF THE MANAGEMENT BOARD** is based on sections 84 ff. AktG in conjunction with sections 30 ff. of the German Codetermination Act (MitbestG).

AMENDMENTS TO THE ARTICLES OF ASSOCIATION are made in accordance with the provisions of sections 179 ff. and 133 AktG in conjunction with Article 19 (2) of the Articles of Association of Heidelberg. In accordance with Article 19 (2) of the Articles of Association, unless otherwise stipulated by law, resolutions of the Annual General Meeting are passed with a simple majority of the votes cast and, if a capital majority is required by law in addition to a majority of votes, with a simple majority of the share capital represented in the passing of the resolution. Article 15 of the Articles of Association authorizes the Supervisory Board to make amendments and additions to the Articles of Association that affect their wording only.

Heidelberg may only acquire treasury shares in accordance with section 71 (1) nos. 1 – 6 AktG. With the approval of the Supervisory Board, the Management Board is authorized to use the treasury shares held at the end of the reporting period as follows, while disapplying shareholders' preemptive subscription rights:

- to sell the treasury shares if they are sold for cash and at a price that is not significantly lower than the stock market price as defined more precisely in the authorization; the volume of shares sold in this manner, together with any other shares issued with shareholders' preemptive subscription rights disapplied since July 18, 2008, may not cumulatively exceed the lesser of 10 percent of the share capital on July 18, 2008 and 10 percent of the share capital at the time the authorization is exercised;
- to offer and transfer treasury shares to third parties if companies, equity investments in companies or parts of companies are thereby acquired, or if mergers are thereby implemented;
- to end or settle mediation proceedings under company law.

This authorization may be executed in full or in part in each case.

The Management Board also is authorized, with the approval of the Supervisory Board, to withdraw treasury shares without a further resolution by the Annual General Meeting. This authorization may be executed in full or in part in each case.

On July 26, 2012, the Annual General Meeting authorized the Management Board to issue, with the approval of the Supervisory Board, bearer or registered warrants or convertible bonds, profit-sharing rights or participating bonds, or a combination of these instruments (collectively referred to as "bonds") up to a total nominal amount of

€ 150,000,000.00, dated or undated, on one or several occasions by July 25, 2017, and to grant or impose on the bearers or creditors of option warrants or option profit-sharing rights or option participating bonds option rights or obligations, or to grant or impose on the bearers or creditors of convertible bonds, convertible profit-sharing rights or convertible participating bonds conversion rights or obligations to bearer shares of the Company with a pro rata amount of share capital of up to € 119,934,433.28 in total, in accordance with the further conditions of these bonds. Shareholders' preemptive subscription rights may be disapplied in accordance with the further conditions of authorization. The share capital was contingently increased by up to € 119,934,433.28 (**CONTINGENT CAPITAL 2012**) for this purpose; details of **CONTINGENT CAPITAL 2012** can be found in Article 3 (3) of the Articles of Association. Due to the conversion of five partial debentures resulting from the convertible bond issued in July 2013, the share capital was increased by € 488,547.84 utilizing Contingent Capital 2012. Accordingly, the remaining available Contingent Capital 2012 now amounts to € 119,445,885.44.

On July 24, 2014, the Annual General Meeting authorized the Management Board, with the approval of the Supervisory Board, to issue bearer or registered warrants or convertible bonds, profit-sharing rights or participating bonds, or a combination of these instruments (collectively referred to as "bonds") up to a total nominal amount of € 58,625,953.28, dated or undated, on one or several occasions by July 23, 2019, and to grant or impose on the bearers or creditors of option warrants or option profit-sharing rights or option participating bonds, option rights or obligations, or to grant or impose on the bearers or creditors of convertible bonds, convertible profit-sharing rights or convertible participating bonds conversion rights or obligations to bearer shares of the Company with a pro rata amount of share capital of up to € 58,625,953.28 in total, in accordance with the further conditions of these bonds. Shareholders' preemptive subscription rights may be disapplied in accordance with the further conditions of authorization. The share capital of Heidelberger Druckmaschinen Aktiengesellschaft was contingently increased by up to € 58,625,953.28 (**CONTINGENT CAPITAL 2014**) for this purpose; details of Contingent Capital 2014 can be found in Article 3 (4) of the Articles of Association. The resolution was entered in the commercial register on September 22, 2014.

The Annual General Meeting on July 26, 2012 authorized the Management Board to increase, with the approval of the Supervisory Board, the share capital of the Company by up to € 119,934,433.28 on one or several occasions against cash or non-cash contributions by July 25, 2017 (**AUTHORIZED CAPITAL 2012**). Preemptive subscription rights may be disapplied in accordance with the further conditions of authorization. Details on **AUTHORIZED CAPITAL 2012** can be found in Article 3 (5) of the Articles of Association. As a result of the capital increase against contribution in kind from the Gallus transaction that came into effect on August 14, 2014, **AUTHORIZED CAPITAL 2012** was reduced from € 119,934,433.28 to € 61,054,433.28.

The credit facility that came into effect on April 7, 2011 and that was extended until June 2017 by way of an agreement with the banks in December 2013 and a bilateral loan agreement contain, in the version applicable at the end of the reporting period, standard **"CHANGE OF CONTROL" CLAUSES** that grant the contracting parties additional rights to information and termination in the event of a change in the Company's control or majority ownership structure.

The terms of the high-yield bond that was placed on March 31, 2011 and issued on April 7, 2011 include a change of control clause that requires Heidelberger Druckmaschinen Aktiengesellschaft to buy back the respective debt instruments (or parts thereof) from bondholders on demand if certain conditions named in that clause materialize. In this case, the buyback price would be 101 percent of the total nominal amount of the respective debt instruments plus interest accrued but not yet paid.

The terms of the convertible bond that was placed on July 3, 2013 and issued on July 10, 2013 also include a change of control clause. If there is a change of control as described in the bond terms, the bondholders may demand early repayment within a defined period. Heidelberg would then be obliged to pay a change of control exercise price to the bondholders who demanded early repayment. This exercise price corresponds to the notional amount of the bond adjusted using a mathematical technique described in greater detail in the bond terms.

The terms of the convertible bond that was placed on March 25, 2015 and issued on March 30, 2015 also include a change of control clause. If there is a change of control as described in the bond terms, the bondholders may demand early repayment within a defined period. Heidelberg would then be obliged to pay a change of control exercise price to the bondholders who demanded early repayment. This exercise price corresponds to the notional amount of the bond adjusted using a mathematical technique described in greater detail in the bond terms.

The terms of the high-yield bond that was placed on April 17, 2015 and issued on May 5, 2015 include a change of control clause that requires Heidelberger Druckmaschinen Aktiengesellschaft to buy back the respective debt instruments (or parts thereof) from bondholders on demand if certain conditions named in that clause materialize. In this case, the buyback price would be 101 percent of the total nominal amount of the respective debt instruments plus interest accrued but not yet paid.

A technology licensing agreement with a manufacturer and supplier of software products also contains a change of control clause; this grants each party a right of termination with notice of 90 days if at least 50 percent of the shareholdings or voting rights of the other party are acquired by a third party.

An agreement with a manufacturer and supplier of digital production printing systems for the sale of these systems also includes a change of control clause. This clause grants each party the right to terminate the agreement with notice of three months from the time of receipt of notification from the other party that a change in control has occurred or is possibly imminent, or from the time that such a change in control becomes known. A change of control under the terms of this agreement is considered to have occurred if a third party acquires at least 25 percent of the voting rights of the party concerned or the ability to influence the activities of the party concerned on a contractual basis or based on articles of association or similar provisions that grant the third party corresponding rights.

Corporate governance declaration

The corporate governance declaration in accordance with section 289 a HGB has been made permanently available at www.heidelberg.com under “Company” > “About us” > “Corporate Governance”.

Financial statements 2014/2015

Income statement 2014/2015

Figures in € thousands	Note	1-Apr-2013 to 31-Mar-2014	**1-Apr-2014 to 31-Mar-2015**
Net sales	4	1,130,436	1,051,363
Change in inventories		– 3,170	– 2,389
Other own work capitalized		12,536	14,730
Total operating performance		**1,139,802**	**1,063,704**
Other operating income	5	157,778	227,826
Cost of materials	6	521,671	494,288
Staff costs	7	493,766	511,210
Amortization and write-downs of intangible non-current assets and depreciation and write-downs of property, plant and equipment		29,566	30,638
Other operating expenses	8	267,792	312,152
Result of operating activities		**– 15,215**	**– 56,758**
Result from financial assets	9	22,144	44,034
Other interest and similar income	10	10,278	6,679
Interest and similar expenses	11	123,954	114,837
Financial result		**– 91,532**	**– 64,124**
Result from ordinary activities		**– 106,747**	**– 120,882**
Taxes on income	12	2,616	5,636
Net loss		**– 109,363**	**– 126,518**
Withdrawals from retained earnings	19		
from other retained earnings		109,363	–
Net accumulated losses		**0**	**– 126,518**

Statement of financial position as of March 31, 2015

Assets

Figures in € thousands	Note	31-Mar-2014	31-Mar-2015
Non-current assets	13		
Intangible assets		35,488	40,938
Property, plant and equipment		296,798	294,108
Financial assets		924,538	917,183
		1,256,824	1,252,229
Current assets			
Inventories	14	387,854	378,678
Receivables and other assets	15	245,819	164,870
Securities	16	10,169	–
Cash and cash equivalents	17	84,547	141,500
		728,389	685,048
Prepaid expenses	18	9,558	15,270
		1,994,771	**1,952,547**

Equity and liabilities

Figures in € thousands	Note	31-Mar-2014	31-Mar-2015
Equity	19		
Subscribed capital [1)]		600,161	659,041
Treasury shares		– 366	– 366
Issued capital		599,795	658,675
Capital reserves		43,692	52,937
Retained earnings		21,343	21,343
Net accumulated losses		–	– 126,518
		664,830	606,437
Special reserves	20	712	461
Provisions			
Provisions for pensions and similar obligations	21	220,370	180,575
Other provisions	22	175,745	204,910
		396,115	385,485
Liabilities	23	927,658	953,132
Deferred income		5,456	7,032
		1,994,771	**1,952,547**

[1)] Contingent capital as of March 31, 2015 in the amount of € 178,072 thousand (previous year: € 119,446 thousand)

Statement of changes in non-current assets

Figures in € thousands					Cost
	1-Apr-2014	Additions	Disposals	Reclassifications	**31-Mar-2015**
Intangible assets					
Internally generated rights, similar rights and assets	–	5,670	–	3,512	9,182
Purchased software, rights of use and other rights	77,664	3,283	– 60	33	80,920
Advance payments	3,545	–	–	– 3,545	0
	81,209	**8,953**	**– 60**	**0**	**90,102**
Property, plant and equipment					
Land and buildings	229,849	260	–	–	230,109
Technical equipment and machinery	530,401	6,773	– 20,869	1,803	518,108
Other equipment, operating and office equipment	574,503	17,257	– 36,033	2,091	557,818
Advance payments and assets under construction	4,833	7,906	– 34	– 3,894	8,811
	1,339,586	**32,196**	**– 56,936**	**0**	**1,314,846**
Financial assets					
Shares in affiliated companies	1,805,900	75,646	– 78,892	1,000	1,803,654
Loans to affiliated companies	84,767	10,000	– 7,491	–	87,276
Equity investments	4,928	–	–	– 1,000	3,928
Securities classified as non-current assets	2	–	–	–	2
Other loans	2,655	304	– 331	–	2,628
	1,898,252	**85,950**	**– 86,714**	**0**	**1,897,488**
	3,319,047	**127,099**	**– 143,710**	**0**	**3,302,436**

					Cumulative depreciation and amortization		Carrying amounts
1-Apr-2014	Additions	Disposals	Reclassifications	Reversals	**31-Mar-2015**	31-Mar-2014	**31-Mar-2015**
–	–	–	–	–	–	–	9,182
45,721	3,500	– 57	–	–	49,164	31,943	31,756
–	–	–	–	–	–	3,545	0
45,721	**3,500**	**– 57**	**–**	**–**	**49,164**	**35,488**	**40,938**
155,014	2,485	–	–	–	157,499	74,835	72,610
422,616	8,048	– 20,785	–	–	409,879	107,785	108,229
465,158	16,605	– 28,403	–	–	453,360	109,345	104,458
–	–	–	–	–	–	4,833	8,811
1,042,788	**27,138**	**– 49,188**	**–**	**–**	**1,020,738**	**296,798**	**294,108**
973,108	6,638	–	–	–	979,746	832,792	823,908
–	–	–	–	–	–	84,767	87,276
542	–	–	–	–	542	4,386	3,386
–	–	–	–	–	–	2	2
64	–	– 32	–	– 15	17	2,591	2,611
973,714	**6,638**	**– 32**	**–**	**– 15**	**980,305**	**924,538**	**917,183**
2,062,223	**37,276**	**– 49,277**	**–**	**– 15**	**2,050,207**	**1,256,824**	**1,252,229**

Notes to the non-consolidated financial statements 2014/2015

1 Preliminary remarks

The annual financial statements of Heidelberger Druckmaschinen Aktiengesellschaft are prepared in accordance with the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG).

The classification of the income statement is based on the total cost (nature of expense) method. Certain items of the income statement and the statement of financial position have been combined to improve the clarity of presentation. In these cases, a breakdown of the individual items with additional information and notes is presented below.

The figures shown in the tables are presented in thousands of euros (€ thousands).

2 Currency translation

Business transactions in foreign currencies are generally measured at the exchange rate at the time of first-time recognition and at the hedge rate in the cases of hedges. At the reporting date, assets and liabilities denominated in foreign currencies are translated at the currently applicable average spot exchange rate. Unrealized gains resulting from changes in exchange rates are recognized only if the underlying asset or liability has a remaining term of one year or less. Information on derivative financial instruments for hedging currency risks is presented under note 27.

For the list of shareholdings, the assets and liabilities in financial statements prepared in foreign currency are translated at the year-end exchange rates, while expenses and income are translated at the average exchange rates for the year.

3 General accounting principles

The cost of acquisition also includes additional costs of acquisition that can be directly allocated. In addition to direct costs and overhead costs for materials and production, the cost of production also includes special costs of production, production-related depreciation of non-current assets and an appropriate share of the costs for general administration and social security.

Impairment losses recognized on current and noncurrent assets in previous years are retained if the reasons for their recognition still apply.

Exercising the option of section 248 (2) HGB, internally generated intangible assets are capitalized at production cost and amortized on a straight-line basis over their expected useful life.

Purchased intangible assets are capitalized at acquisition cost and amortized on a straight-line basis over their expected useful life.

Property, plant and equipment is carried at acquisition or production cost less depreciation and impairment losses (if permanent). Depreciation is recognized solely in line with the straight-line method on the basis of the individual technical and economic useful lives. Additions during a financial year are depreciated pro rata temporis on the basis of the number of months for which they have been held. In accordance with section 6 (2 a) of the German Income Tax Act (EStG), omnibus items are recognized for depreciable movable non-current assets with an acquisition cost of more than € 150 and up to € 1,000 that were acquired or manufactured after December 31, 2007. These items are depreciated on a straight-line basis over a period of five years.

Amortization of intangible assets and depreciation of property, plant and equipment is calculated primarily on the basis of the following useful lives (in years):

	2013/2014	**2014/2015**
Development costs	5 to 12	5 to 12
Software/other rights	3 to 9	3 to 9
Buildings	15 to 50	15 to 50
Technical equipment and machinery	12 to 31	12 to 31
Other equipment, operating and office equipment	5 to 27	5 to 27

Under financial assets, shares in affiliated enterprises, equity investments and securities are carried at acquisition cost or, if permanently impaired, at the lower fair value. Interest-bearing loans are carried at their nominal value. Interest-free loans are discounted at net present value.

Inventories are carried at cost. The carrying amounts for all asset groups are based on the weighted average cost method. The cost of production is measured at full cost, meaning that those costs eligible for recognition as assets in accordance with section 255 (2) sentences 2 to 3 HGB were included. If lower replacement prices are applicable at the end of the reporting period, these are taken into account. Sufficient account is taken of the risks of holding inventory that result from prolonged storage and reduced salability through reductions in value.

Receivables and other assets are carried at nominal amount (acquisition cost). All discernible individual risks and the general credit risk are taken into account by appropriate valuation allowances. Low-interest-bearing receivables with a remaining term of more than one year are discounted to their present value.

Securities classified as current assets are carried at the lower of cost and market value or fair value.

Cash and cash equivalents are carried at their nominal amount.

Tax-exempt allowances and taxable subsidies for investments are recognized as a special reserve for investment grants. Tax-exempt allowances and taxable subsidies are offset in line with depreciation.

In addition to pension benefits, various pension commitments and general works council agreements, provisions for pensions and similar obligations also include temporary financial assistance in the event of death, as guaranteed under labor law. By way of agreement with the Group Works Council of February 27, 2015, Heidelberger Druckmaschinen Aktiengesellschaft introduced a new pension system effective from January 1, 2015 with greater incentives for private retirement provision. This agreement changed the defined benefit plan to a defined contribution plan. The new general works agreement applies to future pensions for active employees at Heidelberger Druckmaschinen Aktiengesellschaft. The pension credit is paid out in 12 annual installments, or optionally the employee can choose 14 annual installments with an increased initial installment. Alternatively, the employee can access his pension credit as a pension for life and, under certain conditions, have this paid out as a one-time capital payment. The payout option installment/pension of 60 percent/40 percent is a further actuarial assumption for the calculation of the pension provision. Provisions are measured on the basis of actuarial calculations, using the 2005G Heubeck mortality tables as the biological basis for calculation. The measurement method used for active employees is the proportionally declining projected unit credit method, which also takes into account forecast increases in salaries and pensions. For pensioners and former employees with vested rights, the present value of future pension benefits is recognized as the settlement amount. Beneficiaries who have already passed the actuarial retirement age are treated as pensioners. If the conditions for full pension vesting are met, pension calculations are based on the date at which employees began work for employees who joined before their 30th birthday. The option provided under section 253 (2) sentence 2 HGB was exercised in determining the interest rate. This means that provisions for pensions or similar long-term obligations can be discounted at a flat rate using an average market interest rate for the past seven financial years assuming a remaining term of 15 years. Obligations are measured using the interest rate calculated and published by Deutsche Bundesbank as of March 31, 2015. This is 4.37 percent (previous year: 4.85 percent).

Obligations under pension commitments are predominantly covered by assets that are intended solely to serve pension obligations and that cannot be accessed by other creditors (plan assets). The plan assets measured at fair value are offset against pension obligations in line with section 246 (2) sentence 2 HGB.

The fair value of the net reinsurance assets is equal to the amortized cost (actuarial reserve plus profit participation) according to the notifications of the insurance company. Income from plan assets is netted against interest expenses from the interest on pension obligations and the expenses or income from the change in the discount rate and reported under net interest income.

Provisions for obligations under partial retirement relate to employees who are either already in partial retirement as of the end of the reporting period, have concluded a partial retirement contract, or can make use of the partial retirement regulation in the future. Provisions are measured in accordance with actuarial principles using an interest rate of 2.75 percent (previous year: 3.27 percent) in line with maturities and on the basis of the 2005G mortality tables published by Prof. Dr. Heubeck. The provision includes step-up amounts and settlement obligations of the Company incurred by the end of the reporting period.

Other provisions are measured taking into account all discernible, reportable risks and uncertain liabilities. They are measured at the settlement amount that is deemed necessary based on prudent business judgment. Provisions with a remaining term of more than one year are discounted at the average market interest rate for the past seven financial years corresponding to their remaining term. Provisions are also recognized for warranties without legal liability.

Liabilities are recognized at their settlement amount.

Prepaid expenses and deferred income are recognized for expenditures and revenues that represent expenses and income for a certain period after the end of the reporting period.

The carrying amounts of contingent liabilities match the extent of liability as of the end of the reporting period.

Derivative financial instruments are used to hedge currency risks. The hedges for the receivables and liabilities recognized at the reporting date take the form of a portfolio hedge. The effective portion of the valuation units recognized is measured using the gross hedge presentation method.

Notes to the income statement

4 Net sales

	2013/2014	**2014/2015**
Europe, Middle East and Africa	431,304	467,914
Asia/Pacific	389,450	298,215
Eastern Europe	106,822	112,012
North America	125,511	111,404
South America	77,349	61,818
	1,130,436	**1,051,363**

€ 855 million or around 81 percent of total sales were generated outside Germany.

	2013/2014	**2014/2015**
Heidelberg Equipment	919,216	846,563
Heidelberg Services	211,220	204,800
	1,130,436	**1,051,363**

5 Other operating income

	2013/2014	**2014/2015**
Reversal of provisions [1]	16,523	98,892
Income from currency translation	53,833	62,307
Income from affiliated companies	47,496	43,845
Income from operating facilities	4,515	5,560
Income from the reversal of special reserves for investment grants	572	251
Increases in value of shares in affiliated companies	18,588	–
Other income	16,251	16,971
	157,778	**227,826**

[1] Includes the effect of the reorganization of the Company pension scheme and the effect of the adjustment of measurement parameters of € 84,005 thousand in total

The rise in income from currency translation of € 8.5 million is offset by higher expenses of € 6.5 million.

Other operating income includes prior-period income of € 98.9 million from the reversal of provisions.

6 Cost of materials

	2013/2014	**2014/2015**
Cost of raw materials, consumables and supplies, and of goods purchased and held for resale	438,788	421,745
Cost of purchased services	82,883	72,543
	521,671	**494,288**

The decrease in the cost of materials is primarily due to the lower level of net sales.

7 Staff costs and employees

	2013/2014	**2014/2015**
Wages and salaries	403,130	425,815
Social security costs and expenses for pensions and support	90,636	85,395
of which: for pensions	(16,478)	(6,114)
	493,766	**511,210**

The rise in wages and salaries is essentially due to our portfolio adjustment. Expenses of € 47.9 million (previous year: € 6.7 million in connection with our Focus efficiency program) were incurred in the year under review.

The decline in pension costs is mainly as a result of the transition to the new pension system in place from January 1, 2015.

The interest component of the pension entitlements is reported in the financial result (see note 11).

Average number of employees	2013/2014	**2014/2015**
Heidelberg	1,448	1,309
Wiesloch-Walldorf	3,926	3,814
Amstetten	864	843
Brandenburg	511	495
Kiel	237	223
Neuss (formerly Langenfeld)	58	55
	7,044	6,739
Trainees	442	393
	7,486	**7,132**

The number of employees does not include interns, graduating students, dormant employees or employees in the non-work phase of partial retirement.

8 Other operating expenses

	2013/2014	**2014/2015**
Expenses from currency translation	54,198	60,709
Expenses for other external services	46,744	54,510
Rental and leasing	39,279	38,912
Special direct selling expenses	36,495	34,840
Net amount from additions to and utilization of provisions, relating to several types of expense	5,702	33,770
Maintenance	23,770	27,049
Travel costs	5,093	5,125
Non-manufacturing overhead costs	3,865	4,977
Insurance expense	5,077	4,866
Advertising costs	980	1,126
Write-downs on receivables and other assets	609	629
Other taxes	509	514
Other costs	45,471	45,125
	267,792	**312,152**

The rise in other operating expenses is essentially due to higher transfers to provisions. This includes the non-recurring cost of portfolio adjustments of € 18.0 million.

Furthermore, the € 6.5 million higher costs of currency translation are offset by € 8.5 million higher income from currency translation.

9 Result from financial assets

	2013/2014	2014/2015
Income from investments		
Income from profit transfer agreements	23,987	65,526
Income from other investments	31,952	8,403
	55,939	73,929
of which: from affiliated companies	(52,488)	(72,129)
Income from other securities and long-term loans	9,263	7,340
of which: from affiliated companies	(9,263)	(7,340)
Write-downs on financial assets and on securities classified as current assets	– 15,779	– 6,835
Expenses from profit transfer agreements	– 27,279	– 30,400
of which: from affiliated companies	(– 27,279)	(– 30,400)
	22,144	**44,034**

Expenses from profit transfer agreements also include income of € 33.1 million (previous year: € 13.2 million) in indirect distributions from foreign Group companies to German Group companies.

Income from other securities and long-term loans relates to interest on four long-term loans extended to German subsidiaries.

10 Other interest and similar income

	2013/2014	2014/2015
Other interest and similar income	10,278	6,679
of which: from affiliated companies	(9,812)	(5,855)
	10,278	**6,679**

11 Interest and similar expenses

	2013/2014	2014/2015
Interest and similar expenses	123,954	114,837
of which: due to affiliated companies	(11,612)	(6,131)
of which: due to accrued interest	(54,034)	(77,277)
	123,954	**114,837**

The rise in accrued interest is essentially due to the change in the discount factor for pension obligations (see note 21).

12 Taxes on income

	2013/2014	2014/2015
Taxes on income	2,616	5,636
	2,616	**5,636**

Tax expense in the year under review mainly resulted from withholding tax.

Notes to the statement of financial position

13 Non-current assets

The carrying amounts of intangible assets increased by € 5.5 million in net terms in the year under review. The main reason for this was the capitalization of development costs within the meaning of section 248 (2) HGB.

The carrying amounts of property, plant and equipment fell by € 2.7 million in the year under review.

Additions predominantly related to other equipment, operating and office equipment.

Financial assets declined by € 7.4 million. The additions of € 86.0 million mainly relate to the acquisition of shares in three companies and the capital increases at two affiliated companies. Furthermore, a long-term loan was granted to a German subsidiary. At two subsidiaries there was an impairment loss of € 6.6 million in the context of the regular testing of the carrying amounts of equity investments. This was mainly offset by a capital reduction at one subsidiary in the amount of € 78.9 million.

14 Inventories

	31-Mar-2014	**31-Mar-2015**
Raw materials, consumables and supplies	69,433	61,623
Work and services in progress	232,058	228,095
Finished goods and goods held for resale	86,353	88,948
Advance payments	10	12
	387,854	**378,678**

15 Receivables and other assets

	31-Mar-2014	of which with a remaining term of more than 1 year	**31-Mar-2015**	of which with a remaining term of more than 1 year
Trade receivables	27,871	–	38,337	–
Receivables from affiliated companies	142,762	–	62,268	–
Receivables from other long-term investees and investors	300	–	–	–
Other assets	74,886	–	64,265	–
	245,819	**–**	**164,870**	**–**

Receivables from affiliated companies include short-term loans in the amount of € 61.9 million (previous year: € 142.5 million) and trade receivables of € 0.4 million (previous year: € 0.3 million).

Other assets primarily include tax refund claims, receivables from Heidelberg Pension Trust e. V. and receivables from employees. € 2.4 million of the tax refund claims arose only after the end of the financial year (previous year: € 10.2 million).

16 Securities

	31-Mar-2014	**31-Mar-2015**
Other securities	10,169	–
	10,169	**–**

17 Cash and cash equivalents

Cash and cash equivalents in the amount of € 141.5 million (previous year: € 84.5 million) primarily relate to short-term cash investments and bank balances. Bank balances are exclusively held for short-term cash management purposes.

18 Prepaid expenses

In accordance with section 250 (3) HGB, prepaid expenses include the difference between the issue and settlement amount of liabilities in the amount of € 4.7 million (previous year: € 6.9 million).

19 Equity

	1-Apr-2014	Non-cash capital increase (Gallus transaction)	Issue of convertible bond 2015	Net loss	**31-Mar-2015**
Subscribed capital	600,161	58,880	–	–	659,041
Treasury shares	– 366	–	–	–	– 366
Issued capital	599,795	58,880	–	–	658,675
Capital reserves	43,692	3,220	6,025	–	52,937
Retained earnings					
Other retained earnings	21,343	–	–	–	21,343
	21,343	–	–	–	21,343
Net accumulated losses	–	–	–	– 126,518	– 126,518
Equity	**664,830**	**62,100**	**6,025**	**– 126,518**	**606,437**

Share capital/number of shares outstanding/treasury stock

The shares are bearer shares and grant a proportionate interest of € 2.56 in the fully paid-in share capital of Heidelberger Druckmaschinen Aktiengesellschaft.

The share capital of Heidelberger Druckmaschinen Aktiengesellschaft amounts to € 659,040,714.24 (previous year: € 600,160,714.24) and is divided into 257,437,779 (previous year: 234,437,779) shares. For information on the issue of new shares from Authorized Capital 2012 in the reporting year, please see the comments on the non-cash capital increase under “Authorized capital”.

As in the previous year, the Company held 142,919 treasury shares as of March 31, 2015. The amount of these shares allocated to share capital is € 366 thousand (previous year: € 366 thousand), with a notional interest in the share capital of 0.06 percent as of March 31, 2015 (previous year: 0.06 percent).

The shares were acquired in March 2007. The pro rata cost of the acquisition was € 4,848 thousand. Pro rata transaction fees of € 5 thousand were also incurred. The total proportionate cost of acquisition was therefore € 4,853 thousand. These shares may only be utilized to reduce the capital of Heidelberger Druckmaschinen

Aktiengesellschaft or for employee share participation programs and other forms of share distribution to the employees of the Company or a subsidiary or to individuals who are or were employed by Heidelberger Druckmaschinen Aktiengesellschaft or one of its associates.

Contingent capital

On July 26, 2012, the Annual General Meeting authorized the Management Board, with the approval of the Supervisory Board, to issue bearer or registered warrants or convertible bonds, profit-sharing rights or participating bonds, or a combination of these instruments (collectively referred to as "bonds") up to a total nominal amount of € 150,000,000.00, dated or undated, on one or several occasions by July 25, 2017, and to grant or impose on the bearers or creditors of option warrants or option profit-sharing rights or option participating bonds option rights or obligations, or to grant or impose on the bearers or creditors of convertible bonds, convertible profit-sharing rights or convertible participating bonds conversion rights or obligations to bearer shares of the Company with a pro rata amount of share capital of up to € 119,934,433.28 in total, in accordance with the further conditions of these bonds. Shareholders' preemptive subscription rights may be disapplied in accordance with the further conditions of authorization. The share capital was contingently increased by up to € 119,934,433.28 (CONTINGENT CAPITAL 2012) for this purpose; details of Contingent Capital 2012 can be found in Article 3 (3) of the Articles of Association. The resolution was entered in the commercial register on August 13, 2012.

On July 10, 2013, Heidelberger Druckmaschinen Aktiengesellschaft issued an unsecured, unsubordinated convertible bond with an option for conversion into shares in Heidelberger Druckmaschinen Aktiengesellschaft. The convertible bond has an original issue volume of € 60,000,000.00, a term of four years (maturity date: July 10, 2017) and a coupon of 8.50 percent per annum, which is distributed at the end of every quarter. Due to the conversion of five partial debentures on November 18, 2013, 190,839 new shares were issued from Contingent Capital 2012. Accordingly, the remaining available Contingent Capital 2012 now amounts to € 119,445,885.44. The original total nominal amount of the convertible bond decreased by € 500,000.00, from € 60,000,000.00 to € 59,500,000.00.

From July 30, 2014, Heidelberger Druckmaschinen Aktiengesellschaft is entitled to repay the convertible bond prematurely in full at the nominal value plus accrued interest. This requires that the share price multiplied by the applicable conversion ratio on 20 of the 30 consecutive trading days on the Frankfurt Stock Exchange before the announcement of the date of the early repayment exceeds 130 percent of the nominal value as of each of these 20 trading days.

On July 24, 2014, the Annual General Meeting authorized the Management Board, with the approval of the Supervisory Board, to issue bearer or registered warrants or convertible bonds, profit-sharing rights or participating bonds, or a combination of these instruments (collectively referred to as "bonds") up to a total nominal amount of € 58,625,953.28, dated or undated, on one or several occasions by July 23, 2019, and to grant or impose on the bearers or creditors of option warrants or option profit-sharing rights or option participating bonds, option rights or obligations, or to grant or impose on the bearers or creditors of convertible bonds, convertible profit-sharing rights or convertible participating bonds conversion rights or obligations to bearer shares of the Company with a pro rata amount of share capital of up to € 58,625,953.28 in total, in accordance with the further conditions of these bonds. Shareholders' preemptive subscription rights may be disapplied in accordance with the further conditions of authorization. The share capital of Heidelberger Druckmaschinen Aktiengesellschaft was contingently increased by up to € 58,625,953.28 (CONTINGENT CAPITAL 2014) for this purpose; details of Contingent Capital 2014 can be found in Article 3 (4) of the Articles of Association. The resolution was entered in the commercial register on September 22, 2014.

On March 30, 2015, Heidelberger Druckmaschinen Aktiengesellschaft issued an unsecured, unsubordinated convertible bond with an option for conversion into shares in Heidelberger Druckmaschinen Aktiengesellschaft. This convertible bond has a volume of € 58.6 million and is convertible into approximately 18.84 million no-par value shares. The convertible bond was issued in denominations of € 100,000. It has a term of seven years, was issued at 100 percent of the nominal value and is 100 percent repayable. The coupon is 5.25 percent p. a. and is distributed at the end of each quarter. The initial exercise price is € 3.1104 per underlying share at an initial conversion ratio of 32,150.2058.

From April 20, 2018, Heidelberger Druckmaschinen Aktiengesellschaft is entitled to repay the convertible bond prematurely in full at the nominal value plus accrued interest. This requires that the share price multiplied by the applicable conversion ratio on 20 of the 30 consecutive trading days on the Frankfurt Stock Exchange before the announcement of the date of the early repayment exceeds 130 percent of the nominal value as of each of these 20 trading days. Each bondholder is entitled to demand the repayment of all or some of his bonds for which the conversion right was not exercised and for which early repayment was announced by Heidelberger Druckmaschinen Aktiengesellschaft as of March 30, 2020 at the set nominal amount plus interest incurred by March 30, 2020 (exclusively).

Authorized capital

In accordance with the resolution of the Annual General Meeting on July 26, 2012, the Management Board was authorized to increase, with the approval of the Supervisory Board, the share capital of the Company by up to € 119,934,433.28 on one or several occasions against cash or non-cash contributions by July 25, 2017 (AUTHORIZED CAPITAL 2012). Preemptive subscription rights can be disapplied in accordance with the further conditions of authorization. The capital increase resolution was entered in the commercial register on August 13, 2012/August 24, 2012.

Ferd. Rüesch AG, St. Gallen, Switzerland, contributed its 70 percent interest in Gallus Holding Aktiengesellschaft, St. Gallen, Switzerland, as a contribution in kind to Heidelberger Druckmaschinen Aktiengesellschaft against the issue of new shares. The capital increase against contribution in kind from authorized capital was implemented with preemptive rights disapplied. As consideration for the interest in Gallus Holding Aktiengesellschaft contributed, Heidelberger Druckmaschinen Aktiengesellschaft granted Ferd. Rüesch Aktiengesellschaft a total of 23,000,000 new no-par-value shares and an additional seven-figure euro cash payment. The issue price of the new shares is € 2.70 per new share. The capital increase became effective on entry of the amendment to the Articles of Association in the commercial register of the Mannheim Local Court on August 14, 2014. As a result, the share capital increased by € 58,880,000 to € 659,040,714.24 (March 31, 2014: € 600,160,714.24) and is now divided into 257,437,779 (March 31, 2014: 234,437,779) shares.

Authorized Capital 2012 was reduced accordingly from € 119,934,433.28 to € 61,054,433.28 (March 31, 2014: € 119,934,433.28); details on Authorized Capital 2012 can be found in Article 3 (5) of the Articles of Association.

Development of reserves and annual result

The capital reserves reported in the previous year in the amount of € 43,692 thousand were originally recognized in accordance with section 272 (2) nos. 1 and 2 HGB and section 237 (5) AktG. As a result of the non-cash capital increase (see also “Authorized capital”), capital reserves in accordance with section 272 (2) no. 1 HGB increased by € 3,220 thousand in the year under review. The conversion option granted the convertible bond (see also “Contingent capital”) is recognized in capital reserves as the difference between the issue proceeds and the fair value of the liability component; this increased the capital reserves in accordance with section 272 (2) no. 2 HGB by € 6,025 thousand.

The net loss of € 126,518 thousand recorded by Heidelberger Druckmaschinen Aktiengesellschaft in the year under review will be carried forward to new account in full.

Heidelberger Druckmaschinen Aktiengesellschaft has received the following notifications from shareholders exceeding or falling below voting right thresholds in accordance with section 21 (1) or (1a) and section 25a (1) of the German Securities Trading Act (WpHG). The list contains the most recent shareholder notifications in each case:

1. UBS Group AG / UBS AG

UBS Group AG, Zurich, Switzerland, informed us in accordance with section 21 (1) WpHG and section 22 (1) sentence 1 no. 1 WpHG on May 15, 2015 that on May 11, 2015 the share in the voting rights of Heidelberger Druckmaschinen AG, Kurfürsten-Anlage 52 – 60, 69115 Heidelberg, Germany, held by UBS Group AG, Zurich, Switzerland, rose above the reporting threshold of 3 percent and amounted to 3.14 percent (8,085,018 voting rights). UBS Group AG also informed us that 3.14 percent (8,085,018 voting rights) of the total voting rights in Heidelberger Druckmaschinen AG were allocated to it in accordance with section 22 (1) sentence 1 no. 1 WpHG. Name of the controlled entity whose own share in the voting rights amount to more than 3 percent and from which 3 percent or more are allocated: UBS AG.

UBS AG, Zurich, Switzerland, informed us in accordance with section 21 (1) WpHG and section 22 (1) sentence 1 no. 1 WpHG on May 15, 2015 that on May 11, 2015 the share in the voting rights of Heidelberger Druckmaschinen AG, Kurfürsten-Anlage 52 – 60, 69115 Heidelberg, Germany, held by UBS AG, Zurich, Switzerland, rose above the reporting threshold of 3 percent and amounted to 3.14 percent (8,085,018 voting rights). UBS AG also informed us that 0.23 percent (584,958 voting rights) of the total voting rights in Heidelberger Druckmaschinen AG were allocated to it in accordance with section 22 (1) sentence 1 no. 1 WpHG.

Publications in accordance with section 26 (1) voting right notification in accordance with section 25a WpHG: We received the following notification in accordance with section 25a WpHG on May 5, 2015: 1. Issuer: Heidelberger Druckmaschinen AG, Kurfürsten-Anlage 52 – 60, 69115 Heidelberg, Germany; 2. Notifying party: UBS Group AG, Zurich, Switzerland; 3. Threshold exceeded or fallen below: Fallen below; 4. Threshold affected: 5 percent; 5. Date on which threshold reached: April 28, 2015; 6. Reportable share of voting rights: 4.96 percent (12,759,370 voting rights) based on the total number of voting rights of the issuer of 257,437,779; 7. Details of share of voting rights: 7.1 Share of voting rights on account of (financial/other) instruments in accordance with section 25a WpHG: 1.21 percent (3,109,560 voting rights), of which held indirectly: 1.21 percent (3,109,560 voting rights); 7.2 Share of voting rights on account of (financial/other) instruments in accordance with section 25 WpHG: 0.14 percent (371,958 voting rights) of which held indirectly: 0.14 percent (371,958 voting rights); 7.3 Share of voting rights in accordance with sections 21, 22 WpHG: 3.60 percent (9,277,852 voting rights); 8. Details of (financial/other) instruments in accordance with section 25 a WpHG: 8.1 Chain of controlled companies: UBS AG; 8.2 ISIN or designation of (financial/other) instruments: equity swaps; Maturing: n/a; Expiry: February 5, 2018, March 27, 2017, December 20, 2016, April 1, 2016, June 30, 2015.

Publications in accordance with section 26 (1) voting right notification in accordance with section 25a WpHG: We received the following notification in accordance with section 25a WpHG on May 5, 2015: 1. Issuer: Heidelberger Druckmaschinen AG, Kurfürsten-Anlage 52 – 60, 69115 Heidelberg, Germany; 2. Notifying party: UBS AG, Zurich, Switzerland; 3. Threshold exceeded or fallen below: Fallen below; 4. Threshold affected: 5 percent; 5. Date on which threshold reached: April 28, 2015; 6. Reportable share of voting rights: 4.96 percent (12,759,370 voting rights) based on the total number of voting rights of the issuer of 257,437,779; 7. Details of share of voting rights: 7.1 Share of voting rights on account of (financial/other) instruments in accordance with section 25a WpHG: 1.21 percent (3,109,560 voting rights), of which held indirectly: 0.00 percent (0 voting rights); 7.2 Share of voting rights on account of (financial/other) instruments in accordance with section 25a WpHG: 0.14 percent (371,958 voting rights) of which held indirectly: 0.00 percent (0 voting rights); 7.3 Share of voting rights in accordance with sections 21, 22 WpHG: 3.60 percent (9,277,852 voting rights) 8. Details of (financial/other) instruments in accordance with section 25a WpHG: ISIN or designation of (financial/other) instruments: equity swaps; Maturing: n/a; Expiry: February 5, 2018, March 27, 2017, December 20, 2016, April 1, 2016, June 30, 2015.

2. Deutsche Bank Aktiengesellschaft

Publications in accordance with section 26 (1) voting right notification in accordance with section 25 WpHG: We received the following notification in accordance with section 25 WpHG on APRIL 17, 2015: 1. Issuer: Heidelberger Druckmaschinen AG, Kurfürsten-Anlage 52 – 60, 69115 Heidelberg, Germany; 2. Notifying party: DEUTSCHE BANK AKTIENGESELLSCHAFT, Frankfurt, Germany; 3. Threshold exceeded or fallen below: Fallen below; 4. Threshold affected: 5 percent; 5. Date on which threshold reached: April 14, 2015; 6. Reportable share of voting rights: 0.00 percent (0 voting rights) based on the total number of voting rights of the issuer of 257,437,779; 7. Details of share of voting rights: 7.1 Share of voting rights on account of (financial/other) instruments in accordance with section 25 WpHG: 0.00 percent (0 voting rights), of which held indirectly: 0.00 percent (0 voting rights); 7.2 Share of voting rights in accordance with sections 21, 22 WpHG: 0.87 percent (2,248,000 voting rights)

Publications in accordance with section 26 (1) voting right notification in accordance with section 25a (1) WpHG: We received the following notification in accordance with section 25a (1) WpHG on **APRIL 17, 2015**: 1. Issuer: Heidelberger Druckmaschinen AG, Kurfürsten-Anlage 52 – 60, 69115 Heidelberg, Germany; 2. Notifying party: **DEUTSCHE BANK AKTIENGESELLSCHAFT**, Frankfurt, Germany; 3. Threshold exceeded or fallen below: Fallen below; 4. Threshold affected: 5 percent; 5. Date on which threshold reached: April 14, 2015; 6. Reportable share of voting rights: 0.00 percent (0 voting rights) based on the total number of voting rights of the issuer of 257,437,779; 7. Details of share of voting rights: 7.1 Share of voting rights on account of (financial/other) instruments in accordance with section 25a WpHG: 0.00 percent (0 voting rights), of which held indirectly: 0.00 percent (0 voting rights); 7.2 Share of voting rights on account of (financial/other) instruments in accordance with section 25 WpHG: 0.00 percent (0 voting rights), of which held indirectly: 0.00 percent (0 voting rights); 7.3 Share of voting rights in accordance with sections 21, 22 WpHG: 0.87 percent (2,248,000 voting rights).

3. Mr. Ferdinand Rüesch, Switzerland/ Ferd. Rüesch AG, St. Gallen, Switzerland

Correction of a publication in accordance with section 26 (1) WpHG: **MR. FERDINAND RÜESCH**, Switzerland, informed us in accordance with section 21 (1) WpHG and section 22 (1) sentence 1 no. 1 WpHG on **AUGUST 25, 2014** that on August 14, 2014 the share in the voting rights of Heidelberger Druckmaschinen AG, Kurfürsten-Anlage 52 – 60, 69115 Heidelberg, Germany, held by Mr. Ferdinand Rüesch, Switzerland, rose above the reporting thresholds of 3 percent and 5 percent and amounted to 9.02 percent (23,210,000 voting rights). Mr. Ferdinand Rüesch also informed us that 9.02 percent (23,210,000 voting rights) of the total voting rights in Heidelberger Druckmaschinen AG are allocated to him in accordance with section 22 (1) sentence 1 no. 1 WpHG. Names of the controlled entities whose own share in the voting rights amount to more than 3 percent and from which 3 percent or more are attributed: Ferd. Rüesch AG.

FERD. RÜESCH AG, St. Gallen, Switzerland, informed us in accordance with section 21 (1) WpHG on **AUGUST 25, 2014** that on August 14, 2014 the share in the voting rights of Heidelberger Druckmaschinen AG, Kurfürsten-Anlage 52 – 60, 69115 Heidelberg, Germany, held by Ferd. Rüesch AG, St. Gallen, Switzerland, rose above the reporting thresholds of 3 percent and 5 percent and amounted to 9.02 percent (23,210,000 voting rights).

4. Morgan Stanley

We received the following notification in accordance with section 25a (1) WpHG on July 19, 2013: 1. Issuer: Heidelberger Druckmaschinen AG, Kurfürsten-Anlage 52 – 60, 69115 Heidelberg, Germany; 2. Notifying party: **MORGAN STANLEY, WILMINGTON**, Delaware, USA; 3. Threshold exceeded or fallen below: Fallen below; 4. Threshold affected: 5 percent; 5. Date on which threshold reached: July 16, 2013; 6. Reportable share of voting rights: 1.09 percent (2,561,189 voting rights) based on the total number of voting rights of the issuer of 234,246,940; 7. Details of share of voting rights: 7.1 Share of voting rights on account of (financial/other) instruments in accordance with section 25a WpHG: 0.06 percent (131,776 voting rights), of which held indirectly: 0.06 percent (131,776 voting rights); 7.2 Share of voting rights on account of (financial/other) instruments in accordance with section 25 WpHG: 1.04 percent (2,428,213 voting rights) of which held indirectly: 1.04 percent (2,428,213 voting rights); 7.3 Share of voting rights in accordance with sections 21, 22 WpHG: 0.00 percent (1,200 voting rights) 8. Details of (financial/other) instruments in accordance with section 25a WpHG: 8.1 Chain of controlled companies: Morgan Stanley International Holdings Inc., Morgan Stanley International Limited, Morgan Stanley Group (Europe), Morgan Stanley UK Group, Morgan Stanley & Co. International plc; 8.2 ISIN or designation of (financial/other) instruments: equity swaps Maturing: n/a; Expiry: April 15, 2014

5. Universal-Investment-Gesellschaft mit beschränkter Haftung

UNIVERSAL-INVESTMENT-GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG, Frankfurt/Main, Germany, informed us in accordance with section 21 (1) WpHG and section 22 (1) sentence 1 no. 6 WpHG on **MAY 6, 2013** that on April 30, 2013 the share in the voting rights of Heidelberger Druckmaschinen AG, Kurfürsten-Anlage 52 – 60, 69115 Heidelberg, Germany, held by Universal-Investment-Gesellschaft mit beschränkter Haftung, Frankfurt/Main, Germany, rose above the reporting thresholds of 3 percent and 5 percent and amounted to 8.18 percent (19,169,813 voting rights). Universal-Investment-Gesellschaft mit beschränkter Haftung also informed us that 1.27 percent of the total voting rights in Heidelberger Druckmaschinen AG (2,989,813 voting rights) were allocated to it in accordance with section 22 (1) sentence 1 no. 6 WpHG.

6. Dimensional Fund Advisors LP

DIMENSIONAL FUND ADVISORS LP, Austin, Texas, USA, informed us in accordance with sections 21 (1), 22 (1) sentence 1 no. 6 in conjunction with sentence 2 WpHG on JANUARY 23, 2013 that on January 17, 2013 the share in the voting rights of Heidelberger Druckmaschinen AG, Kurfürsten-Anlage 52 – 60, 69115 Heidelberg, Germany, held by Dimensional Fund Advisors LP, Austin, Texas, USA, rose above the reporting threshold of 3 percent and amounted to 3.01 percent (7,057,336 voting rights). The aforementioned voting rights are attributable to Dimensional Fund Advisors LP in accordance with section 22 (1) sentence 1 no. 6 WpHG (2.91 percent, corresponding to 6,825,563 voting rights) and section 22 (1) sentence 1 no. 6 in conjunction with sentence 2 WpHG (0.11 percent, corresponding to 263,533 voting rights).

7. Dimensional Holdings Inc.

DIMENSIONAL HOLDINGS INC., Austin, Texas, USA, informed us in accordance with sections 21 (1), 22 (1) sentence 1 no. 6 in conjunction with sentence 2 WpHG on JANUARY 23, 2013 that on January 17, 2013 the share in the voting rights of Heidelberger Druckmaschinen AG, Kurfürsten-Anlage 52 – 60, 69115 Heidelberg, Germany, held by Dimensional Holdings Inc., Austin, Texas, USA, rose above the reporting threshold of 3 percent and amounted to 3.01 percent (7,057,336 voting rights). The aforementioned voting rights are attributable to Dimensional Holdings Inc. in accordance with section 22 (1) sentence 1 no. 6 in conjunction with sentence 2 WpHG.

20 Special reserves

	31-Mar-2014	31-Mar-2015
Special reserves for investment grants for non-current assets		
Taxable subsidies	575	391
Tax-exempt allowances	137	70
	712	**461**

Taxable subsidies are funds under the regional economic promotion program for investing at the Brandenburg production site.

Tax-exempt allowances are composed of allowances in accordance with the German Investment Allowance Act of 1999/2005/2007/2010 relating to the Brandenburg production site.

21 Provisions for pensions and similar obligations

Pension provisions are calculated on the basis of the following actuarial premises:

Discount factor:	4.37 %
Salary increase rate:	2.75 %
Pension increase rate:	1.60 %
Fluctuation:	1.00 %

In the 2005/2006 financial year, Heidelberger Druckmaschinen Aktiengesellschaft established a contractual trust arrangement (CTA) with the trustee Heidelberg Pension-Trust e. V., Heidelberg, to secure external financing and insolvency insurance for its pension obligations. The assets transferred cannot be accessed by any creditors and serve solely to fulfill the pension obligations. They are invested in a special fund. The fund assets primarily consist of fixed income bonds, shares, fund units, and cash and cash equivalents. The plan assets were measured at fair value and offset against the pension provisions.

In addition to the CTA, there are pension plan reinsurance policies that also qualify as plan assets. These were also measured at fair value and offset against the pension provisions.

The fair value of the offset assets was € 489.2 million as of the end of the reporting period at an acquisition cost of € 589.0 million. The settlement amount of the offset liabilities was € 668.0 million as of the end of the reporting period.

The plan assets measured at fair value resulted in income of € 19.7 million in the year under review (previous year: expenses of € 3.7 million). Expenses due to the increase in provisions for pensions as a result of interest amounted to € 75.2 million in the year under review (previous year: € 50.8 million).

22 Other provisions

	31-Mar-2014	**31-Mar-2015**
Tax provisions	360	1,235
Other provisions		
Sales obligations	25,829	26,576
Staff obligations	121,311	141,926
Miscellaneous	28,245	35,173
	175,385	**203,675**
	175,745	**204,910**

Sales obligations primarily relate to guarantees. Staff obligations mainly exist in connection with vacation and working time credit, bonuses, partial retirement obligations, anniversary bonuses and the portfolio adjustments. The latter account for a total of € 55.8 million (previous year: € 41.4 million in connection with the Focus efficiency program).

23 Liabilities

	31-Mar-2014	of which with a remaining term of			**31-Mar-2015**	of which with a remaining term of		
		up to 1 year	between 1 and 5 years	more than 5 years		up to 1 year	between 1 and 5 years	more than 5 years
Bonds	414,500	–	414,500	–	473,100	–	473,100	–
of which convertible	(59,500)	(–)	(59,500)	(–)	(118,100)	(–)	(118,100)	(–)
Amounts due to banks	33,723	7,900	25,823	–	41,643	12,405	29,238	–
Advance payments on orders	8,469	8,469	–	–	15,195	15,195	–	–
Trade payables	36,257	36,257	–	–	49,444	48,994	450	–
Liabilities to affiliated companies	395,378	395,378	–	–	328,232	328,232	–	–
Other liabilities								
From taxes	7,656	7,656	–	–	5,769	5,769	–	–
For social security contributions	1,848	677	813	358	1,508	512	813	183
Miscellaneous	29,827	29,827	–	–	38,241	33,241	5,000	–
	39,331	38,160	813	358	45,518	39,522	5,813	183
	927,658	**486,164**	**441,136**	**358**	**953,132**	**444,348**	**508,601**	**183**

Liabilities to affiliated companies include short-term loans in the amount of € 327.6 million (previous year: € 394.6 million) and trade payables of € 0.6 million (previous year: € 0.8 million).

As part of the refinancing agreed on March 25, 2011, a high-yield, uncollateralized bond of € 304 million with a term of seven years and a coupon of 9.25 percent p. a. was issued by Heidelberger Druckmaschinen Aktiengesellschaft on April 7, 2011.

On December 10, 2013, Heidelberger Druckmaschinen Aktiengesellschaft increased the high-yield bond by € 51 million to € 355 million. The increase was made at the same conditions as the issue of the high-yield bond in 2011; the issue price was 105.75 percent.

On July 10, 2013, Heidelberger Druckmaschinen Aktiengesellschaft issued an unsecured, unsubordinated convertible bond with an option for conversion into shares in Heidelberger Druckmaschinen Aktiengesellschaft. This convertible bond has an original issue volume of € 60 million and is convertible into approximately 22.9 million no-par value shares. As a result of the conversion of five partial debentures on November 18, 2013 (see note 19), the original total nominal amount of the convertible bond decreased by € 0.5 million from € 60 million to € 59.5 million.

On March 30, 2015, Heidelberger Druckmaschinen Aktiengesellschaft issued an unsecured, unsubordinated convertible bond with an option for conversion into shares in Heidelberger Druckmaschinen Aktiengesellschaft. This convertible bond has a volume of € 58.6 million and is convertible into approximately 18.84 million no-par value shares. The convertible bond was issued in denominations of € 100,000. It has a term of seven years, was issued at 100 percent of the nominal value and is 100 percent repayable. The coupon is 5.25 percent p.a. and is distributed at the end of each quarter. The initial exercise price is € 3.1104 per underlying share at an initial conversion ratio of 32,150.2058.

Also in connection with the refinancing agreed on March 25, 2011, a new revolving credit facility concluded with a syndicate of banks for € 500 million maturing at the end of 2014 entered into effect parallel to the high-yield bond. The financing agreements for the new credit facility contain standard financial covenants regarding the financial situation of the Heidelberg Group.

The convertible bond issued on July 10, 2013 reduced the revolving credit facility to around € 416 million. The increase in the high-yield bond on December 10, 2013 reduced the credit facility to around € 340 million. In parallel with this, it was agreed that the credit facility with the existing banking syndicate would be extended ahead of schedule to mid-2017 and reduced further to around € 277 million on December 31, 2014.

An amortizing loan of € 20 million maturing in December 2018 was issued in April 2014. The borrowing of this loan initially reduced the revolving credit facility to around € 319 million, and the agreement with the syndicate banks of December 2013 reduced it further to around € 277 million on December 31, 2014.

Collateral in connection with the credit facility was provided by us and by certain Group companies as part of a collateral concept. The following types of collateral are attributable to Heidelberger Druckmaschinen Aktiengesellschaft:

- provision of land charges without certificate
- pledging of industrial property rights, shares in affiliated companies and bank accounts
- transfer of current and non-current assets
- global transfer of certain receivables

The other liabilities to banks primarily related to a long-term loan that was taken out in the 2007/2008 financial year.

24 Deferred taxes

There was an excess of assets in deferred taxes in the year under review. The option provided by section 274 (1) HGB to recognize the resulting tax relief as deferred tax assets was not exercised.

The tax relief results from temporary differences in the statement of financial position items other loans, inventories, provisions for pensions and similar obligations, other provisions, trade payables and tax loss carryforwards at the level of the Company as the parent company. There was also tax relief resulting from temporary differences at companies included in the tax entity. Deferred tax liabilities resulted from temporary differences in the statement of financial position items intangible assets, property, plant and equipment, trade receivables, other assets and other liabilities. An effective tax rate of 28.33 percent was applied for corporation tax plus solidarity surcharge and trade tax in the calculation of deferred taxes.

25 Research and development costs

Research and development costs of € 101.7 million were incurred for the year under review. This includes development costs capitalized in the reporting year of € 5.7 million.

26 Contingent liabilities

	31-Mar-2014	31-Mar-2015
Exposure from issuance and transfer of bills of exchange	31,742	33,762
of which: to affiliated companies	(31,742)	(33,762)
Warranties, guarantees, provision of collateral for third-party liabilities	165,591	168,667
of which: to affiliated companies	(–)	(–)
	197,333	**202,429**

Some of the credit facility in place as of March 31, 2015 (see note 23) can be passed on locally to Group companies via the syndicate banks. The credit lines actually utilized by our Group companies as of the end of the reporting period of € 8.4 million are reported under contingent liabilities. In addition, there were credit lines of € 43.8 million available to the Group companies under the credit facility as of the end of the reporting period that were not utilized. As part of the collateral concept, which also forms the basis for the credit facility in place as of March 31, 2015, Heidelberger Druckmaschinen Aktiengesellschaft and some Group companies are jointly and severally liable for the liabilities assumed with the collateral contributed. In addition to the liability on the basis of the individual collateral listed under note 23, we are also liable as guarantor.

The other obligations from warranties and guarantees essentially relate to rent obligations for subsidiaries and warranties for third parties for assumed customer finance. The risk of utilization of contingent liabilities is considered low as there are no indications of corresponding credit problems.

27 Derivative financial instruments

Heidelberger Druckmaschinen Aktiengesellschaft centrally manages and controls the Heidelberg Group's interest rate and foreign currency risk. Generally speaking, derivative financial instruments are used to hedge the currency and interest rate risks from business operations and from financing transactions. The aim of this is to reduce the fluctuations in earnings and cash flows relating to changes in exchange and interest rates.

The partners in the external contracts for the derivative financial instruments are all banks of excellent credit standing. The internal contracts are concluded with our Group companies.

These transactions related solely to currencies in the year under review. They are concluded largely on behalf of our foreign subsidiaries in connection with the purchase of German products. In order to quantify the effects of currency and interest rate risks on the income statement, the impact of hypothetical changes in exchange and interest rates is calculated regularly in the form of sensitivity analyses and corresponding measures are derived from this.

The nominal volumes and market values of foreign currency derivatives were as follows as of the end of the reporting period:

Figures in € thousands	Nominal volumes		Fair values	
	31-Mar-2014	**31-Mar-2015**	31-Mar-2014	**31-Mar-2015**
Forward exchange transactions	577,398	684,435	– 1,423	4,727

The nominal volumes result from the total of all the purchase and sale amounts of the underlying hedged items.

The fair values were calculated using standardized measurement methods (discounted cash flow method) that use the relevant market data as input parameters for calculation at the end of the reporting period.

Derivative financial instruments for hedging currency risks

Forward exchange transactions with a nominal volume of € 228.0 million (previous year: € 227.7 million) were concluded with external partners to hedge currency risks from the receivables and liabilities of Heidelberger Druckmaschinen Aktiengesellschaft recognized at the end of the reporting period. The hedges were portfolio hedges in the amount of the net total per currency of receivables and liabilities (net positions) with terms of up to one year. At the end of the reporting period, the nominal volumes of net receivable currency-related positions were € 7.7 million (previous year: € 10.5 million) while net liability positions amounted to € 155.0 million (previous year: € 187.1 million). In line with the gross hedge presentation method, the offsetting changes in value of both the hedged items and the hedge instrument were recognized. The foreign currency receivables and liabilities were translated at the rates as of the end of the reporting period. Forward exchange transactions are measured using the appropriate forward rates. At the end of the reporting period, other assets with a total amount of € 3.2 million (previous year: € 0.6 million) were capitalized for forward exchange transactions with positive fair values and other liabilities of € 1.3 million (previous year: € 1.3 million) were expensed for forward exchange transactions with negative fair values.

To hedge purchases of products in euros, foreign Group companies conclude internal forward exchange transactions with Heidelberger Druckmaschinen Aktiengesellschaft for periods of up to one year. To hedge these internal derivatives and the highly likely additional requirements of Group companies for internal derivatives on account of product sales planning for a period of up to two years, Heidelberger Druckmaschinen Aktiengesellschaft concludes currency forwards and options with external partners. At the end of the reporting period, internal currency hedges with a nominal volume of € 248.3 million (previous year: € 179.0 million) were offset by external currency options with a nominal volume of € 208.2 million (previous year: € 170.7 million). Other provisions of € 0.3 million (previous year: € 0.8 million) were recognized for anticipated losses. The recognized anticipated losses are largely offset by the opposing effects arising from operating hedged items. The effectiveness of hedge accounting is reviewed prospectively using the critical terms match method.

28 Off-balance sheet transactions/ other financial obligations

	2013/2014	**2014/2015**
Obligations for rental and lease payments	169,140	136,756
of which: to affiliated companies	(70,471)	(53,234)
Long-term purchase commitments for raw materials, consumables and supplies	15,367	15,116
of which: to affiliated companies	(–)	(–)
Purchase commitments from capital investment orders	3,204	3,128
of which: to affiliated companies	(–)	(–)
	187,711	**155,000**

Obligations from rental and lease payments contain € 117.5 million (previous year: € 146.2 million) from sale and leaseback agreements and rental payments to a subsidiary. The sale and leaseback agreements relate to the Kiel production site (2010/2011 financial year), the Print Media Academy (1999/2000 financial year), the World Logistics Center (1999/2000 financial year) and the Heidelberg Research and Development Center (2006/2007 financial year). In the 2009/2010 financial year, operating properties at the Wiesloch-Walldorf production site (land, buildings, exterior facilities) were sold to Heidelberger Druckmaschinen Real Estate GmbH & Co. KG, a wholly owned and fully consolidated subsidiary. Future rental payments to Heidelberger Druckmaschinen Real Estate GmbH & Co. KG in the amount of € 53.2 million over the basic term of the lease are offset in the amount of the net profit generated by this company.

The other rental and lease payment obligations essentially relate to other real estate and operating and office equipment.

Additional information

29 Declaration of compliance in accordance with section 161 AktG

The Management Board and the Supervisory Board of Heidelberger Druckmaschinen Aktiengesellschaft issued the declaration of compliance in accordance with section 161 of the German Stock Corporation Act (AktG) and made it permanently accessible to shareholders on our Web site (www.heidelberg.com) under "Company" > "About Us" > "Corporate Governance". Previous declarations of compliance are also permanently available at this address.

30 Executive bodies of the Company

The information on the members of the Supervisory Board and the Management Board in accordance with section 285 no. 10 HGB is listed in an annex to the notes to the non-consolidated financial statements.

The basic features of the remuneration system and the amounts paid to the members of the Management Board and the Supervisory Board are presented in the management report.

The total cash remuneration (= total remuneration) of the Management Board for the year under review including remuneration in kind amounted to € 4,498 thousand (previous year: € 4,634 thousand), including variable single year remuneration of € 1,490 thousand (previous year: € 1,434 thousand) and variable multi-year remuneration of € 1,294 thousand (previous year: € 1,494 thousand).

As in the previous year, members of the Management Board held no stock options at the end of the reporting period.

The total cash remuneration (= total remuneration) for former members of the Management Board and their surviving dependents amounted to € 3,591 thousand (previous year: € 5,224 thousand); this includes € 911 thousand (previous year: € 899 thousand) in obligations to former members of the Management Board of Linotype-Hell Aktiengesellschaft and their surviving dependents, which were assumed in the 1997/1998 financial year under the provisions of universal succession, and the payments of € 1,543 thousand to Marcel Kiessling in the year under review in connection with his departure.

Provisions of € 45,939 thousand (previous year: € 44,923 thousand) have been recognized for pension obligations to former members of the Management Board and their surviving dependents. Of this figure, € 8,158 thousand (previous year: € 8,365 thousand) relates to the pension obligations of the former Linotype-Hell Aktiengesellschaft, which were assumed in the 1997/1998 financial year under the provisions of universal succession.

As in the previous year, former members of the Management Board held no stock options at the end of the reporting period.

No loans or advances were made to members of the Company's Management Board or Supervisory Board in the reporting period. One member of the Management Board had a loan collateralized by real estate dating back to before his Board membership at an annual interest rate of 4.25 percent. This loan was originally granted by a foreign subsidiary to finance a home for the member at his workplace abroad. This loan amounted to around € 515 thousand as of March 31, 2014 with a remaining term of around 31 months. The loan was repaid in full in the reporting year.

The Heidelberg Group has not entered into any contingent liabilities for the members of the Management Board or the Supervisory Board.

For the year under review, the members of the Supervisory Board were granted fixed annual remuneration plus an attendance fee of € 500 per meeting day and remuneration for work on the Executive Committee, the Audit Committee and the Committee on Arranging Personnel Matters totaling € 713 thousand (previous year: € 748 thousand); these payments do not include value added tax.

31 Auditors' fees

As details of the full auditors' fees can be found in the consolidated financial statements of Heidelberger Druckmaschinen Aktiengesellschaft, we have exercised the exemption options provided by section 285 no. 17 HGB.

32 List of shareholdings

The full list of shareholdings of Heidelberger Druckmaschinen Aktiengesellschaft in accordance with section 285 no. 11 HGB, which forms part of the notes to the non-consolidated financial statements, is included as an annex.

Heidelberg, May 22, 2015

HEIDELBERGER DRUCKMASCHINEN
AKTIENGESELLSCHAFT
The Management Board

Dr. Gerold Linzbach

Dirk Kaliebe

Stephan Plenz

Harald Weimer

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Company, and the management report of the Company includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Heidelberg, May 22, 2015

HEIDELBERGER DRUCKMASCHINEN
AKTIENGESELLSCHAFT
The Management Board

Dr. Gerold Linzbach | Dirk Kaliebe

Stephan Plenz | Harald Weimer

Auditor's report

We have audited the annual financial statements, comprising the statement of financial position, the income statement, and the notes to the non-consolidated financial statements together with the bookkeeping system, and the management report of Heidelberger Druckmaschinen Aktiengesellschaft, Heidelberg, for the financial year from April 1, 2014 to March 31, 2015. The bookkeeping and the preparation of the annual financial statements and the management report in accordance with German commercial law are the responsibility of the Management Board of the Company. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with section 317 of the German Commercial Code and the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with (German) principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Company's Management Board, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with (German) principles of proper accounting. The management report is consistent with the annual financial statements and, as a whole, provides an accurate view of the Company's position and accurately presents the opportunities and risks of future development.

Mannheim, May 26, 2015

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Martin Theben	ppa. Stefan Sigmann
German Public Auditor	German Public Auditor

List of shareholdings

List of shareholdings in accordance with section 285 no. 11 of the German Commercial Code
(part of the notes to the non-consolidated financial statements)

(Figures in € thousands)

Name	Country/Domicile		Shareholding in percent	Equity	Net result after taxes
Affiliated companies included in the consolidated **financial statements**					
Germany					
Gallus Druckmaschinen GmbH	D	Langgöns-Oberkleen	100 [1]	493 [5]	–2,089 [5]
Gallus Stanz- und Druckmaschinen GmbH	D	Weiden	100 [2]	781 [5]	–4,436 [5]
Heidelberg Boxmeer Beteiligungs-GmbH [3]	D	Heidelberg	100	127,091	16,995
Heidelberg China-Holding GmbH [3]	D	Wiesloch	100	58,430	29,925
Heidelberg Consumables Holding GmbH [3]	D	Wiesloch	100	20,025	2,062
Heidelberg Postpress Deutschland GmbH [3]	D	Heidelberg	100	25,887	–27,524
Heidelberger Druckmaschinen Real Estate GmbH & Co. KG	D	Walldorf	100	116,310	6,433
Heidelberger Druckmaschinen Vermögensverwaltungs-gesellschaft mbH	D	Walldorf	100	24	–1
Heidelberger Druckmaschinen Vertrieb Deutschland GmbH [3]	D	Wiesloch	100	54,901	14,031
Heidelberg Print Finance International GmbH [3]	D	Heidelberg	100	34,849	2,513
Outside Germany [4]					
Baumfolder Corporation	USA	Sidney, Ohio	100	2,020	–91
Europe Graphic Machinery Far East Ltd.	PRC	Hong Kong	100	248	2
Gallus Ferd. Rüesch AG	CH	St. Gallen	100 [1]	43,716 [9]	–2,658 [9]
Gallus Holding AG	CH	St. Gallen	100	106,663 [9]	9,270 [9]
Gallus Inc.	USA	Philadelphia, Pennsylvania	100 [2]	3,820 [9]	1,491 [9]
Heidelberg Americas, Inc.	USA	Kennesaw, Georgia	100	116,813	63,862
Heidelberg Asia Pte. Ltd.	SGP	Singapore	100	13,657	1,482
Heidelberg Baltic Finland OÜ	EST	Tallinn	100	6,017	125
Heidelberg Boxmeer B.V.	NL	Boxmeer	100	40,643	2,234
Heidelberg Canada Graphic Equipment Ltd.	CDN	Mississauga	100	3,459	–3,633
Heidelberg China Ltd.	PRC	Hong Kong	100	11,420	–2,886
Heidelberg do Brasil Sistemas Graficos e Servicos Ltda.	BR	São Paulo	100	4,427	853
Heidelberg France S.A.S.	F	Roissy-en-France	100	5,446	–596
Heidelberg Grafik Ticaret Servis Limited Sirketi	TR	Istanbul	100	5,031	1,003
Heidelberg Graphic Equipment (Shanghai) Co. Ltd.	PRC	Shanghai	100	106,429	9,390
Heidelberg Graphic Equipment Ltd. – Heidelberg Australia –	AUS	Notting Hill, Melbourne	100	22,623	–1,629
Heidelberg Graphic Equipment Ltd. – Heidelberg New Zealand –	NZ	Auckland	100	3,405	147
Heidelberg Graphic Equipment Ltd. – Heidelberg UK –	GB	Brentford	100	26,963	11,007
Heidelberg Graphic Systems Southern Africa (Pty) Ltd.	ZA	Johannesburg	100	2,464	131
Heidelberg Graphics (Beijing) Co. Ltd.	PRC	Beijing	100	1,660	899

Name	Country/Domicile		Shareholding in percent	Equity	Net result after taxes
Heidelberg Graphics (Thailand) Ltd.	TH	Bangkok	100	9,120	1,119
Heidelberg Graphics (Tianjin) Co. Ltd.	PRC	Tianjin	100	18,496	13,209
Heidelberg Graphics Taiwan Ltd.	TWN	Wu Ku Hsiang	100	6,643	393
Heidelberg Group Trustees Ltd.	GB	Brentford	100	0	0
Heidelberg Hong Kong Ltd.	PRC	Hong Kong	100	16,836	1,697
Heidelberg India Private Ltd.	IN	Chennai	100	6,385	759
Heidelberg International Finance B.V.	NL	Boxmeer	100	45	– 2
Heidelberg International Ltd. A/S	DK	Ballerup	100	48,214	3,892
Heidelberg International Trading (Shanghai) Co. Ltd.	PRC	Shanghai	100	1,028	647
Heidelberg Japan K.K.	J	Tokyo	100	32,535	3,696
Heidelberg Korea Ltd.	ROK	Seoul	100	4,143	1,447
Heidelberg Magyarország Kft.	HU	Kalasch	100	6,175	906
Heidelberg Malaysia Sdn Bhd	MYS	Petaling Jaya	100	– 261	– 996
Heidelberg Mexico Services, S. de R.L. de C.V.	MEX	Mexico City	100	1,613	– 107
Heidelberg Mexico, S. de R.L. de C.V.	MEX	Mexico City	100	9,806	– 1,003
Heidelberg Philippines, Inc.	PH	Makati City	100	6,565	320
Heidelberg Polska Sp z.o.o.	PL	Warsaw	100	11,901	2,201
Heidelberg Praha spol s.r.o.	CZ	Prague	100	2,877	842
Heidelberg Print Finance Australia Pty Ltd.	AUS	Notting Hill, Melbourne	100	27,753	535
Heidelberg Print Finance Korea Ltd.	ROK	Seoul	100	18,819	391
Heidelberg Print Finance Osteuropa Finanzierungsvermittlung GmbH [6]	A	Vienna	100	11,961	– 20
Heidelberg Schweiz AG	CH	Bern	100	11,032	3,141
Heidelberg Shenzhen Ltd.	PRC	Shenzhen	100	8,640	1,747
Heidelberg Slovensko s.r.o.	SK	Bratislava	100	1,739	311
Heidelberg Sverige AB	S	Solna	100	8,302	1,335
Heidelberg USA, Inc.	USA	Kennesaw, Georgia	100	89,994	12,104
Heidelberger CIS OOO	RUS	Moscow	100	– 5,259	– 1,576
Heidelberger Druckmaschinen Austria Vertriebs-GmbH	A	Vienna	100	27,201	3,549
Heidelberger Druckmaschinen Osteuropa Vertriebs-GmbH [6]	A	Vienna	100	7,527	2,418
Heidelberger Druckmaschinen WEB-Solution CEE Ges.m.b.H	A	Vienna	100	2,046	– 2,319
Hi-Tech Coatings International B.V.	NL	Zwaag	100	10,387	504
Hi-Tech Coatings International Limited	GB	Aylesbury, Bucks	100	7,320	811
Linotype-Hell Ltd.	GB	Brentford	100	4,715	0
Modern Printing Equipment Ltd.	PRC	Hong Kong	100	2,473	– 986
MTC Co., Ltd.	J	Tokyo	99.99	8,059	2
P.T. Heidelberg Indonesia	ID	Jakarta	100	7,891	954

Name	Country/Domicile		Shareholding in percent	Equity	Net result after taxes
Affiliated companies not included in the consolidated **financial statements owing to immateriality for the net assets, financial positions and results of operations**					
Germany					
D. Stempel AG i. A. [7]	D	Heidelberg	99.23	78	– 17
Heidelberg Catering Services GmbH [3]	D	Wiesloch	100	386	– 2,868
Heidelberg Direkt Vertriebs GmbH [7]	D	Heidelberg	100	305	– 18
Menschick Trockensysteme GmbH	D	Renningen	100 [8]	618 [9]	– 88 [9]
Heidelberg Manufacturing Deutschland GmbH [3, 10]	D	Wiesloch	100	26	0
Sporthotel Heidelberger Druckmaschinen GmbH [3]	D	Heidelberg	100	26	– 143
Neo7even GmbH	D	Siegen	100	1,823	– 1,473
Outside Germany [4]					
BluePrint Products NV	BE	Sint-Niklaas	100	1,475	683
Cerm Benelux NV	BE	Oostkamp	100	1,188	168
Fujifilm Sverige AB	S	Stockholm	100	1,786	23
Gallus Ferd. Rüesch (Shanghai) Co. Ltd.	PRC	Shenzhen	100 [8]	251 [9]	17 [9]
Gallus Printing Machinery Corp.	USA	Philadelphia, Pennsylvania	100 [8]	– 1,485 [9]	– 147 [9]
Gallus Australia Pty Ltd.	AUS	Bayswater	100 [8]	184 [9]	41 [9]
Gallus India Private Limited	IN	Mumbai	100 [8]	316 [9]	36 [9]
Gallus Mexico S. de R.L. de C.V.	MEX	Mexico City	100 [8]	162 [9]	– 9 [9]
Gallus South East Asia Pte. Ltd.	SGP	Singapore	100 [8]	– 1,125 [9]	– 831 [9]
Gallus-Group UK Ltd.	GB	Royston	100 [8]	299 [9]	– 194 [9]
Heidelberg Asia Procurement Centre Sdn Bhd	MYS	Petaling Jaya	100	124	– 3
Heidelberg Graphic Systems Ltd.	CY	Nicosia	99.90	– 14	– 17
Heidelberg Lebanon	LB	Beirut	99.96	– 33	– 262
Heidelberg Postpress Slovensko spol. s r.o.	SK	Nové Mesto nad Váhom	100	5,861	525
Heidelberg Used Equipment Ltd. [7]	GB	Brentford	100	774	81
Heidelberger Druckmaschinen Ukraina Ltd.	UA	Kiev	100	– 2,998	– 2,653
Inline Cutting L.L.C.	USA	Baltimore, Maryland	100 [8]	– 1,605	0

Name	Country/Domicile		Shareholding in percent	Equity	Net result after taxes
Associated companies and joint ventures not accounted for using the equity method owing to immateriality for the net assets, financial positions and results of operations					
Outside Germany [4]					
Heidelberg Middle East FZ Co.	AE	Dubai	50	697	0
Print Media Academy Ceska Republika a.s.	CZ	Pardubice	24	71	40
Other shareholdings (>5 %)					
Germany					
SABAL GmbH & Co. Objekt FEZ Heidelberg KG	D	Munich	99.90	–4,843	–453

[1] Indirect equity investment through Gallus Holding AG
[2] Indirect equity investment through Gallus Ferd. Rüesch AG
[3] Before profit/loss transfer
[4] Disclosures for companies outside Germany in accordance with IFRS
[5] Shortened financial year (1-Jan-2015 until 31-Mar-2015)
[6] Before profit/loss transfer and capital transactions
[7] Prior-year figures, since financial statements not yet available
[8] Indirect equity investment (Gallus Group)
[9] Extended financial year (1-Jan-2014 until 31-Mar-2015)
[10] Formerly Kurpfalz Asset Management GmbH

The Supervisory Board

Robert J. Koehler
until May 17, 2015
Former Chairman of the Management Board of SGL Carbon SE, Wiesbaden
Chairman of the Supervisory Board
a) Klöckner & Co. SE
Freudenberg SE
Freudenberg & Co. KG
b) Benteler International AG, Austria (Chairman)

Rainer Wagner*
Chairman of the Central Works Council, Heidelberg/Wiesloch-Walldorf
Deputy Chairman of the Supervisory Board; since May 18, 2015 has assumed the rights and obligations of the Chairman of the Supervisory Board until further notice

Ralph Arns*
since July 24, 2014
Deputy Chairman of the Central Works Council, Heidelberg/Wiesloch-Walldorf

Edwin Eichler
Independent business consultant of Eichler M+B Consulting, Weggis, Switzerland, and Chief Executive Officer of SAPINDA Holding B.V., Amsterdam/the Netherlands
a) SGL Carbon SE
SMS Group GmbH
Schmolz & Bickenbach AG, Switzerland
b) Hoberg & Driesch GmbH & Co. KG (Advisory Board)
Member of the University Council at the Technical University of Dortmund
Fr. Lürssen Werft GmbH & Co. KG (Advisory Board)

Mirko Geiger*
First Senior Representative of IG Metall, Heidelberg
a) ABB AG

Jörg Hofmann* **
until July 24, 2014
Vice Chairman of IG Metall, Frankfurt am Main
a) Daimler AG
Robert Bosch GmbH

Dr. Siegfried Jaschinski
Member of the Management Board and partner of Augur Capital AG, Frankfurt am Main
a) Schnigge Wertpapierhandelsbank AG
b) Veritas Investment GmbH

Kirsten Lange
since February 2, 2015
Managing director of Voith Hydro Holding GmbH & Co. KG, Heidenheim

Dr. Herbert Meyer
Independent business consultant, Königstein/Taunus and Member of the Auditor Oversight Commission (AOC), Berlin
a) HT Troplast GmbH
MainFirst Bank AG
d.i.i. Investment GmbH
b) Verlag Europa Lehrmittel GmbH & Co. KG (Member of the Advisory Board)

Beate Schmitt*
Full-time member of the Works Council, Heidelberg/Wiesloch-Walldorf

Lone Fønss Schrøder**
until January 31, 2015
Non-executive member of the managing bodies of German and foreign companies, Hornbaek, Denmark
a) Bilfinger SE
b) AKER Solutions ASA, Lysaker/Norway (Member of the Board of Directors)
NKT Holding AS, Brønby/Denmark (Member of the Board of Directors)
Svenska Handelsbanken AB, Stockholm/Sweden (Member of the Board of Directors)
Volvo Personvagnar AB, Göteborg/Sweden (Member of the Board of Directors)

Prof. Dr.-Ing. Günther Schuh
Professor and holder of the chair in production engineering at RWTH Aachen University, Aachen; member of the Management Board of e.GO Mobile AG
a) Zwiesel Kristallglas AG
KEX Knowledge Exchange AG (Chairman)
b) Gallus Holding AG, Switzerland (Member of the Administration Board)
Brose Fahrzeugteile GmbH & Co. KG (Member of the Advisory Board)

Peter Sudadse* **
until July 24, 2014
Deputy Chairman of the Central Works Council, Heidelberg/Wiesloch-Walldorf

Christoph Woesler*
Head of Procurement Electric/Electronics
Chairman of the Speakers Committee for the Executive Staff, Wiesloch-Walldorf

Roman Zitzelsberger*
since July 24, 2014
Regional head of IG Metall Baden-Württemberg, Stuttgart

* Employee representative
** As of the date of departure
a) Membership in other Supervisory Boards
b) Membership in comparable German and foreign control bodies of business enterprises

Committees of the Supervisory Board

MANAGEMENT COMMITTEE

Robert J. Koehler (Chairman)
until May 17, 2015
Rainer Wagner*
Ralph Arns
since September 30, 2014
Mirko Geiger
Kirsten Lange
since March 24, 2015
Lone Fønss Schrøder
until January 31, 2015
Prof. Dr.-Ing. Günther Schuh
Peter Sudadse
until July 24, 2014

MEDIATION COMMITTEE UNDER ARTICLE 27 PARAGRAPH 3 OF THE CODETERMINATION ACT

Robert J. Koehler
until May 17, 2015
Rainer Wagner*
Ralph Arns
since September 30, 2014
Dr. Herbert Meyer
Peter Sudadse
until July 24, 2014

COMMITTEE ON ARRANGING PERSONNEL MATTERS OF THE MANAGEMENT BOARD

Robert J. Koehler (Chairman)
until May 17, 2015
Rainer Wagner*
Beate Schmitt
Prof. Dr.-Ing. Günther Schuh

AUDIT COMMITTEE

Dr. Herbert Meyer (Chairman)
Dr. Siegfried Jaschinski
Mirko Geiger
Rainer Wagner

NOMINATION COMMITTEE

Robert J. Koehler (Chairman)
until May 17, 2015
Edwin Eichler
Kirsten Lange
since March 24, 2015
Lone Fønss Schrøder
until January 31, 2015

STRATEGY COMMITTEE

Robert J. Koehler (Chairman)
until May 17, 2015
Rainer Wagner*
Edwin Eichler
Mirko Geiger
Dr. Siegfried Jaschinski
Kirsten Lange
since March 24, 2015
Dr. Herbert Meyer
Lone Fønss Schrøder
until January 31, 2015
Prof. Dr.-Ing. Günther Schuh

* Since May 18, 2015 has assumed the rights and obligations of the Chairman of the Supervisory Board until further notice

The Management Board

Dr. Gerold Linzbach
Frankfurt am Main
Chief Executive Officer and
Chief Human Resources Officer

** Heidelberg Americas, Inc., USA
(Chairman of the Board of Directors)
Heidelberg USA, Inc., USA
(Chairman of the Board of Directors)
Heidelberg Graphic Equipment
(Shanghai) Co. Ltd., China
(Chairman of the Board of Directors)

Dirk Kaliebe
Sandhausen
Chief Financial Officer and
Head of the Heidelberg
Financial Services Segment

* Heidelberger Druckmaschinen Vertrieb
Deutschland GmbH

** Gallus Holding Aktiengesellschaft,
Switzerland
(Member of the Administration Board)
Heidelberg Americas, Inc., USA
Heidelberg Graphic Equipment Ltd.,
Australia
Heidelberg Graphic Equipment Ltd., UK
Heidelberg USA, Inc., USA

Stephan Plenz
Sandhausen
Head of the Heidelberg
Equipment Segment

** Gallus Holding AG, Switzerland
(Chairman of the Administration Board)

Harald Weimer
Heidelberg
Head of the Heidelberg
Services Segment

* Heidelberger Druckmaschinen Vertrieb
Deutschland GmbH (Chairman)

** Heidelberger Druckmaschinen Austria
Vertriebs-GmbH (Member of the
Advisory Board)
Heidelberger Druckmaschinen Osteuropa
Vertriebs-GmbH (Member of the
Advisory Board)
Heidelberg Graphic Equipment Ltd.,
Australia
Heidelberg Japan K.K., Japan

* Membership in Supervisory Boards
** Membership in comparable German and foreign control bodies of business enterprises

Financial calendar 2015/2016

June 10, 2015	Press Conference, Annual Analysts' and Investors' Conference
July 24, 2015	Annual General Meeting
August 12, 2015	Publication of First Quarter Figures 2015/2016
November 13, 2015	Publication of Half-Year Figures 2015/2016
February 10, 2016	Publication of Third Quarter Figures 2015/2016
June 8, 2016	Press Conference, Annual Analysts' and Investors' Conference
July 28, 2016	Annual General Meeting

Subject to change

Publishing information

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