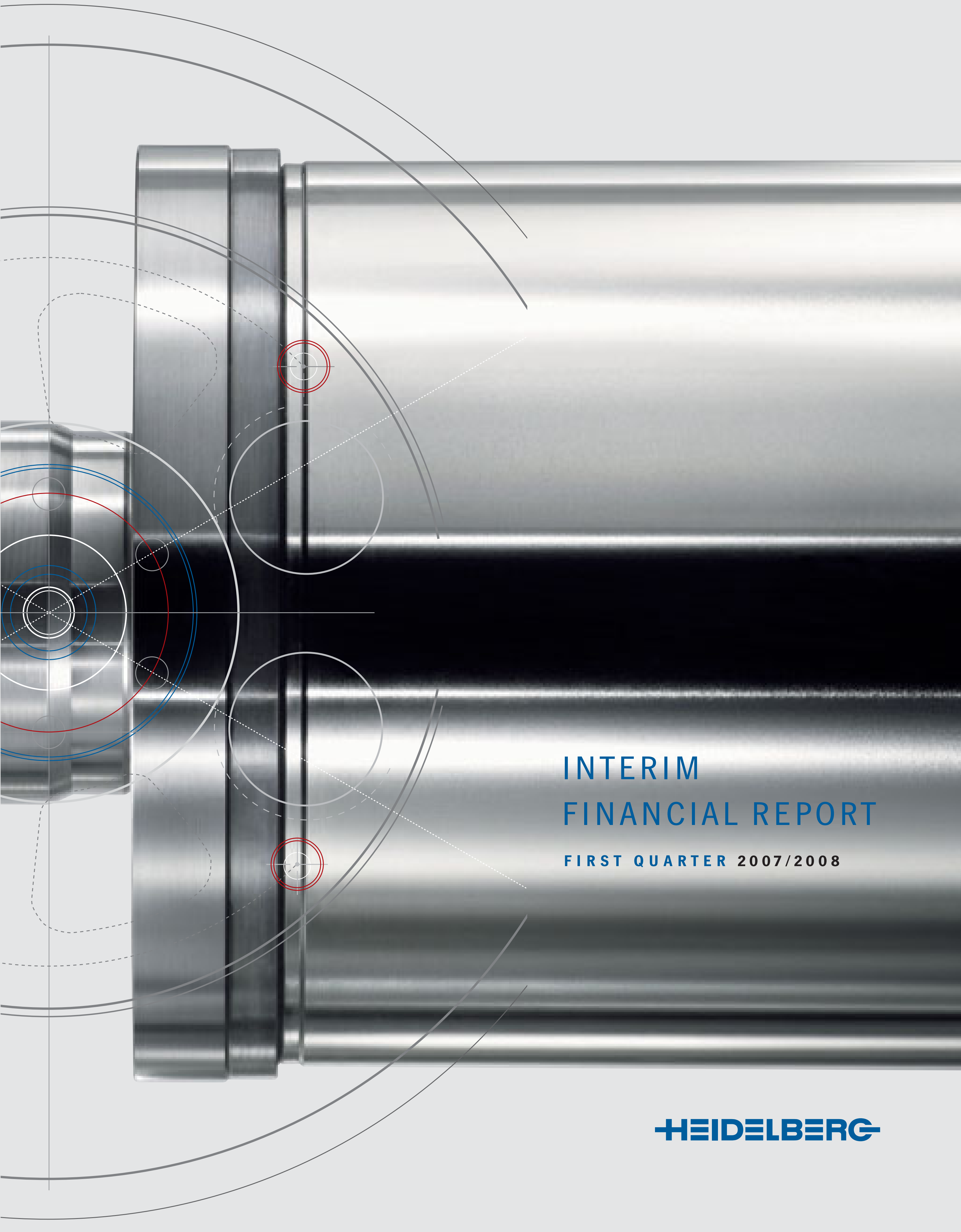


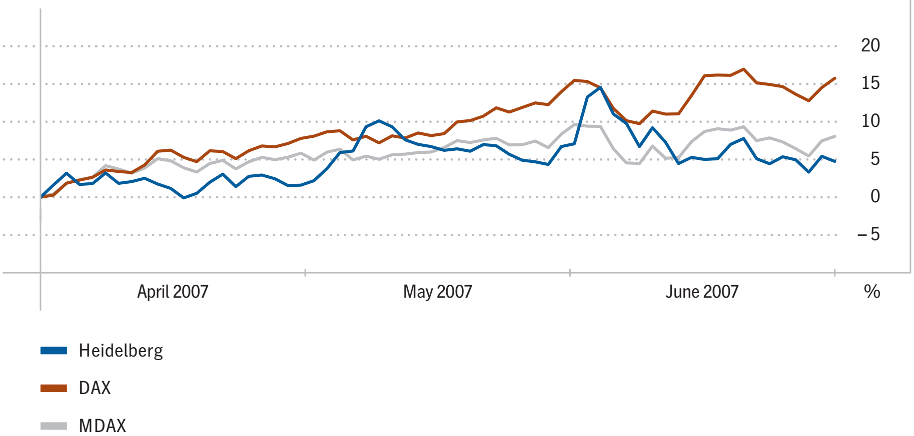
INTERIM FINANCIAL REPORT

FIRST QUARTER 2007/2008

HEIDELBERG

PERFORMANCE OF THE HEIDELBERG SHARE

compared with the DAX/MDAX (Index: April 1, 2007 = 0 percent)



KEY PERFORMANCE DATA

Figures in € millions

	Q1 prior year	**Q1 2007/2008**
Incoming orders	1,076	**934**
Net sales	719	**742**
Result of operating activities	16	**26**
– in percent of sales	2.2	**3.5**
Net profit	5	**8**
– in percent of sales	0.7	**1.1**
Cash flow	30	**28**
– in percent of sales	4.2	**3.8**
Free cash flow	– 94	**– 81**
Research and development costs	58	**57**
Investments	29	**52**
Earnings per share in €	0.06	**0.10**

Contents

The Heidelberg Share

Following a price correction in March, the two most important German share indexes, the DAX and the MDAX, began a persistent upward trend that continued through the end of June. The DAX thereby increased by nearly 16 percent during the first reporting quarter, and the MDAX by approximately 8 percent – a record level for the first quarter. After falling slightly behind the upward trends of the DAX and the MDAX at the beginning of the reporting quarter, the Heidelberg share strengthened during the quarter, closing out the period with a price gain of nearly 5 percent.

On June 22, 2007, the exchangeable bond in Heidelberg shares issued by RWE Aktiengesellschaft in May 2004 expired. Shortly before that, RWE Aktiengesellschaft informed Heidelberg that as of June 15 its voting share in the Company amounted to 9.6 percent, thereby falling below the 10 percent reporting threshold.

The second share buyback program, which was launched in November 2006, was continued in the reporting quarter as planned. From April to June, a total of 490,000 of the Company's own shares were bought back via the stock market for an overall amount of € 17.5 million. An additional 400,000 shares were being held as treasury stock at the beginning of the financial year. We provide ongoing information concerning the further development of the share buyback program at www.heidelberg.com.

KEY PERFORMANCE DATA OF THE HEIDELBERG SHARE

Figures in €

	Q1 prior year	**Q1 2007/2008**
Earnings per share	0.06	0.10
Cash flow per share	0.37	0.36
Share price – high	41.58	39.29
Share price – low	31.62	34.27
Share price – beginning of the quarter [1]	36.40	34.86
Share price – end of the quarter [1]	35.55	35.93
Market capitalization at the end of the quarter in € millions	2,952	2,865
Number of shares in thousands [2]	82,287	79,032

1) Xetra closing price; source of prices: Bloomberg
2) Weighted number of outstanding shares

Overall Picture

The continuing dynamic world economy as well as the print media industry's ongoing favorable situation ensured our successful start in the current financial year. Incoming orders reached a solid level even without a large trade show, with sales and the result of operating activities both improving over the previous year.

Underlying Conditions

In calendar year 2006, the global economy again posted a rapid rise in the gross domestic product, which grew by 5.4 percent. The economic upswing also continued in the first half of 2007, albeit at a slightly reduced pace. In addition to the continuously high raw material and energy prices, the primary cause for the dampened vigor is the slowdown of the US economy, where in particular the declining price trend of the real estate market is clouding the overall picture.

Despite the burden resulting from the strong euro, the European region enjoyed a favorable climate for investment as well as strong demand for exports and a continued high level of capacity utilization – all of which are expected to continue at least into the coming year. In Germany, the impact on private consumer spending by the increase in the value added tax is becoming noticeable. Nevertheless, this dampening effect will be offset by the favorable global economic conditions and positive labor market developments.

The Eastern European economies are continuing to be vigorous. Driven by developments in China and India, Asia remains the region with the highest level of economic expansion. In Latin America, the economic situation is also supported by the favorable development of raw material prices.

The printing industry largely continues to experience favorable developments. Capacity utilization in both the US and the German printing industries is high. As in the past, competitive pressures among equipment suppliers to the print media industry are being reinforced by exchange rate structures that put our Japanese competitors at an advantage.

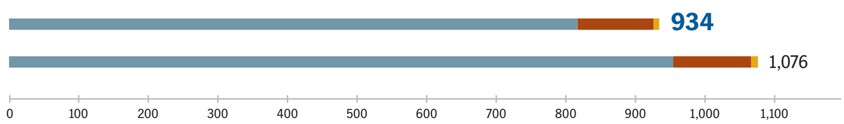
Business Development

INCOMING ORDERS BY DIVISION

Figures in € millions

2007/2008, Q1

2006/2007, Q1



Press	817	– 14 %
Postpress	109	– 3 %
Financial Services	8	– 20 %
Heidelberg Group	**934**	**– 13 %**

The current financial year, characterized by advantages arising from the prolonged vigor of the world economy, started successfully for the Heidelberg Group. The previous year's high levels of incoming orders had been made possible by the volume of orders generated at the IPEX trade show. Even without the benefit of a larger trade show we were able to achieve an excellent level of **incoming orders** totaling € 934 million during the first quarter of the current financial year. This was nevertheless 13 percent below the previous year's figure. The decline is especially evident in the Europe, Middle East and Africa region (trade-show-related), as well as in the Asia/Pacific region. We continued to be successful in Germany, where we again considerably surpassed the previous year's order volume.

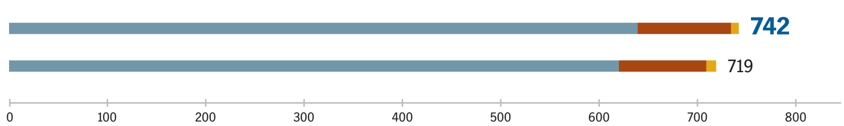
The Heidelberg Group's **order backlog** rose again significantly due to the volume of orders generated during the first quarter. The order backlog amounted to € 1,196 million as of June 30, 2007, thereby securing a high level of capacity utilization.

SALES BY DIVISION

Figures in € millions

2007/2008, Q1

2006/2007, Q1



Press	639	+ 3 %
Postpress	95	+ 7 %
Financial Services	8	– 20 %
Heidelberg Group	**742**	**+ 3 %**

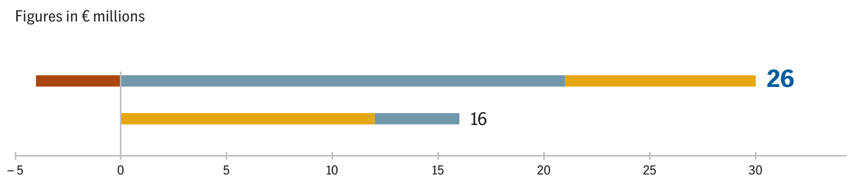
The Heidelberg Group generated **sales** of € 742 million during the first quarter. This was not only 3 percent above the previous year's figure, but the highest volume of sales for any first quarter in a number of years was also posted during the reporting quarter. Nearly all regions contributed to the improvement in sales over the previous year.

Results of Operations, Net Assets, and Financial Position

RESULT OF OPERATING ACTIVITIES

2007/2008, Q1

2006/2007, Q1



	2007/2008, Q1	2006/2007, Q1
Press	**21**	4
Postpress	**– 4**	–
Financial Services	**9**	12
Heidelberg Group	**26**	**16**

We were again able to continue our sustained increase in earnings capacity during the first quarter of the current financial year. With a **result of operating activities** of € 26 million, the Heidelberg Group was successful in considerably surpassing the previous year's figure. The improvement results from the greater sales volume during the reporting quarter. Additionally, we continued to reduce structural costs. The result was primarily burdened by the high wage agreement in connection with a non-recurring payment to the staff during the first quarter. The development of earnings was especially favorable in the Press Division, whereas Postpress did not yet break even.

The financial result worsened from the previous year – a result largely of net interest. Overall, the **net profit** of € 8 million was improved over the figure for the same quarter the previous year of € 5 million.

Investments in tangible and intangible assets reached € 52 million during the first quarter – considerably higher than the previous year's figure. This increase results mainly from investments in the new large-format printing press generation, especially the construction of the new assembly hall 11 at the Wiesloch-Walldorf site. The new building is now nearly completed. Heidelberg's investments are expected to amount to approximately 5 percent of sales for the year as a whole.

The **total assets** of the Heidelberg Group increased since the end of the previous financial year by € 121 million, amounting to € 3,460 million as of June 30, 2007.

Among **assets,** in particular inventories rose considerably due to the favorable order situation, whereas the decline in trade receivables had the opposite effect. We were again also able to moderately reduce receivables from customer financing. Nevertheless, other assets increased due to the favorable development of the balances in the employee pension funds.

The main causes for the increase in shareholders' equity to its current level of € 1,217 million are not only the net profit for the reporting quarter, but also the actuarial profits realized from the pension obligations. The increase was limited by the ongoing share buyback program. The equity ratio amounted to 35 percent as of June 30, 2007. Current financial liabilities rose during the first quarter due to the increased financing requirement from operating activities, with financial liabilities amounting to € 642 million as of the end of the reporting quarter.

BALANCE SHEET STRUCTURE

Figures in € millions

	31-Mar-2007	in percent of total assets	**30-Jun-2007**	in percent of total assets
Non-current assets	1,411	42	1,444	42
Current assets	1,928	58	2,016	58
Total assets	3,339	100	3,460	100
Shareholders' equity	1,202	36	1,217	35
Non-current liabilities	1,123	34	1,117	32
Current liabilities	1,014	30	1,126	33
Total equity and liabilities	3,339	100	3,460	100

Cash flow reached € 28 million during the reporting period, roughly the previous year's figure.

The outflow of funds due to **other operating changes** amounted to € – 63 million in the reporting quarter. As in the previous year, we recorded a high figure for the outflow of funds due to a buildup of inventory, which corresponds to the inflow of funds from trade receivables and liabilities. The overall improvement of this item is due to the favorable development of other payables compared with the previous year. Due to the significantly larger volume of investments, the **outflow of funds from investment activity** of € – 50 million is twice as high as in the same quarter the previous year.

Despite this increase, **free cash flow** of € – 81 million during the first quarter was considerably improved over the previous year.

CASH FLOW STATEMENT

Figures in € millions

	Q1 prior year	Q1 2007/2008
Cash flow	30	28
Inventories	– 129	– 137
Trade receivables / trade payables	120	100
Receivables from customer financing	24	16
Other	– 115	– 38
Other operating changes	– 100	– 59
Outflow of funds from investment activity	– 24	– 50
Free cash flow	– 94	– 81

Heidelberg Excellence

We systematically pursue our target of increasing our corporate value on a long-term basis by means of our program Heidelberg Excellence, which we launched during the current financial year. This program is based on three pillars. We will generate additional sales by offering new products and expanding our business with services, spare parts, and supplies. We will continue and further intensify our efficiency-boosting and cost reduction measures; in addition to optimizing administrative and sales processes, our focus is primarily on measures to boost efficiency and enhance the streamlining of production and assembly processes, with an important contribution here coming from our Heidelberg production system. Through asset management, we will further reduce tied assets and reduce working capital in terms of sales to 30 percent.

Divisions

The order volume during the previous year generated at the IPEX trade show is the main cause that the incoming orders of the **Press** Division during the reporting quarter of € 817 million fell short of the previous year's figure. This volume of orders nevertheless surpassed our expectations, with our domestic German market again demonstrating an especially strong propensity to invest. In terms of products, demand continues to be strong in particular for the Speedmaster XL 105. The third A3-Inforum for small-format machines was held in May 2007 at the Heidelberg and Wiesloch-Walldorf plants, with more than 600 customers participating. The sales volume of the Press Division rose to € 639 million during the reporting quarter – 3 percent over the previous year's figure. During the first quarter, we were successful in considerably boosting this division's result of operating activities over the previous year to € 21 million. This was the result of the increased sales volume as well as a further reduction in structural costs. Despite the further expansion in the product mix, the number of employees during the first quarter increased only slightly, amounting to a total of 17,139 active in the division as of June 30, 2007.

The incoming orders of the **Postpress** Division of € 109 million were only slightly lower than the previous year's figure, despite the fact that incoming orders in the previous year had noticeably benefited from the IPEX trade show. Orders even improved in the packaging segment over the previous year, with our Varimatrix 105 CS sheet die-cutter meanwhile established in the market. During the first quarter, the sales of this division increased by 7 percent over the previous year to € 95 million. The result of operating activities was still negative, amounting to € – 4 million. We are projecting a positive result for this division for the current financial year. In line with the expansion of business activity, the number of employees in the division also rose slightly to a total of 2,019 as of the quarterly reporting date – 31 more than at the end of the previous financial year.

During the first quarter, our path of consistently focusing on our external funding partners and government export insurers also resulted in a further decline in receivables from customer financing to € 415 million – a € 16 million reduction since the end of the previous financial year. The lower funding volume of the **Financial Services** Division also resulted in a falloff in interest income by € 8 million from the previous year. Due to the further improved risk environment in the principal funding markets, our result of the provisions for risks was positive. Overall, this division generated a result of operating activities of € 9 million. As of June 30, 2007 a total of 81 employees were active in this division.

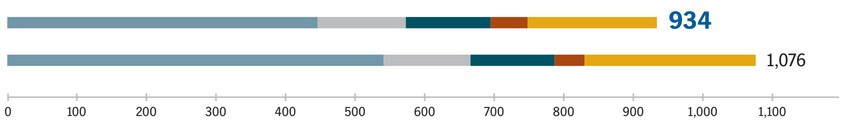
Regions

INCOMING ORDERS BY REGIONS

2007/2008, Q1

2006/2007, Q1

Figures in € millions



Europe, Middle East and Africa	**446**	– 18 %
Eastern Europe	**127**	+ 2 %
North America	**122**	+ 1 %
Latin America	**53**	+ 23 %
Asia/Pacific	**186**	– 24 %
Heidelberg Group	**934**	**– 13 %**

As expected, incoming orders for the reporting quarter in the **Europe, Middle East and Africa** region of € 446 million fell short of the figure for the same quarter the previous year due to the fact that the high levels of incoming orders in the previous year had been made possible by the volume of orders generated at the IPEX trade show. The decline over the previous year was especially evident in the UK and French markets. Business is currently still successful in our biggest market, Germany, where we were able to again post a high volume of orders during the reporting quarter. This region's sales of € 331 million during the first quarter fell slightly short of the previous year's figure.

Incoming orders in the **Eastern Europe** region during the first quarter of the financial year of € 127 million remained stable at the previous year's level. Sales, which totaled € 90 million, posted a marked increase, not only surpassing the previous year's figure by 18 percent but also representing this region's highest volume of sales for the first quarter!

The ongoing high existing capacity utilization of the print media industry in the **North America** region is generating a favorable climate for investment. Incoming orders during the first quarter of the financial year of € 122 million matched the high volume of orders during the same quarter the previous year. Adjusted for the unfavorable foreign currency influences of the ongoing weak US dollar, the previous year's figure was surpassed by 7 percent. The development of sales, which amounted to € 114 million during the first quarter, was also favorable, representing an increase of 2 percent – adjusted for foreign currency changes 8 percent – over the previous year.

The current financial year started outstandingly for the **Latin America** region, with incoming orders amounting to € 53 million during the first quarter, up by 23 percent, and sales of € 40 million up by a full 25 percent over the previous year's figures.

NET SALES BY REGIONS

Figures in € millions

	Q1 prior year	Q1 2007/2008	Change in percent
Europe, Middle East and Africa	340	331	– 3
Eastern Europe	76	90	+ 18
North America	112	114	+ 2
Latin America	32	40	+ 25
Asia/Pacific	159	167	+ 5
Heidelberg Group	719	742	+ 3

Despite the successful Print China trade show, the incoming orders of the **Asia/Pacific** region, which totaled € 186 million, were considerably below the previous year's figure. On the one hand, this region had also benefited from the IPEX trade show the previous year, when a high volume of orders was generated. Furthermore, incoming orders in the Japanese and Chinese markets fall short of our expectations. At present, our business in Japan is being hampered by foreign-currency-related competitive conditions, whereas in China the customs issue continues at least in part. Although since March it has been possible to apply for a customs exemption, only some of our customers have been able to benefit from this. The region's sales of € 167 million were 5 percent higher than in the previous year.

Research and Development

Research and development costs in the Heidelberg Group amounted to € 57 million during the first quarter, slightly below the previous year's figure. We also expect research and development costs to decline from the previous year for the financial year as a whole.

The focus of our operations is on the innovative products that we will introduce at drupa 2008, including the Speedmaster XL 145 and XL 162 – an entirely new generation of printing presses. We are also developing a platesetter for this larger format.

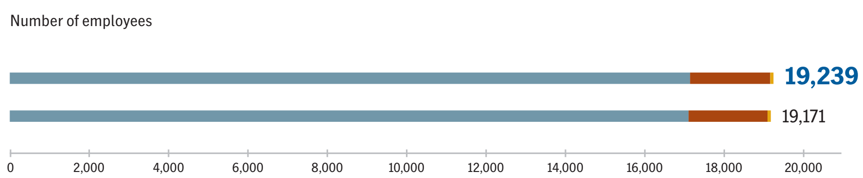
The focus of our R&D work is on the cost structure of print shops. Every reduction in set-up time or spoilage that is gained by the application of our products gives Heidelberg an additional selling point. We also continue to favor our successful approach of offering comprehensive solutions that are optimally networked.

Employees

EMPLOYEES

June 30, 2007

March 31, 2007



Press	**17,139**	17,100
Postpress	**2,019**	1,988
Financial Services	**81**	83
Heidelberg Group	**19,239**	**19,171**

The Heidelberg Group had a total of 19,239 employees at the quarterly reporting date on June 30, 2007 – up by approximately 68 since the end of the previous financial year.

In June, Management Board and staff representatives agreed to an extension through 2012 of the agreement to safeguard the future at our German locations. The goal of the negotiations was to further extend measures that were agreed to in 2005, thereby securing both Heidelberg's competitiveness as well as jobs for the Company's employees. A supplementary pension plan has been established in return for an increase in the weekly working time to 37.5 hours. Agreement was reached concerning the significant criteria for implementation of the master collective bargaining agreement, otherwise known as ERA. Investments will be undertaken according to plan, the training program will be continued unchanged, and the parties to the negotiation assume that there will be no business-related terminations during the life of the agreement.

Risk and Opportunity Report

In the annual report for 2006/2007, we referred to the uncertainty concerning the customs regulations in China as our greatest risk. Following clarification of the situation, the market participants will now need to adjust to the changed underlying conditions. Due to strong competitive pressures, we continue to see a general risk of increasingly weak market prices – a risk that could worsen, especially if the exchange rate structures – in particular of the dollar and the yen – further developed to our disadvantage. The risk in connection with the impending introduction of the ERA has been reduced by our implementation agreements. Our business development continues to be decisively influenced by the condition of the global economy, whose outlook is favorable for the coming years. Our considerable regional diversification reduces our overall risk, since we are less affected by economic trends of individual markets. Nevertheless, a general business downturn would also have an impact on our business. There are currently no recognizable risks that could threaten the existence of the Heidelberg Group.

In addition to risks, there are also opportunities that would favorably influence our business. We would benefit considerably from a world economic situation that was more vigorous than has been projected. A change in exchange rates in favor of suppliers from the European region would also have a favorable impact on our business development.

Future Prospects

Economic research institutes and the IMF currently expect the global economy to develop favorably. The projected growth for calendar year 2007 is approximately 5 percent. We assume that the world economic situation will provide a further impetus to our customers' business. Overall printed volumes will rise moderately, with an above-average, strong pace expected in the emerging markets. We expect the euro to remain rather strong against the Japanese yen and the US dollar – a situation that provides considerable advantages for our Japanese competitors. Nevertheless, this will not endanger our market position either in the sheetfed offset or in the finishing segments.

We are projecting a growth in our sales by 10 to 15 percent over the next three years. We expect sales to rise moderately during the current financial year, a so-called pre-drupa year. During the current financial year, we intend to increase the operating result of operating activities by 10 to 15 percent over the adjusted figure for financial year 2006/2007 of € 302 million. A favorable impact is expected on the one hand from the moderately higher sales volume and on the other hand from our continued, purposeful efficiency-boosting and cost reduction measures in all areas. A negative impact can be expected primarily from less favorable exchange rate structures, greater personnel expenses, and increased burdens in the raw material and energy sector. Besides the increased result of operating activities, we will achieve a financial result that will be modestly improved from the previous financial year. Favored, among other things, by the favorable impact of the tax reform and internal optimizations in view of the tax rate, we thereby intend to increase net profit to approximately 5 percent of the sales. As far as free cash flow is concerned, we will be striving for a value of 4 percent of sales during the current financial year as well.

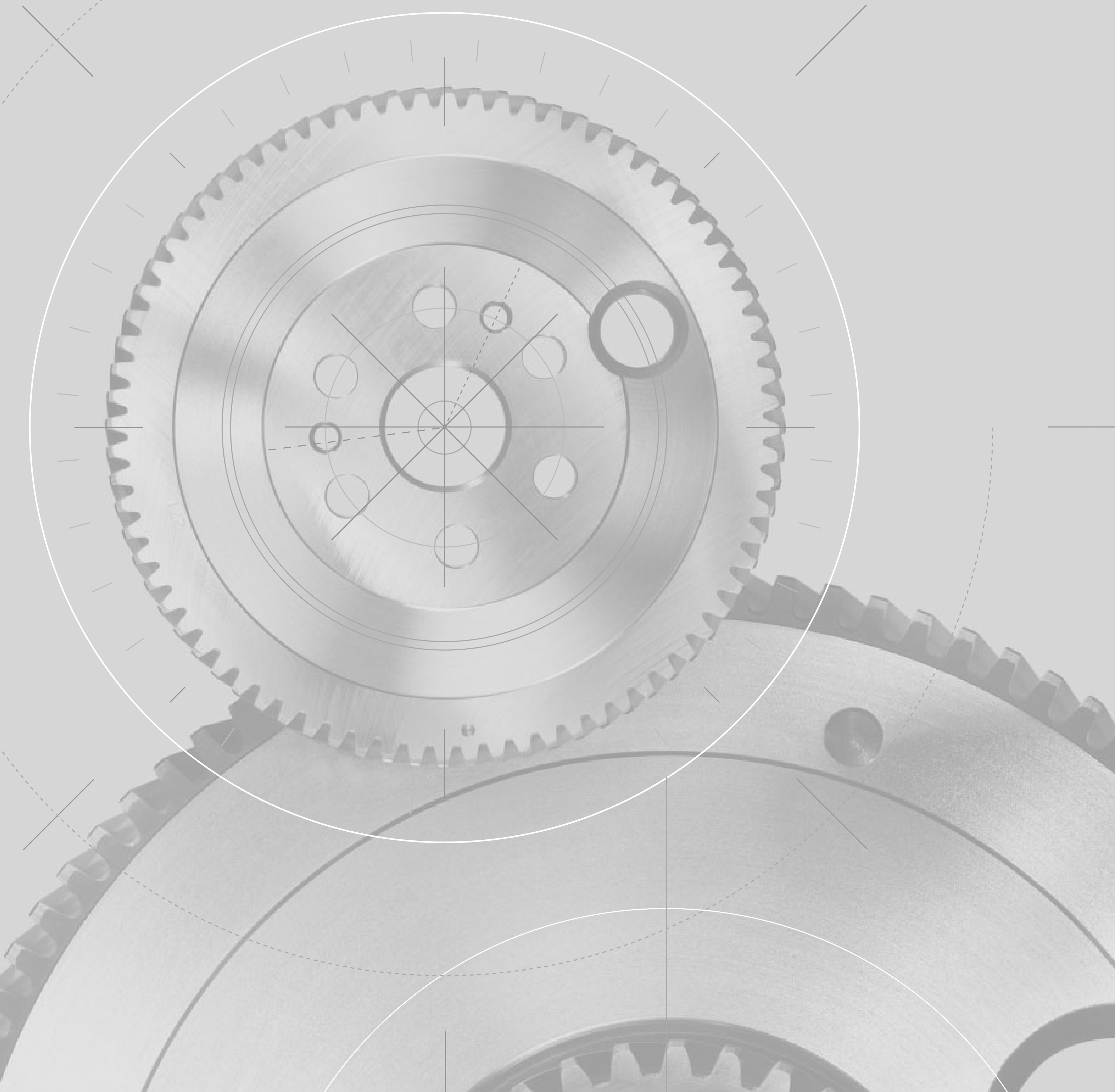
We intend to generate a ROCE of 18 percent in the medium term. With a cost of capital of around 10 percent, we are determined to achieve a value contribution of 8 percent.

Disclaimer

This Quarterly Report contains forward-looking statements based on assumptions and estimations by the Management Board of Heidelberger Druckmaschinen Aktiengesellschaft. Even though the Management Board is of the opinion that these assumptions and estimations are realistic, the actual future development and results may deviate substantially from these forward-looking statements due to various factors, such as changes in the macro-economic situation, in the exchange rates, in the interest rates, and in the print media industry. Heidelberger Druckmaschinen Aktiengesellschaft gives no warranty and does not assume liability for any damages in case the future development and the projected results do not correspond with the forward-looking statements contained in this Quarterly Report.

> THE FIRST QUARTER IN REVIEW

FINANCIAL YEAR 2007/2008



> THE FIRST QUARTER 2007/2008 IN REVIEW

April 5, 2007
LACP Inspire Awards

April 10 – 14, 2007
Print China

April

May 4 – 14, 2007
A3-Inforum

May 12, 2007
Heidelberg Company Running Event

May

4/2007

5/2007

Print China Trade Show in Dongguan

April 10 – 14, 2007 +++ Heidelberg presents the Speedmaster XL 105 and other innovations +++

More than 1,000 companies from China and 15 other foreign countries were represented at the Print China trade show. On more than 2,200 square meters, Heidelberg presented the 100,000 visitors innovative products and equipment shown for the first time on the Chinese market, such as a Speedmaster XL 105 with six inking units, a coating unit, and an image control system. Apart from some sales contracts signed at the trade show, Heidelberg China was able to establish valuable new customer relationships.

LACP Inspire Awards for Heidelberg News

April 5, 2007 +++ Kudos from the US to the customer magazine +++

On the occasion of the 2006 Inspire Awards Competition, Heidelberg News received the Platinum Award in the 'newsletter & magazine' category from the League of American Communications Professionals (LACP). Moreover, the customer magazine was awarded for the 'best virtual design' among the 375 publications participating in the competition. With a print run of virtually 130,000 copies, Heidelberg News is circulated to more than 100 countries around the globe.

A3-Inforum in Heidelberg and Wiesloch-Walldorf

May 4 – 14, 2007 +++ The motto: 'Success with the small format' +++

More than 600 visitors accepted the invitation to the third A3-Inforum in Heidelberg and Wiesloch-Walldorf. In addition to the complete A3 product portfolio, innovative applications and new coating and surface finishing techniques were presented enabling customers to position themselves successfully on the market. The fact that in April already the 25,000th printing unit of a Speedmaster SM 52 was installed at a print shop demonstrates how successful the A3 format is for Heidelberg as well.

The MINI is the leitmotif of the 2007 A3-Inforum

2007/08

June 6, 2007
Agreement on Safeguarding the Future

June

6/2007

Company Running Event within the Scope of the FIT Program

May 12, 2007 +++ Heidelberg health program in the wake of the challenges posed by demographic change +++

Demographic change is an explosive issue: To prepare employees for the increasing demands of professional life and longer work life periods as well, Heidelberg has set up a health campaign named the 'FIT' Program. Within the scope of this program, the first Heidelberg running event took place in May at the Wiesloch-Walldorf site.

Since the beginning of the financial year, Heidelberg employees around the globe have been collecting miles through sports activities like running, swimming, or cycling under the motto 'Miles for More'. During drupa 2008, the Company will convert the miles collected into cash and donate the proceeds to charity. Until the start of the print media industry's most important trade show, Heidelberg employees intend to achieve a total mileage covering the distance from the Earth to the Moon (approx. 400,000 kilometers).

Agreement on Safeguarding the Future Updated until 2012

June 6, 2007 +++ Mutual consent on key points +++

The Management Board and employee representatives of the Heidelberg Group have agreed to continue the agreement to safeguard the future of German sites until 2012. The negotiations were aimed at updating the measures agreed upon in 2005 to improve the Company's competitiveness while safeguarding jobs.

The key new components in the package solution relate to safeguarding the future, working hours, and the collective bargaining agreement, abbreviated ERA. As recompense for the extension of working hours to 37.5 hours per week, additional pension components will be put in place. Moreover, the implementation of ERA was agreed upon. Investments will remain as planned, training will continue in its current form, and the parties to the negotiations do not anticipate any redundancies for operational reasons during the period of the agreement.

> CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the period April 1, 2007 to June 30, 2007

Consolidated interim income statement April 1, 2007 to June 30, 2007

> INTERIM INCOME STATEMENT

Figures in € thousands

	Note	1-Apr-2006 to 30-Jun-2006	**1-Apr-2007 to 30-Jun-2007**
Net sales		718,955	742,218
Change in inventories		89,329	113,118
Other own work capitalized		14,095	22,634
Total operating performance		822,379	877,970
Other operating income	3	46,974	39,638
Cost of materials	4	365,434	393,354
Personnel expenses		284,076	301,326
Depreciation and amortization		31,119	29,558
Other operating expenses	5	173,094	167,384
Result of operating activities		15,630	25,986
Result from the equity valuation		– 200	–
Financial income	6	7,470	3,866
Financial expenses	7	16,851	17,659
Financial result		– 9,581	– 13,793
Income before taxes		6,049	12,193
Taxes on income		1,459	4,283
Consolidated net profit		4,590	7,910
Minority interests		– 94	– 146
Consolidated net profit – Heidelberg portion		4,684	8,056
Undiluted/diluted earnings per share according to IAS 33 (in € per share)	8	0.06	0.10

Consolidated interim balance sheet as of June 30, 2007

> ASSETS

Figures in € thousands

	Note	31-Mar-2007	**30-Jun-2007**
Non-current assets			
Intangible assets	9	261,024	270,106
Tangible assets	9	528,241	538,708
Investment property	9	21,546	20,606
Financial assets	10	46,675	49,042
Receivables from customer financing	11	319,880	289,439
Other receivables and other assets	11	88,052	119,295
Income tax assets		74,098	74,838
Deferred tax assets		72,034	82,123
		1,411,550	1,444,157
Current assets			
Inventories	12	900,701	1,038,046
Receivables from customer financing	11	111,523	125,307
Trade receivables	11	704,538	600,645
Other receivables and other assets	11	122,096	164,167
Income tax assets		9,424	11,800
Marketable securities		2,908	1,642
Cash and cash equivalents		76,339	73,863
		1,927,529	2,015,470
Total assets		3,339,079	3,459,627

> EQUITY AND LIABILITIES

Figures in € thousands

	Note	31-Mar-2007	**30-Jun-2007**
Shareholders' equity	13		
Subscribed capital		203,080	201,825
Capital and revenue reserves		733,272	1,004,860
Consolidated net profit – Heidelberg portion		262,993	8,056
		1,199,345	1,214,741
Minority interests		2,326	2,190
		1,201,671	1,216,931
Non-current liabilities			
Provisions for pensions and similar obligations	14	132,940	124,262
Other provisions	15	374,035	353,179
Financial liabilities	16	421,504	423,664
Other liabilities	17	109,370	105,058
Deferred tax liabilities		85,710	110,778
		1,123,559	1,116,941
Current liabilities			
Other provisions [1]	15	328,668	309,902
Financial liabilities	16	121,882	218,427
Trade payables [1]		249,753	248,307
Income tax liabilities		8,185	4,298
Other liabilities [1]	17	305,361	344,821
		1,013,849	1,125,755
Total equity and liabilities		3,339,079	3,459,627

[1] Previous year's figures were adjusted (see Note 1)

> CONSOLIDATED CASH FLOW STATEMENT

Figures in € thousands

	Note	1-Apr-2006 to 30-Jun-2006	**1-Apr-2007 to 30-Jun-2007**
Consolidated net profit		4,590	7,910
Depreciation and amortization [1]		31,119	29,558
Change in pension provisions		– 1,440	– 2,268
Change in deferred taxes / tax provisions		– 4,169	– 7,327
Result from the equity valuation		200	–
Result from disposals		– 200	461
Cash flow		30,100	28,334
Change in inventories		– 129,411	– 137,216
Change in customer financing		24,418	16,120
Change in trade receivables / trade payables [2]		120,676	100,210
Change in other provisions [2]		– 45,740	– 26,442
Change in other balance sheet items [2]		– 70,447	– 11,521
Other operating changes		– 100,504	– 58,849
Outflow of funds from operating activities		– 70,404	– 30,515
Intangible assets / tangible assets / investment property			
Investments		– 29,124	– 52,415
Proceeds from disposals		9,778	4,797
Financial assets			
Investments		– 4,165	– 2,383
Proceeds from disposals		–	–
Pension funding		–	–
Outflow of funds from investment activity		– 23,511	– 50,001
Free cash flow		– 93,915	– 80,516
Treasury stock		– 45,712	– 17,471
Dividend payment		– 163	–
Change in financial liabilities		141,747	94,128
Inflow of funds from financing activity		95,872	76,657
Net change in cash and cash equivalents		1,957	– 3,859
Cash and cash equivalents at the beginning of the quarter		79,679	79,247
Currency adjustments		– 1,136	117
Net change in cash and cash equivalents		1,957	– 3,859
Cash and cash equivalents at the end of the quarter		80,500	75,505

[1] Relates to intangible assets, tangible assets, investment property, and financial assets
[2] Previous year's figures were adjusted (see Note 1)

> STATEMENT OF RECOGNIZED INCOME AND EXPENSE

Figures in € thousands

	1-Apr-2006 to 30-Jun-2006	**1-Apr-2007 to 30-Jun-2007**
Consolidated net profit	4,590	7,910
Pension obligations [1]	1,070	26,906
Foreign currency translation	– 20,530	– 2,631
Financial assets	– 257	45
Cash flow hedges	3,920	1,291
Total recognized income and expense without effect on the income statement	– 15,797	25,611
Total recognized income and expense	– 11,207	33,521
– of which: Heidelberg Group	– 11,054	33,657
– of which: minority interests	– 153	– 136

[1] Changes in actuarial gains and losses and in asset ceiling due to IAS 19.58b)

> DEVELOPMENT OF SHAREHOLDERS' EQUITY

Figures in € thousands

	2006	**2007**
Shareholders' equity as of April 1	1,137,712	1,201,671
Total recognized income and expense without effect on the income statement	– 15,797	25,611
Consolidated net profit	4,590	7,910
Total recognized income and expense	– 11,207	33,521
Dividend payment	– 163	–
Purchase of treasury stock	– 45,712	– 17,471
Consolidations / other changes	1,392	– 790
Shareholders' equity as of June 30	1,082,022	1,216,931

Consolidated segment information April 1, 2007 to June 30, 2007

> SEGMENT INFORMATION BY DIVISION

Figures in € thousands

	Press		Postpress	
	1-Apr-2006 to 30-Jun-2006	**1-Apr-2007 to 30-Jun-2007**	1-Apr-2006 to 30-Jun-2006	**1-Apr-2007 to 30-Jun-2007**
External sales	619,917	638,846	89,434	95,240
Depreciation [1]	29,716	27,877	1,401	1,576
Non-cash expenses	86,798	81,622	10,867	9,119
Research and development costs	51,903	50,395	5,981	6,118
Result of operating activities (segment result)	3,840	20,996	– 356	– 4,046
Result from the equity valuation	– 200	–	–	–
Investments	28,073	50,434	1,013	1,978
Segment assets [2]	2,336,401	2,457,982	268,962	266,754
Segment debt [2]	1,071,853	1,061,622	94,227	98,842
Number of employees [2]	17,100	17,139	1,988	2,019

> SEGMENT INFORMATION BY REGION

Figures in € thousands

	Europe, Middle East and Africa		Eastern Europe	
	1-Apr-2006 to 30-Jun-2006	**1-Apr-2007 to 30-Jun-2007**	1-Apr-2006 to 30-Jun-2006	**1-Apr-2007 to 30-Jun-2007**
External sales by customer location	339,232	331,359	76,127	90,075
Investments	27,562	47,770	319	281
Segment assets [2]	1,940,218	2,073,650	165,116	163,317

For additional explanations see Note 19

1) No impairments occured during the reporting period

2) Previous year's figures refer to March 31, 2007

Financial Services		Heidelberg Group	
1-Apr-2006 to 30-Jun-2006	**1-Apr-2007 to 30-Jun-2007**	1-Apr-2006 to 30-Jun-2006	**1-Apr-2007 to 30-Jun-2007**
9,604	8,132	718,955	742,218
2	105	31,119	29,558
4,333	5,173	101,998	95,914
–	–	57,884	56,513
12,146	9,036	15,630	25,986
–	–	– 200	–
38	3	29,124	52,415
437,364	422,192	3,042,727	3,146,928
99,331	107,649	1,265,411	1,268,113
83	81	19,171	19,239

North America		Latin America		Asia/Pacific		Heidelberg Group	
1-Apr-2006 to 30-Jun-2006	**1-Apr-2007 to 30-Jun-2007**	1-Apr-2006 to 30-Jun-2006	**1-Apr-2007 to 30-Jun-2007**	1-Apr-2006 to 30-Jun-2006	**1-Apr-2007 to 30-Jun-2007**	1-Apr-2006 to 30-Jun-2006	**1-Apr-2007 to 30-Jun-2007**
112,210	113,514	32,169	40,509	159,217	166,761	718,955	742,218
774	3,786	110	71	359	507	29,124	52,415
335,482	302,168	181,156	179,544	420,755	428,249	3,042,727	3,146,928

Notes

1 Accounting and valuation policies

The consolidated interim financial report as of June 30, 2007 was prepared in accordance with the International Financial Reporting Standards (IFRS) which became effective and binding at that time. The IFRS comprise the IFRS newly released by the International Accounting Standards Board (IASB), as well as the International Accounting Standards (IAS), and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and of the Standing Interpretations Committee (SIC).

The consolidated interim financial report was strictly based on the same accounting and valuation policies as the consolidated Annual Report for the financial year 2006/2007 and complies with the provisions of IAS 34 (Interim financial reporting). In accordance with IAS 37 (Provisions, contingent liabilities, and contingent assets), accrued liabilities for outstanding balances and accrued liabilities from the human resources area are shown in trade payables or in other liabilities. The previous year's figures were adjusted accordingly.

The standards and interpretations becoming initially effective and binding beginning in financial year 2007/2008 had no significant influence on the quarterly statement. The initial application of IFRS 7 and the amendments to IAS 1 will result in an extension of the Notes to the Financial Statements. The impact of standards already released but not yet applicable are currently being analyzed.

Revenues that are received seasonally, cyclically, or occasionally are not anticipated or deferred in the consolidated interim financial report. Costs incurred unevenly during the financial year were deferred if deferral would be appropriate at the end of the financial year.

2 Scope of the consolidation

Apart from Heidelberger Druckmaschinen Aktiengesellschaft, the consolidated interim financial statements include a total of 70 (March 31, 2007: 70) domestic and foreign companies in which Heidelberger Druckmaschinen Aktiengesellschaft is in a position to exercise control as defined by IAS 27. Of these companies, 63 (March 31, 2007: 63) are located outside Germany. Shares in subsidiaries that are of minor significance are not included.

The scope of the consolidation remained unchanged compared with March 31, 2007.

3 Other operating income

	1-Apr-2006 to 30-Jun-2006	**1-Apr-2007 to 30-Jun-2007**
Reversal of other provisions/accrued liabilities	13,348	9,866
Income from operating facilities	4,928	4,669
Income from written-off receivables	6,840	3,849
Hedging transactions/foreign-exchange profit	3,911	3,178
Income from disposals of intangible assets, tangible assets, and investment property	342	188
Other income	17,605	17,888
	46,974	39,638

Income from hedging transactions/foreign-exchange profits is offset by expenses from hedging transactions/foreign-exchange losses that are shown in other operating expenses (Note 5).

4 Cost of materials

	1-Apr-2006 to 30-Jun-2006	**1-Apr-2007 to 30-Jun-2007**
Expenses for raw materials, consumables, and supplies, as well as for goods purchased	307,609	336,627
Costs of purchased services	56,398	56,223
Interest expenses of Financial Services	1,427	504
	365,434	393,354

Proportionate interest expenses accrued in connection with the Financial Services Division are shown in the cost of materials. Interest income from customer financing totaling € 8,132 thousand (previous year: € 9,604 thousand) is included in net sales.

5 Other operating expenses

	1-Apr-2006 to 30-Jun-2006	**1-Apr-2007 to 30-Jun-2007**
Special direct sales expenses including freight charges	30,188	31,994
Other deliveries and services not included in the cost of materials	26,399	27,575
Travel expenses	14,417	15,516
Rent and leases (excluding car fleet)	13,937	13,722
Costs of information technology	13,977	13,648
Additions to provisions (relates to several expense accounts)	4,235	6,617
Legal, consulting, and audit fees	4,425	5,265
Provisions for doubtful accounts and other assets	10,383	4,957
Costs of car fleet	4,798	4,937
Insurance expense	5,652	4,776
Hedging transactions / exchange rate losses	6,052	4,053
Expenses from operating facilities	2,909	3,516
Costs of mail and payment transactions	3,127	3,333
Other research and development costs	3,233	2,653
Public-sector fees and other taxes	2,118	2,467
License fees	1,044	1,943
Office supplies, newspapers, technical literature	1,011	1,022
Losses from disposals of intangible assets and tangible assets	142	649
Other overhead costs	25,047	18,741
	173,094	167,384

Expenses from hedging transactions/foreign-exchange losses are offset by income from hedging transactions/foreign-exchange profits that are shown in other operating income (Note 3).

6 Financial income

	1-Apr-2006 to 30-Jun-2006	**1-Apr-2007 to 30-Jun-2007**
Interest and similar income	4,591	2,663
Income from financial assets / loans / marketable securities	2,879	1,203
	7,470	3,866

7 Financial expenses

	1-Apr-2006 to 30-Jun-2006	**1-Apr-2007 to 30-Jun-2007**
Interest and similar expenses	12,109	16,129
Expenses from financial assets/loans/marketable securities	4,742	1,530
	16,851	17,659

8 Earnings per share

Earnings per share are calculated by dividing the net profit to which the shareholders of Heidelberg are entitled by the weighted number of shares outstanding during the period (first quarter 2007/2008: 79,031,989 shares). The weighted number of outstanding shares was influenced by the purchase of treasury stock in the first six months of the financial year. As at June 30, 2007 the treasury stock comprised 890,000 shares. Diluted earnings per share and undiluted earnings per share amount to € 0.10 (previous year: € 0.06).

9 Intangible assets, tangible assets, and investment property

	Intangible assets	Tangible assets	Investment property
Acquisition or manufacturing cost 31-Mar-2007	437,393	2,012,296	60,926
Acquisition or manufacturing cost 30-Jun-2007	**454,264**	**2,035,471**	**60,102**
Accumulated depreciation 31-Mar-2007	176,369	1,484,055	39,380
Accumulated depreciation 30-Jun-2007	**184,158**	**1,496,763**	**39,496**
Book values 31-Mar-2007	261,024	528,241	21,546
Book values 30-Jun-2007	**270,106**	**538,708**	**20,606**

10 Financial assets

Financial assets primarily include shares in affiliated companies totaling € 25,005 thousand (March 31, 2007: € 22,371 thousand) as well as other investments totaling € 16,133 thousand (March 31, 2007: € 16,236 thousand), and securities totaling € 7,904 thousand (March 31, 2007: € 8,068 thousand).

11 Receivables and other assets

			31-Mar-2007			**30-Jun-2007**
	Current	Non-current	Total	Current	Non-current	Total
Receivables from customer financing	111,523	319,880	431,403	125,307	289,439	414,746
Trade receivables	704,538	–	704,538	600,645	–	600,645
Other receivables and other assets						
Other tax refund claims	21,717	1,430	23,147	22,350	–	22,350
Loans	248	6,008	6,256	608	6,740	7,348
Derivative financial instruments	23,018	6,462	29,480	26,332	11,702	38,034
Deferred interest payments	1,795	–	1,795	1,839	–	1,839
Prepaid expenses	12,389	1,054	13,443	37,895	–	37,895
Other assets	62,929	73,098	136,027	75,143	100,853	175,996
	122,096	88,052	210,148	164,167	119,295	283,462

12 Inventories

	31-Mar-2007	**30-Jun-2007**
Raw materials, consumables, and supplies	130,679	133,423
Work and services in process	350,720	373,936
Manufactured products and merchandise	406,977	514,965
Prepayments	12,325	15,722
	900,701	1,038,046

13 Shareholders' equity

On October 31, 2006, the Management Board of Heidelberger Druckmaschinen Aktiengesellschaft approved the acquisition of the Company's own shares in an amount of up to 5 percent of the capital stock (up to 4,152,535 shares) during the period November 7, 2006 through January 19, 2008 at the latest. The Management Board thereby made use of the authorization by the Annual General Meeting of July 20, 2006 to acquire the Company's own shares in an amount of up to 10 percent of the current capital stock or – should this amount be lower – of the capital stock at the time of the authorization's implementation for any acceptable purpose by January 19, 2008. The repurchased shares may only be utilized for the reduction of the Company's capital stock, for employee share participation programs, or for other forms of share distribution to the employees of the Company or of a subsidiary or to individuals who are or were employed by the Company or affiliated enterprises.

By March 31, 2007 a total of 2,419,422 shares were repurchased at a cost of € 81,023 thousand. As of June 30, 2007 400,000 shares thereof (acquisition cost: € 13,258 thousand) were still held as treasury stock – the same as at March 31, 2007. Furthermore, during the period April 1, 2007 until June 30, 2007, an additional 490,000 shares were repurchased at an acquisition cost of € 17,471 thousand and were also held as treasury stock on June 30, 2007.

14 Provisions for pensions and similar obligations

We maintain benefit programs for the majority of employees for the period following their retirement – either through the direct program or one financed by payments of premiums to private institutions. The level of benefit payments depends on the conditions in particular countries. The amounts are generally based on the term of employment and the salary of the employees. The liabilities include both those arising from current pensions as well as vested pension rights for pensions payable in the future. The pension payments expected following the beginning of benefit payments are apportioned over the employee's overall period of employment. After deduction of deferred taxes, the actuarial gains and losses are offset to shareholders' equity without effect on the income statement. As of June 30, 2007, a discount rate of 5,00 percent (March 31, 2007: 4.75 percent) was applied for domestic companies.

15 Other provisions

			31-Mar-2007			30-Jun-2007
	Current	Non-current	Total	Current	Non-current	Total
Tax provisions	19,444	250,450	269,894	19,042	241,109	260,151
Other provisions						
Liabilities arising from human resources [1]	92,700	53,286	145,986	83,413	47,809	131,222
Liabilities arising from sales and service activities	161,879	30,567	192,446	154,426	24,709	179,135
Other [1]	54,645	39,732	94,377	53,021	39,552	92,573
	309,224	123,585	432,809	290,860	112,070	402,930
	328,668	374,035	702,703	309,902	353,179	663,081

[1] Previous year's figures were adjusted (see Note 1)

16 Financial liabilities

			31-Mar-2007			30-Jun-2007
	Current	Non-current	Total	Current	Non-current	Total
Convertible bond	–	286,533	286,533	–	288,663	288,663
Borrower's note loans	7,279	130,500	137,779	7,695	130,500	138,195
To banks	84,460	–	84,460	176,011	–	176,011
From finance lease contracts	6,929	4,471	11,400	6,592	4,501	11,093
Other	23,214	–	23,214	28,129	–	28,129
	121,882	421,504	543,386	218,427	423,664	642,091

17 Other liabilities

	31-Mar-2007			30-Jun-2007		
	Current	Non-current	Total	Current	Non-current	Total
Advance payments received on orders	79,653	–	79,653	102,154	–	102,154
Accrued liabilities from human resources [1)]	81,760	–	81,760	81,183	–	81,183
From derivative financial instruments	6,505	861	7,366	13,030	64	13,094
From other taxes	39,592	–	39,592	39,634	–	39,634
Relating to social security	9,254	–	9,254	9,837	2,927	12,764
Deferred income	34,561	35,587	70,148	43,928	30,536	74,464
Other	54,036	72,922	126,958	55,055	71,531	126,586
	305,361	109,370	414,731	344,821	105,058	449,879

1) Previous year's figures were adjusted (see Note 1)

18 Contingent liabilities and other financial liabilities

As of June 30, 2007 contingent liabilities for warranties and guarantees totaled € 199,890 thousand (March 31, 2007: € 218,686 thousand); they primarily comprise guarantees provided for the liabilities of third parties in connection with non-current customer financing, which in turn largely correspond with recourse rights on the delivered assets.

Other financial liabilities are broken down as follows:

	31-Mar-2007			30-Jun-2007		
	Current	Non-current	Total	Current	Non-current	Total
Lease obligations	58,454	362,611	421,065	57,289	357,043	414,332
Investments	71,593	2,937	74,530	70,520	2,094	72,614
	130,047	365,548	495,595	127,809	359,137	486,946

19 Information concerning segment reporting

The segment information is based on the **'risk and reward approach'**. Intersegmental sales are of minor financial significance and may therefore be ignored.

Non-cash expenses comprise the following:

	1-Apr-2006 to 30-Jun-2006	**1-Apr-2007 to 30-Jun-2007**
Provisions for doubtful accounts and other assets	10,383	4,957
Additions to provisions and accrued liabilities	91,615	90,957
	101,998	95,914

Research and development costs result from capitalized research and development costs, however excluding depreciation on the development costs for the reporting period.

Investments comprise investments in intangible assets and tangible assets.

Segment assets and **segment debt** result from gross assets or gross debt as follows:

	31-Mar-2007	**30-Jun-2007**
Assets per balance sheet	3,339,079	3,459,627
– financial assets	– 46,675	– 49,042
– marketable securities	– 2,908	– 1,642
– finance receivables	– 68,066	– 70,904
– deferred tax assets	– 72,034	– 82,123
– tax refund claims	– 106,669	– 108,988
Segment assets	3,042,727	3,146,928

	31-Mar-2007	**30-Jun-2007**
Liabilities per balance sheet	2,137,408	2,242,696
– tax provisions	– 269,894	– 260,151
– tax obligations	– 47,777	– 43,932
– financial obligations	– 468,616	– 559,722
– deferred tax liabilities	– 85,710	– 110,778
Segment liabilities	1,265,411	1,268,113

Finance receivables comprise finance receivables against affiliated companies and other financial assets.

Financial liabilities comprise the items specified in Note 16, with the exception of financial liabilities associated with customer financing.

The **number of employees** was recorded as of June 30, 2007 compared with March 31, 2007.

20 Supervisory Board / Management Board

The members of the Supervisory Board and the Management Board are listed on page 36.

21 Information on events after the reporting date

No significant events occurred after the reporting date.

Heidelberg, July 2007

The Management Board

Supervisory Board

Dr. Mark Wössner
Chairman of the
Supervisory Board

Rainer Wagner *
Deputy Chairman
of the Supervisory Board

Martin Blessing

Wolfgang Flörchinger *

Martin Gauß *

Mirko Geiger *

Gunther Heller *

Dr. Jürgen Heraeus

Jörg Hofmann *

Dr. Siegfried Jaschinski
– since April 3, 2007 –

Robert J. Koehler

Uwe Lüders

Dr. Gerhard Rupprecht

Beate Schmitt *

Dr. Klaus Sturany

Peter Sudadse *

* Employee Representative

Committees of the Supervisory Board

Management Committee
Dr. Mark Wössner
Rainer Wagner
Martin Blessing
Martin Gauß
Mirko Geiger
Dr. Gerhard Rupprecht

Mediation Committee under Article 27 Subsection 3 of the Codetermination Act
Dr. Mark Wössner
Rainer Wagner
Martin Blessing
Wolfgang Flörchinger

Committee on Arranging Personnel Matters of the Management Board
Dr. Mark Wössner
Rainer Wagner
Dr. Gerhard Rupprecht

Audit Committee
Dr. Klaus Sturany
Dr. Jürgen Heraeus
– since April 26, 2007 –
Mirko Geiger
Rainer Wagner

Management Board

Bernhard Schreier
Chairman of the
Management Board

Dirk Kaliebe

Dr. Jürgen Rautert

Financial Calendar 2007/2008

November 6, 2007	Publication of Half-Year Figures 2007/2008
February 5, 2008	Publication of Third Quarter Figures 2007/2008
May 7, 2008	Publication of Preliminary Figures 2007/2008
June 10, 2008	Press Conference, Annual Analysts' and Investors' Conference
July 18, 2008	Annual General Meeting
August 5, 2008	Publication of First Quarter Figures 2008/2009
November 6, 2008	Publication of Half-Year Figures 2008/2009

Subject to change

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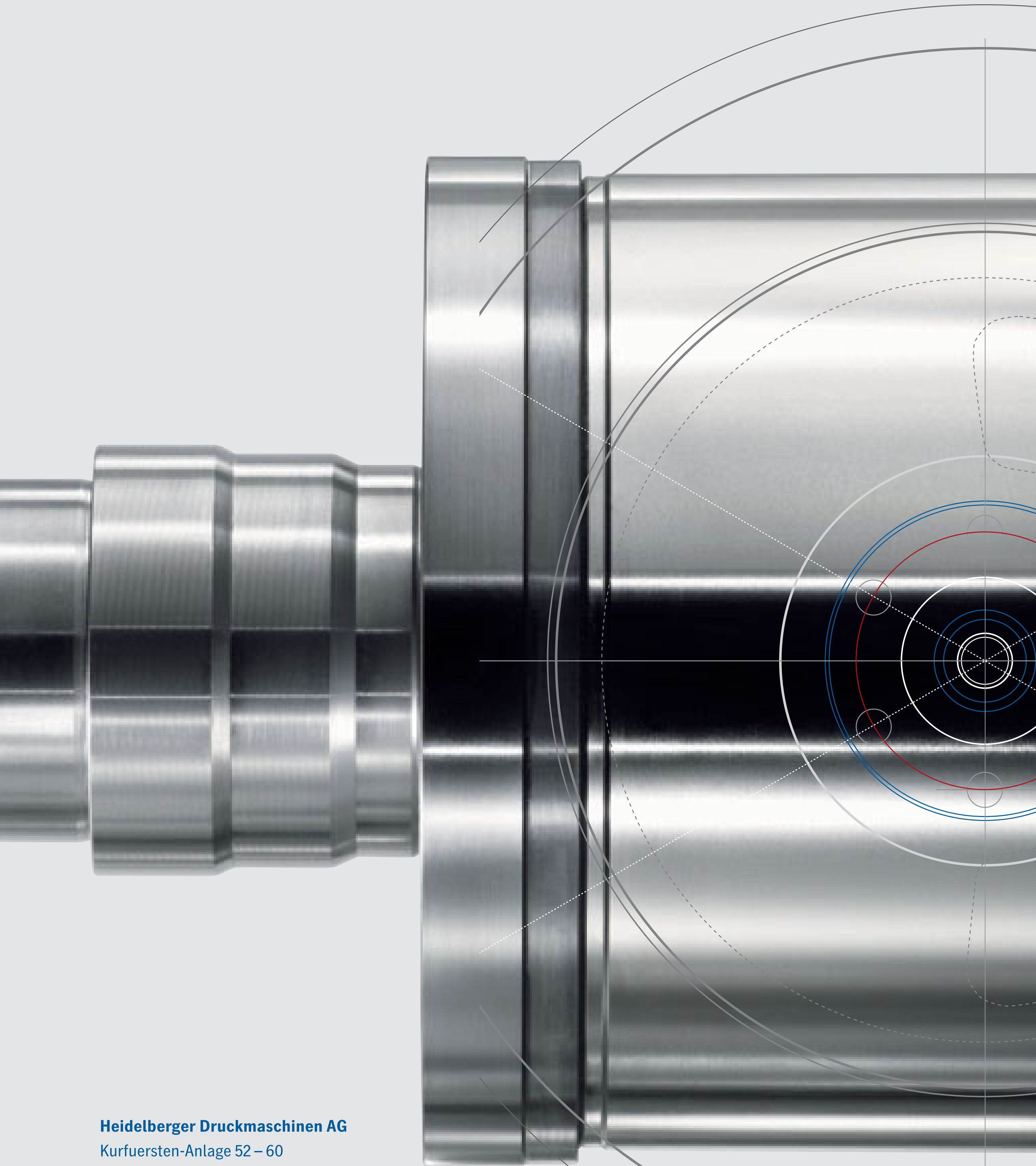

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