

Welcome to drupa 2008

Bernhard Schreier, CEO

Dirk Kaliebe, CFO

Andreas Trösch, Head of Investor Relations

HEIDELBERG

Today's Program

- **2:00 p.m.** **Beginning of the Conference**
Presentation Bernhard Schreier, CEO
Presentation Dirk Kaliebe, CFO
followed by Q's & A's

- **3:30 p.m.** **Guided Booth Tour (in German + English)**

- **5:45 p.m.** **get-together**

- **7:00 p.m.** **Dinner at the Boat**

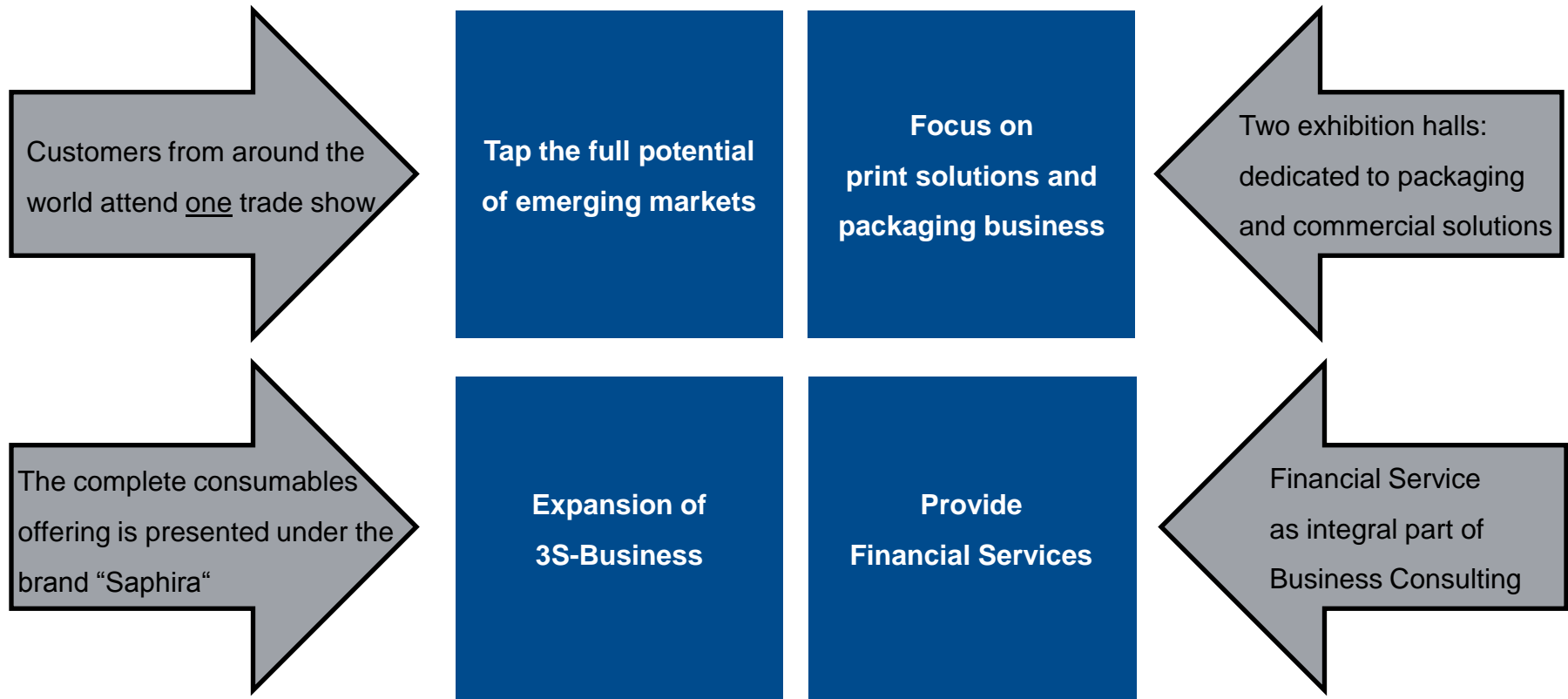
Agenda

1. drupa concept

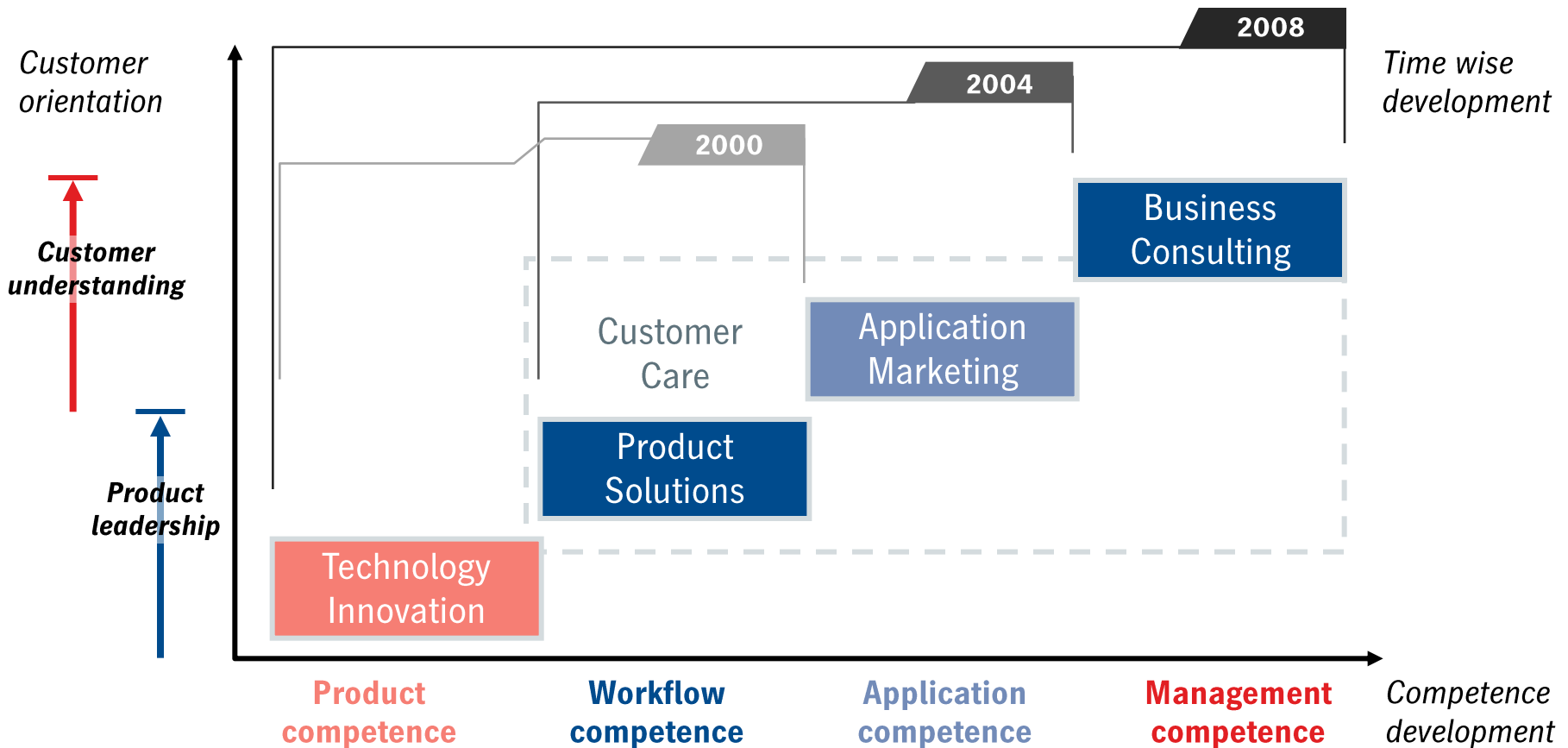
2. Strategic Roadmap and selective innovations

3. Financials and Outlook

drupa consequently puts the Heidelberg strategy into action



drupa 2008: business development with our customers



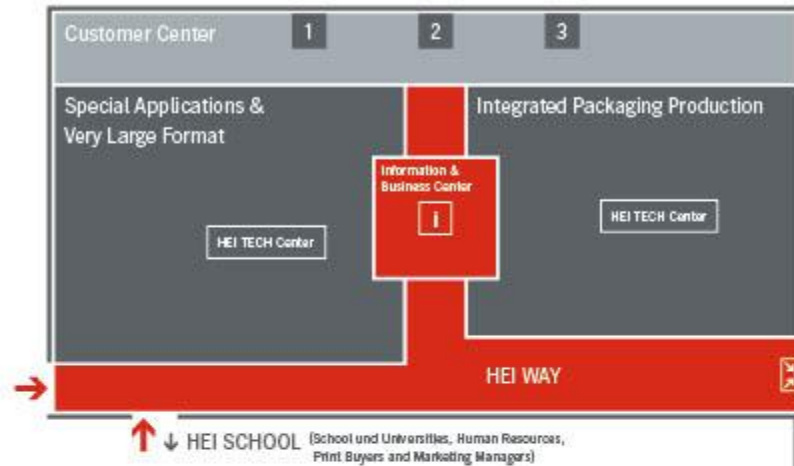
HEI VALUE



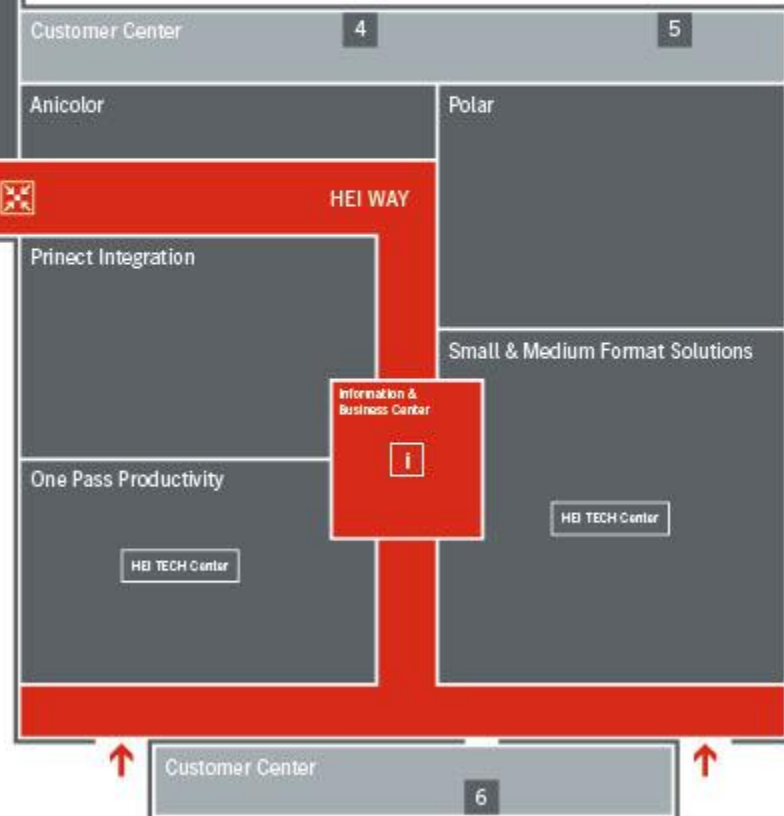
HEI PERFORMANCE

Heidelberg shows Packaging Print Solutions for the first time

Hall 2: Packaging Print Solutions



Hall 1: Commercial Print Solutions



- Asia Pacific
- Germany, Austria, Switzerland
- North & South America
- Europe
- Polar
- Europe, Middle East & Africa
- ⊗ Meeting Point



Agenda

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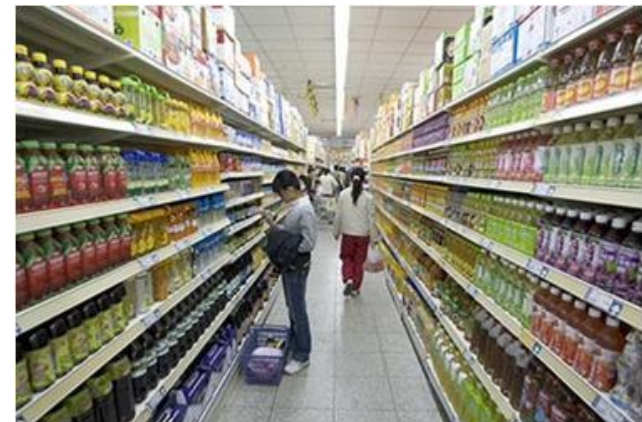
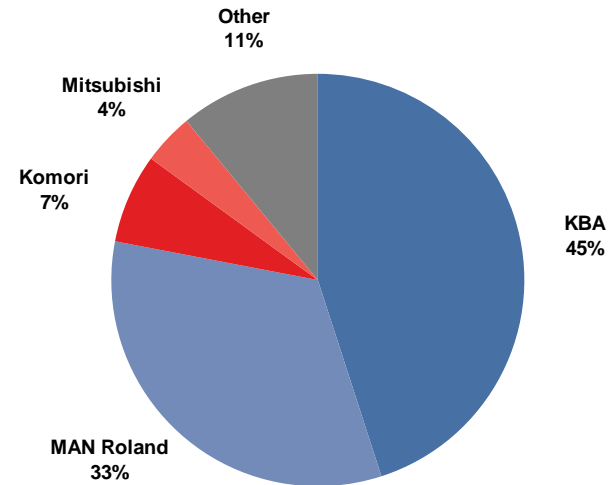
2. Strategic Roadmap and selective innovations

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Packaging a key driver for print growth in industrialized and emerging markets

- XL 145 and XL 162 address especially the packaging printers
- Packaging market shows high growth rates of >5% p.a.

Driving factors ...		
Industrialized countries	Social developments	Single households
	Consumer behavior	Impulse buying / Fast-food consumption
	Convenience	Handling / one-way use
	Luxury and life style	Consumption of luxury products / Piracy
	Legislation	Waste management
Emerging markets	Economic development	Increasing GDP per capita
	Consumer behaviour	Trend to modern supermarkets
	New mass-markets	Development of second-tier cities



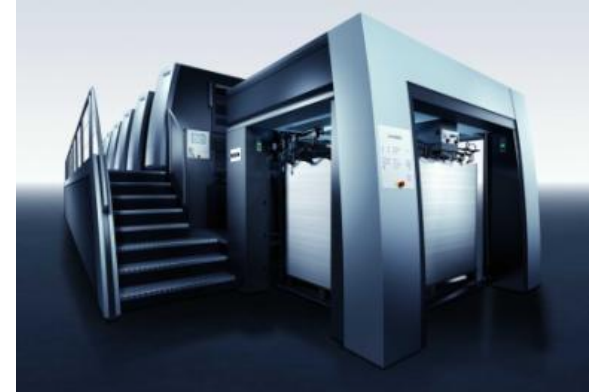
Speedmaster XL 162-6+L **NEW**

HEI Performance

- Max. sheet size: 41.73 × 57.09 in, 121 × 162 cm
- Max. speed: 15,000 sph
- Autoplate XL – simultaneous plate change

HEI Value

- Highest degree of automation
- Shortest makeready and fastest throughput times for highest productivity
- Alcohol-reduced printing



Suprasetter 162 ACL **NEW**

HEI Performance

- Max. plate size: 56.10 × 64.17 in, 142,5 × 163 cm
- External drum platesetter for thermal plates

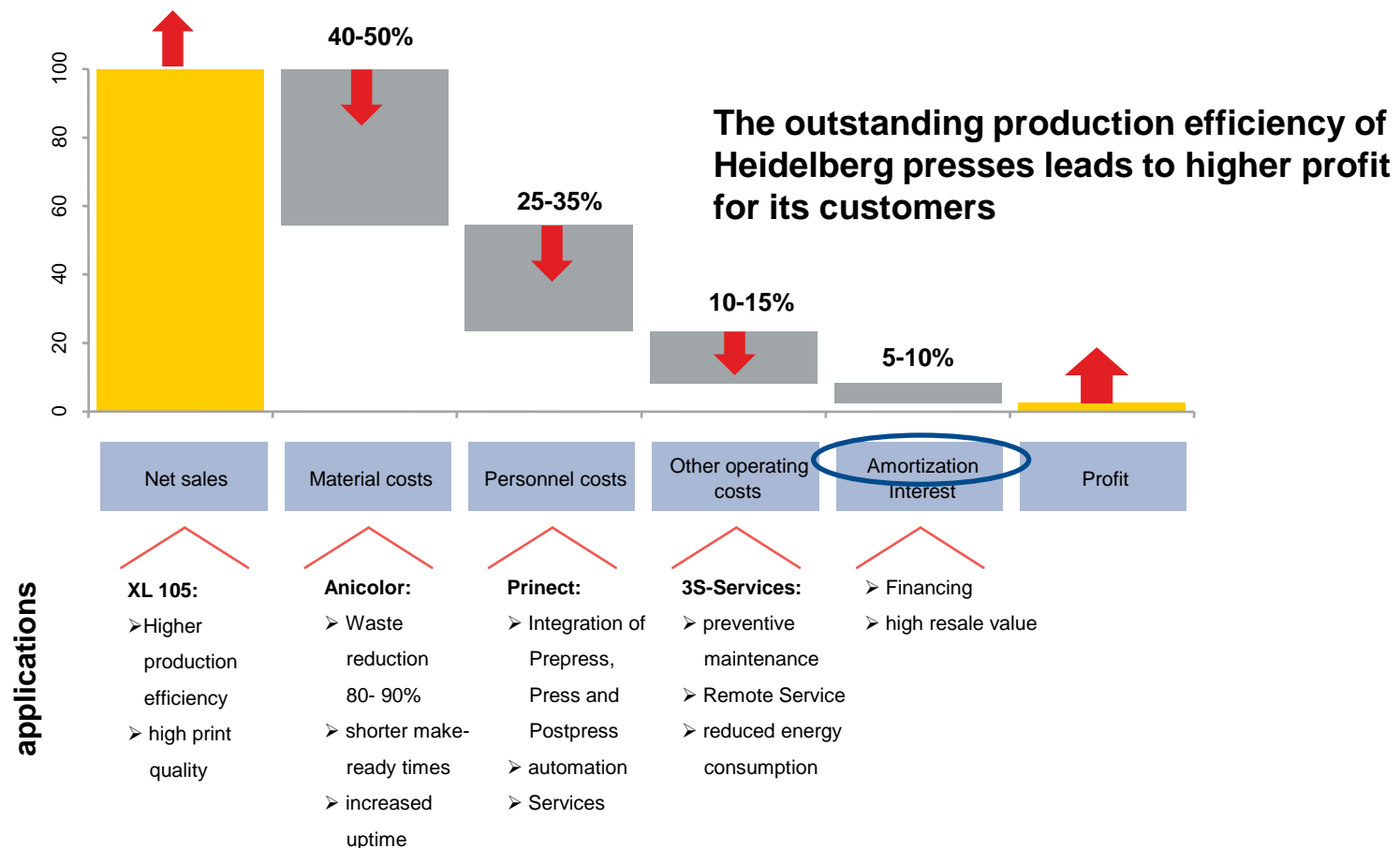
HEI Value

- Reducing downtimes and makeready times of printing presses – high register accuracy of plates



Heidelberg helps its customers to optimize all significant expense components of their income statement

AVERAGE COST STRUCTURE FOR THE PRINTING INDUSTRY



Speedmaster XL 105-10-P **NEW**

HEI Performance

- Max. sheet size: 29.53 × 41.34 in, 75 × 105 cm
- Min. sheet size/perfecting mode: 16.14 × 18.9 in, 41 × 48 cm
- Max. printing speed: 15,000 sph
- *Prinect Press Center* – high-performance control console with Intellistart process-oriented navigation
- Peak Performance perfecting technology
- AutoPlate XL – simultaneous, fully automatic plate change
- *Prinect Inpress Control* – inline color and register measurement control

HEI Value

- Highest degree of automation
- Short makeready times and fast throughput allow highest productivity
- Alcohol-reduced printing



Speedmaster XL 75-10-P+L **NEW**

HEI Performance

- Max. sheet size: 23.82 × 29.53 in, 60,5 × 75 cm
- Min. sheet size/perfecting mode: 13.39 × 13.78 in, 34 × 35 cm
- Max. speed: 15,000 sph
- Prinect Press Center – high-performance control console with Intellistart process-oriented navigation
- AutoPlate XL – simultaneous fully automated plate change
- Peak Performance perfecting technology
- Prinect Inpress Control – inline color and register measurement and control
- Coating unit with chambered doctor blade

HEI Value

- Highest degree of automation
- Shortest makeready times and fast throughput for highest productivity
- Alcohol-reduced printing

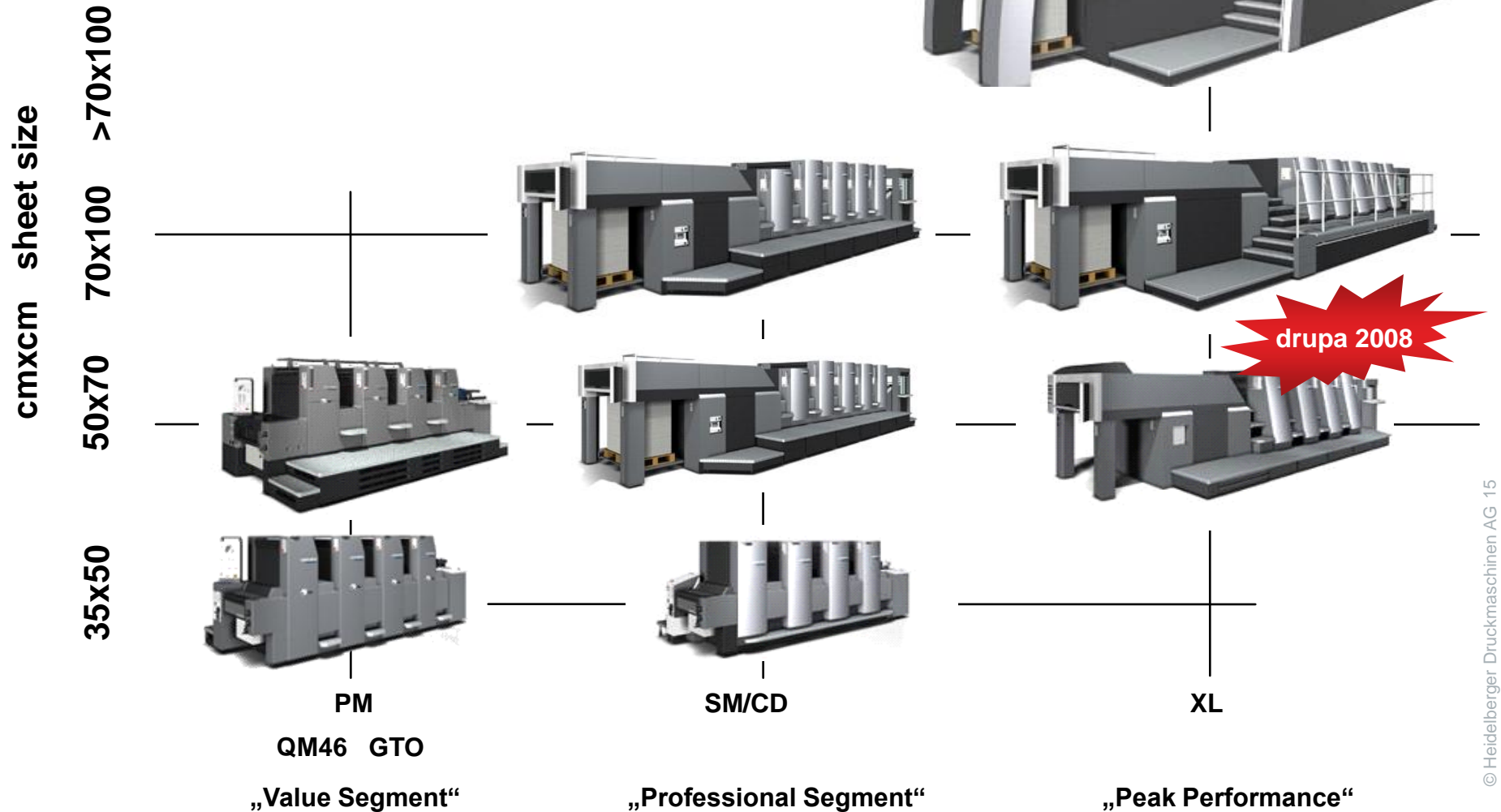


HEI ECO



- Economy and ecology do not have to be inconsistent with one another
- With Heidelberg equipment ecological printing is possible today, e.g. without alcohol, with minimal energy consumption and re-use of waste heat
- Heidelberg produces most of its jobs with FSC paper and climate neutral

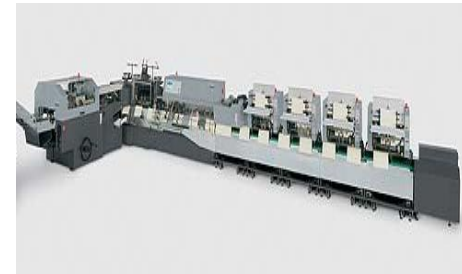
The most comprehensive and performing portfolio ever



Heidelberg offers integrated solutions – unique in the industry

Services

WORKFLOW-SOFTWARE



Prepress

Press

Postpress



WORKFLOW-SOFTWARE

Services

Using the customer base to increase after sales business

Services

Systemservice

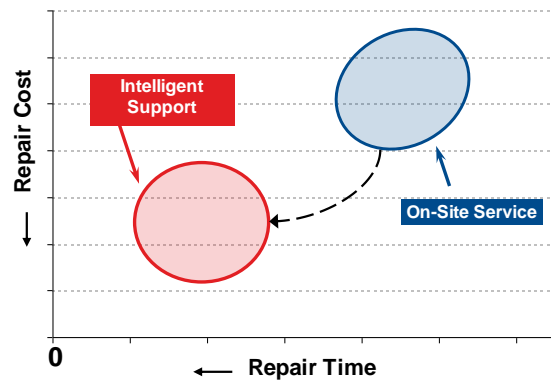
Business Optimization / Training

Spare Parts

Supplies

Consumables

Remote Service: dramatically reduces costs



Exclusive use of original Heidelberg spare parts



One Heidelberg consumables label only



Heidelberg acquires high-performance coating manufacturer

- The acquisition of Hi Tech accelerates the expansion of the 3-S-Strategy under the brand Saphira
- Specialized producer of coatings with excellent margin
- Almost every Heidelberg printing machine is equipped with one or more coating units
- Regional player in UK and Netherlands to be expanded into the worldwide network of Heidelberg
- Hi-Tech is one of the Top 5 suppliers within the fragmented market for coatings



Responsibilities of the Management Board members at Heidelberger Druckmaschinen

Valid from July 1, 2008

Bernhard Schreier **CEO**

- Corporate Development
- Human Resources
- Communications
- Compliance

Dirk Kaliebe **CFO**

- Controlling
- Finances
- IT
- Investor Relations
- Financial Services

Dr. Jürgen Rautert **Sales & Service**

- Sales
- Consumables
- Product Management
- Marketing
- Service

Stephan Plenz **Technology & Operations**

- Research & Development
- Purchasing
- Production
- Postpress

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Key messages

- No changes to the content of the annual financial statements were made compared to the preliminary figures of May 7, 2008.
- Proposed dividend of € 0.95 per share. This corresponds to a payout ratio of 52.5 percent of net profit.
- Strong balance sheet structure
- Outlook for FY09 will be published with Q1 FY09 figures on August 5th

Challenges posed by underlying conditions

Gross domestic product

change from previous year in %	2006	2007	2008
World	4.0	3.7	3.0
<i>Industrialized countries</i>			
USA	2.9	2.2	1.4
EU	3.2	2.9	1.9
<i>Germany</i>	3.1	2.6	1.6
<i>Great Britain</i>	2.9	3.1	1.8
<i>Japan</i>	2.4	2.1	1.5
<i>Emerging markets</i>			
Eastern Europe	6.1	5.2	4.9
<i>Russia</i>	7.4	8.1	7.0
Asia ¹⁾	7.8	8.0	7.2
<i>China</i>	11.1	11.4	9.9
<i>India</i>	9.7	8.5	8.0
Latin America	5.5	5.4	4.9
<i>Brazil</i>	3.7	5.3	5.1

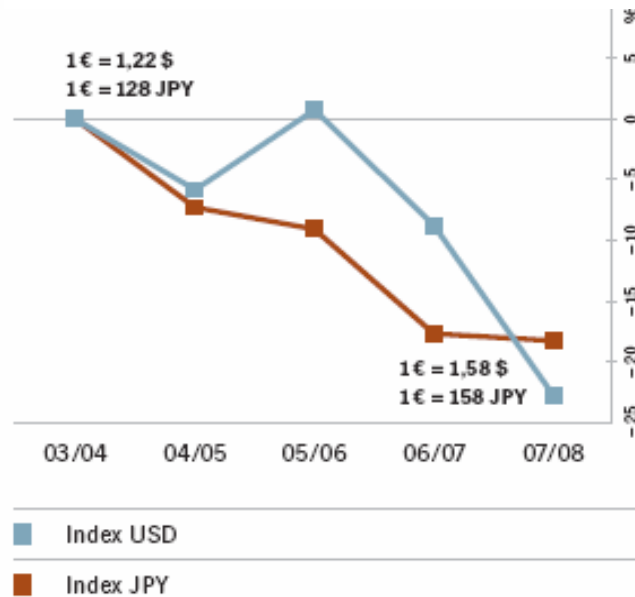
source: Global insight, April 2008

¹⁾ Excluding Japan

Challenges posed by underlying conditions

Appreciation of the EURO

Closing prices of the financial year



Source: Bloomberg

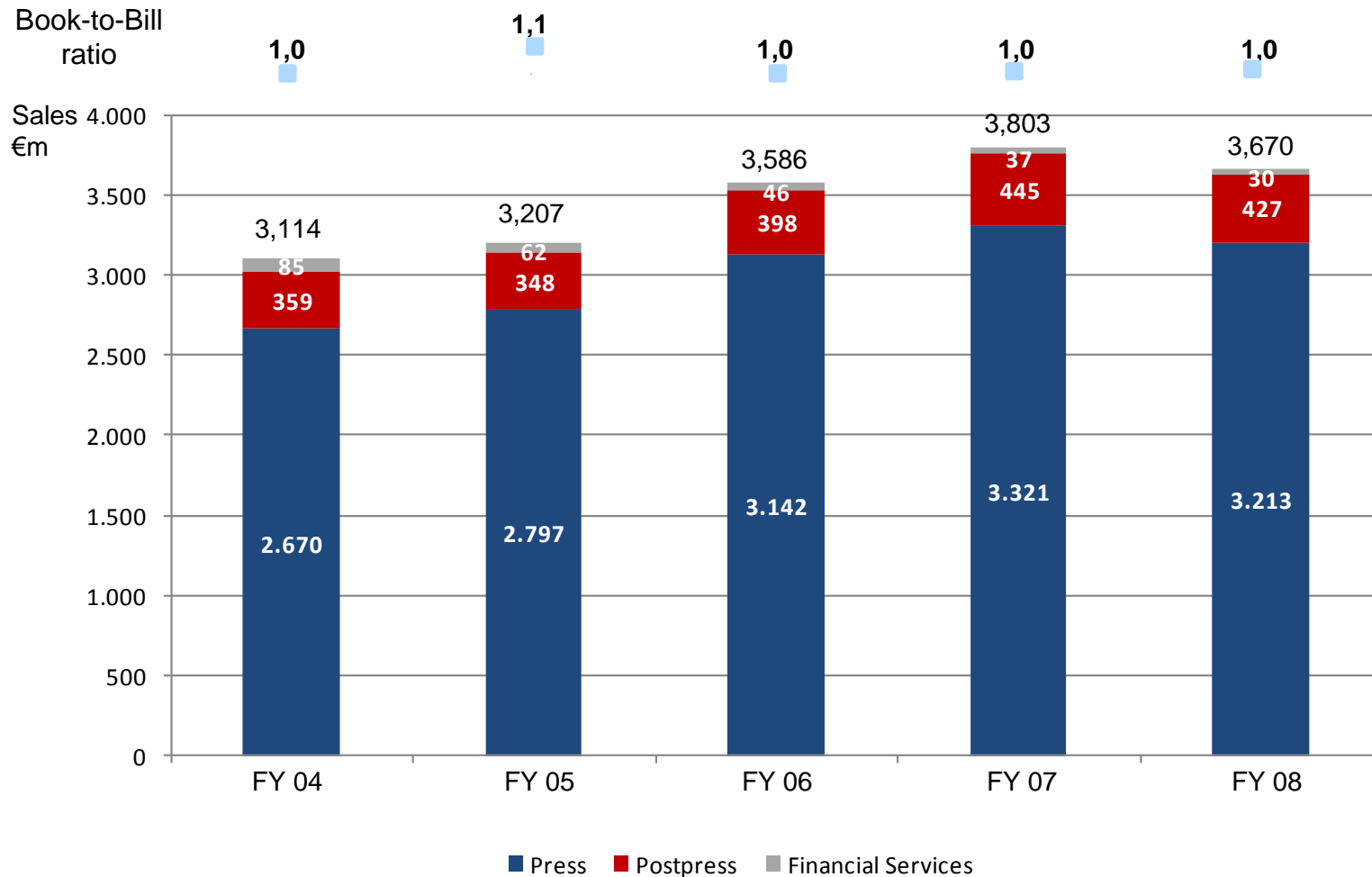
Key figures

Figures in € millions		
	FY 07	FY 08
Incoming Orders	3,853	3,649
Sales	3,803	3,670
Operating profit ¹⁾	302	268
Financial result	-62	-69
Income before taxes	240	199
Net profit ²⁾	144	142
<i>Net profit/Sales</i>	3.8%	3.9%
Free Cash Flow	229	215

¹⁾ FY 07 adjusted for positive one-time effects primarily from disposal of non-core business and sale and lease back transaction of approx. € 60 million

²⁾ FY 07 adjusted for a tax benefit of € 73 million due to changes in tax legislation

Long term sales development and book-to-bill ratio



P&L overview

Figures in € millions

	FY 07	FY 08
Sales	3,803	3,670
Operating profit ¹⁾	302	268
<i>Margin</i>	7.9%	7.3%
Financial result	-62	-69
Income before taxes	240	199
Taxes on income	96	57
<i>tax quota in %</i>	40.0%	28.6%
Net profit ²⁾	144	142
<i>Net profit/Sales</i>	3.8%	3.9%

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Divisional view FY 07 vs. FY 08

Figures in € millions	Sales		EBIT	
	FY 07	FY 08	FY 07	FY 08
Press	3,321	3,213	314	239
Postpress	445	427	7	-7
Financial Services	37	30	41	36
Group	3,803	3,670	362	268
<i>adjusted for one-time effects ¹⁾</i>			302	
<i>Margin</i>			7.9%	7.3%

¹⁾ FY 07 adjusted for positive one-time effects primarily from disposal of non-core business and sale and lease back transaction of approx. € 60 million

***Financial result within expectations**

***Tax quota reduced from 40% to 29%**

***Net profit on the level of the previous year**

Figures in € millions

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Sales	3,803	3,670
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Strong Balance Sheet:

- *Equity stable at 1.2 bn Euro
- *Solid capital structure
- *Working capital project well on track

Figures in € millions

Assets	03/31/2007	03/31/2008	Liabilities	03/31/2007	03/31/2008
Fixed assets	863	932	Shareholders' equity/minorities	1,202	1,193
Other assets	2,476	2,575	Provisions	836	855
- thereof inventories	901	974	- thereof provisions for pensions	133	116
- thereof receivables from CuFi	432	323	Other Liabilities	1,301	1,459
- thereof trade receivables	705	596	- thereof financial liabilities	544	544
- thereof cash/marketable securities	79	144	- thereof trade payables	250	295
Total assets	3,339	3,507	Total liabilities	3,339	3,507

Working Capital improved to 32.5% of sales

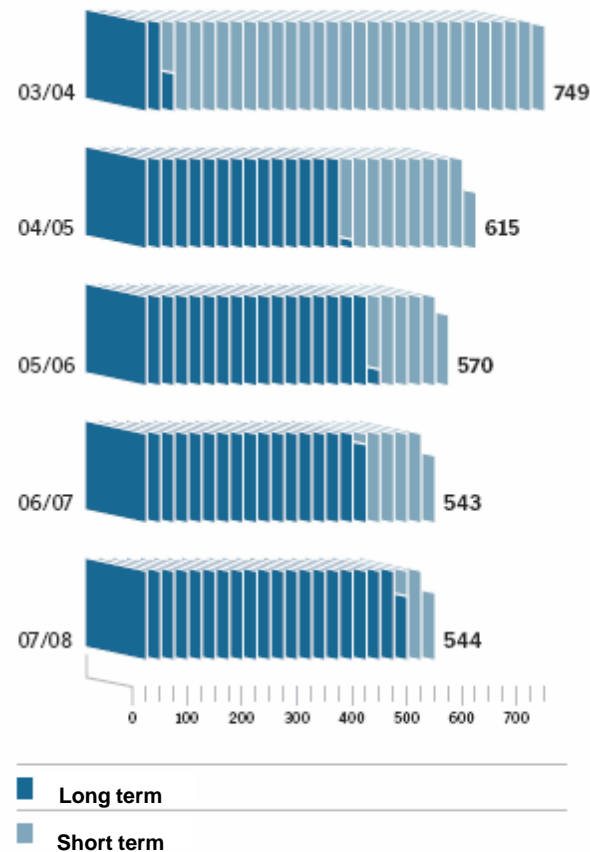
Working Capital – 12m-comparison

Figures in € millions		
	03/31/2007	03/31/2008
Inventories	901	974
+ Trade receivables	705	596
./.Trade payables	250	295
./.Payments on account	80	82
	1,276	1,193
in % of sales	33.6%	32.5%

Composition of Financial Liabilities:

*Shifting from short term to long term debt

Figures in € millions



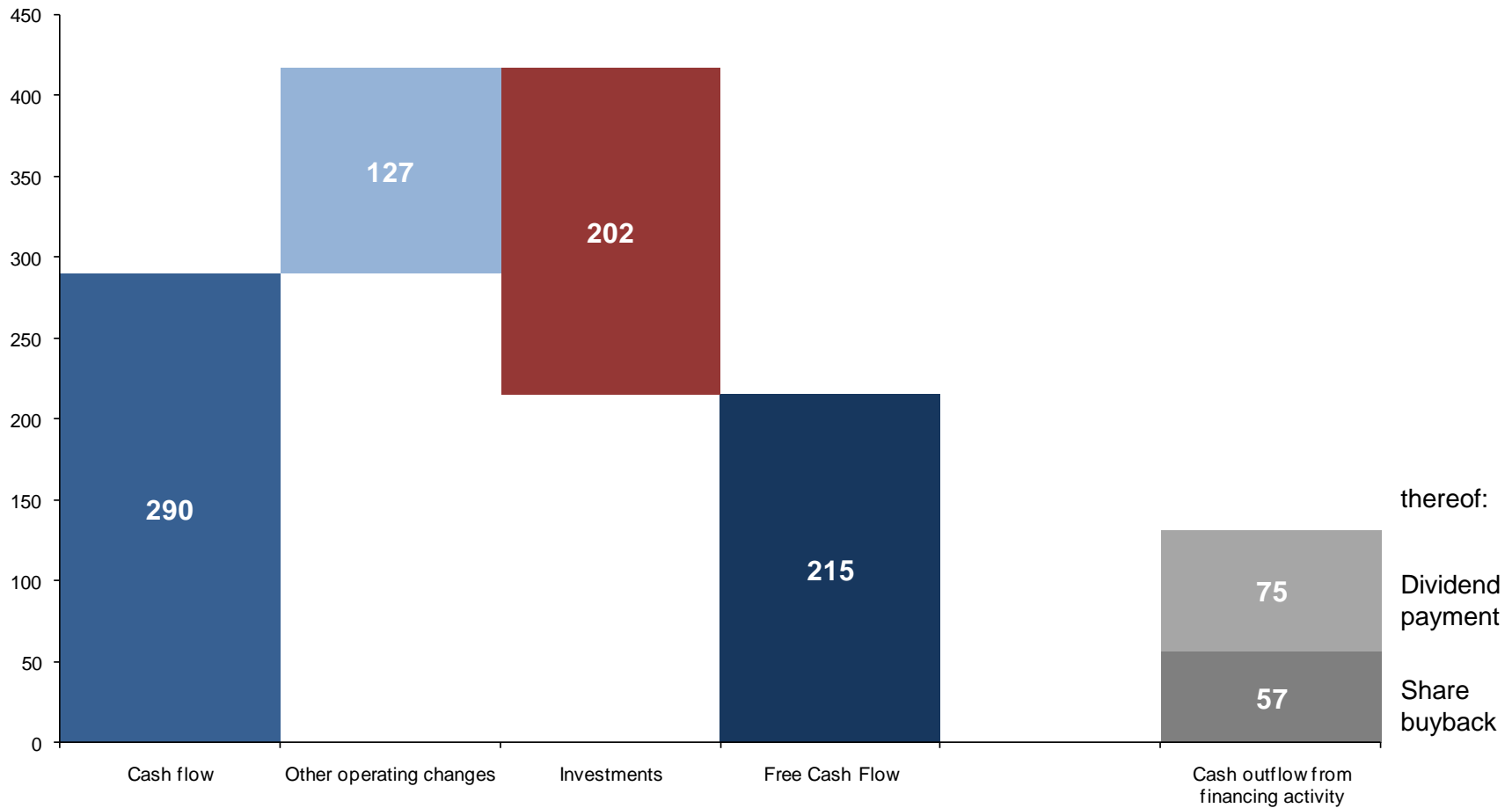
Net debt (including provision for pensions)

Figures in € millions

	31-Mar-2007	30-Sep-2007	31-Mar-2008
Convertible bond	287	291	295
Liabilities to banks and private placement	222	410	220
Provision for pensions	133	117	116
- Cash and cash equivalents	-79	-85	-144
Net debt	563	733	487

Cash Flow Statement

FY 2007/2008
€m



Cash Flow Statement

Figures in € millions		
	FY07	FY08
Net profit ¹⁾	190	142
Cash flow	325	290
- thereof depreciation and amortization	130	124
Other operating changes	0	127
- thereof inventories	-60	-92
- thereof changes in trade receivables/trade payables	-51	118
- thereof changes in customer financing	47	80
- thereof other changes ¹⁾	64	21
Net cash from operating activities	325	417
Outflow of funds from investment activity	-95	-202
- thereof pension funding/ factory building	-65	-25
- thereof income from asset disposals ²⁾	143	45
Free cash flow	229	215
- share buyback program	-130	-57
- dividend payment	-53	-75

¹⁾ Net profit FY07 adjusted for positive one-time tax benefit of € 73 million due to changes in tax legislation

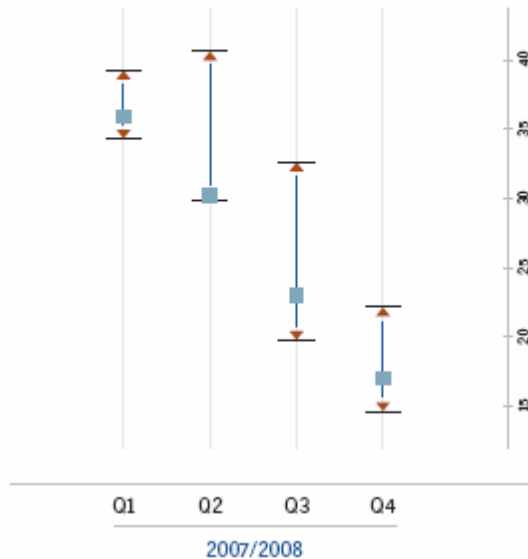
²⁾ In FY07 including special items

***Share price development FY 2007/2008**

***Dividend proposal of 0.95 € per share**

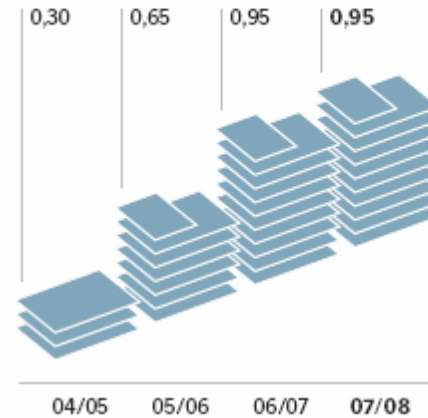
Quarterly low, high, and closing prices

Figures in € per share



Dividend

Figures in € per share



Outlook

In early August, we will publish a sales forecast for financial year 2008/2009 together with the first quarter's figures. By then we will be in a better position to foresee what impulses for our business have originated from drupa. Already today, however, we expect the result of operating activities for the year as a whole to fall far short of the result of the reporting year. In addition to the non-recurring expenditures resulting from Heidelberg's presence at the trade show as well as from the startups of series production of new products, the strong euro represents a burden as well.

Financial Calendar

Event	Date
drupa trade fair	May 29 - June 11, 2008
Annual Analysts' and Investors' conference	June 10, 2008
Annual General Meeting	July 18, 2008
Release of the figures for Q1 FY08	August 5, 2008
Release of the figures for Q2 FY08	November 6, 2008

Thank you for your attention!

HEIDELBERG

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For more detailed information on Heidelberg please refer to our online **Factbook** at

www.heidelberg.com > Investor Relations

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Disclaimer

Any forward-looking statements contained in this presentation represent our best judgment as to what will occur in the future.

The Company's actual results could differ materially from those presented and will depend on a number of competitive and economic factors, some of which will be outside the control of the Company.