



*Annual General Meeting*

# Heidelberger Druckmaschinen AG

July 18, 2008

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Welcome!

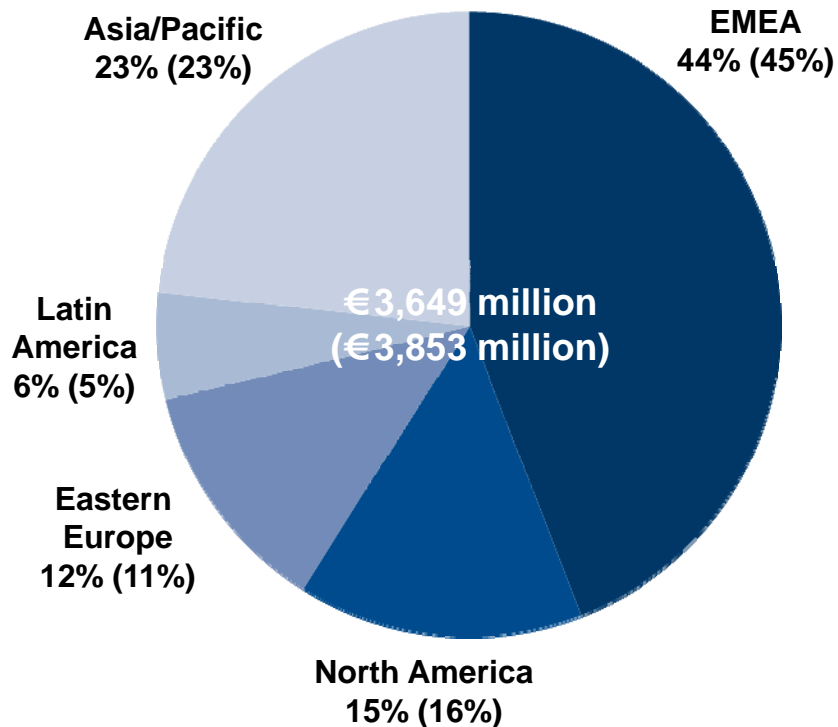
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## Business development – growth targets not attained in the face of difficult market conditions

Figures in € million

	2006/2007	2007/2008
Sales revenue	3,803	3,670
Incoming orders	3,853	3,649
Order backlog	1,018	874
Operating result	302	268
EBIT margin	7.9%	7.3%
Net profit	144	142
Free cash flow	229	215

## Mixed picture for incoming orders in the various regions



- EMEA: Below high level of previous year, boom in Germany
- Eastern Europe: Good sales growth
- North America: Marked falls in incoming orders and sales
- Latin America: Brazil excellent, Mexico below previous year
- Asia/Pacific: Higher demand in China; high exchange rates dampen the picture

Previous year in brackets

## Press and Postpress Divisions: Sales and results below previous year

	Sales		EBIT	
	2006/2007	2007/2008	2006/2007	2007/2008
Press	3,321	3,213	314	239
Postpress	445	427	7	-7
Financial Services	37	30	41	36
Heidelberg Group	3,803	3,670	362	268

In € millions (each from April 1 to March 31)

## Earnings – net profit on a par with previous year's adjusted figures

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## Responsibilities of the Management Board members at Heidelberg Druckmaschinen



**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

Valid from July 1, 2008

## drupa 2008 – competitive edge strengthened





## drupa 2008 – move into new format highly promising



# drupa 2008 – innovations well positioned

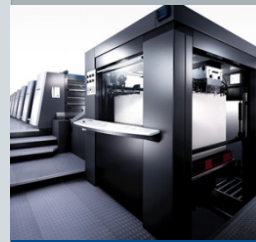


# drupa 2008 – the print media industry's most comprehensive platform of printing presses

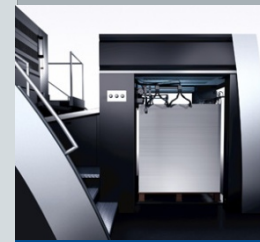
## Peak Performance



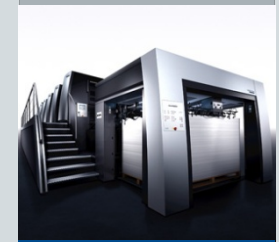
XL 75



XL 105



XL 145

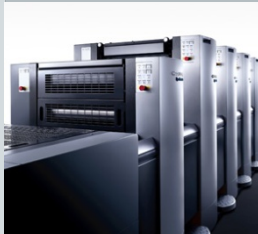


XL 162

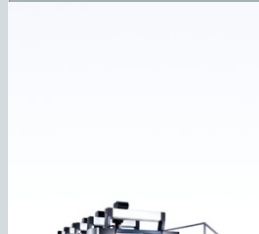
## Professional Class



SM 52 Anicolor



SM 52



SM 74



SM 102



CD 102

20"

29"

40"

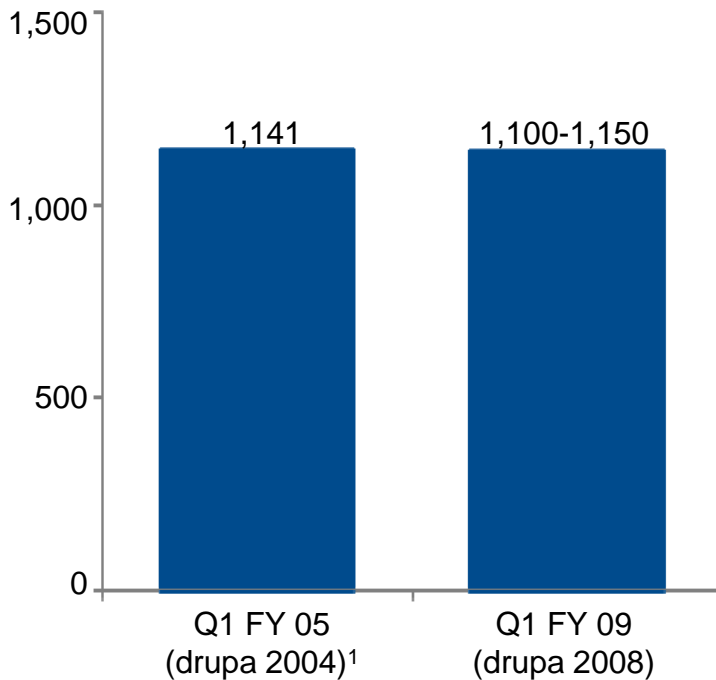
57"

64"

## drupa result illustrates Heidelberg's leading role in sheetfed offset printing market

Order volume in drupa quarters ...

€ million



... underlines Heidelberg's market leadership

drupa order intake at adjusted 2004 level – and more to come in the second quarter

Heidelberg strengthened market position and performed clearly better than competition

1. Adjusted for discontinued operations  
Source: Heidelberg estimates

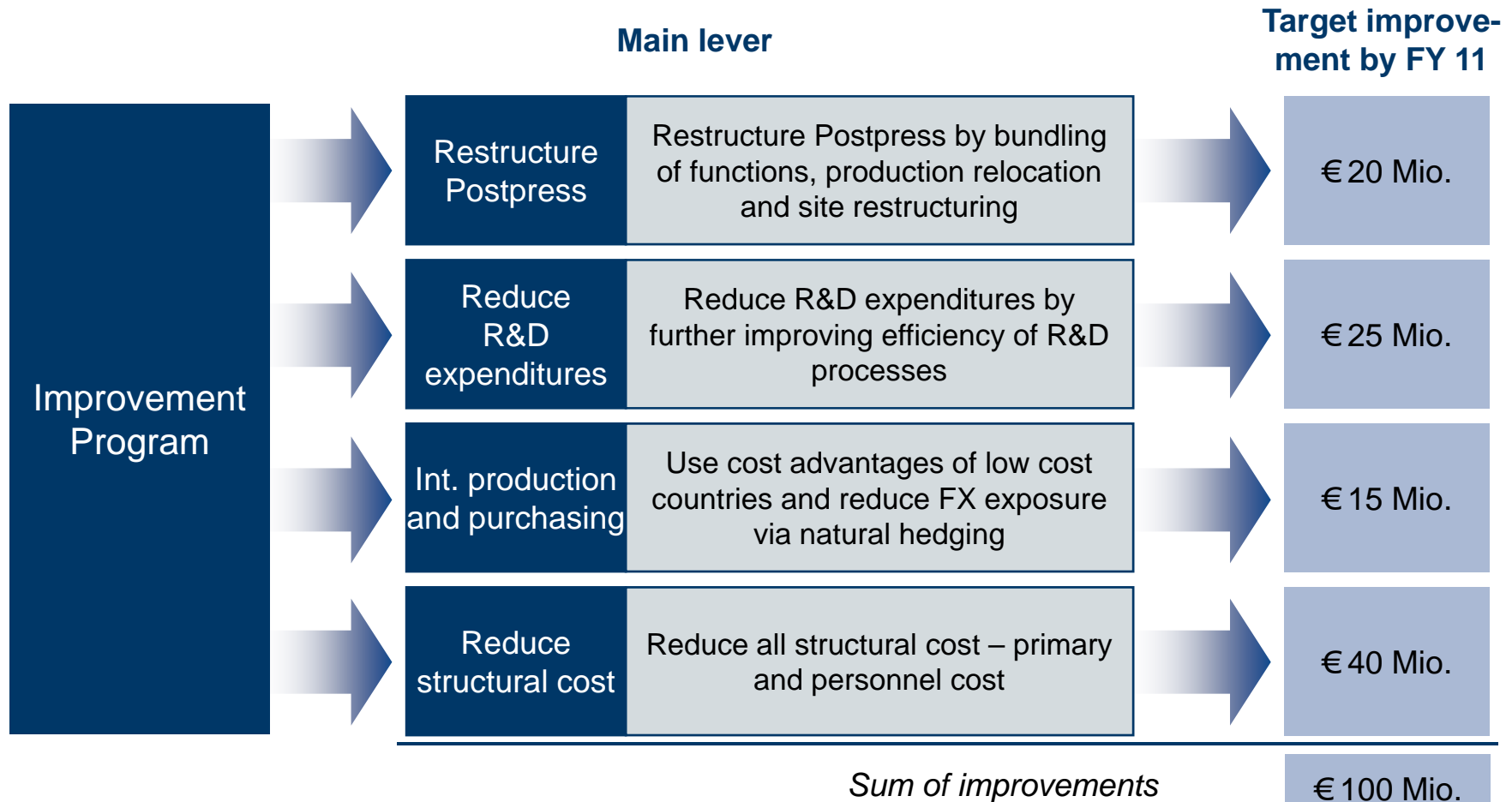
## Preliminary results Q1 FY 09

Figures in € millions

	Q1 FY 08	Q1 FY 09
Net sales	742	640 to 660
Result of operating activities	26	-35 to -40
Free Cash Flow	-81	-200 to -220

With lower pre drupa order backlog and drupa expenses, results for Q1FY09 are below previous year as already indicated in May

# Heidelberg will implement improvement program of €100 million until FY 11

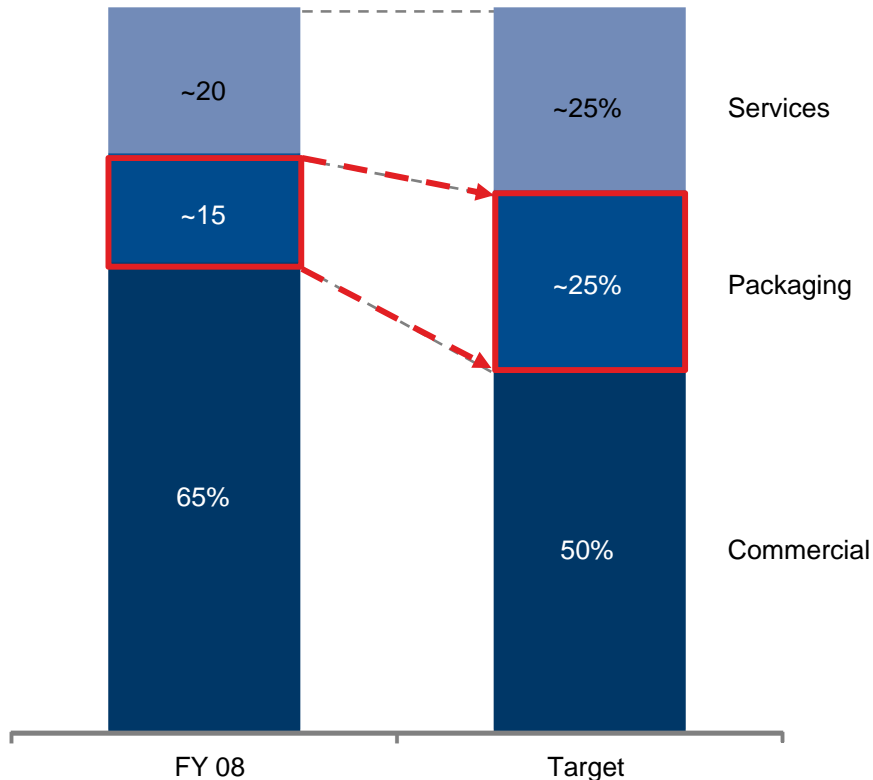


**€75 million improvements will be realized in FY 10**

# Strategy: Heidelberg increase sales in highly attractive packaging business

## Opportunity for Heidelberg in packaging

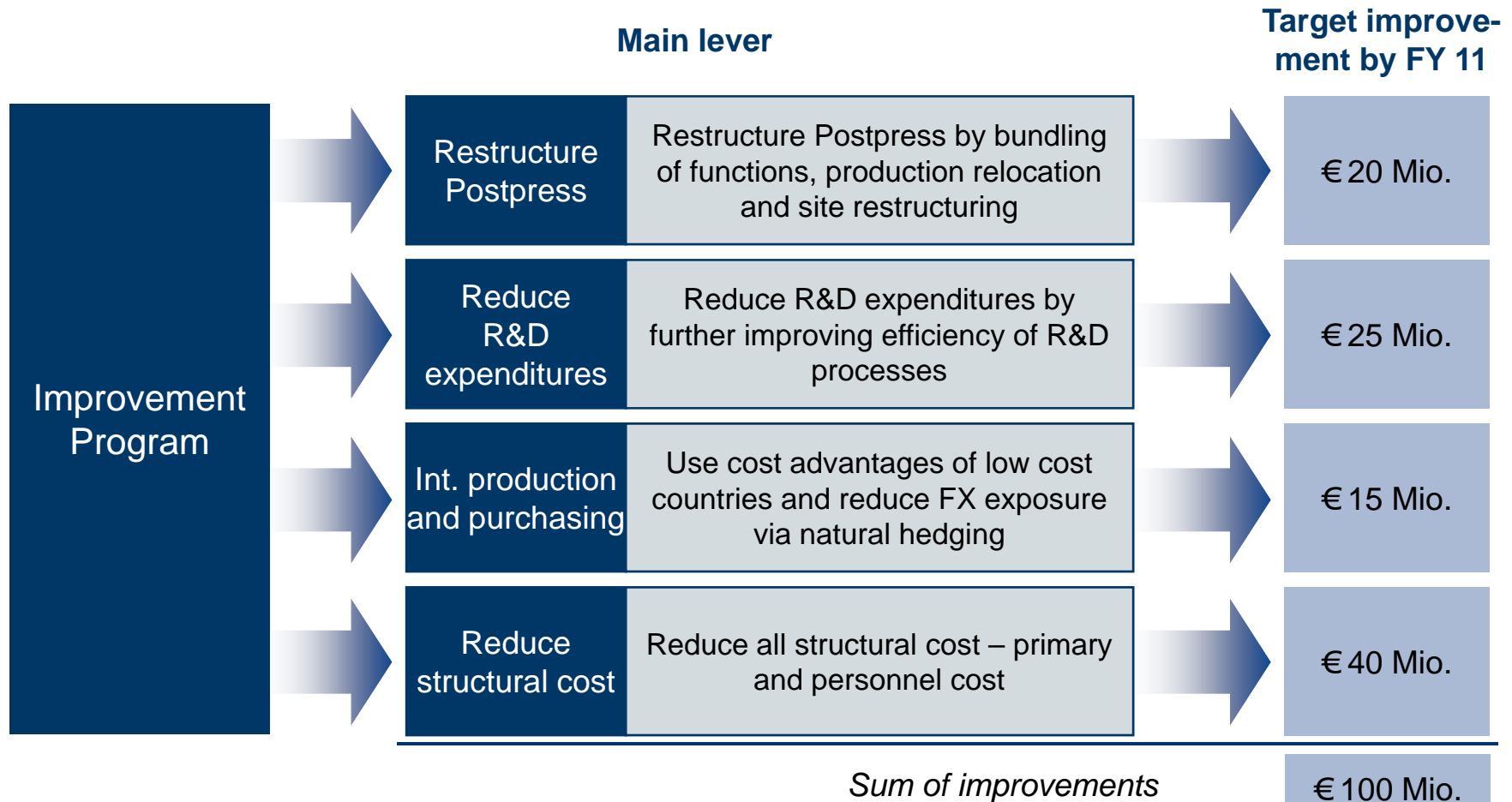
% share of Heidelberg sales per segment



## Packaging as strategic focus

- Lower cyclicality of packaging business offers growth opportunity for Heidelberg also in downward cycle
- Growth is facilitated by
  - Superior product offering
  - Roll-out of proven successful sales concept to further countries
- Heidelberg only player offering complete solution – differentiates Heidelberg and gives access to more customers
- drupa results offer first proof of concept for Heidelberg's packaging approach

# Heidelberg will implement improvement program of €100 million until FY 11



**€75 million improvements will be realized in FY 10**



## Overview of efficiency program announced today

### Improvement potential

Total improvements of €100 million until end of FY 11, thereof €75 million already until end of FY 10

### Personnel implications

Reduction of headcount of around 500 globally in indirect functions by the end of the FY 11

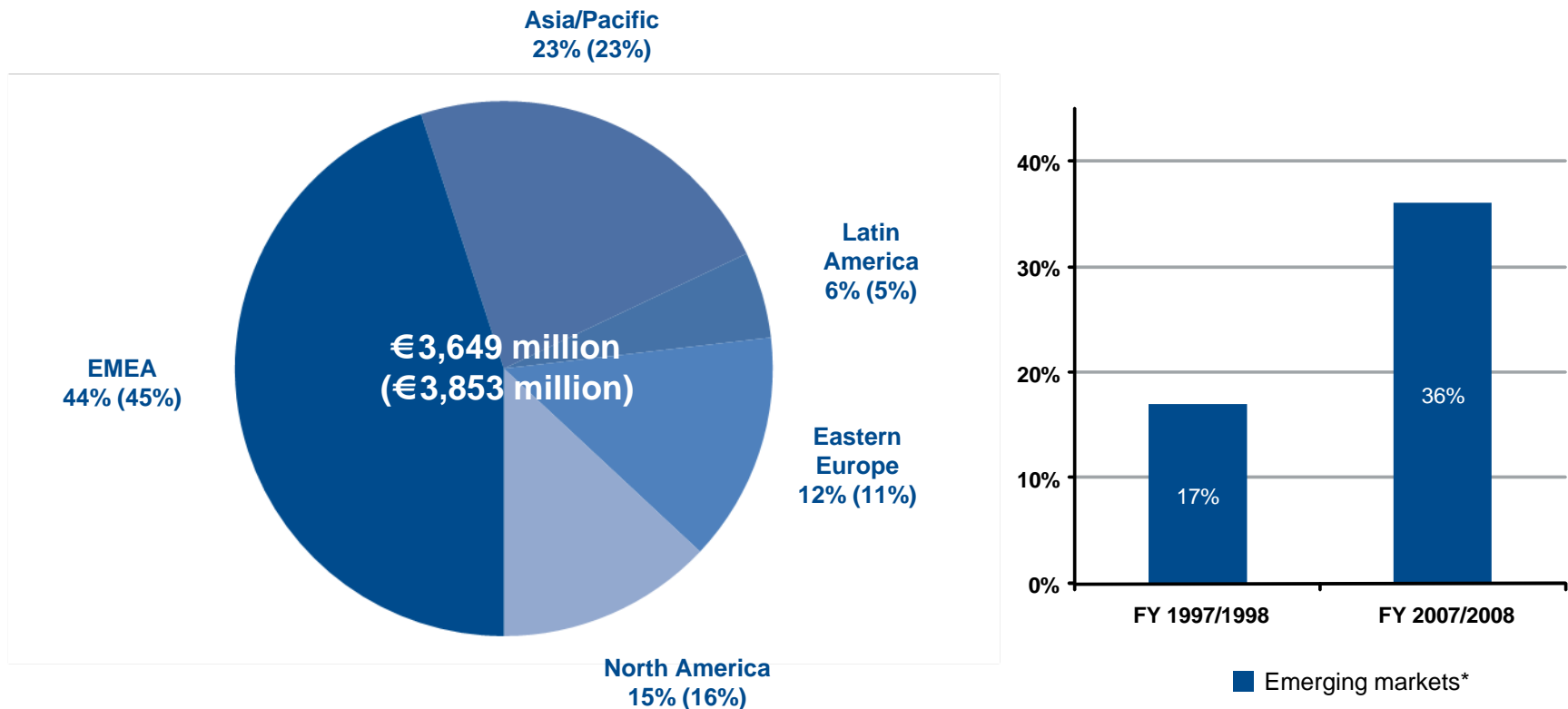
### Implementation cost

Implementation costs for program totaling around €100 million until FY 11, thereof approx. €70 million in current FY

## Strategy: Expansion of business through services and consumables



Strategy: Increase growth on emerging markets – share of total incoming orders around 36 percent



Previous year in brackets

\* "Emerging markets" classified according to World Bank

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Thank you very much for your attention!

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