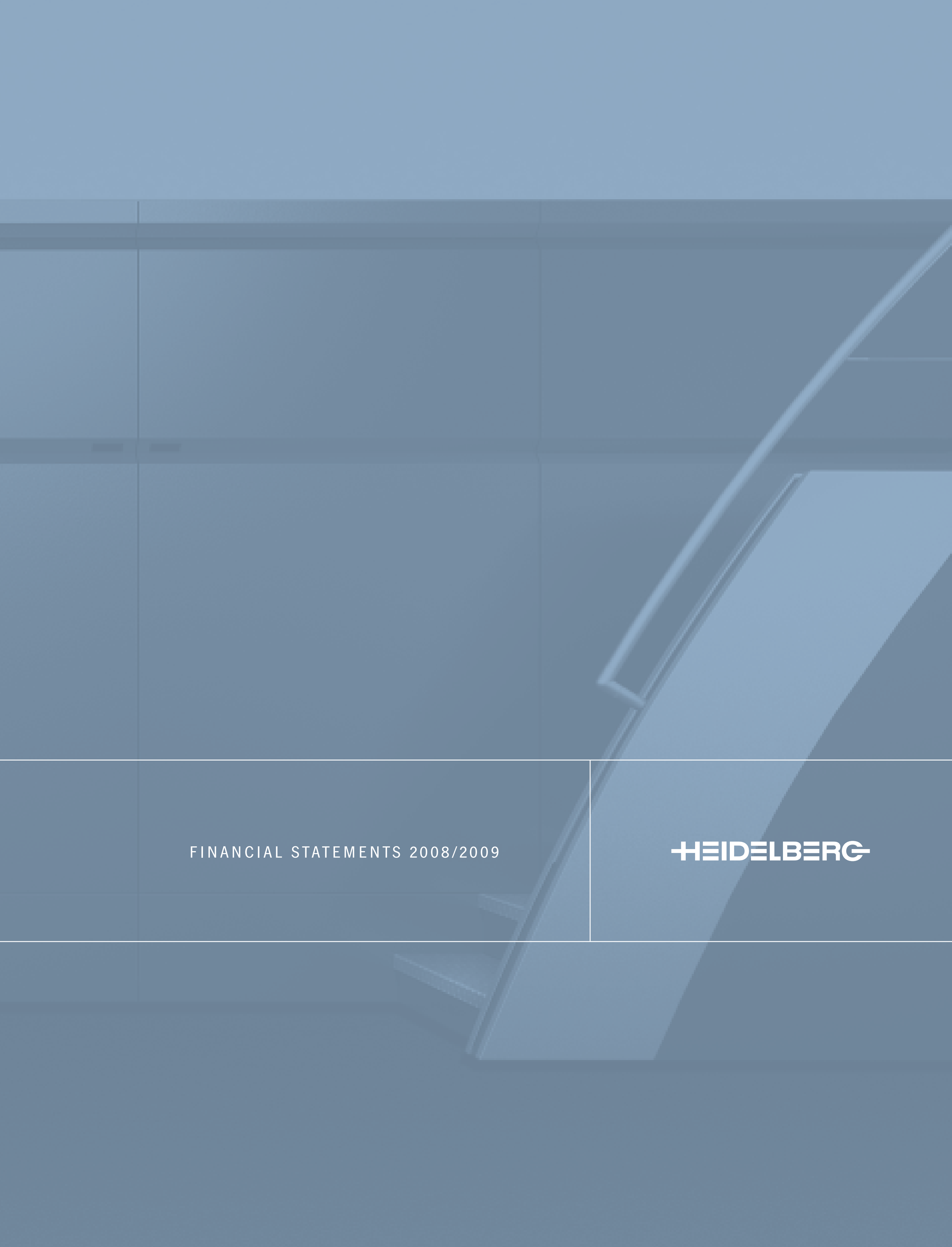


FINANCIAL STATEMENTS 2008/2009

> HEIDELBERGER DRUCKMASCHINEN AKTIENGESELLSCHAFT

Figures in € millions

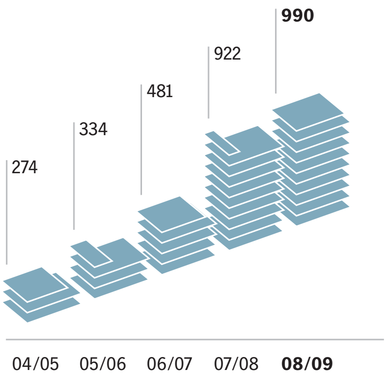
	2004/2005	2005/2006	2006/2007	2007/2008	**2008/2009**
Incoming orders	1,869	1,938	2,035	1,909	**1,295**
Net sales	1,673	1,777	1,965	1,914	**1,553**
Foreign sales share in percent	84	86	86	84	**81**
Result from operating activities	63	55	117	67	**– 47**
– in percent of sales	4	3	6	4	**– 3**
Net profit	52	85	196	132	**70**
– in percent of sales	3	5	10	7	**5**
Investments[1]	80	86	102	126	**106**
Research and development costs	166	185	206	183	**154**
Total assets	2,397	2,530	2,623	2,769	**2,992**
Fixed assets	1,190	1,581	1,628	1,684	**1,812**
Shareholders' equity	575	538	564	564	**561**
Subscribed capital	220	213	204	200	**200**
Equity ratio in percent	24	21	22	20	**19**
Dividend distribution[2]	26	54	75	74	**–**
Dividend per share in €[2]	0.30	0.65	0.95	0.95	**–**
Earnings per share in €[3]	0.60	1.03	2.47	1.70	**0.90**
Share price at financial year-end in €	24.65	36.40	34.30	17.01	**3.64**
Market capitalization at financial year-end	2,118	3,023	2,735	1,328	**284**
Annual average number of employees	10,436	10,388	10,706	11,039	**10,988**

1) Excluding financial assets
2) According to the proposal on the allocation of the unappropriated profits
3) Excluding treasury stock

The Share

AVERAGE DAILY SALES VOLUME OF THE HEIDELBERG SHARE

Figures in thousands of shares



An unprecedented decline of the stock markets worldwide was reflected in the capital market in 2008 and into the first few months of 2009. Beginning in June 2008, the two major German share indexes, the DAX and the MDAX, also declined at an accelerating pace. After reaching a low point at the beginning of March in 2009, a moderate upswing occurred. During the period March 31, 2008 to March 31, 2009, the DAX fell by approximately 37 percent and the MDAX by 50 percent.

The development of Heidelberg's share price was even more dramatic. Already months before the global downward spiral set in, restrained business prospects, burdens resulting from high raw material and energy costs, and the weak US dollar had resulted in declines in the share price. Beginning early in September, our share then moved in tandem with the negative stock market trend. This followed on the heels of an upswing for several weeks beginning in mid-July and continuing through early September, which was due among others to the strengthening of the US dollar. The more evident it became that the global economy would experience its worst recession of the postwar era, the greater the extent to which the price of the Heidelberg share came under pressure. Following two low points, with prices below € 3, the price of our share stabilized somewhat. This development continued through May. Over the financial year as a whole, however, our share lost approximately 79 percent of its value.

Heidelberg's market capitalization plummeted during the financial year, falling from the already modest level of € 1.3 billion as of March 31, 2008 to € 284 million at financial year-end.

Approximately 1,800 shareholders attended the Annual General Meeting on July 18, 2008, which was held in Mannheim's Rosengarten Congress Center. Some 60 percent of Heidelberg's share capital was represented. All the proposals on the agenda that required a decision were confirmed. It was decided among others to distribute a dividend of € 0.95 per share entitled to dividends. In terms of the average price during the previous financial year, this represents a dividend yield of 3.4 percent.

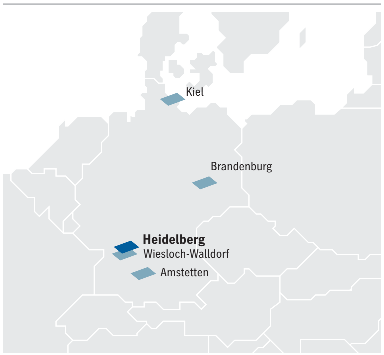
Due to the extremely difficult economic environment, we had to terminate the pact to safeguard the future with our employees in order to meaningfully reduce our structural costs. In order to sustain the Company's liquidity, we will propose to this year's Annual General Meeting that no dividend be distributed.

OUR INVESTOR RELATIONS TEAM WILL BE HAPPY TO ANSWER YOUR QUESTIONS AND RESPOND TO YOUR SUGGESTIONS!

Heidelberger Druckmaschinen
Aktiengesellschaft
Investor Relations
Kurfuersten-Anlage 52 – 60
69115 Heidelberg
Germany
eMail: investorrelations@heidelberg.com
Phone: +49-62 21-92 60 21
Fax: +49-62 21-92 51 89

> MANAGEMENT REPORT

The Company and Underlying Conditions



Locations of Heidelberger Druckmaschinen Aktiengesellschaft

Heidelberger Druckmaschinen Aktiengesellschaft

Heidelberger Druckmaschinen Aktiengesellschaft is the parent company of the Heidelberg Group. With a global market share of over 40 percent in sheetfed offset printing, the Company is the internationally leading equipment supplier to the print media industry.

In addition to manufacturing printing presses and equipment for printing plate imaging, the Company also specializes in the sale of spare parts, remarketed equipment, comprehensive service, and undertaking Group functions.

Locations

Heidelberger Druckmaschinen Aktiengesellschaft operates five production sites in Germany, shown on the map on the left. Administration, development, a print media demonstration center, and several training centers are located in Heidelberg.

Sheetfed offset printing presses are manufactured as part of a production network at specialized plants. Precisely processed castings are delivered from Amstetten; turned and profiled parts are supplied by the Brandenburg plant; and model parts, electronic components, and experimental parts are produced at Wiesloch-Walldorf, the world's biggest printing press manufacturing facility, where we also assemble nearly all our sheetfed offset printing presses. The fifth German plant is situated in Kiel, which focuses on development activity and prepress services.

Heidelberg 2010 Program

In order to be in a position to better come to terms with economic periods of weakness in the future, we have established our **Heidelberg 2010 program,** which focuses primarily on costs. We considerably expanded this package of measures and are thereby striving for annual savings of several hundred million euros. This program also calls for adjusting our human resource capacities.

Employees

We had a total of 10,719 employees at our five locations at financial year-end. Due to the decline in sales, we reduced our human resource capacities by approximately 400 people during the financial year. We also made use of all

NUMBER OF EMPLOYEES PER LOCATION

	31-Mar-08	31-Mar-09
Heidelberg	2,213	2,181
Wiesloch-Walldorf	6,156	5,849
Amstetten	1,184	1,140
Brandenburg	691	658
Kiel	337	335
Trainees	528	556
Total	11,109	10,719

means available to us to enhance work time flexibility during the financial year. Through the reduction of time balances and with short-time work, we succeeded in quickly cutting current staff costs. Despite these measures, within the framework of Heidelberg 2010, the elimination of up to 5,000 jobs, including temporary hirings, for the entire Heidelberg Group is inevitable – most of these redundancies are occurring at locations of Heidelberger Druckmaschinen Aktiengesellschaft. Existing measures that we have so far relied on, such as normal employee turnover, partial retirement regulations, letting temporary work contracts expire, and halting temporary hirings, are no longer able to cope with this extent of job cutbacks. We were therefore forced to terminate the agreement on safeguarding the future, which had been signed in 2007. This step was necessary in order to make business-related terminations. We began negotiations with staff representatives and the union concerning the necessary human resource adjustments during the first quarter of the current financial year.

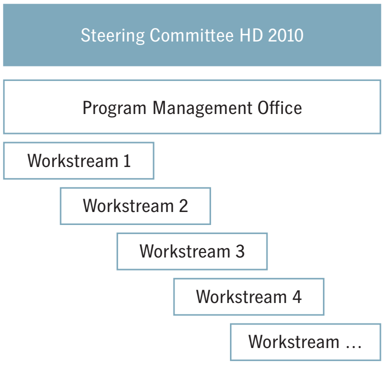
Heidelberg received a total of 3,000 applications at the start of training in September 2008 in Germany. We view maintaining the training quota at Heidelberger Druckmaschinen Aktiengesellschaft at 6 percent at the beginning of the training period not only as a social responsibility, but also primarily as an important investment in the future, as we thereby avoid a shortage in specialists that is foreseeable for Germany.

Sustainability

For nearly 20 years, we have been reducing the consumption of resources as well as waste and emissions in our production processes to the greatest possible extent. Our consistent environmental management ensures that all processes are energy-efficient and environmentally friendly. The salvage quota at Heidelberger Druckmaschinen Aktiengesellschaft, which shows the share of the waste that is reusable, thereby amounted to 95 percent – once again, slightly higher than in the previous year.

Our developers are also working vigorously on reducing the environmental pollution of print shops to an unavoidable minimum. Around half of all print shops now view environmental protection as an important issue – also in the marketing of their products, because demand is rising for printed products produced in an environmentally friendly manner.

All the Company's locations have been organized in accordance with the internationally recognized environmental management norm ISO 14001. This norm focuses on an environmentally friendly approach not only to product development, but to the production of printing presses and prepress equipment as well.



Management and Control

Our highest corporate goal at present is to reduce the impact of the world economic crisis on our business development to the greatest extent possible and to increase the Company's independence of cyclical fluctuations. In order to quickly put our Heidelberg 2010 program into operation, this has been made the responsibility, and put under the direct management of, the four members of the Management Board. They work closely with the 'Program Management Office', which is comprised, for example, of the head controller and the head strategist. This organizational unit coordinates and controls the implementation of 400 individual measures. A total of 130 members of management are participating in this program at present. We intend to reduce the Company's break-even point and thereby improve our earnings position.

The management of risks and opportunities is an integral part of our **strategic planning** – part of all annual controlling and reporting processes as well as of our medium-term planning process. We have meaningfully shortened the planning cycles of our control system. At least on a monthly basis, we compare target figures with the actual values of all developments that are significant for our business development. Based on the figures obtained as well as a wide range of data from the corporate environment, we continually generate various scenarios in order to undertake countermeasures against risks and take advantage of opportunities.

Both our risk and our opportunity management take advantage of a **'dual-track approach'**, which directly on-the-spot records, quantifies, and reports onward concrete risks and opportunities. Nevertheless, of equal importance for us is to frankly and proactively address risks and opportunities in all corporate units and meetings at all management levels.

We monitor **financial environment risks** on an exceptionally close basis not only in connection with the financial market crisis. The centralized Corporate Treasury unit manages and secures the Company's financing and liquidity. We systematically minimize **liquidity risks** throughout the Group. With the help of our rolling liquidity planning system, which is generated every second week, we pinpoint early on the potential funding needs of companies that are members of the Group as well as the resulting potential liquidity risks. Corporate Treasury identifies risks arising from the change of interest or exchange rates, on the basis of which it introduces appropriate measures and strategies in order to minimize the risks. Some of these measures also include derivative financial instruments – specifically, forward exchange transactions, currency options, and interest rate swaps. Details concerning these measures and the impact of hedging of foreign currency and interest-rate transactions can be found on page 58 ff.

Economic Development

GROSS DOMESTIC PRODUCT[1)]

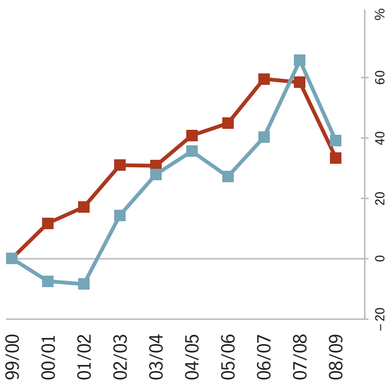
Change from previous year in percent

	2006	2007	2008
World	4.1	3.9	2.0
US	2.8	2.0	1.1
EU	3.2	2.9	0.8
Germany	3.2	2.6	1.0
UK	2.8	3.0	0.7
Eastern Europe	6.5	5.5	3.5
Russia	7.7	8.1	5.6
Asia[2)]	7.9	8.6	5.5
China	11.6	13.0	9.0
India	9.7	9.0	6.0
Japan	2.0	2.4	– 0.7
Latin America	5.5	6.4	5.1
Brazil	4.0	5.7	5.1

1) Source: Global Insight: WMM; April 2009
2) Excluding Japan

INCREASED VALUE OF THE EURO

Closing exchange rates at year-end



Source of exchange rates: Bloomberg

Business Environment and Industry Development

The GDP growth rates for 2008 in the table on the left veil the extent of the impact that the financial market crisis has had on the overall economies of our key markets. Especially in Europe, many economies were initially still continuing to develop favorably during the first half of the year. Following the deep crisis of the US banking sector, which in September had a domino effect throughout the world on those economies that had appeared to be strong, many markets slid into recession.

For the first time in **US** history, consumer spending declined four quarters in a row. The severe crisis in the banking sector then plunged the US economy into a state of shock. Economic indexes of many markets in **Europe** also went into a steep decline. **Asia,** which is heavily dependent on exports and in the past had always been spoiled by massive growth rates, was severely battered by the impact of the financial market crisis.

The print industry is highly dependent on the development of the advertising industry and thereby of the overall economy. During the first half of the year, print shops in many markets were still assessing the business outlook relatively favorably. Nevertheless, along the lines of the development of the global economy and the Ifo World Economic Climate Index, the business climate subsequently suddenly and rapidly worsened. The capacity utilization of print shops suffered enormously from unprecedented reductions in corporate expenditures for print ads due to the recession.

In the past, the exchange rate structures had handicapped suppliers whose value processes occurred primarily in the euro region. During the financial year, competitive conditions shifted slightly back in favor of European suppliers, as the graph on the left shows. Our industry is also suffering equally from the impact of the crisis worldwide, with capacity utilization considerably reduced among all competitors.

Business Development

Our success at the drupa trade show, which was held in May/June 2008, presented us with a very high volume of incoming orders during the first quarter. However, due to the financial market crisis beginning in the middle of the second quarter, and in particular during the second half of financial year 2008/2009, the volume of orders plummeted! **Incoming orders** amounted to € 1,295 million for the financial year as a whole – 32 percent below the previous year's figure.

Traditionally, Heidelberg generates the highest volume of sales during the second half of each financial year. Since underlying conditions worsened dramatically as the year progressed, this failed to occur during the reporting year. Quite the contrary: the second half of the year, which posted a 24 percent decline from the previous year, was especially disappointing. Overall, we generated **sales** of € 1,553 million, 19 percent below the previous year's figure.

The sales of all the regions fell short of the previous year's figures, with North America and Asia especially hard hit by the sales decline.

Results of Operations, Net Assets, and Financial Position

Due to the world economic crisis, our sales declined from the previous year by approximately € 360 million. The resulting negative profit contribution as well as the approximately € 150 million in expenses for our Heidelberg 2010 package of measures, of which personnel expenses were approximately € 130 million and other operating expenses some € 20 million, considerably burdened the result of operating activities during the financial year. We were able to partially alleviate the effect of these factors through favorable one-time measures: by adjusting the inventory valuation under commercial law and a reversal of the special reserve with an equity portion generated income, respectively, of € 195 million and € 27 million. The useful lives for intangible assets, tangible assets, and investment property were restated during the financial year, and we adjusted the method of depreciation. These measures reduced expenses by € 31 million.

INCOME STATEMENT

Figures in € millions

	2007/2008	2008/2009
Net sales	1,914	1,553
Result of operating activities	67	– 47
– in percent of sales	4.0	– 3.0
Financial result	60	28
Result from ordinary activities	127	– 19
– in percent of sales	7.0	– 1.0
Taxes on income	5	89
Net profit	132	70
– in percent of sales	7.0	5.0

Since the above-mentioned measures were only able to partially compensate for the negative profit contributions through reduced sales and the expenses from the package of measures, the Company generated a loss from operating activities of € 47 million during the financial year, compared with a profit of € 67 million the previous year.

The **financial result** of Heidelberger Druckmaschinen Aktiengesellschaft worsened during the financial year, declining by € 32 million from the previous year to € 28 million. This drop was caused primarily by lower dividend payouts from subsidiaries and, in particular, a higher outlay for an assumption of losses from a subsidiary.

We recorded tax income of € 89 million during the financial year as a result of the reversal of a tax provision due to completion of the audit for the tax assessment calendar years 2001 to 2006. This resulted in **net profit** of € 70 million during the financial year, compared with € 132 million the previous year.

The **balance sheet total** rose by 8 percent to € 2,992 million during the financial year. The increase among assets is primarily based on the growth of fixed assets and inventories. Among liabilities and net worth, the growth was mainly in liabilities to banks and in other provisions.

Among fixed assets, the financial assets increased due to capital increases among subsidiaries and the acquisition of two companies already belonging to the Heidelberg Group, with the goal of optimizing the participation structure. Furthermore, the adjustment in expected useful economic lives and a change in the method of depreciation resulted in a decrease in the extent to which tangible assets were reduced by depreciation and amortization. We were able to noticeably reduce the level of investments in tangible and intangible assets from the previous year's figure. We have largely limited the employment of funds to investments for replacement capital investments and some urgent projects.

Current assets increased mainly due to the substantial rise in inventories. This was primarily attributable to the above-mentioned adjustment of inventory valuation according to commercial law.

Shareholders' equity at financial year-end remained at the level of the previous year. The dividend payment for financial year 2007/2008 of € 74 million following the Annual General Meeting had a reducing effect – which, however, was nearly compensated for by the 2008/2009 net profit. Overall, this resulted in shareholders' equity of € 561 million and an equity ratio that was down from the previous year's figure by one percentage point to 19 percent.

Primarily due to our Heidelberg 2010 program, provisions rose from the previous year from € 1,083 million to € 1,134 million. This increase was more than made up for by the reversal of the above-mentioned tax provision. The **liabilities** including deferred income rose considerably from the previous year, increasing by € 203 million to € 1,290 million. This growth was largely attributable to liabilities to banks and payables to affiliated enterprises, including the liabilities to our Dutch finance company Heidelberg International Finance B.V., which is holding a € 280 million convertible bond as well as two borrower's note loans totaling € 105 million. The inflow of funds from the convertible bond and from portions of the borrower's note loans was transferred to us.

Comprehensive discussions were held with the banks that are providing the financing based on a detailed financing concept that is largely in agreement with the previous financing structure in type, scope, and term. The banks providing the financing granted their fundamental credit approval late in May through early June 2009, however under the condition that in accordance with the second package of measures, i. e., the 'Pact for Employment and Stability in Germany' (the so-called Economic Stimulus Package II), and for the loan granted by KfW collateral be provided by the Federal Republic of Germany and the States of Baden-Württemberg and Brandenburg by the end of August 2009. Although the corresponding administrative units of the German Federal Government gave their fundamental consent to this, written confirmation is currently still pending. We anticipate a final decision from the Economic Committee of the State of Baden-Württemberg

BALANCE SHEET STRUCTURE

Figures in € millions

	31-Mar-2008	in percent of total assets	**31-Mar-2009**	in percent of total assets
Fixed assets	1,684	61	1,812	61
Current assets [1]	1,085	39	1,180	39
Total assets	2,769	100	2,992	100
Shareholders' equity	564	20	561	19
Special items	35	1	7	–
Provisions	1,083	39	1,134	38
Liabilities [1]	1,087	40	1,290	43
Equity and liabilities	2,769	100	2,992	100

[1] Including accruals and deferred income

in the near future. Based on previous negotiations, the Management Board expects a positive decision here as well. For additional information on this topic, please refer to the details provided in the Risk and Opportunity Report beginning on page 12.

In connection with our obtaining a long-term loan amounting to € 75 million, we have made a commitment to grant to the lender usufractory rights in three developed plots of land. Additional information on this topic can be found on page 57 in the Notes to the Financial Statements.

Heidelberger Druckmaschinen Aktiengesellschaft manages the Group's financing and secures its liquidity. Since May 2006, all consolidated subsidiaries have been directly linked with the in-house bank of Heidelberger Druckmaschinen Aktiengesellschaft through an internal account. Furthermore, cross-border payments are executed via our 'Payment Factory'. Our internal and external payments are consequently cost-effective. This is an important prerequisite for optimizing the Group's global **liquidity management** and reducing borrowed external funds.

Research and Development

We are restructuring the research and development activities of the local operations within the framework of the Heidelberg 2010 program.

We intend to thereby meaningfully reduce the costs of further developments while maintaining market oriented innovations. During the financial year, we invested € 154 million in the research and development of our complex mechatronic systems as well as the series production of our product portfolio – € 29 million less than in the previous year.

The innovations that we introduced at drupa 2008 were convincing for visitors to the trade show. Meanwhile, our comprehensive solutions for packaging printing are also proving their considerable optimization and cost-reduction potential in day-to-day operations. This is based, among others, on our complete networking of all components, ranging from the processing of data all the way to creation of the final folding carton. At the heart of our packaging printing solutions are the Speedmaster XL 145 and Speedmaster XL 162. Thanks among others to extremely short set-up times and high plate throughput as well as synchronous wash-up processes, customers can boost their productivity by up to 20 percent over that of comparable printing presses available from the competition.

At financial year-end, a total of 1,237 employees were active in research and development, accounting for approximately 12 percent of the Company's entire staff.

Events Occurring after the Financial Year-End

Comprehensive discussions were held with the banks that are providing the financing based on a detailed financing concept that is largely in agreement with the previous financing structure in type, scope, and term. The banks providing the financing granted their fundamental credit approval late in May through early June 2009, however under the condition that in accordance with the second package of measures, i. e., the 'Pact for Employment and Stability in Germany' (the so-called Economic Stimulus Package II), and for the loan granted by KfW collateral be provided by the Federal Republic of Germany and the States of Baden-Württemberg and Brandenburg by the end of August 2009. Although the corresponding administrative units of the German Federal Government gave their fundamental consent to this, written confirmation is currently still pending. For additional information on this topic, please refer to the details provided in the Risk and Opportunity Report beginning on page 12.

Risks, Opportunities, and Future Prospects

DEVELOPMENT OF RISK GROUPS

Change from previous year, existing opportunities are not offset against expected risks

Risk and Opportunity Report

General Statement on Risks and Opportunities: Increased Overall Risk Due to Economic and Financial Market Crisis

The **economic and financial market crisis** affects Heidelberger Druckmaschinen Aktiengesellschaft in a number of ways. Our customers' propensity to invest has declined and is additionally being hampered by worsened lending conditions. The risks from sales financing and from suppliers' insolvencies increased as well.

The **overall risk situation** worsened from the previous year due to the deep-seated crisis. Comprehensive discussions were held with the banks that are providing the financing based on a detailed financing concept that is largely in agreement with the previous financing structure in type, scope, and term. The banks providing the financing granted their fundamental credit approval late in May through early June 2009, however under the condition that in accordance with the second package of measures, i. e., the 'Pact for Employment and Stability in Germany' (the so-called Economic Stimulus Package II), and for the loan granted by KfW collateral be provided by the Federal Republic of Germany and the States of Baden-Württemberg and Brandenburg by the end of August 2009. Although the corresponding administrative units of the German Federal Government gave their fundamental consent to this, written confirmation is currently still pending. We anticipate a final decision from the Economic Committee of the State of Baden-Württemberg in the near future. Based on previous negotiations, the Management Board expects a positive decision here as well. Should a complete and legally binding agreement fail to occur, this would result in a risk endangering Heidelberg's existence. We provide background information and further details on pages 15 to 18. No other recognizable risk that could threaten the existence of the Heidelberg Group is currently foreseeable. This applies to both the results of the business activities that we have completed as well as operations that we are planning or have already initiated.

In order to ascertain our overall risk, we focus on individual risks that belong together substantively. We do not offset potential opportunities from risks. We summarize our individual risks in five groups. The graph on the left shows the development of these risk groups compared with the previous year.

Risks Arising from the Economy and the Market: Risks that could result due to general economic, political, or social influences.

Industry and Competitive Risks: Risks arising from changes in the competitive structure, in the behavior of competitors, in competitive advantages, or in strategic advantages of other suppliers.

Product Risks: Risks in connection with research and development and the market launch of new products.

Financial Risks: Liquidity and financing risks, risks arising from sales financing, from exchange rate developments as well as from tax and legal issues.

Risks Arising from Performance: Risks arising from the areas of human resources and procurement as well as producer's risks, environmental risks, IT risks, and risks from investments.

There is currently a significant risk that overall economic conditions could further worsen or fail to improve to the expected degree. Consequently, the risk included in the risk group 'Risks Arising from the Economy and the Market' has deteriorated further compared with the previous year, although we continue to maintain our conservative approach in our planning. The risks in the risk group 'Industry and Competitive Risks' remained at about the previous year's level. The leading technological position of our printing presses alleviates a possible price risk. Moreover, our Japanese competitors can no longer enjoy the considerable foreign currency advantages that they did in the past. Financial risks rose due to the above-mentioned financing situation. Risks arising from the Performance Process also increased. Only the group Product Risks fell, as the market launch of the new products has been completed and the start-up of series production is proceeding smoothly to a large extent.

We are currently continuously examining the **need to modify our overall strategy** as well as the strategies of the individual divisions. Current studies conclude that sheetfed offset printing, our **core business area,** will continue to be the prevalent printing process in the future as well. Through greater flexibility and high speed, we are succeeding in the competition with digital printing, and through higher productivity we are also tackling large-volume web offset printing. In particular the emerging markets are contributing to a further increase in the **volume of printed matter** each year. In the industrialized countries, customers are using our technology to acquire orders via the Internet and then execute these orders on a cost-effective basis on sheetfed printing presses.

Global economic development has a major impact on our own business development. It is still possible that credit available to the corporate sector could become scarcer. Together with the negative business forecast for the corporate sector, this could result in a continuation of the global economy's negative trend.

We view our presence in 170 countries as a tremendous opportunity for the Company. We minimize **Country Risks** in some emerging markets, especially risks that result from economic or political instability, by close and on-the-spot monitoring of current developments in order to undertake countermeasures early on if necessary. Government intervention, tougher customs regulations, and changes in legislation could hamper our business development in some markets. Thanks to our own manufacturing facility in China, which is one of our strategically important markets, we reduce the risk that new import duties or tougher market regulations could hamper our business. Moreover, we thereby ensure that we will be in a position to take full advantage of the opportunities offered by market. It is still unclear how the new provisions concerning the value added tax and the deduction of input VAT will impact the investments of Chinese print shops. Primarily due to the higher country risks, overall **'Risks from the Economy and the Market'** are considerably greater than in the previous year.

Due to the measures that have been implemented by many governments, we see an opportunity for the economy to recover more quickly and on a more sustained basis than is broadly assumed, and for confidence in the economy to return. In addition, various markets could relax their import and customs regulations and provide increased incentives to invest through tax-related changes.

The **'Risks of Industry and Competition'** are at about the previous year's level. The leading technological position of our solutions alleviates a possible price risk resulting from weak demand. At the moment, there no longer seems to be a risk that Japanese competitors could have a competitive advantage due to a weak yen. Following the considerable advantages they had for many years due to the exchange rate structures, these structures have shifted back substantially in favor of European suppliers. German suppliers will have new opportunities once print shops' propensity to invest recovers. A renewed unfavorable change in exchange rates would weaken our market position – as well as that of our European competitors. Our measures to strengthen purchasing and production outside the Euro Zone lessens the risks arising from this development in the medium term.

Whereas at least in the sheetfed offset area, the market structure among equipment suppliers to the print media industry has been robust for a number of years, the competitive structure could change if the crisis is prolonged. If competitors go out of business or merge, this could result not only in risks, but in opportunities for us as well because we could then expand our market position. Moreover, we also see an opportunity that our principal competitors in the finishing area will cease their extremely aggressive market defense strategy due to the crisis.

We are improving our opportunities for acquiring increased market shares after the economic crisis is overcome:

- by supporting customers worldwide with comprehensive services;
- by highlighting the measurable advantages of our integrated solutions for potential customers throughout in the world; and
- by maintaining our leading technological position vis-à-vis the competition.

We introduced our new product portfolio and presented our significant new developments to customers at drupa 2008. Since these new products proved themselves in day-to-day operation following their market launch, **Product Risks** have fallen.

In order to avoid undesirable developments, in all R&D projects we focus by necessity on the benefit to the customer. We work together closely with concept customers in all phases of product development. A panel of experts from the areas R&D, product management, controlling, manufacturing, and service determine in advance the direction of further product development. Among other things, the panel members make decisions based on market analyses as well as economic viability considerations from the point of view of the Company and based on our technology roadmap, which we utilize to describe the long-term development goals we need to attain in order to satisfy future customer requirements. We secure the results of our research and development activity with the Group's own proprietary rights.

'Financial Environment Risks' increased over the previous year. Contributing to this development was the fact that so far, Heidelberg has only received credit approval from the banks in principle. We discuss the background of this development in the next five paragraphs:

Potential refinancing risks could arise should a company no longer be in a position to obtain the financial means necessary to pay its financial liabilities.

During the period 2004 to 2006, the € 280 million convertible bond, the € 550 million syndicated credit facility, and two borrower's note loans totaling approximately € 105 million were all successfully placed through our Dutch finance company. The inflow of funds from the convertible bond and from portions of the borrower's note loans was transferred to us. We also have access to a syndicated credit facility totaling € 550 million. Heidelberg has also placed its own borrower's note loan and has access to various bilateral credit lines from banks. The syndicated credit facility amounted to € 550 million provides financing for seasonally higher credit needs. By contrast, long-term financing requirements of € 500 million are covered by the convertible bond, the three borrower's note loans, and a long-term sale (usufruct) and lease-back agreement that was implemented the previous year covering improved land. Our overall credit facilities, with the core elements convertible bond, borrower's note loans, syndicated credit, and bilateral credit lines have so far ensured a stable financing structure with a well-balanced maturity profile. These facilities always adequately covered the debt that arose regularly as a result of fluctuations arising during the year compared with the outstanding amounts at the financial year-end.

The current financial market crisis and its impact on the real economy have fundamentally changed the basic financial conditions for all companies, and therefore for Heidelberg as well. Due to the development of Heidelberg's price share, it must now be assumed that investors holding the convertible bond will exercise their right to accelerated repayment of the bond in February 2010, as a consequence of which repayment will occur prior to February 2012. Because of the marked decline in Heidelberg's sales, it must be assumed that the originally agreed upon financial covenants under the terms of the syndicated credit can no longer be met over the remaining term to maturity of the credit in July 2012. As a precaution, in December 2008 Heidelberg therefore obtained approval for an amendment request (adjustment of the originally agreed upon financial covenants) from the relevant banks.

The situation is currently as follows for Heidelberg: Comprehensive discussions were held with the banks that are providing the financing based on a detailed financing concept that is largely in agreement with the previous financing structure in type, scope, and term. The banks providing the financing granted their fundamental credit approval late in May through early June 2009, however under the condition that in accordance with the second package of measures, i. e., the 'Pact for Employment and Stability in Germany' (the so-called Economic Stimulus Package II), and for the loan granted by KfW collateral be provided by the Federal Republic of Germany and the States of Baden-Württemberg and Brandenburg by the end of August 2009. Although the corresponding administrative units of the German Federal Government gave their fundamental consent to this, written confirmation is currently still pending. We anticipate a final decision from the Economic Committee of the State of Baden-Württemberg in the near future. Based on previous negotiations, the Management Board expects a positive decision here as well. Should a complete and legally binding agreement fail to occur, this would result in a risk endangering Heidelberg's existence.

The Management Board currently believes that the financing structure can be successfully restructured in the near future. Based on this, the annual financial statements have been drawn up under the assumption that the Company will continue in operation.

The other financial environment risks have also increased in the area of sales financing. The crisis has led to an increase in the volume of past due receivables from our sales financing. The risk of payment losses under financing contracts with customers therefore grew. The risks from counterliabilities that we took over were also up. The portion of our portfolio that consists of claims against customers in emerging markets has increased. The currency devaluations in some countries are hampering our customers in repaying their installments denominated in euros or US dollars. The Ukraine, Mexico and Brazil, for example, are especially affected by this development. We form an appropriate provision to cover recognizable risks under our policy on risk provision, which is generally conservative. We systematically monitor foreign currency and payment risks on the basis of guidelines that set out the fundamental strategy, the directives concerning the structural organization and workflow management, as well as the regulations defining responsibilities.

We are striving to reduce the foreign currency exposure of the Heidelberg Group and thereby also our dependency on exchange rate structures. We have hedged in the medium term the risk that the exchange rates of our principal foreign currencies might fall. Nevertheless, although risks continue to exist in this area, we would also have opportunities should the exchange rate situation improve.

We reduce legal risks arising from individual contracts by relying on standardized master contracts wherever possible. We systematically protect our interests in the area of patents and licenses.

The **'Risks Arising from Performance'** rose slightly over the previous year. Undertaking substantial job cutbacks that also entail numerous business-related job terminations is always difficult – not only for the affected employees, but for the entire Company. Important expertise could be lost, highly experienced teams are subject to change, and processes and procedures need to be redesigned. Nevertheless, we strive to reduce the risks in the **human resources area** to the greatest possible extent based on modern human resources approaches and comprehensive training opportunities.

For our new printing press format category, there is a risk that the start-up costs of production and the general cost of manufacturing could be higher than planned. Overall, in the production area we have an opportunity to realize considerable cost reductions through the enhancement of processes within the framework of our Heidelberg Production Systems Program.

We minimize **environmental risks** through an efficient environmental management system – both in the area of product design and in the manufacturing process.

Since risk management is an integral component of our supply management, we protect ourselves against many risks in **procurement** at the outset. We respond to the risk of a supplier's failure to deliver, a delay in the delivery of components, or the risk of receiving substandard components by means of a supplier monitoring system based on key data parameters, consistent and systematic observation of all significant markets, and through the utilization of a material planning system with a rolling twelve-month forecast. We also integrate our suppliers within this process. Despite the difficult underlying conditions, the risk of losses consequently rose only slightly despite the fact that insolvencies of firms, especially in the engineering industry – as well as suppliers to this industry – will continue to be commonplace. The price level of raw materials, metals and energy is currently lower than in the past. A sudden and hefty price resurgence would entail a risk to our cost of manufacturing.

We reduce the risk from bad **investments** by including all planned investments in our worldwide uniform planning system. This system forms the basis for our focused financial management. Before undertaking each capital goods investment, we implement a make-or-buy analysis that is monitored by a team of engineers and financial specialists. Our system proved its helpfulness during the financial year, as a result of which we were able to quickly reduce planned investments – with no increase in our risks from production!

Future Prospects

The global economy plunged into a sharp recession this past financial year, which pushed many industries into a deep crisis. Print shops in the commercial printing segment – our biggest customer group – suffered massive declines in orders and their propensity to invest reached a low point. Most economic research institutes expect a turnaround next year. Global Insight anticipates a renewed decline by –2.8 percent in global economic performance for 2009 and an increase of 1.6 percent for the following year. Nevertheless, all forecasts are fraught with considerable uncertainties. All economic research institutes emphasize that their economic projections are subject to considerable uncertainty.

We must assume that our **sales volume** will continue to remain below the reporting year's already low level. Primarily due to the declining sales trend, the **result of operating activities** will again fall short of the figure for the reporting year 2008/2009. As the measures of our Heidelberg 2010 program increasingly take hold, we will be able to generate additional savings. We will quickly attain our goal of adjusting human resource capacities to the lower level of sales. We will considerably reduce our investments in tangible assets for the current and subsequent financial year compared with the reporting year. Research and development outlays will further decline significantly. Overall, however, we will realize a considerable net loss for the current year.

We will benefit if the growth – favored by various economic stimulus packages – that is anticipated by economic research institutes occurs in the markets. In the subsequent year, we could then expect an increase in sales once again as well as an improved result.

Important Note

This annual 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 annual report. Heidelberg does not intend, and does not assume any obligation, to update the forward-looking statements contained in this annual report to reflect events or developments that have occurred after this annual report was published.

Remuneration Report – Management Board and Supervisory Board

The total structure and amount of the remuneration of the Management Board are determined by the Human Resources Committee of the Supervisory Board of Heidelberger Druckmaschinen Aktiengesellschaft and monitored periodically. The remunerations of the Management Board comprise:

> a fixed annual salary;
> a variable annual remuneration;
> a share-based remuneration as a variable remuneration component with a long-term incentive component;
> remuneration in kind; and
> a Company pension.

Fixed and Variable Remuneration; Remuneration in Kind

The members of the Management Board receive an annual **fixed remuneration** paid in equal monthly installments. Provision is also made for **variable salary components.** On the one hand, an annual corporate bonus is paid that is dependent on the Group's success during the financial year, with free cash flow and the result of operating activities serving as benchmarks. On the other hand, each member of the Management Board is eligible to receive a personal, performance-based bonus that is determined by the Chairman of the Supervisory Board in consultation with the Human Resources Committee, taking into consideration the particular duties and areas of responsibility. With full disbursement, the personal bonus amounts to 15 percent of the overall salary, the corporate bonus to 35 percent, and the fixed base pay to 50 percent of total salary. The amount of the bonuses and thereby their share of salary is adjusted if performance exceeds or falls short of a target. The corporate bonus (normally 70 percent of the overall bonus) is limited to a maximum of 130 percent (= 91 percent). No provision is made for over-fulfillment in the case of the individual bonus (normally 30 percent of the total bonus).

The members of the Company's Management Board have stated that they have meanwhile forgone half of the **bonuses** to which they are entitled for financial year 2009/2010 under the terms of their contracts.

Remuneration in kind consists largely of the use of a Company car in accordance with tax guidelines.

Design of the Variable Remuneration Components with Long-Term Incentive Effects

In addition, the members of the Management Board receive **variable remuneration components with long-term incentive effects** within the framework of the stock option plan and the long-term incentive plans (LTI).

Stock option plan: The prerequisite for granting subscription rights is that eligible individuals buy shares of the Company on their own account and retain them for the length of an appropriate vesting period. Subscription rights may only be exercised if, between the date of issue and the date the subscription right is exercised, the market price of the Company's shares outperforms the value of the Dow Jones EURO STOXX Index (hereinafter referred to as the 'Index') – both share price and Index calculated on the basis of the total shareholder return method. The target is deemed as having been reached if the performance of our share determined in this manner exceeds the Index. If subscription rights are not exercised despite the target having been reached, they may not be exercised again until the target has been reached again. The exercise price is defined as the average closing price of our shares on the final ten consecutive stock market trading days in Frankfurt am Main prior to the relevant subscription period for the respective subscription rights (the 'exercise price'). The period of vesting commences when the subscription rights are issued and ends three years following the issue date. The period of validity of the subscription rights commences when the subscription rights are issued and ends six years after the date of issue. Overall, a total of six tranches were issued during the period 1999 to 2004. The 1999, 2000, 2001, and 2002 tranches have meanwhile expired without the stock options having been exercised. As in the previous year, during the financial year no disbursement was made from allotted stock options granted in previous years.

Long-term incentive plan (LTI): This plan provides for granting so-called Performance Share Units (PSUs) to the members of the Management Board if they undertake an investment for their own account in the shares of Heidelberger Druckmaschinen Aktiengesellschaft. The number of PSUs granted is contingent on the meeting of targets. Claims arising from the final number of PSUs are satisfied either by means of a payment or by the delivery of Heidelberg shares. With an investment for own account of 1,500 shares, each member of the Management Board may receive 4,500 PSUs. The PSUs under the LTI 2006 and LTI 2007, respectively, were designated on April 1, 2006 and April 1, 2007, respectively; no additional PSUs were issued during the reporting year. The targets realized by the Company during the term of validity are defined on the one hand as the arithmetic average of the free cash flow rate (free cash flow divided by net sales), and on the other hand by the arithmetic average of the achieved EBIT percentage (EBIT divided by net sales).

For example, based on an equal weighting of the two targets, a member of the Management Board who undertakes an investment for own account of 1,500 shares, with an average EBIT percentage rate of 10 percent and an average free cash flow rate of 6 percent over a period of three years, would receive an allocation of 100 percent of the conditionally committed PSUs, or 4,500 PSUs. The PSUs of the LTI 2006 expired on March 31, 2009, and those of the LTI 2007 will expire on March 31, 2010. Since the targets of the LTI 2006 were not attained, no disbursement was made. Within the framework of the presentation of the remuneration, the fair value is shown at the time the PSUs are granted.

Detailed Remuneration of the Members of the Management Board

BERNHARD SCHREIER

Figures in € thousands

	2007/2008	2008/2009
Performance-neutral components		
Base salary	500	500
Remuneration in kind	8	30
Performance-based remuneration		
Bonus for the financial year	375	150
Cash remuneration	883	680
Components with long-term incentive effects		
Fair value at the time the LTI 2007 was granted with 100 percent target attainment	136	–
Remunerations	1,019	680
Number of PSUs granted during the financial year under the LTI	4,500	–
Number of PSUs under the LTI	9,000	9,000
Number of PSUs under the stock option program	42,000	31,500
Pension plan		
Expected pension per annum at retirement age [1)]	371	371
Defined benefit obligation	3,137	3,380
Pension plan according to IFRS [2)]	304	291

1) In accordance with the situation for pension-capable remuneration as of March 31

2) Service cost and interest cost

Bernhard Schreier's term of office as a regular member of the Management Board runs for five years.

Pension plan: The pension commitment provides for a pension related to the amount of the last basic remuneration as well as survivors' benefits, thereby deviating from the pension commitments for most employees, whose benefits are based on a table related to income groups, which is adjusted regularly in accordance with the development of the cost of living. The percentage rate thereby depends on the number of years of service in the Company, with the percentage rates of increase graduated per year of service. Based on the pension contract and as a result of the years of service with the Company, the maximum pension percentage rate of 75 percent has already been reached. The pension will be paid beginning at age 65, or at the onset of employment disability. The payment will be adjusted in the same percentage relationship as the basic pay of salary group B9 for civil servants in Germany. No guaranteed adjustment by at least 3 percent every two years, as is the case with employee remuneration, is foreseen. A pension will also be paid if, before reaching retirement age, the contract is cancelled or is not extended by the Company without giving cause that would have entitled the Company to terminate employment without notice. In this case, claims acquired by other activity up to age 65 are fully offset. A potential claim under a contractual compensation for restraint of competition is also taken into account. A claim for committed benefits under the Company's pension provisions remains in force even in the case of an early cancellation of employment. Otherwise, the statutory full vesting periods are deemed to have been fulfilled. The payment of the old-age pension is fully secured by a reinsurance policy, with the resultant claim against Mr. Schreier pledged as collateral.

Payments upon termination of the Management Board mandate: During the period following the declaration of intent by RWE Aktiengesellschaft to sell its majority holding in Heidelberg, if a company other than RWE Aktiengesellschaft acquires a majority holding in the Company Mr. Schreier has been granted a special cancellation right that must be exercised within a period of six months following the occurrence of such a change in ownership. In this case, Mr. Schreier would receive a severance payment amounting to remuneration for two years (basic salary plus bonuses). If Mr. Schreier exercises his special cancellation right, he will receive a pension beginning at the time of the early resignation, with the pension calculated as if the contractual relationship had continued through the end of his mandate.

DIRK KALIEBE

Figures in € thousands

	2007/2008	2008/2009
Performance-neutral components		
Base salary	275	292
Remuneration in kind	18	18
Performance-based remuneration		
Bonus for the financial year	206	88
Cash remuneration	499	398
Components with long-term incentive effects		
Fair value at the time the LTI 2007 was granted with 100 percent target attainment	136	–
Remunerations	635	398
Number of PSUs granted during the financial year under the LTI	4,500	–
Number of PSUs under the LTI	9,000	9,000
Number of PSUs under the stock option program	27,000	20,250
Pension plan		
Accrued pension capital at financial year-end	167	262
Pension contribution for the reporting year [1)]	85	88
Defined benefit obligation	255	371
Pension plan according to IFRS [2)]	98	103

1) In accordance with the situation for pension-capable remuneration as of March 31, excluding the yet-to-be-determined profit-related share

2) Service cost and interest cost

Dirk Kaliebe's term of office as a regular member of the Management Board runs for three years.

Pension plan: The pension contract for Mr. Kaliebe provides for a pension commitment based on a defined contribution that is largely in line with the pension provisions based on a defined contribution for executive staff (BVR). Each year, on July 1 the Company deposits into an investment fund 30 percent (in BVR: 3 percent) of his basic salary, applicable retroactively for the prior financial year. Depending on corporate earnings, this amount can be higher. The precise level of the pension, in turn, depends on the financial success of the investment fund. The pension may be paid as an early pension payment beginning at age 60. In any case, in other words in case of termination of employment with the Company, the pension will be paid at the age of 65, or respectively 60, principally in the form of a one-time payment of pension capital. Provision is also made for a disability and survivors' benefit (60 percent of the disability payment) contingent on the amount of the last basic remuneration. In this case, the percentage rate depends on the length of service with the Company – thereby differing from the BVR – with a maximum pension percentage rate of 60 percent due to attributable time. Should the service contract expire prior to the beginning of benefit payments, the claim to the established pension capital at this point in time remains valid. The other pension benefits (disability and survivors' benefits) earned in accordance with Section 2 of the Law to Improve Company Pension Plans (BetrAVG) remain valid on a pro rata basis. Otherwise, the statutory full vesting periods are considered to have been met.

DR. JÜRGEN RAUTERT

Figures in € thousands

	2007/2008	**2008/2009**
Performance-neutral components		
Base salary	325	344
Remuneration in kind	11	11
Performance-based remuneration		
Bonus for the financial year	244	103
Cash remuneration	580	458
Components with long-term incentive effects		
Fair value at the time the LTI 2007 was granted with 100 percent target attainment	136	–
Remunerations	716	458
Number of PSUs granted during the financial year under the LTI	4,500	–
Number of PSUs under the LTI	9,000	9,000
Number of PSUs under the stock option program	–	–
Pension plan		
Expected pension per annum at retirement age [1]	190	205
Defined benefit obligation	1,493	1,790
Pension plan according to IFRS [2]	192	177

[1] In accordance with the situation for pension-capable remuneration as of March 31
[2] Service cost and interest cost

Dr. Rautert's term of office as a regular member of the Management Board runs for five years.

Pension plan: Pension commitments provide for a pension that is contingent on the amount of the last basic remuneration and survivors' benefits, thereby deviating from the pension commitments for most employees, whose benefits result from a table based on income groups that is adjusted regularly in accordance with the development of the cost of living. The percentage rate thereby depends on the number of years of service in the Company, with the percentage rates of increase graduated per year of service. The relevant pension percentage rate of 60 percent will be attained in 2011. The pension will be paid beginning at age 60 or at the onset of employment disability. The payment will be adjusted in the same percentage relationship as the basic pay of salary group B9 for civil servants in Germany. No guaranteed adjustment by at least 3 percent every two years, as is the case with employee remuneration, is foreseen. A pension will also be paid if before reaching the age of 55, the contract is cancelled or is not extended by the Company without giving cause that would have entitled the Company to terminate employment without notice. In this case, claims acquired by Dr. Rautert by other activity up to age 60 are offset by half. A claim for committed benefits under the Company's pension provisions remains in force even in the case of an early cancellation of employment. Otherwise, the statutory full vesting periods are deemed to have been fulfilled. The payment of the old-age pension is fully secured by a reinsurance policy, with the resultant claim against Dr. Rautert pledged as collateral.

STEPHAN PLENZ

Figures in € thousands	(1-Jul-08 – 31-Mar-09) 2008/2009
Performance-neutral components [1]	
Base salary	225
Remuneration in kind	7
Performance-based remuneration [1]	
Bonus for the financial year	68
Cash remuneration	300
Components with long-term incentive effects	–
Remunerations	300
Number of PSUs granted during the financial year under the LTI	–
Number of PSUs under the LTI	3,600
Number of PSUs under the stock option program	20,250
Pension plan	
Accrued pension capital at financial year-end	178
Pension contribution for the reporting year [2]	76
Defined benefit obligation	299
Pension plan according to IFRS [3]	82

1) For the period active on the Management Board from July 1, 2008 to March 31, 2009
2) In accordance with the situation for pension-capable remuneration as of March 31, excluding the yet-to-be-determined profit-related share
3) Service cost and interest cost

Stephan Plenz has been a member of the Management Board since July 1, 2008. His term of office as a regular member of the Management Board runs for three years.

Pension plan: The pension contract for Stephan Plenz provides for a pension commitment based on a defined contribution that is largely in line with the pension provisions based on a defined contribution for executive staff (BVR). Each year, on July 1 the Company deposits into an investment fund 33 percent (in BVR: 3 percent) of his basic salary, applicable retroactively for the prior financial year. Depending on corporate earnings, this amount can be higher. The precise level of the pension, in turn, depends on the financial success of the investment fund. The pension may be paid as an early pension payment beginning at age 60. In any case, in other words in case of termination of employment with the Company, the pension will be paid at the age of 65, or respectively 60, principally in the form of a one-time payment of pension capital. Provision is also made for a disability and survivors' benefit (60 percent of the disability payment) contingent on the amount of the last basic remuneration. In this case, the percentage rate depends on the length of service with the Company – thereby differing from the BVR – with a maximum pension percentage rate of 60 percent due to attributable time. Should the service contract expire prior to the beginning of benefit payments, the claim to the established pension capital at this point in time remains valid. The other pension benefits (disability and survivors' benefits) earned in accordance with Section 2 of the Law to Improve Company Pension Plans (BetrAVG) remain valid on a pro rata basis. Otherwise, the statutory full vesting periods are considered to have been met.

Basic Characteristics of the Supervisory Board's Remuneration

The remuneration of the Supervisory Board is regulated in the Articles of Association and approved by the Annual General Meeting. It comprises two components: an annual remuneration of € 18,000, and a variable component that depends on the dividend. The variable remuneration amounts to € 750 for each € 0.05 in dividends per share paid in excess of € 0.45. In other words, the members of the Supervisory Board only receive an additional variable remuneration if the dividend exceeds € 0.50. Whereas fixed remuneration is paid after the financial year-end, the variable remuneration is only payable following the conclusion of the Annual General Meeting that approves the actions of the Supervisory Board for the relevant financial year. The Chairperson, his or her Deputy, as well as Committee Chairpersons and members of the Supervisory Board, receive remuneration increased by specific multipliers in view of their additional responsibilities. The Chairman of the Supervisory Board receives double the normal Supervisory Board remuneration, with the Deputy Chairman and the Committee Chairmen receiving 1.5 times and the members of the Supervisory Board Committees 1.25 times the normal Supervisory Board remuneration. A member of the Supervisory Board who holds more than one position only receives remuneration for the position with the greatest amount. Members of the Supervisory Board who only serve on the Board for part of the financial year receive pro rata remuneration. The same applies respecting the application of the multipliers if a member of the Supervisory Board is only active for a portion of the financial year for which he or she is entitled to increased remuneration. The members of the Supervisory Board also receive a lump-sum payment of € 500 for each meeting day as reimbursement for expenses during the exercise of their responsibilities unless proof is supplied for higher outlays. In addition, any sales tax levied against the remuneration of the Members of the Supervisory Board shall be reimbursed.

The remuneration of the Supervisory Board (excluding sales tax) is as follows:

Figures in €

	2007/2008			2008/2009		
	Fixed remuneration	Variable remuneration	Total	Fixed remuneration	Variable remuneration	Total
Dr. Mark Wössner[1]	38,000	15,000	53,000	39,493	–	39,493
Rainer Wagner[2]	30,500	11,250	41,750	31,000	–	31,000
Martin Blessing[3]	23,500	9,375	32,875	8,000	–	8,000
Dr. Werner Brandt[4]	–	–	–	19,375	–	19,375
Edwin Eichler[4]	–	–	–	14,500	–	14,500
Wolfgang Flörchinger	19,500	7,500	27,000	20,000	–	20,000
Martin Gauß	24,500	9,375	33,875	24,500	–	24,500
Mirko Geiger	25,500	9,375	34,875	26,500	–	26,500
Gunther Heller	20,000	7,500	27,500	20,000	–	20,000
Dr. Jürgen Heraeus[3]	25,000	9,375	34,375	9,000	–	9,000
Jörg Hofmann	20,000	7,500	27,500	19,509	–	19,509
Dr. Siegfried Jaschinski[5]	20,000	7,500	27,500	19,500	–	19,500
Robert J. Koehler	20,000	7,500	27,500	20,000	–	20,000
Uwe Lüders[3]	20,000	7,500	27,500	7,000	–	7,000
Dr. Gerhard Rupprecht	24,500	9,375	33,875	23,500	–	23,500
Beate Schmitt	20,000	7,500	27,500	20,000	–	20,000
Prof. Dr.-Ing. Günther Schuh[4]	–	–	–	15,000	–	15,000
Dr. Klaus Sturany	31,182	11,250	42,432	31,879	–	31,879
Peter Sudadse	20,000	7,500	27,500	20,000	–	20,000
Total	382,182	144,375	526,557	388,756	–	388,756

1) Chairman of the Supervisory Board
2) Deputy Chairman of the Supervisory Board
3) On the Supervisory Board until July 18, 2008
4) On the Supervisory Board since July 18, 2008
5) On the Supervisory Board since April 1, 2007

Information According to Section 289 (4) of the Commercial Code

In accordance with Section 289 (4) nos. 1 – 9 of the Commercial Code, in the Management Report we address all points that may be of significance should a public takeover bid occur for Heidelberg.

The **subscribed capital** (share capital) of Heidelberger Druckmaschinen Aktiengesellschaft amounted to € 199,791,191.04 at financial year-end and is apportioned among 78,043,434 no-par bearer shares. The shares are not subject to restricted transfer rights. In accordance with Section 71 b of the Stock Corporation Act, the Company is not entitled to any rights arising from the 400,000 own shares it is holding. The Company's Management Board is not aware of any other limitations to voting rights or the transfer of shares.

As of the March 31, 2009 reporting date, **free float** was approximately 80 percent. In accordance with Section 21 (1) of the Securities Trading Act (Wertpapierhandelsgesetz), on September 20, 2002 the Munich-based firm Allianz SE informed us that it maintained a 12.03 percent **indirect participation** in the capital of the Company as of that date. On May 25, 2009 RWE Aktiengesellschaft, Essen, informed us that its participation had fallen to 8.008 percent as of that date. No shareholder has **special rights** that would grant a power of audit. Furthermore, no separate control over voting rights or audit privileges of employees participating in the capital are held that have not been directly exercised.

SHAREHOLDER STRUCTURE

Figures in percent

Free float	80
Allianz SE	12
RWE AG	8

The **appointment and recall of the members of the Company's Management Board** occur in connection with Sections 84 ff. of the Stock Corporation Act in association with Sections 30 ff. of the Codetermination Act. **Changes in the Articles of Association** occur in accordance with the provisions of Sections 179 ff. (133) of the Stock Corporation Act in association with Section 19 (3) of Heidelberg's Articles of Association. According to Section 19 (3) of the Articles of Association, unless statutory provisions stipulate otherwise, decisions are deemed to be approved by a simple majority of submitted votes. If legal provisions require a majority of shareholdings in addition to a majority of votes, then decisions are deemed to be approved by a simple majority of shareholdings that are represented. According to Section 15 of the Articles of Association, the Supervisory Board is authorized to revise or add to the current version of the Articles of Association.

On July 18, 2008, Heidelberg's Annual General Meeting authorized the Management Board to acquire shares in the Company up to January 15, 2010 either over the stock market or by means of a public offering directed to all shareholders. Shares acquired may total up to 10 percent of the share capital at the time of the resolution or – provided the amount is lower – 10 percent of the share capital at the time the authorization is exercised. The acquired shares may be sold over the stock market or through an offer to all shareholders.

With the consent of the Supervisory Board, the Management Board is additionally authorized, under exclusion of the subscription right of the shareholders:

- to sell shares, if for cash and at a price as defined in the authorization that is not substantially below the stock market price; the volume of shares thereby sold together with shares that have been issued since July 18, 2008 under subscription right exclusion may not exceed a total of 10 percent of the existing share capital, or – if this value is less – 10 percent of the share capital existing at the time the authorization is exercised;
- to offer and transfer shares to third parties under the condition that investments are thereby acquired in companies or divisions of companies, or that mergers are thereby implemented;
- to offer and transfer shares to members of the Company's Management Board as well as to members of senior management within the framework of the Company's stock option program; this program was approved by the Ordinary Annual General Meeting of the Company on September 29, 1999 under Agenda Item 8;
- to make use of shares in fulfillment of obligations arising from convertible and/or bonds with warrants that have been or will be issued by a member of the Heidelberg Group; and
- to make use of shares in order to terminate or similarly execute expedited shareholder action under corporate law.

This authorization may be executed either in full or in part.

The Management Board is further authorized, with the consent of the Supervisory Board, to recall acquired own shares without the need for additional authorization from the Annual General Meeting. This authorization may be executed either in full or in part.

With the consent of the Supervisory Board, up to July 1, 2011 the Management Board may increase the share capital of the Company at one time or in stages through the issue of new shares against cash or contributions in kind, by up to a maximum amount of up to € 59,937,356.80; the subscription right of the shareholders may be excluded. Details concerning **'Authorized Capital 2008'** can be found in Section 3 (6) of the Articles of Association.

The share capital of the Company is increased on a contingent basis as follows:

> On September 29, 1999, the Annual General Meeting authorized the Management Board to grant subscription rights to the Company's shares ('stock options') to members of the Company's Management Board, to members of the management units of the Company's affiliated enterprises, and to members of senior management of the Company and of affiliated enterprises. For this purpose, share capital was increased by up to € 10,996,288.00 on a contingent basis; details on **'Contingent Capital'** are included in Section 3 (3) of the Articles of Association. The Company has the option of making a cash settlement in place of issuing shares to those entitled to participate. Subscription rights issued by the Management Board on the basis of this authorization as of March 31, 2009 totaled 1,824,105, of which 72,000 options have been designated for the Management Board.

> A resolution by the Annual General Meeting of July 21, 2004 authorized the Management Board, in agreement with the Supervisory Board, to issue, up to July 20, 2009, bearer options and/or convertible bonds in a total nominal amount of up to € 500,000,000.00, with a maximum term of 20 years, thereby granting options and/or the conversion rights to new shares up to a maximum amount of € 21,992,570.88. The share capital was therefore increased on a contingent basis by up to € 21,992,570.88. For details, please refer to the **'Contingent Capital II'** segment of Section 3 (4) of the Articles of Association. The Heidelberg Group has made partial use of this authorization, on February 9, 2005 issuing a convertible bond in the nominal amount of € 280,000,000.00 via the Group's wholly owned subsidiary, Heidelberg International Finance B.V., Boxmeer, the Netherlands, under a guarantee issued by Heidelberg. Details of this transaction can be found in Notes 26 and 28.

- On July 20, 2006, the Annual General Meeting authorized the Management Board, in agreement with the Supervisory Board, to issue bearer warrants and/or convertible bonds through July 19, 2011 in a total nominal amount of up to € 500,000,000.00 with a maximum term of 30 years, thereby granting option and/or conversion rights to new shares in a pro rata amount of the share capital in a total amount of up to € 21,260,979.20. The subscription right of the shareholders may be excluded. The share capital was accordingly increased by up to € 21,260,979.20 on a contingent basis. Details are included in the **'Contingent Capital 2006'** segment of Section 3 (5) of the Articles of Association.
- On July 18, 2008, the Annual General Meeting authorized the Management Board, in agreement with the Supervisory Board, to issue up to July 17, 2013 bearer convertible bonds and/or bonds with warrants, profit sharing rights and/or profit participating bonds or combinations of these instruments either with or without a limit to the term with a total nominal amount of up to € 500,000,000.00, and to grant the bearers and creditors, respectively, of bonds or conversion and option rights, to bearer shares of the Company, with a pro rata share of the share capital totaling up to € 19,979,118.08 subject to the conditions governing the bonds. The subscription rights of the shareholders may be excluded. The share capital was thereby increased on a contingent basis by up to € 19,979,118.08. Details are included in the **'Contingent Capital 2008/I'** segment of Section 3 (7) of the Articles of Association.
- On July 18, 2008, the Annual General Meeting authorized the Management Board, in agreement with the Supervisory Board, to issue up to July 17, 2013 bearer convertible bonds and/or bonds with warrants, participation rights and/or income bonds or combinations of these instruments either with or excluding a limit to the period of validity, in the total nominal amount of up to € 500,000,000.00 either with or without a limit on the term with a total nominal amount of up to € 19,979,118.08 subject to the conditions governing the bonds. The subscription rights of the shareholders may be excluded. The share capital was thereby increased on a contingent basis by up to € 19,979,118.08. Details are included in the **'Contingent Capital 2008/II'** segment of Section 3 (8) of the Articles of Association.

'Change of Control' provisions: The Chairman of the Management Board, Bernhard Schreier, was granted a special right of employment termination with appropriate compensation, which we describe in detail in the Remuneration Report on page 23. No comparable or other change-of-control provision has been made for the other members of the Company's Management Board or for Heidelberg's employees.

The syndicated credit line of Heidelberger Druckmaschinen Aktiengesellschaft includes a standard 'change of control' clause that grants the contracting parties additional rights to information as well as cancellation in the case of a change in the control or majority ownership structure of the Company. Equally standard provisions granting the contracting parties the right of cancellation and early repayment are provided for by the convertible bond that was issued by Heidelberg International Finance B.V., as well as by one of the three borrower's note loans.

Finally, a technology license agreement with a manufacturer and supplier of software products includes a 'Change of Control' provision that grants each party a 90-day right of cancellation should at least 50 percent of the shares or of the voting rights of the other party be acquired by a third party.

Otherwise, there are no compensation agreements that have been entered into by the Company that would affect members of the Company's Management Board or the employees in case of a takeover bid.

> FINANCIAL STATEMENTS

OF HEIDELBERGER DRUCKMASCHINEN AKTIENGESELLSCHAFT

Income statement 2008/2009

> INCOME STATEMENT

Figures in € thousands	Note	1-Apr-2007 to 31-Mar-2008	**1-Apr-2008 to 31-Mar-2009**
Net sales	4	1,914,399	1,552,937
Change in inventories		51,845	131,731
Other own work capitalized		32,030	44,678
Total operating performance		1,998,274	1,729,346
Other operating income	5	151,817	140,491
Cost of materials	6	856,320	652,145
Personnel expenses	7	743,746	784,938
Depreciation and amortization of intangible assets and property, plant, and equipment		79,734	45,875
Other operating expenses	8	403,501	434,007
Result from operating activities		66,790	– 47,128
Result from financial assets	9	87,934	55,822
Other interest and similar income	10	31,364	27,329
Interest and similar expenses	11	59,075	55,409
Financial result		60,223	27,742
Result from ordinary activities		127,013	– 19,386
Taxes on income	12	– 4,640	– 89,190
Net profit		131,653	69,804
Profit carry-forward from the previous year		1,135	9,377
Withdrawal from reserve for treasury stock		6,456	5,346
Income from the reduction in capital		4,313	–
Allocation to the share premium in accordance with the provisions of the simplified reduction in capital (Section 237 Paragraph 5 of the Stock Corporation Act)		– 4,313	–
Expense from the simplified reduction in capital		– 56,106	–
Allocations to reserve for treasury stock		–	– 34,000
Distributable profit		83,138	50,527

Balance sheet as of March 31, 2009

> ASSETS

Figures in € thousands

	Note	31-Mar-2008	31-Mar-2009
Fixed assets	13		
Intangible assets		14,781	12,131
Tangible assets		397,604	448,511
Financial assets		1,271,284	1,351,201
		1,683,669	1,811,843
Current assets			
Inventories	14	410,438	580,785
Receivables and other assets	15	602,582	574,007
Marketable securities	16	6,802	1,456
Cash and cash equivalents		56,716	16,897
		1,076,538	1,173,145
Prepaid expenses	17	8,501	7,260
		2,768,708	2,992,248

> EQUITY AND LIABILITIES

Figures in € thousands

	Note	31-Mar-2008	31-Mar-2009
Shareholders' equity	18		
Subscribed capital		199,791	199,791
Capital reserve		30,981	30,981
Revenue reserves		250,561	279,215
Distributable profit		83,138	50,527
		564,471	560,514
Special items	19	35,269	7,069
Provisions			
Provisions for pensions and similar obligations		615,078	637,573
Other provisions	20	467,157	496,343
		1,082,235	1,133,916
Liabilities	21	1,082,429	1,286,572
Deferred income		4,304	4,177
		2,768,708	2,992,248

> DEVELOPMENT OF FIXED ASSETS

Figures in € thousands

	Cost				
	1-Apr-2008	Additions	Disposals	Transfers	**31-Mar-2009**
Intangible assets					
Software, rights of use, and other rights	82,057	2,830	– 124	248	85,011
Advance payments	104	52	–	– 60	96
	82,161	2,882	– 124	188	85,107
Tangible assets					
Land and buildings	566,171	11,868	– 2,059	1,784	577,764
Technical equipment and machinery	542,528	6,949	– 32,426	6,860	523,911
Other equipment, operating and office equipment	619,498	57,959	– 40,195	4,040	641,302
Advance payments and assets under construction	18,249	26,161	– 166	– 12,872	31,372
	1,746,446	102,937	– 74,846	– 188	1,774,349
Financial assets					
Shares in affiliated enterprises	1,962,497	98,389	– 23,798	–	2,037,088
Participations	3,927	2	–	–	3,929
Long-term investments	380,769	12	– 8,843	–	371,938
Other loans	4,428	659	– 983	–	4,104
	2,351,621	99,062	– 33,624	–	2,417,059
	4,180,228	204,881	– 108,594	–	4,276,515

Cumulative depreciation and amortization					Carrying amounts	
1-Apr-2008	Additions	Disposals	Transfers	**31-Mar-2009**	31-Mar-2008	**31-Mar-2009**
67,380	5,556	– 13	53	72,976	14,677	12,035
–	–	–	–	–	104	96
67,380	5,556	– 13	53	72,976	14,781	12,131
379,662	7,206	– 783	–	386,085	186,509	191,679
471,633	8,050	– 32,341	– 151	447,191	70,895	76,720
497,547	25,063	– 30,146	98	492,562	121,951	148,740
–	–	–	–	–	18,249	31,372
1,348,842	40,319	– 63,270	– 53	1,325,838	397,604	448,511
1,075,954	3,831	– 18,365	–	1,061,420	886,543	975,668
542	–	–	–	542	3,385	3,387
3,427	152	–	–	3,579	377,342	368,359
414	54	– 151	–	317	4,014	3,787
1,080,337	4,037	– 18,516	–	1,065,858	1,271,284	1,351,201
2,496,559	49,912	– 81,799	–	2,464,672	1,683,669	1,811,843

Notes to the Financial Statements 2008/2009

1 Introductory remarks

The presentation of the annual financial statements is based on the provisions of Commercial Law and the Stock Corporation Act.

The classification of the income statement is based on the total cost method. Certain income statement and balance sheet items have been combined to improve the clarity of presentation. In addition to this, we present below a breakdown of individual items with supplemental explanations and notes.

The figures shown in the tables are fundamentally presented in € thousands.

2 Foreign currency translation

Business transactions in foreign currencies are evaluated at the exchange rate in effect at the time of their initial entry, in case of coverage through hedging activities at the hedging rate. With respect to receivables and liabilities, losses from exchange-rate fluctuations are booked directly to the income statement at the year-end exchange rate.

For the presentation of shareholdings the financial statements drawn up in foreign currencies with regard to assets and liabilities are translated at the financial year-end exchange rate and with regard to expenses and income at the average annual exchange rate.

3 Accounting and valuation principles

Acquisition costs also include directly allocable ancillary costs of acquisition. Manufacturing costs take into account pro-rata variable overhead costs as well as the direct costs of materials and salaries and wages.

To the extent that non-scheduled depreciation was taken on fixed and current assets in previous years, it was retained if the cause for the depreciation was still in effect.

Intangible assets, whose capitalization is limited to acquisitions, are capitalized at the cost of acquisition and are depreciated over their expected useful life on a straight-line basis.

Tangible assets are measured at cost less depreciation and impairment. Depreciation takes into account wear and tear as well as the loss of economic value and, for additions prior to March 31, 2008, is primarily based on useful economic lives recognized for tax purposes (depreciation tables) and the highest permissible depreciation rate. Individual technical and economic useful lives have been applied since April 1, 2008 (including for old assets). To the extent permissible under tax provisions and that it led to higher amounts, depreciation on additions prior to December 31, 2007 was recognized in line with the geometric diminishing balance method. Otherwise the straight-line method was applied. Only the straight-line method has been applied for entries since January 1, 2008. From April 1, 2008, the straight-line method of depreciation has also been applied exclusively to tangible assets to which the geometric diminishing balance method was previously applied (additions prior to December 31, 2007). Assets acquired during the fiscal year are depreciated pro rata temporis on the basis of the number of months for which they have been held. Low-value assets with a cost of between € 60 and € 410 that were acquired between April 1, 2007 and December 31, 2007 are depreciated over a period of five years. In accordance with Section 6 (2a) of the German Income Tax Act, omnibus items are recognized for depreciable movable non-current assets with a cost of between € 150 and € 1,000 that were acquired or manufactured after December 31, 2007. These omnibus items are depreciated on a straight-line basis over a period of five years. The reassessment of useful lives and the change from geometric diminishing balance to straight-line depreciation better reflect the actual loss of value of tangible assets and therefore provide a better insight into the net assets, financial position, and results of operations of the Company. The effects of this adjustment of the accounting policies were as follows: the reassessment of useful lives increased the amount reported for tangible assets by € 22.6 million, while the change from geometric diminishing balance to straight-line depreciation (for additions prior to December 31, 2007) increased it by € 8.8 million; consequently, a lower total amount of depreciation of € 31.4 million was recognized in the income statement.

Among financial assets, shares in affiliated enterprises, participations, and securities are capitalized at the cost of acquisition, or at the lower of stock market prices or attributable 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 were based on the weighted average cost method in the year under review. In the previous year, primarily the LIFO method was applied to determine the carrying amounts of raw materials, consumables, and supplies and sales-oriented spare parts. In the year under review, costs were measured at full cost; those costs eligible for recognition as assets in accordance with Section 255 (2) sentences 3 to 5 HGB were therefore included. In the previous year, costs were measured only at direct costs in line with Section 255 (2) sentence 2 HGB and with partial inclusion of indirect materials and labor costs and depreciation of fixed assets in line with Section 255 (2) sentence 3 HGB.

As a result of this adjustment, accounting policies are now largely in line with IFRS. Furthermore, the legal changes in the German Accounting Legislation Modernization Act (BilMoG) have now already been taken into account. Measurement at full costs allows a transparent presentation of the production process and guarantees a better insight into the net assets, financial position, and results of operations. If lower replacement prices are applicable at the balance sheet date 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. The effects of this adjustment of the accounting policies were as follows: the relinquishment of the LIFO method increased the amount reported for inventories by € 5.3 million, and the full cost method increased it by € 189.8 million; as a result, lower costs of materials (€ 3.7 million) and higher changes in inventories (€ 191.4 million) were recognized in the income statement.

Receivables and other assets are carried at nominal amount (cost). All discernible individual risks and the general credit risk were taken into account by appropriate valuation allowances. Non-interest-bearing receivables in other assets are discounted to their present value.

Securities classified as current assets are carried at the lower of cost or market at the reporting date; this relates exclusively to treasury stock.

Tax-exempt allowances and taxable subsidies for investments are accrued to fixed assets as special items for investment subsidies. The tax-exempt allowances and taxable subsidies are offset in line with depreciation.

Until the end of the preceding financial year inclusively, the special tax-allowable reserve included the additional amounts arising from the utilization of accelerated tax depreciation in excess of normal depreciation of tangible assets including transfers in accordance with Section 6b of the German Income Tax Act. This was reversed to income in line with normal depreciation. The special tax-allowable reserve of € 27.6 million was reversed in full in the year under review (of which scheduled: € 0.8 million; of which voluntary: € 26.8 million). As a result, the accounting profit will no longer be influenced by tax measurement activities in future, which improve the insight into the net assets, financial position and results of operations of the Company and takes into account the intention of the German Accounting Legislation Modernization Act (BilMoG). The voluntary adjustment increased other operating income and the net profit for the year by € 26.8 million on a one-time basis.

Provisions for pensions and similar obligations take into account temporary financial assistance in case of death that is insured under labor law, in addition to payments under our pension system. The determination is undertaken on the basis of actuarial calculations according to the partial value method based on an interest rate of 3.5 percent and taking into consideration the current 2005 G Heubeck standard tables. If the prerequisites are met for full pension vesting, for employees who began work before their 30th birthday the date of initial employment is used in the calculations as the basis – at the earliest, however, their 20th birthday.

Obligations similar to vested pensions under social security provisions and collective bargaining agreements are accrued in installments at their partial value under application of an interest rate of 3.5 percent and assessed in accordance with the current 2005 G Heubeck standard tables.

The measurement of other provisions takes into account all discernible, reportable risks and uncertain liabilities. The measurement is based on prudent business judgment. Provisions are also recognized for warranties without legal liability.

Liabilities are accrued at their repayment amount and obligations similar to bonds at their net present value.

Prepaid expense and deferred income items are formed for expenditures and revenues that represent expenses and income for a certain period of time following the closing of the books.

Valuations of contingent liabilities correspond to the extent of liability at financial year-end.

Notes to the Income Statement

4 Sales

	2007/2008	**2008/2009**
Europe, Middle East, and Africa	900,460	814,423
Eastern Europe	170,915	136,300
North America	233,988	135,611
Latin America	136,476	124,519
Asia/Pacific	472,560	342,084
	1,914,399	1,552,937

Of total sales € 1,252,107 thousand or 81 percent were achieved abroad. The sales generated by Heidelberger Druckmaschinen Aktiengesellschaft relate almost exclusively to the Press Division of the Heidelberg Group.

5 Other operating income

	2007/2008	**2008/2009**
Release of provisions	47,460	23,791
Income from affiliated companies	53,279	62,351
Income from operating facilities	10,485	7,524
Income from the release of special items		
for investment subsidies	2,321	2,267
with an equity portion	1,659	27,632
Other income	36,613	16,926
	151,817	140,491

As against the previous year, other income declined by € 20 million. This was essentially due to lower income from the disposal of tangible assets. Other operating income includes prior-period income of € 23.8 million from the reversal of provisions and € 26.8 million from the voluntary reversal of the special tax-allowable reserve (see note 3) and the reversal of write-down on a financial receivable from an affiliated company of € 5 million.

6 Cost of materials

	2007/2008	**2008/2009**
Expenses for raw materials, consumables, and supplies, and for goods purchased	665,134	521,174
Cost of purchased services	191,186	130,971
	856,320	652,145

The decline in cost of materials essentially resulted from the decline in sales.

7 Personnel expenses and employees

	2007/2008	**2008/2009**
Wages and salaries	584,122	620,388
Social security contributions and expenses for pensions and support	159,624	164,550
– of which: for pensions	(56,618)	(66,196)
	743,746	784,938

Personnel expenses include the expenses of the Heidelberg 2010 program of € 128.7 million for headcount reductions.

Average number of employees

	2007/2008	**2008/2009**
Heidelberg	2,211	2,199
Wiesloch-Walldorf	6,064	6,011
Amstetten	1,159	1,162
Brandenburg	681	676
Kiel	332	335
	10,447	10,383
Apprentices	592	605
	11,039	10,988

Not included in the number of employees are trainees, graduating students, dormant employees, and employees in the exemption phase of their partial retirement.

8 Other operating expenses

	2007/2008	2008/2009
Expenses for other outside services	119,739	107,628
Special direct sales expenses	52,762	52,258
Maintenance	44,121	40,303
Rents, leases, and leasing	32,330	32,999
Advertising costs	13,993	23,457
Balance of allocations and usages of provisions regarding different types of expenses	25,896	17,101
Travel expenses	10,130	8,029
Insurance costs	8,108	7,713
Non-production-related overhead costs	8,910	6,821
Write-downs on receivables and other assets	7,048	5,519
Other taxes	1,127	1,153
Allocations to special items with an equity portion	12,237	–
Other costs	67,100	131,026
	403,501	434,007

Other operating expenses also include € 19.5 million for the Heidelberg 2010 program.

9 Result from financial assets

	2007/2008	2008/2009
Income from participations		
Income from profit transfer agreements	67,858	82,985
Income from other participations	33,114	11,933
	100,972	94,918
– of which: from affiliated companies	(100,972)	(94,918)
Income from other securities and loans included under investments	16,301	17,399
Amortization of financial assets	– 10,885	– 9,382
Expenses from assumption of losses	– 18,454	– 47,113
– of which: for pensions	(– 18,454)	(– 47,113)
	87,934	55,822

Income from profit transfer agreements indirectly includes dividends paid by five foreign subsidiaries to German members of the consolidated tax group. The income from other participations related to Heidelberg Schweiz Aktiengesellschaft, Bern, Switzerland, and Heidelberg China Ltd., Hong Kong, China.

Details of the amortization of financial assets can be found under note 13, while details of write-downs of securities can be found under note 16.

10 Other interest and similar income

	2007/2008	**2008/2009**
Interest income	31,364	27,329
– of which: from affiliated companies	(25,439)	(20,602)
	31,364	27,329

11 Interest and similar expenses

	2007/2008	**2008/2009**
Interest expenses	59,075	55,409
– of which: to affiliated companies	(37,955)	(26,844)
	59,075	55,409

12 Taxes on income

	2007/2008	**2008/2009**
Taxes on income	– 4,640	– 89,190
	– 4,640	– 89,190

Taxes on income resulted in net income in the year under review. This mainly relates to prior periods and thus results from the partial reversal of tax provisions due to the conclusion of the external audit. In the previous year, tax income resulted from an amended tax assessment received in March 2008, which led to the recognition in income of an increase in the corporation tax credit reported in the 2006/2007 financial year in the amount of € 8.9 million.

Notes to the Balance Sheet

13 Fixed assets

Intangible and tangible assets increased by € 48.3 million in the year under review. In addition to the completion of assembly hall 7, the acquisition of new production equipment is still partly reported as assets under construction.

A write-down of € 0.1 million was recognized on an area of land in the current financial year (previous year: € 0.5 million).

In connection with a long-term loan received in the amount of € 68.9 million, there are restrictions on disposal as a result of granting usufractory rights on developed land.

Financial assets increased by € 79.9 million. Capital increases at subsidiaries (€ 33.4 million) and the acquisition of two companies previously owned by the Heidelberg Group (€ 65.0 million) were offset by the disposal of Heidelberg Postpress Sweden AB, Eksjö, Sweden, in the amount of € 5.4 million and the write-down of an investment in the amount of € 3.8 million. Financial assets still include a specialized investment fund in the amount of € 368.0 million. Assets declined by € 8.8 million as against the previous year as, in line with planning, pension payments were financed by the sale and fund income. Under the terms of two trust agreements concluded in connection with a contractual trust arrangement (CTA), these assets are used exclusively to finance pension obligations.

14 Inventories

	31-Mar-2008	**31-Mar-2009**
Raw materials, consumables, and supplies	86,115	97,776
Products and services in progress	205,648	253,606
Manufactured products and merchandise	118,496	228,410
Advance payments	179	993
	410,438	580,785

The increase in inventories was essentially due to an adjustment in measurement (see note 3).

15 Receivables and other assets

	31-Mar-2008	of which term to maturity over 1 year	**31-Mar-2009**	of which term to maturity over 1 year
Trade receivables	57,788	–	45,583	–
Receivables from affiliated enterprises	370,206	–	327,988	–
Other assets	174,588	81,302	200,436	70,313
	602,582	81,302	574,007	70,313

Receivables from affiliated enterprises relate primarily to short-term loans to subsidiaries of the Heidelberg Group.

Other assets primarily contain the capitalized corporation tax credit from previous years and tax refund claims, the capitalized value of reinsurance policies, and option premiums paid. € 4.7 million of the tax refund claims arose after the end of the financial year (previous year: € 7.2 million). The capitalized value of reinsurance policies relates exclusively to retirement benefits for current and former members of the Management Board.

16 Marketable securities

	31-Mar-2008	**31-Mar-2009**
Treasury stock	6,802	1,456
	6,802	1,456

The treasury stock includes unchanged 400,000 shares. The amount attributable to capital stock amounts to € 1,024 thousand, with the mathematical portion in capital stock of 0.51 percent as of March 31, 2009. Kindly refer to note 18 for additional information. The change in treasury stock is due to the write-down to the lower market price at the reporting date.

17 Prepaid expenses

Prepaid expenses include € 4,262 thousand (previous year: € 5,591 thousand) resulting from the discount arising from the issue of a convertible bond via our Dutch financing subsidiary.

18 Shareholders' equity

	1-Apr-2008	Resolution of the Annual General Meeting of July 18, 2008 – Distributable profit	Changes in the reserves for treasury stock	Addition from net profit 2008/2009	**31-Mar-2009**
Subscribed capital	199,791	–	–	–	199,791
Capital reserve	30,981	–	–	–	30,981
Revenue reserves					
Legal reserve	20,451	–	–	–	20,451
Reserve for treasury stock	6,802	–	– 5,346	–	1,456
Other revenue reserves	223,308	–	–	34,000	257,308
	250,561	–	– 5,346	34,000	279,215
Distributable profit	83,138	– 73,761	5,346	35,804	50,527
Shareholders' equity	564,471	– 73,761	–	69,804	560,514

Capital stock / number of issued shares / treasury stock

The shares are bearer shares and grant a pro rata amount of € 2.56 in the fully paid-in share capital of the Company. In the 2006/2007 and 2007/2008 financial years, Heidelberger Druckmaschinen Aktiengesellschaft acquired treasury stock in two share buyback programs; the last share buyback program was completed on September 4, 2007. The repurchased shares could only be utilized to reduce the Company's share capital or for employee share participation programs, as well as other forms of share distribution to the employees of the Company or a subsidiary or to individuals who are or were employed by the Company or subsidiaries.

In financial year 2007/2008, a total of 1,733,113 shares were acquired (notional share in capital stock: € 4,437 thousand, 2.2 percent of capital stock as of March 31, 2007). Of this amount, a total of 48,502 shares (notional share in capital stock: € 124 thousand, 0.1 percent of share capital as of March 31, 2007) were utilized for the employee share program. These shares were purchased at cost (€ 1,617 thousand) and resold to the employees at a sales price of € 699 thousand. In addition, the Company used a total of 1,684,611 shares (notional share in capital stock: € 4,313 thousand, 2.1 percent of capital stock as of March 31, 2007) for the purposes of the capital reduction resolved by the Management Board on March 11, 2008. As a result of the redemption, the Company's capital stock was reduced from € 204,103,795.20 (or 79,728,045 shares) by € 4,312,604.16 (or 1,684,611 shares) to € 199,791,191.04 (or 78,043,434 shares). The purchase price for the acquisition of the 1,684,611 shares was € 56,106 thousand. Additional transaction costs amounted to € 58 thousand. Accordingly, the total cost of the acquisition was € 56,164 thousand.

As of March 31, 2009, 400,000 shares were still held by the Company. The amount allocated to capital stock is € 1,024 thousand, corresponding to a notional share in the capital stock of 0.51 percent as of March 31, 2009 (previous year: 0.51 percent). The cost of the acquisition was € 13,246 thousand. Additional transaction fees amounted to € 12 thousand. Accordingly, the total cost of the acquisition was € 13,258 thousand. As a result of the measurement of these shares at market value, a total of € 5,346 thousand (previous year: € 6,456 thousand) was withdrawn from the reserve for treasury stock.

At the Annual General Meeting on July 18, 2008, the Management Board was again authorized to acquire the Company's own shares in an amount of up to 10 percent, including with use of derivatives in an amount of up to 5 percent, of the share capital available at that time or – should this amount be lower – of the share capital available at the time of the authorization's implementation for any acceptable purpose up to January 15, 2010. Under certain conditions described in more detail in the resolution of the Annual General Meeting on July 18, 2008, the shares can also be used while disapplying subscription rights; these options for use also apply to the treasury stock already held by the Company. The authorization of the Annual General Meeting of July 26, 2007 was canceled by the Annual General Meeting on July 18, 2008.

In accordance with Section 58 (2) of the German Stock Corporation Act, the Management Board and the Supervisory Board appropriated a total of € 34,000 thousand of the net profit for the period of € 69,804 thousand to other retained earnings.

Convertible bond

In accordance with the resolution by the Annual General Meeting on July 21, 2004, the Management Board is authorized, with the approval of the Supervisory Board, to issue bonds with warrants and/or convertible bonds with a total nominal amount of up to € 500,000,000.00 and a maximum term of 20 years on one or more occasions until July 20, 2009, and to grant option rights to the bearers of bonds with warrants and conversion rights to the bearers of convertible bonds relating to bearer shares in the Company with a proportionate interest in the capital stock of up to € 21,992,570.88 subject to the terms and conditions of the options or convertible bonds. On the basis of this authorization, a convertible bond with a nominal amount of € 280 million was issued by our wholly-owned financing subsidiary Heidelberg International Finance B.V., Boxmeer, the Netherlands, on February 9, 2005 under the guarantee of Heidelberger Druckmaschinen Aktiengesellschaft, Heidelberg. The bond was issued in € 100,000 denominations and matures on February 9, 2012. This issue carries a conversion right to no-par shares of Heidelberger Druckmaschinen Aktiengesellschaft which, at the discretion of the respective bearer, may be exercised from March 22, 2005 to January 30, 2012 in accordance with the conditions governing the bonds at a conversion price determined upon issue of € 39.63 (before possible adjustments for dividend payouts and changes in capitalization). The interest coupon is 0.875 percent p.a. and is payable annually – for the first time on February 9, 2006. The annual yield to maturity is 3 percent. Beginning on February 9, 2009, in accordance with the conditions governing the bonds, following a corresponding announced period of notice Heidelberg is entitled to repay the convertible bond in its entirety or in part through payment of the then accrued face value plus interest accrued up to the day of the repayment. On February 9, 2010, the respective bearer of the convertible bond has the right to the accelerated repayment of the bond through payment of the then accrued face value plus interest accrued up to the day of the repayment.

At the time of the issue of the convertible bond, a total of approximately 7 million no-par shares from contingent capital would correspond to the granted conversion rights.

As of July 21, 2008, in accordance with the conditions governing the bonds, the conversion price was adjusted from € 38.03 to € 35.47. This adjustment occurred due to the dividend payment of € 0.95 per share.

In accordance with a decision of the Annual General Meeting on July 20, 2006, the Management Board was authorized, in agreement with the Supervisory Board, to issue through July 19, 2011, either at one time or in stages, bearer warrants and/or convertible bonds in a total face value of up to € 500,000,000.00 with a term to maturity of a maximum of 30 years, as well as to grant option rights to the holders of bonds with warrants or conversion rights for the holders of convertible bonds to bearer shares of the Company in a pro-rata amount of the share capital in a total amount of up to € 21,260,979.20 subject to the conditions of the option or convertible bond.

As, with regard to the Company's existing authorization from 2006 to issue convertible bonds and bonds with warrants, doubts have arisen about their admissibility under company law owing to verdicts of courts of law, the Management Board was granted two authorizations at the Annual General Meeting on July 18, 2008, which in principle have the same content, but which differ with regard to the option and conversion prices stipulated, for the issue of convertible bonds and/or bonds with warrants, profit-sharing rights, and/or profit participating bonds (or combinations of these instruments) with or without a limit on the term with a total nominal amount of up to € 500,000,000.00 and to grant conversion or option rights on bearer shares in the Company with a total pro rata amount of share capital of up to € 19,979,118.08 to the bearers or creditors of bonds and while disapplying subscription rights. These supplement the authorization granted on July 20, 2006 to issue bonds with warrants or convertible bonds, but do not increase the amount of share capital up to which the Management Board can arrange option rights, conversion rights, or conversion obligations.

Contingent capital

The Company has the following contingent capital: According to Article 3 (3) of the Articles of Association and the resolution of the Annual General Meeting of September 29, 1999, the share capital can be contingently increased by up to € 10,996,288.00 by issuing up to 4,295,425 shares (**Contingent Capital**). The sole purpose of the contingent capital is to grant subscription rights to members of the Company's Management Board, to members of the management bodies of subsidiaries, and other senior management staff of the Company and its subsidiaries. According to Article 3 (4) of the Articles of Association and the resolution of the Annual General Meeting of July 21, 2004, the share capital can also be contingently increased by up to € 21,992,570.88 by issuing up to 8,590,848 new bearer shares with a pro rata amount of share capital of € 2.56 each (**Contingent Capital II**). Contingent Capital II is for the purpose of granting option rights or option obligations to the bearers of warrants under bonds with warrants in accordance with the option conditions; or for the purpose of granting conversion rights or conversion obligations to the bearers of convertible bonds in accordance with the convertible bond conditions, which are issued by the Company or a subsidiary Group company by July 20, 2009, as authorized by the resolution of the Annual General Meeting of July 21, 2004.

According to Article 3 (5) of the Articles of Association and the resolution of the Annual General Meeting of July 20, 2006, the share capital can be contingently increased by up to € 21,260,979.20 by issuing up to 8,305,070 new bearer shares with a pro rata amount of share capital of € 2.56 each (**Contingent Capital 2006**). This contingent capital increase will be carried out only to the extent that bearers of option or conversion rights or those obliged to exercise their conversion rights/options from bonds with warrants or convertible bonds issued or guaranteed by the Company or a subsidiary Group company exercise their option or conversion rights or fulfill their obligation regarding conversion/the exercising of options. The new shares are issued at the option or conversion price to be determined according to the enabling resolution as described under 'Convertible bond'.

To secure the option and/or conversion rights or obligations arising from bonds or similar instruments created on the basis of the authorizations granted at the Annual General Meeting of July 18, 2008 and presented under 'Convertible bond', the following two contingent capitals have been created:

According to Article 3 (7) of the Articles of Association and the resolution of the Annual General Meeting of July 18, 2008, the share capital can be contingently increased by up to € 19,979,118.08 by issuing up to 7,804,343 new bearer shares with a pro rata amount of share capital of € 2.56 each (**Contingent Capital 2008/I**). The contingent capital increase is for the purpose of granting bearer shares to the bearers or creditors of convertible bonds and/or bonds with warrants, profit-sharing rights, and/or participating bonds (or combinations of these instruments) that were issued by the Company or one of its direct or indirect Group companies on the basis of the authorization resolved at the Annual General Meeting on July 18, 2008 under agenda item 9 a) and that grant a conversion or option right to bearer shares in the Company or that stipulate a conversion obligation. According to Article 3 (8) of the Articles of Association and the resolution of the Annual General Meeting of July 18, 2008, the share capital can be contingently increased by up to € 19,979,118.08 by issuing up to 7,804,343 new bearer shares with a pro rata amount of share capital of € 2.56 each (**Contingent Capital 2008/II**). The contingent capital increase is for the purpose of granting bearer shares to the bearers or creditors of convertible bonds and/or bonds with warrants, profit-sharing rights, and/or participating bonds (or combinations of these instruments) that were issued by the Company or one of its direct or indirect Group companies on the basis of the authorization resolved at the Annual General Meeting on July 18, 2008 under agenda item 10 a) and that grant a conversion or option right to bearer shares in the Company or that stipulate a conversion obligation.

Authorized capital

By way of resolution of the Annual General Meeting of July 18, 2008, the Management Board is authorized, with the approval of the Supervisory Board, to increase the share capital of the Company by up to € 59,937,356.80 on one or several occasions against cash or non-cash contributions by July 1, 2011 (Authorized Capital 2008). The subscription rights of shareholders can be disapplied in accordance with the more detailed provisions in Article 3 (6) of the Articles of Association, with the approval of the Supervisory Board. The Authorized Capital 2006 was canceled.

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

Shareholders	Change in threshold	Voting share effective as of	Allocation	Share of voting rights	
Allianz Aktiengesellschaft, Munich	5 % and 10 %	20-Sept-2002	indirect		**12.03 %**[1]
Jota-Vermögensverwaltungsgesellschaft mbH, Munich	5 %	20-Sept-2002	indirect	6.04 %	
Allianz Lebensversicherungs-Aktiengesellschaft, Stuttgart	5 %	20-Sept-2002	direct/indirect	6.04 %	
			indirect	5.98 %	
AZ-Arges Vermögensverwaltungs-gesellschaft mbH, Munich	5 %	17-Aug-2005	direct	5.98 %	
AZ-Argos 19 AG, Munich	5 %	17-Nov-2005	indirect	6.26 %	
RWE Aktiengesellschaft, Essen		25-May-2009	indirect		**8.008 %**[2][4]
BGE Beteiligungs-Gesellschaft für Energieunternehmen mbH, Essen		25-May-2009	direct	8.008 %[4]	
Münchener Rückversicherungs-Gesellschaft	5 %	30-Jan-2006	direct/indirect		**4.99 %**[1]
Aktiengesellschaft, Munich			indirect	0.05 %	
Fidelity International Limited, Hamilton, Bermuda	5 %	24-Feb-2006	indirect		**4.90 %**[1][3]
Brandes Investment Partners L.P., San Diego, USA	5 %	3-Mar-2006	indirect		**4.3 %**[1][3]
SEB Investment GmbH,	5 %	24-Feb-2009	direct/indirect		**5.017 %**[2]
Frankfurt am Main			indirect	0.404 %	
cominvest Asset Management GmbH,	3 %	2-Jan-2009	direct/indirect		**3.07 %**[2]
Frankfurt am Main			indirect	1.84 %	
Artisan Partners L.P., Milwaukee, USA	3 %	1-Apr-2008	indirect		**2.64 %**[2]

[1] The share of the voting rights was reported to us before March 31, 2006 and accordingly relates to 85,908,480 shares (number of shares before the share buyback on March 31, 2006)

[2] The share of the voting rights was reported to us after March 31, 2008 and therefore relates to 78,043,434 shares (number of shares before the share redemption on March 31, 2008)

[3] No report was received in line with the German Securities Trading Act. According to the shareholder identification statement of March 2008 from custodian bank lists in the US, Brandes Investment Partners L.P. had fallen below the threshold of 3 percent. Furthermore, according to the public filings statement of March 2008 from the UK, Fidelity International Limited had also fallen below the threshold of 3 percent

[4] GBV Vierzehnte Gesellschaft für Beteiligungsverwaltung mbH, Essen, merged with BGE Beteiligungs-Gesellschaft für Energieunternehmen mbH, Essen. The voting rights previously assigned to BGE through GBV transferred to BGE as of the date at which the merger of the companies took effect on May 20, 2009 by way of full legal succession.

19 Special items

	31-Mar-2008	31-Mar-2009
Special items for investment allocations to fixed assets		
Taxable subsidies	5,518	4,950
Tax-exempt allowances	2,119	2,119
	7,637	7,069
Special items with an equity portion		
Tax-related additional depreciation	27,632	–
	35,269	7,069

Taxable subsidies are funds under the regional economic promotion program for investing in Brandenburg.

Tax-exempt allowances are composed solely of allowances in accordance with the German Investment Allowance Act of 1991/1996/1999/2005/2007 which primarily relate to the Brandenburg site.

In the previous year, the special tax-allowable reserve included additional tax depreciation in accordance with section 4 of the German Development Areas Act, Section 7d of the German Income Tax Act, and Section 82a of the German Income Tax Implementation Regulations and largely transferred reserves in line with Section 6b (1) of the German Income Tax Act. In the 2008/2009 financial year, the option to voluntarily reverse the special tax-allowable reserve was exercised in the amount of € 26.8 million.

20 Other provisions

	31-Mar-2008	31-Mar-2009
Tax provisions	211,045	122.045
Other provisions		
Liabilities arising from sales and service activities	51,387	45,185
Liabilities arising from the human resources area	164,444	248,132
Other	40,281	80,981
	256,112	374,298
	467,157	496,343

As in the previous year, tax provisions primarily include obligations from possible subsequent assessments arising from external tax audits. Sales obligations largely comprise warranties. The majority of staff obligations related to the provisions for headcount reductions as part of the Heidelberg 2010 program, vacation and working time credit and bonuses and provisions for partial retirement obligations.

21 Liabilities

	31-Mar-2008	of which term to maturity 1 year or less	from 1 to 5 years	over 5 years	**31-Mar-2009**	of which term to maturity 1 year or less	from 1 to 5 years	over 5 years
To banks	100,895	13,559	46,079	41,257	297,273	223,449	40,139	33,685
Advance payments received on orders	5,723	5,723	–	–	13,449	13,449	–	–
Trade payables	127,754	127,754	–	–	49,839	49,839	–	–
To affiliated enterprises	775,769	495,769	280,000	–	839,147	839,147	–	–
Other liabilities								
Taxes	13,960	13,960	–	–	3,703	3,703	–	–
Relating to social security	3,950	1,961	813	1,176	3,253	1,306	813	1,134
Others	54,378	32,958	21,420	–	79,908	79,251	657	–
	72,288	48,879	22,233	1,176	86,864	84,260	1,470	1,134
	1,082,429	691,684	348,312	42,433	1,286,572	1,210,144	41,609	34,819

In connection with the borrowing of a long-term loan in the amount of € 75.1 million, Heidelberger Druckmaschinen Aktiengesellschaft granted usufractory rights to developed properties. The loan is carried under liabilities to banks. As of the balance sheet date March 31, 2009, the loan liability still amounts to € 68.9 million.

The liabilities to affiliated companies include the liabilities to our Dutch finance subsidiary in the amount of € 349.7 million (€ 280.0 million of which from the issue of a convertible bond and € 47.2 million from borrower's note loans).

22 Contingent liabilities

	31-Mar-2008	**31-Mar-2009**
Liabilities arising from the issue and endorsement of bills	91,988	81,942
– of which: to affiliated companies	(91,988)	(81,942)
Guarantees and warranties	249,743	245,329
– of which: to affiliated companies	(–)	(–)
	341,731	327,271

Warranties and guarantees essentially relate to bank guarantees for loans to affiliated companies, rent obligations for subsidiaries and warranties for third parties in relation to transferred customer finance. For maximum amount guarantees the contingent liabilities were reported in the amount of the credit lines utilized by affiliated companies on the balance sheet date. The additional lines of credit covered by the maximum amount guarantees but not utilized amounted to € 72.5 million (previous year: € 67.0 million).

23 Derivative financial instruments

Heidelberger Druckmaschinen Aktiengesellschaft centrally administers and controls the Heidelberg Group's interest rate and foreign currency risk. Derivative financial instruments are applied to hedge the currency and interest rate risks from business operations as well as from financing transactions. Most of the transactions are currency-related. They are concluded largely on behalf of our foreign subsidiaries in connection with the purchase of German products. Interest rate derivatives mainly serve to hedge the refinancing costs of the customer financing portfolios of the print finance companies. The value-at-risk is recorded regularly in order to quantify the risk potential of all outstanding contracts. Under the value-at-risk method, the maximum loss potential that could result from a change in market prices is calculated based on historic price fluctuations. Risk positions must be reduced immediately if predetermined value-at-risk limits are exceeded.

The valuation of foreign currency-denominated receivables and of the respective forward exchange transactions concluded in order to hedge them occurs on the basis of a restricted market valuation – in other words, the results of the valuation of both items are recorded individually. Other assets totaling € 2,545 thousand were formed for forward exchange transactions with positive market values as of the reporting date (previous year: € 1,677 thousand). Other liabilities of € 9,849 thousand were recognized for forward exchange transactions with negative market values (previous year: € 2,314 thousand). Foreign currency-denominated receivables are translated at the exchange rate at financial year-end, with forward exchange transactions recognized at the corresponding forward rates.

Currency options are measured on the basis of option price models. Interest rate hedging contracts are measured on the basis of discounted cash flows expected in the future. These valuations are based on the relevant market data at the reporting date. The contracting parties of outstanding external contracts are exclusively top quality banks. Internal contracts were undertaken with our subsidiaries.

The nominal volumes and market values of foreign currency and interest rate derivatives were as follows at financial year-end:

	Nominal volumes		Market values	
	31-Mar-2008	**31-Mar-2009**	31-Mar-2008	**31-Mar-2009**
Forward exchange transactions	1,706,699	1,928,353	– 21,201	– 9,477
Currency options	1,873,965	2,652,167	49,691	– 13,910
Interest rate swaps	276,194	157,101	2,001	– 2,668

Currency options are carried at cost. Other assets totaling € 49,471 thousand (previous year: € 33,772 thousand) were recognized at the reporting date for currency options with positive fair values, while other liabilities totaling € 37,841 thousand (previous year: € 16,567 thousand) were recognized for currency options with negative fair values. The carrying amounts of the interest rate swaps listed in the table above contain income from deferred interest in the amount of € 257 thousand and expenses from deferred interest in the amount of € 466 thousand. Of foreign currency-related transactions, a total of € 1,058,249 thousand (previous year: € 1,060,463 thousand) have a term to maturity longer than 12 months. The terms to maturity of interest rate transactions are up to four years.

A provision totaling € 34,486 thousand was formed (previous year: € 2,322 thousand) to take into account the risk of potential losses from derivatives. Of this amount, € 2,656 thousand was attributable to interest rate derivatives (previous year: € 2 thousand), and € 31,830 thousand to forward exchange transactions and options (previous year: € 2,320 thousand). This provision contrasts largely with opposing effects arising from underlying operating transactions.

24 Other financial liabilities

Total other financial liabilities amounted to € 240.5 million (previous year: € 271.1 million) at the balance sheet date. Liabilities arising from investment orders amounted to € 21.9 million as of March 31, 2009 (previous year: € 48.3 million). Future rent and lease liabilities amount to € 184.0 million (previous year: € 209.2 million). These items primarily relate directly to the sale-and-leaseback agreements concluded in 2000 for the Print Media Academy and the World Logistics Center, the sale-and-leaseback transaction concluded in 2007 for the Heidelberg Research and Development Center, and the X-House administrative building leased in the previous year. Long-term purchase commitments for raw materials, consumables, and supplies amounted to € 30.2 million as of March 31, 2009 (previous year: € 9.1 million). There were no other significant obligations affecting the assessment of the Company’s financial position.

Additional information

25 Effects of tax-related valuation measures

Other operating income included € 27.6 million from the full reversal of the special tax-allowable reserve recognized in previous years. The measure also increased the net profit for the year by the same amount.

The amounts transferred to the special tax-allowable reserve for accounting purposes in the past were deducted directly from costs (predominantly of construction projects) as non-recurring write-downs for tax purposes. On account of the resulting lower tax write-downs, we are anticipating an increase in annual income tax expenses at the tax rates then applicable with positive net profits for the coming years.

26 Declaration of Compliance in accordance with Section 161 of the Stock Corporation Law

The Management Board and the Supervisory Board of Heidelberger Druckmaschinen Aktiengesellschaft issued the statement stipulated under Section 161 of the Stock Corporation Act, which was made permanently accessible to shareholders. Former declarations of compliance were also made permanently accessible to shareholders.

27 The Management Board and the Supervisory Board of the Company

The information concerning the members of the Supervisory Board and the Management Board in accordance with Section 285 no. 10 of the German Commercial Code is presented in a separate overview on pages 72 – 73 and 75.

The basic characteristics of the systems of remuneration and amounts for the members of the Management Board and the Supervisory Board are presented in the Management Report (see pages 20 – 29).

Total cash remuneration of the Management Board for the year under review including non-cash remuneration amounted to € 1,836 thousand (previous year: € 1,962 thousand); € 409 thousand of this related to remuneration for bonuses (previous year: € 825 thousand). No performance share units from the long-term incentive plan were granted in the reporting year; in the previous year, the fair value at the time the LTI 2007 was granted totaled € 408 thousand, on the condition that 100 percent of targets were met. Total remuneration in the period under review thus amounted to € 1,836 thousand (previous year: € 2,370 thousand). As in the previous year, stock options awarded from the stock option program in previous years and LTI performance share units were not paid out in the year under review.

In the reporting year, no performance share units (previous year: 13,500) were awarded to members of the Management Board under the long-term incentive plan. As of the balance sheet date, the Management Board members held a total of 72,000 stock options (previous year: 69,000 stock options) under the stock option plan.

Former members of the Management Board and their surviving dependents received € 2,982 thousand (previous year: € 2,862 thousand). € 825 thousand of this (previous year: € 814 thousand) relates to liabilities to former members of the Management Board of Linotype-Hell Aktiengesellschaft and their surviving dependents, which were assumed in financial year

1997/1998 within the framework of universal succession. The pension obligations (defined benefit obligations) to former members of the Management Board and their surviving dependents amount to € 37,165 thousand (previous year: € 36,642 thousand). € 9,245 thousand of this (previous year: € 9,421 thousand) relate to the pension obligations of the former Linotype-Hell Aktiengesellschaft, acquired in financial year 1997/1998 under the provisions of universal succession. Former members of the Management Board held 105,000 stock options (previous year: 147,000 stock options) as of the balance sheet date.

No loans or advances were made to members of the Company's Management Board or the Supervisory Board. The Heidelberg Group has not undertaken any contingent liabilities for either the members of the Management Board or the Supervisory Board.

Fixed remuneration of € 389 thousand (previous year: € 382 thousand), but no variable remuneration (previous year: € 144 thousand) were paid to the members of the Supervisory Board for the financial year 2008/2009; these payments do not include sales tax.

28 Stock option plan

The Annual General Meeting of September 29, 1999 approved a contingent increase of share capital by up to € 10,996,288.00 through the issue of up to 4,295,425 shares (Contingent Capital). The sole purpose of the contingent capital increase is to grant subscription rights to members of the Company's Management Board, to members of the Management Board of subsidiaries in Germany and abroad, and to other senior executives within the Heidelberg Group.

Authorization of the Management Board and Supervisory Board

The Management Board has been authorized to grant subscription rights to eligible persons within a period of five years from the time the contingent capital goes into effect. The subscription rights are to be issued by means of their entry in the Commercial Register in tranches of no more than 30 percent of the overall volume in a single financial year. The Supervisory Board has the sole responsibility for granting subscription rights to members of the Management Board.

Waiting period/period of validity

The subscription rights may only be exercised after the end of the waiting period. The waiting period commences when the subscription rights are issued and ends three years after the issue date. The period of validity of the subscription rights commences when the subscription rights are issued and ends six years after the date of issue. Subscription rights that have not been exercised or cannot be exercised by the end of the period of validity expire without compensation.

Exercise period and exercise waiting periods

Subscription rights may be exercised at any time after the end of the waiting period during the respective period of validity. However, the subscription rights may not be exercised during waiting periods that have been established by the Management Board and Supervisory Board in the interests of the Company, such as periods of at least ten trading days before dates on which reports on the Company's business development are published. The entire period or parts of the period between the end of a financial year and the conclusion of the respective Annual General Meeting may also be designated as exercise waiting periods.

Investment for own account

When granting subscription rights, the condition may be imposed that the eligible persons must acquire shares of the Company on their own account and that they retain the shares for the appropriate waiting period.

Condition for exercising subscription rights

The subscription rights may only be exercised if the market price of the company's shares (calculated by the total shareholder return method) between the issue and the exercising of the subscription rights (as defined in more detail below) outperforms the value of the Dow Jones EURO STOXX Index (hereinafter referred to as the 'Index') as calculated by the total shareholder return method. The target shall be deemed to have been reached if the performance thereby determined of our share exceeds the Index. If subscription rights are not exercised despite the target having been reached, they may not be exercised again until the target has once more been reached.

Exercise price

The exercise price is defined as the average closing price of our shares on the final ten consecutive trading days at the Frankfurt am Main stock exchange before the relevant subscription period for the respective subscription rights (the 'exercise price'). If the closing price of our shares in the electronic trading system of Deutsche Börse Aktiengesellschaft (which is used to ascertain the target) is more than 175 percent of the exercise price determined in accordance with the above section (the 'threshold amount') on the last day of trading before the subscription rights are exercised, the exercise price shall be increased by the amount by which the relevant market price exceeds the threshold amount. This does not affect the provisions of Section 9 (1) of the German Stock Corporation Act.

Non-transferability/dividend rights of the new shares

The subscription rights are not legally transferable. The new shares are entitled to a share of profits from the beginning of the financial year in which the issue occurs.

Tranches for 2002 – 2004

The principal underlying conditions for the various tranches are shown in the following table:

	End of waiting period	End of term	Exercise price in €	Number of stock options[1] 31-Mar-2008	Number of stock options[1] **31-Mar-2009**
Tranche 2002	11-Sep-2005	11-Sep-2008	42.08	375,460	–
Tranche 2003	12-Sep-2006	12-Sep-2009	22.26	1,374,870	1,321,620
Tranche 2004	18-Aug-2007	18-Aug-2010	25.42	525,735	502,485
				2,276,065	1,824,105

[1] Including Stock Appreciation Rights (SARs)

Servicing the subscription rights

It is currently intended to deliver the old shares that are acquired on the stock market upon exercise of the subscription rights to the authorized individuals. These individuals thereby receive the plan profit in the form of shares. However, this only applies if no cash settlement was required (for example, due to the form of the subscription rights as Stock Appreciation Rights ‘SARs’).

Accounting and valuation principles

We have calculated the value of the options for the 2003 – 2004 tranches on the basis of a recognized option pricing model, taking the fair value of the options at the balance sheet date into account, and have recognized appropriate provisions accordingly. The vesting periods for all tranches have now expired. However, the tranches cannot currently be exercised as the respective conditions have yet to be fulfilled.

29 Long-term incentive plan (LTI)

There are currently two tranches under the long-term incentive plan (LTI), LTI 2006 and LTI 2007. The LTI plan is as follows:

Participants

The Company offers participation in the LTI to selected members of the Heidelberg Group's senior management. In addition to the members of the Management Board, these include all members of the executive group. Eligibility is based on total remuneration, broken down into four groups.

Performance Share Units (PSUs)/investment for own account

The plan grants a certain number of so-called Performance Share Units (PSUs) – dependent, however, on employees undertaking an investment for their own account. As a prerequisite, participants must invest in shares of Heidelberger Druckmaschinen Aktiengesellschaft in the form of an investment for their own account. The actual number of PSUs granted depends on certain performance criteria. Final, the PSUs are provided either in the form of cash payments or by delivery of shares in the Company. The PSUs are not legally transferable, cannot be pledged as collateral, and cannot be inherited. The number of PSUs and the investment required for one's own account, breaks down by group as follows:

	Number	Investment on own account
Group I	4,500 PSU	1,500 shares
Group II	1,800 PSU	600 shares
Group III	900 PSU	300 shares
Group IV	450 PSU	150 shares

Term of performance share units

The PSUs have a term of three years. They were granted on April 1, 2006 for LTI 2006 and on April 1, 2007 for LTI 2007, and expire on March 31, 2009 and March 31, 2010 respectively.

Performance criteria

Performance criteria comprise the average arithmetical free cash flow rate (free cash flow divided by net sales) achieved by the Company during the option life of the Performance Share Units as well as the arithmetical average EBIT percentage rate (EBIT divided by net sales) achieved by the Company during the option life in line with the following table:

Average EBIT percentage rate	< 7.0 %	7.0 %	8.0 %	9.0 %	10.0 %	11.0 %	>= 12.0 %
Pro-rata number of PSUs (in percent of the number of PSUs awarded)	–	10.0 %	20.0 %	35.0 %	50.0 %	60.0 %	70.0 %
Average free cash flow rate	< 3.0 %	3.0 %	4.5 %	6.0 %	7.0 %	>= 8.0 %	–
Pro-rata number of PSUs (in percent of the number of PSUs awarded)	–	10.0 %	25.0 %	50.0 %	60.0 %	70.0 %	–

The two targets are weighted equally. The free cash flow rate, EBIT (earnings before interest and taxes), and net sales correspond to the terms used within the framework of the recognition according to the IFRS. They are determined based on the examined consolidated financial statements in accordance with the IFRS for the financial years falling within the respective set period. The extent to which the target is achieved is determined by linear interpolation between the values shown in the tables.

Disbursement

During the term of the LTI, the Company is authorized, at its own discretion, to determine whether an authorized party should receive one share for each performance share unit in place of cash. This decision may be made for all PSUs, for a certain number, or for a determinable number of performance share units. By resolution of the Management Board, the LTI 2006 and the LTI 2007 will both be settled in cash.

Cap

The plan provides for a cap on profit opportunities. The profit per PSU is limited to double the recorded average share price for a period of three months following the time at which the unit is issued.

Accounting and valuation principles

Measurement of the LTI is based on a recognized option pricing model, which takes into consideration the fair value of the options at financial year end. For the tranches 2006 and 2007 appropriate provisions were established.

30 Auditors' fees

Fee for	2007/2008	**2008/2009**
audits of financial statements	456	466
other assurance or valuation services	100	400
tax advisory services	4	–
other services	2	343
	562	1,209

31 Shareholdings

In accordance with Article 285 No. 11 of the Commercial Code, the presentation of the shareholdings of Heidelberger Druckmaschinen Aktiengesellschaft is disclosed in the electronic Federal Gazette. The principal holdings are listed on pages 70 – 71.

32 Proposal for the appropriation of distributable profit

For financial year 2008/2009 distributable profit amounts to € 50,527,874.47. We propose allocating this distributable profit as follows:

	€
Allocations to the other revenue reserves	50,000,000.00
Profit carried forward	527,874.47
Distributable profit	50,527,874.47

Heidelberg, June 4, 2009

Heidelberger Druckmaschinen Aktiengesellschaft
The Management Board

Bernhard Schreier

Dirk Kaliebe

Stephan Plenz

Dr. Jürgen Rautert

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, June 4, 2009

Heidelberger Druckmaschinen Aktiengesellschaft
The Management Board

Bernhard Schreier

Dirk Kaliebe

Stephan Plenz

Dr. Jürgen Rautert

Auditor's Report

We have audited the annual financial statements, comprising the balance sheet, the income statement, and the notes to the financial statements, together with the bookkeeping system, and the Management Report of Heidelberger Druckmaschinen Aktiengesellschaft, Heidelberg, for the fiscal year from April 1, 2008 to March 31, 2009. 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 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 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 a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

We are required to advise readers that the continued existence of the Company as a going concern is threatened by risks that are outlined in the section on financial risks in the risk and opportunity report of the Management Report. This section describes the financial situation and the dependency of refinancing on the securities announced by the state being granted with legally binding effect.

Frankfurt am Main, June 5, 2009

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Martin Theben	ppa. Stefan Sigmann
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

List of major shares in affiliated companies (Figures in € thousands according to IFRS)

Name	Location		Share in shareholders' equity in %	Shareholders' equity	Net profit after taxes	Net sales	Yearly average number of employees
Europe, Middle East, and Africa							
Heidelberger Druckmaschinen Vertrieb Deutschland GmbH 1) 2)	D	Heidelberg	100	53,616	39,889	532,102	925
Heidelberg Postpress Deutschland GmbH 1) 2)	D	Heidelberg	100	25,617	– 44,878	150,546	982
Heidelberg France S.A.S.	F	Tremblay-en-France	100	13,257	– 14,333	144,393	270
Heidelberg Graphic Equipment Ltd. 3)	GB	Brentford	100	16,684	– 21,787	134,355	420
Heidelberg Schweiz AG	CH	Bern	100	9,409	2,335	86,578	173
Heidelberg International Ltd. A/S	DK	Ballerup	100	38,904	– 8,102	35,123	72
Heidelberg Sverige AB	S	Solna	100	1,352	– 1,781	32,143	68
Print Finance Vermittlung GmbH 1) 2)	D	Heidelberg	100	34,849	1,576	16,681	–
Heidelberg Graphic Systems Southern Africa (Pty) Ltd. 3)	ZA	Johannesburg	100	– 623	– 2,191	14,993	100
Eastern Europe							
Heidelberger Druckmaschinen Osteuropa Vertriebs-GmbH 4)	A	Vienna	100	150,825	– 9,434	85,273	36
Heidelberger CIS OOO	RUS	Moscow	100	– 10,969	– 2,172	60,590	247
Heidelberg Polska Sp z.o.o.	PL	Warsaw	100	7,563	– 1,324	60,444	141
Heidelberger Druckmaschinen Austria Vertriebs-GmbH	A	Vienna	100	137,792	– 12,721	51,608	106
Heidelberg Praha spol s.r.o.	CZ	Prague	100	3,720	304	32,047	87
North America							
Heidelberg USA, Inc.	USA	Kennesaw	100	107,936	– 17,504	263,250	851
Heidelberg Canada Graphic Equipment Ltd.	CDN	Mississauga	100	13,886	– 3,768	79,374	250
Heidelberg Print Finance Americas, Inc.	USA	Portsmouth	100	134,555	5,310	4,959	9

Name	Location		Share in share-holders' equity in %	Share-holders' equity	Net profit after taxes	Net sales	Yearly average number of employees
Latin America							
Heidelberg do Brasil Sistemas Graficos e Servicos Ltda.	BR	São Paulo	100	11,844	697	42,034	270
Heidelberg Mexico Services S. de R.L. de C.V.[3]	MEX	Mexico City	100	– 3,313	– 15,210	26,799	133
Asia / Pacific							
Heidelberg Japan K.K.	J	Tokyo	100	20,905	– 1,553	168,473	398
Heidelberg China Ltd.	RC	Hong Kong	100	19,316	1,746	142,178	169
Heidelberg Graphic Equipment Ltd.	AUS	Melbourne	100	14,891	– 673	66,483	214
Heidelberg Hong Kong Ltd.	RC	Hong Kong	100	17,360	– 1,274	32,350	102
Heidelberg Graphic Equipment (Shanghai) Co. Ltd.	RC	Shanghai	100	17,328	– 2,750	27,594	224
Heidelberg Asia Pte Ltd.	SGP	Singapore	100	8,128	658	24,291	135
Heidelberg Malaysia Sdn Bhd	MYS	Petaling Jaya	100	1,530	– 872	22,356	157
Heidelberg Korea Ltd.	ROK	Seoul	100	3,455	– 616	15,399	97

1) Result prior to profit and loss transfer to Heidelberger Druckmaschinen Aktiengesellschaft

2) According to German Commercial Code (HGB)

3) Pre-consolidated financial statements

4) Result prior to profit and loss transfer to Heidelberger Druckmaschinen Austria Vertriebs-GmbH

The Supervisory Board

Dr. Mark Wössner
Member in various Supervisory Boards, Munich
Chairman of the Supervisory Board
* Daimler Aktiengesellschaft; Douglas Holding Aktiengesellschaft; eCircle Aktiengesellschaft (Chairman); Loewe Aktiengesellschaft

Rainer Wagner***
Chairman of the Central Works Council, Heidelberg/Wiesloch-Walldorf
Deputy Chairman of the Supervisory Board

Martin Blessing[1)]
– through July 18, 2008 –
Spokesman for the Management Board of Commerzbank Aktiengesellschaft, Frankfurt am Main
* Commerzbank Auslandsbanken Holding Aktiengesellschaft (Chairman); Evonik Industries Aktiengesellschaft;
** BRE Bank SA, Poland

Dr. Werner Brandt
– since July 18, 2008 –
Member of the Management Board of SAP Aktiengesellschaft, Walldorf
* Deutsche Lufthansa Aktiengesellschaft;
** Business Objects S.A., France; NV SAP BELGIUM S.A., Belgium; PT SAP Indonesia, Indonesia; QIAGEN N.V., the Netherlands; SAP Ireland Ltd., Ireland; SAP France S.A., France; SAP Hellas S.A., Greece; SAP Türkiye Yazilim Üretim ve Ticaret A.S., Turkey; SAP Italia S.p.A., Italy; SAP Danmark A/S, Denmark; SAP Espana S.A., Spain; SAP Finland Oy, Finland; SAP Norge AS, Norway; SAP Svenska Aktiebolag, Sweden; SAP Portugal Sociede Unipessoal, Lda., Portugal; SAP (Schweiz) Aktiengesellschaft, Switzerland; SAP America, Inc., US; SAP Global Marketing Inc., US; SAP Andina y del Caribe, C.A., Venezuela; SAP JAPAN Co., Ltd., Japan; SAP Taiwan Co., Ltd., Taiwan; SAP Middle East and North Africa, LLC., United Arab Emirates; Systems Applications Products (Africa) (Pty) Ltd., South Africa

Edwin Eichler
– since July 18, 2008 –
Member of the Management Board of ThyssenKrupp Aktiengesellschaft, Duesseldorf
* ThyssenKrupp Nirosta GmbH (Chairman);
** ThyssenKrupp Industries and Services Qatar LLC, Qatar

Wolfgang Flörchinger***
Member of the Works Council, Heidelberg/Wiesloch-Walldorf

Martin Gauß***
Chairman of the Speakers Committee for the Executive Staff, Heidelberg

Mirko Geiger***
First Senior Representative of IG Metall, Heidelberg

Gunther Heller***
Chairman of the Works Council, Amstetten

Dr. Jürgen Heraeus[1)]
– through July 18, 2008 –
Member in various Supervisory Boards, Hanau
* Heraeus Holding GmbH (Chairman); GEA Group Aktiengesellschaft (Chairman); Messer Group GmbH (Chairman);
** Argor-Heraeus S.A.S., Switzerland (Chairman of the Administration Board)

[1)] Information as of resignation from the Supervisory Board
* Membership in other Supervisory Boards
** Membership in comparable German and foreign control bodies of business enterprises
*** Employee representative

Jörg Hofmann***
Regional head of IG Metall, Baden-Wuerttemberg region, Stuttgart
* Daimler Aktiengesellschaft;
Robert Bosch GmbH

Dr. Siegfried Jaschinski
Chairman of the Board of Landesbank Baden-Wuerttemberg, Stuttgart
* Bundesanstalt für Finanzdienstleistungsaufsicht (Member of the Administration Board);
HSBC Trinkaus & Burkhardt Aktiengesellschaft;
KfW Kreditanstalt für Wiederaufbau (Member of the Administration Board);
LBBW Immobilien GmbH (Chairman);
** DekaBank Deutsche Girozentrale (Administration Board);
Deutscher Sparkassenverlag GmbH (Member of the Supervisory Board);
LBBW Equity Partners GmbH & Co. KG (Chairman of the Supervisory Board);
LBBW Equity Partners Verwaltungs-GmbH (Chairman of the Supervisory Board)

Robert J. Koehler
Chairman of the Supervisory Board of SGL Carbon SE, Wiesbaden
* Benteler Aktiengesellschaft (Chairman);
Demag Cranes Aktiengesellschaft;
Klöckner & Co. SE;
LANXESS Aktiengesellschaft

Uwe Lüders[1)]
– through July 18, 2008 –
Chairman of the Management Board of L. Possehl & Co. mbH, Luebeck
* Drägerwerk Aktiengesellschaft & Co. KGaA;
Drägerwerk Verwaltungs-Aktiengesellschaft

Dr. Gerhard Rupprecht
Member of the Management Board of Allianz SE, Munich
* Fresenius SE;
Allianz Beratungs- und Vertriebs-Aktiengesellschaft (Chairman);
Allianz Lebensversicherungs-Aktiengesellschaft (Chairman);
Allianz Private Krankenversicherungs-Aktiengesellschaft (Chairman);
Allianz Versicherungs-Aktiengesellschaft (Chairman);
** Allianz Elementar Lebensversicherungs-Aktiengesellschaft, Österreich (Chairman);
Allianz Elementar Versicherungs-Aktiengesellschaft, Austria (Chairman);
Allianz Investment Bank Aktiengesellschaft, Austria;
Allianz Suisse Lebensversicherungs-Aktiengesellschaft, Switzerland;
Allianz Suisse Versicherungs-Aktiengesellschaft, Switzerland

Beate Schmitt***
Member of the Works Council, Heidelberg/Wiesloch-Walldorf

Prof. Dr.-Ing. Günther Schuh
– since July 18, 2008 –
Professor and holder of the chair in production engineering at RWTH Aachen University, Aachen
* Zwiesel Kristallglas Aktiengesellschaft;
** forma vitrum Aktiengesellschaft, Switzerland (President of the Administration Board);
Gallus Holding Aktiengesellschaft, Switzerland (Member of the Administration Board);
Brose Fahrzeugteile GmbH & Co. KG (Member of the Advisory Board)

Dr. Klaus Sturany
Member in various Supervisory Boards, Dortmund
* Bayer Aktiengesellschaft;
Hannover Rückversicherung Aktiengesellschaft;
** Österreichische Industrieholding Aktiengesellschaft, Austria

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

Committees of the Supervisory Board

Management Committee

Dr. Mark Wössner (Chairman)

Rainer Wagner

Martin Blessing
– through July 18, 2008 –

Martin Gauß

Mirko Geiger

Dr. Gerhard Rupprecht

Dr. Klaus Sturany
– since July 18, 2008 –

Mediation Committee under Article 27 Paragraph 3 of the Codetermination Act

Dr. Mark Wössner

Rainer Wagner

Martin Blessing
– through July 18, 2008 –

Wolfgang Flörchinger

Dr. Gerhard Rupprecht
– since July 18, 2008 –

Committee on Arranging Personnel Matters of the Management Board

Dr. Mark Wössner (Chairman)

Rainer Wagner

Dr. Gerhard Rupprecht

Audit Committee

Dr. Klaus Sturany (Chairman)

Dr. Werner Brandt
– since July 18, 2008 –

Dr. Jürgen Heraeus
– through July 18, 2008 –

Mirko Geiger

Rainer Wagner

Nomination Committee

Dr. Mark Wössner (Chairman)

Dr. Klaus Sturany

The Management Board

Bernhard Schreier
Bruchsal
Chairman
* ABB Aktiengesellschaft;
Bilfinger Berger Aktiengesellschaft;
Universitätsklinikum Heidelberg
** Gallus Holding Aktiengesellschaft, Switzerland (Member of the Administration Board)

Dirk Kaliebe
Sandhausen
* Heidelberger Druckmaschinen Vertrieb Deutschland GmbH;
** Heidelberg Graphic Equipment Ltd., UK;
Heidelberg Americas, Inc., US;
Heidelberg USA, Inc., US;
Gallus Holding Aktiengesellschaft, Switzerland (Member of the Administration Board)

Stephan Plenz
Sandhausen
– since July 18, 2008 –
** Heidelberg Graphic Equipment (Shanghai) Co. Ltd., China
(Chairman of the Board of Directors)

Dr. Jürgen Rautert
Heidelberg
* Heidelberger Druckmaschinen Vertrieb Deutschland GmbH (Chairman);
** Heidelberg Graphic Equipment Ltd., UK (Chairman of the Board of Directors);
Heidelberg Japan K.K., Japan;
Heidelberg Americas, Inc., US (Chairman of the Board of Directors);
Heidelberg USA, Inc., US (Chairman of the Board of Directors)

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

Financial Calendar 2009/2010

June 9, 2009	Press Conference, Annual Analysts' and Investors' Conference
July 23, 2009	Annual General Meeting
August 11, 2009	Publication of First Quarter Figures 2009/2010
November 10, 2009	Publication of Half-Year Figures 2009/2010
February 9, 2010	Publication of Third Quarter Figures 2009/2010
May 11, 2010	Publication of Preliminary Figures 2009/2010
June 15, 2010	Press Conference, Annual Analysts' and Investors' Conference
July 29, 2010	Annual General Meeting

Subject to change

Heidelberger Druckmaschinen
Aktiengesellschaft
Investor Relations
Kurfuersten-Anlage 52 – 60
69115 Heidelberg
Germany
www.heidelberg.com
investorrelations@heidelberg.com

Produced on Heidelberg machines
using Heidelberg technology.

Printed in Germany.

Heidelberger Druckmaschinen AG
Kurfuersten-Anlage 52 – 60
69115 Heidelberg
Germany
www.heidelberg.com