

Annual General Meeting

Heidelberger Druckmaschinen AG

July 29, 2010

HEIDELBERG

Heidelberg is looking ahead,
is stronger, and has a clear focus

- 1. Review of the financial year**
- 2. Focused strategic alignment**
- 3. Further stabilization of the capital structure**
- 4. Positive outlook**

Heidelberg is looking ahead, is stronger, and has a clear focus

1. Review of the financial year

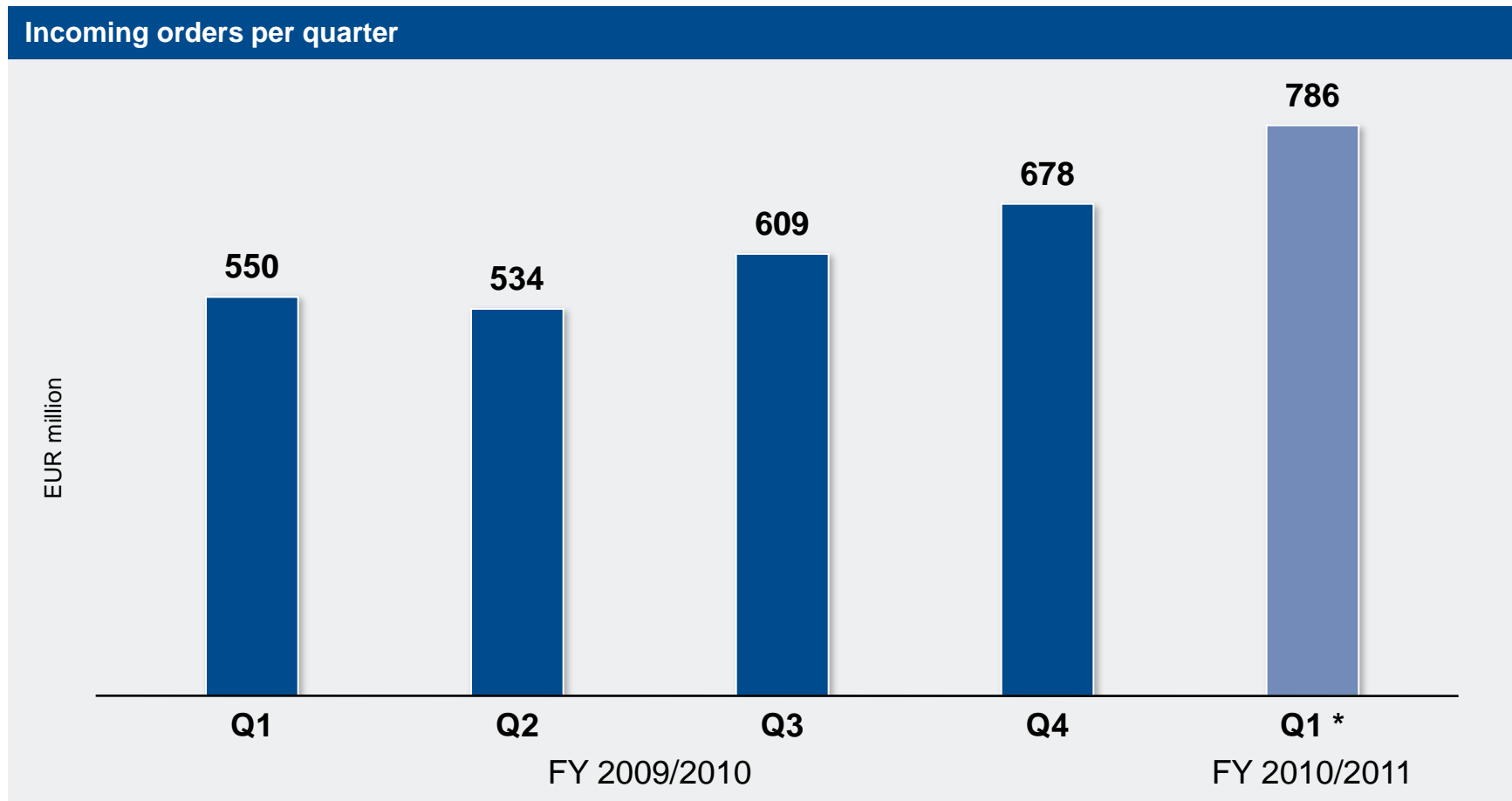
- Stabilization of incoming orders and achievement of results forecast from October 2009
- Cost savings through implementation of restructuring measures

2. Focused strategic alignment

3. Further stabilization of the capital structure

4. Positive outlook





Stabilization in incoming orders over the last four quarters



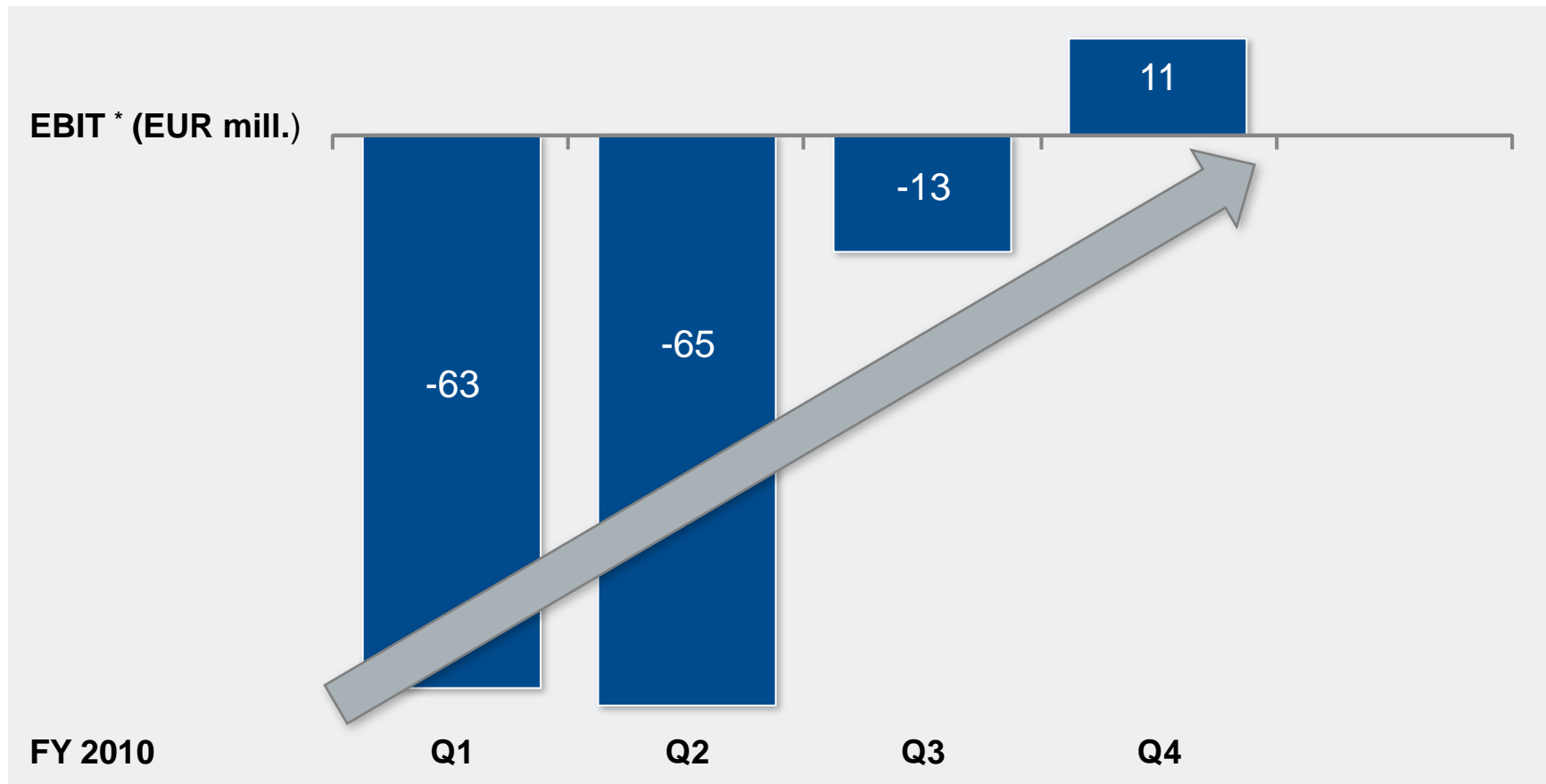
* Preliminary figures include positive exchange rate movements to the value of EUR 45 million.

Key financial figures reflect the positive trend in the second half of FY 2010

Figures in EUR million

	FY 2009 April 1, 2008 - March 31, 2009	FY 2010			April 1, 2009 - March 31, 2010
		H1	H2	Δ H2 to H1	
Incoming orders	2,906	1,084	1,287		2,371
Sales	2,999	1,013	1,293		2,306
EBIT before special items	-49	-128	-2		-130
Special items	-179	-11	-17		-28
EBIT after special items	-228	-139	-20		-159

Improvement in profitability due to turnaround in sales and stricter cost control



Key financial figures reflect the positive trend in FY 2010

Figures in EUR million

	FY 2009	FY 2010		
	April 1, 2008 - March 31, 2009	H1	H2	April 1, 2009 - March 31, 2010
Financial result	-119	-49	-79	-128
Result before taxes	-347	-188	-99	-287
Annual net profit/loss	-249	-147	-82	-229
Free cash flow	-201	-18	-44	-62

Aim to make sustainable cost reductions amounting to EUR 480 million, EUR 400 million of which achieved in FY 2010

Figures in EUR million

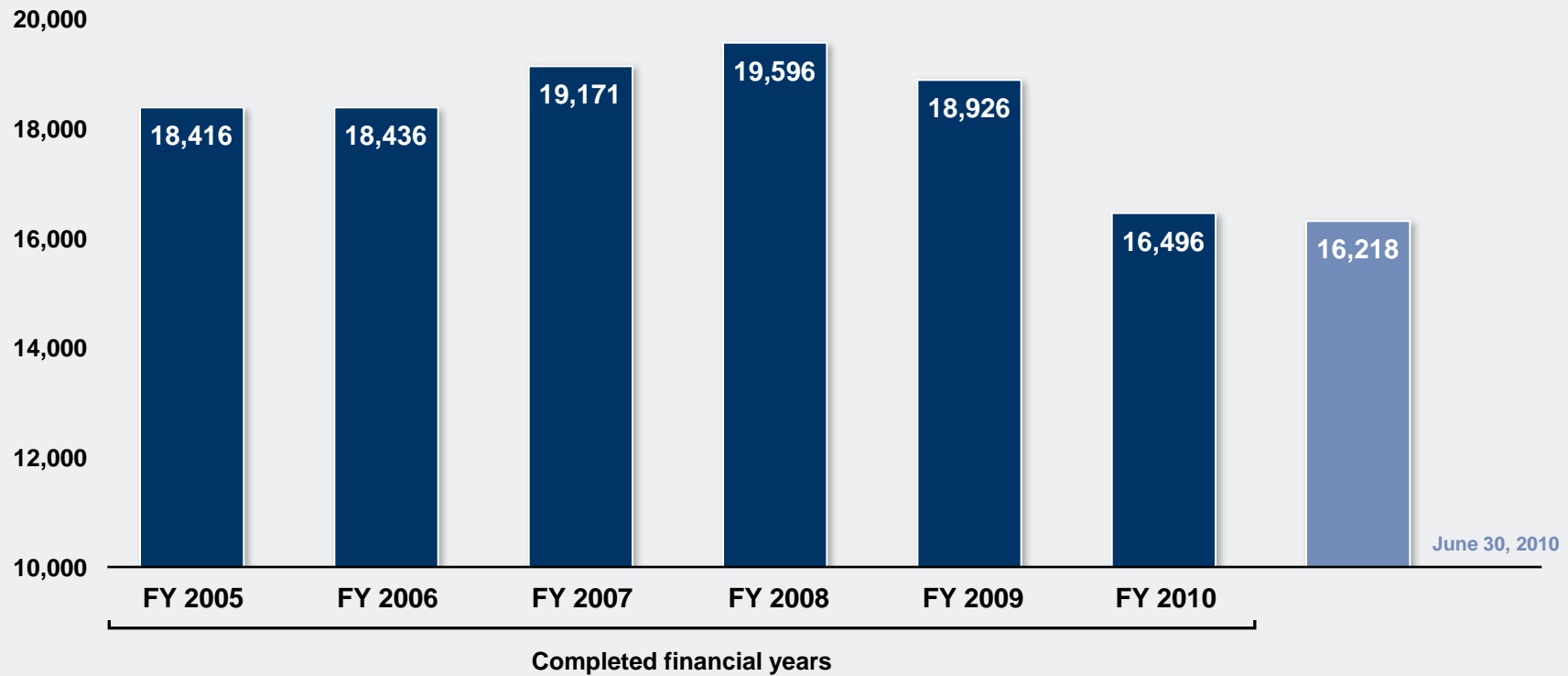
	Cost reductions in each FY	Sustainable savings on fixed costs p.a.
FY 2009 _A	84	84
FY 2010 _A	316	400
FY 2011 _E	60	460
FY 2012 _E	20	480

Source: Heidelberg; financial data as per Heidelberg financial year (FYE March 31); 2009-2010: completed financial year (as reported); 2011-2012: Estimate (as per Heidelberg Press Releases (July 19, 2010, April 22, 2010, March 30, 2010, October 7, 2009, March 26, 2009))

Job cuts implemented for the most part – sustainable reduction in cost base achieved

Headcount between 2005 and June 2010

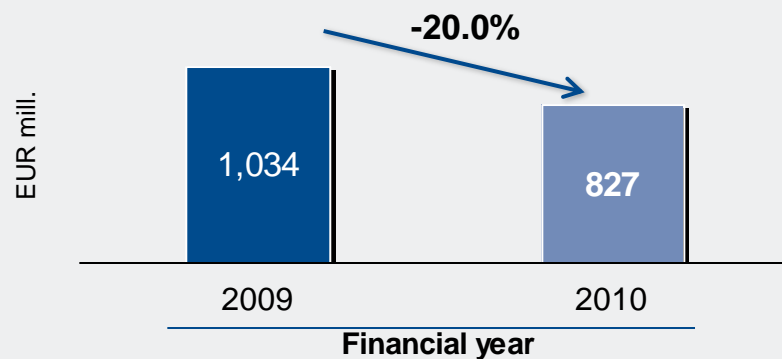
Headcount at end of FY



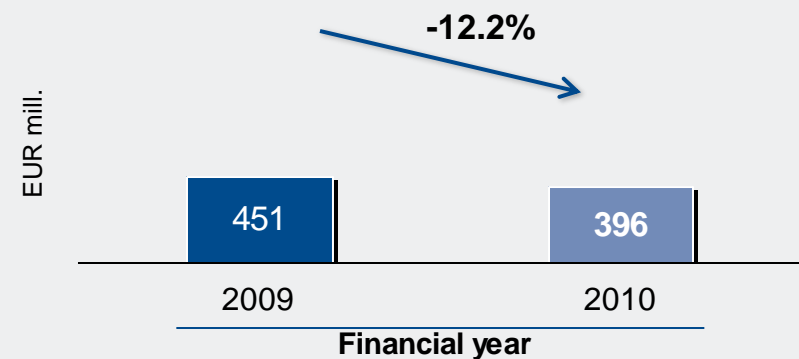
Source: Heidelberg Annual Financial Statements (employees, sales), Heidelberg Press Releases March 30, 2010 (further job cuts), Heidelberg Press Releases April 22, 2010 and June 19, 2010 (preliminary figures); data based on Heidelberg financial year (FYE March 31); 2005-10: Completed financial year
Medium-term target: Estimate

Implementation of strict asset management to strengthen the balance sheet

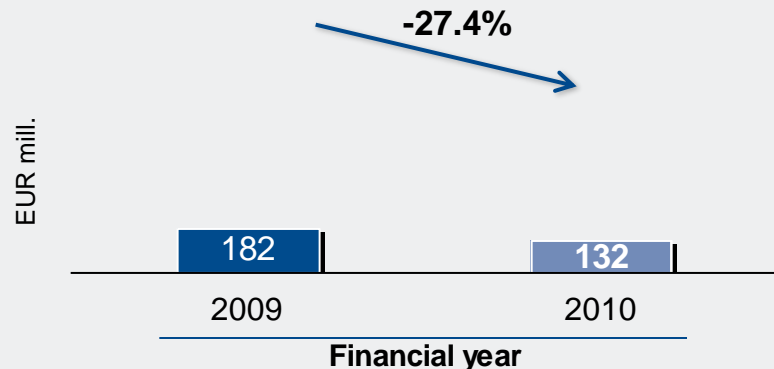
Inventories



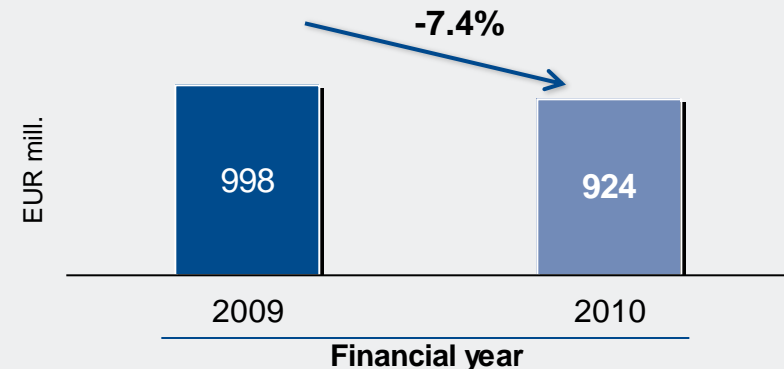
Receivables from supplies and services



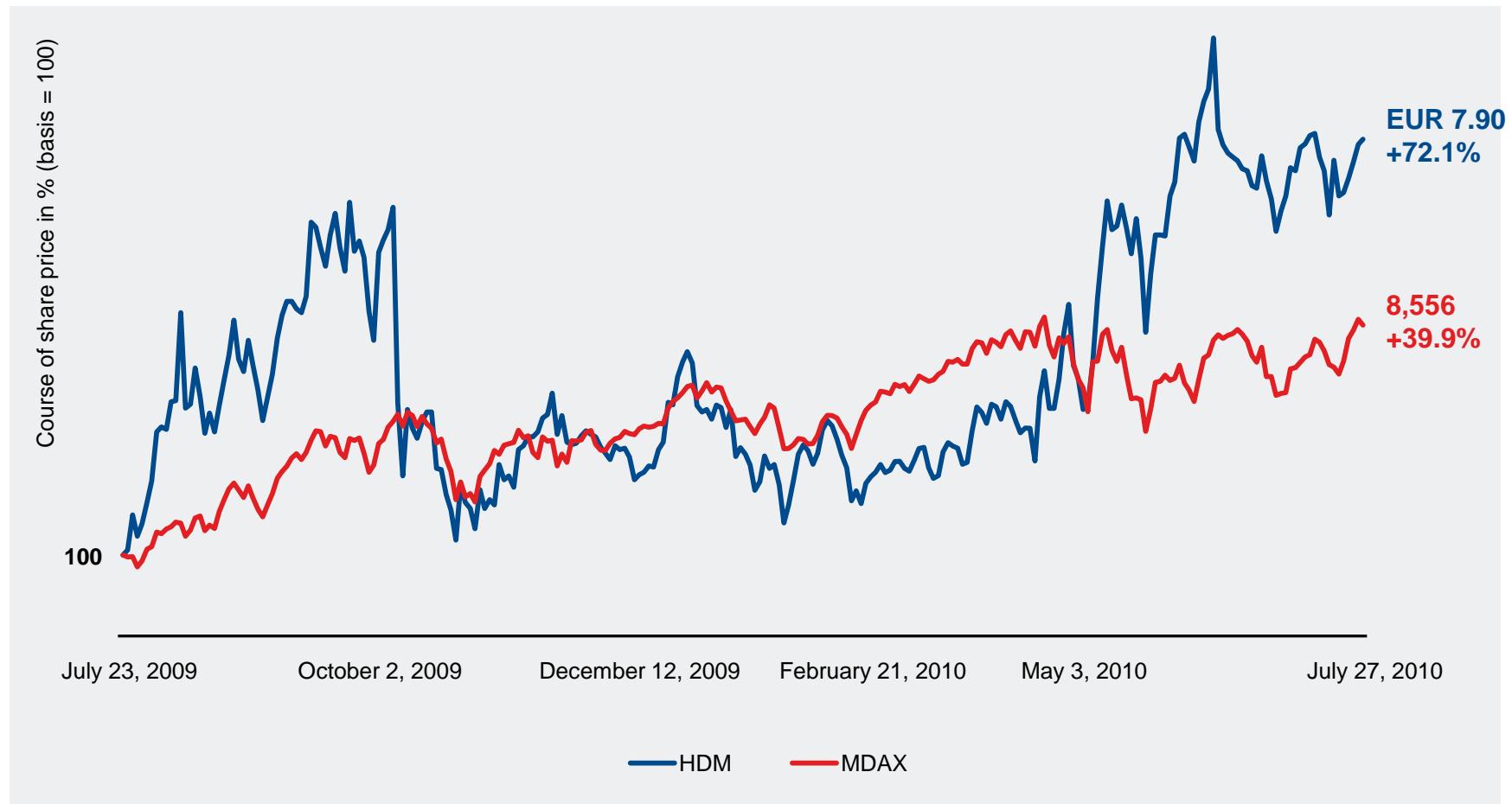
Liabilities from supplies and services



Fixed assets



The Heidelberg share price has outperformed the MDAX since the last Annual General Meeting



Heidelberg is looking ahead, is stronger, and has a clear focus

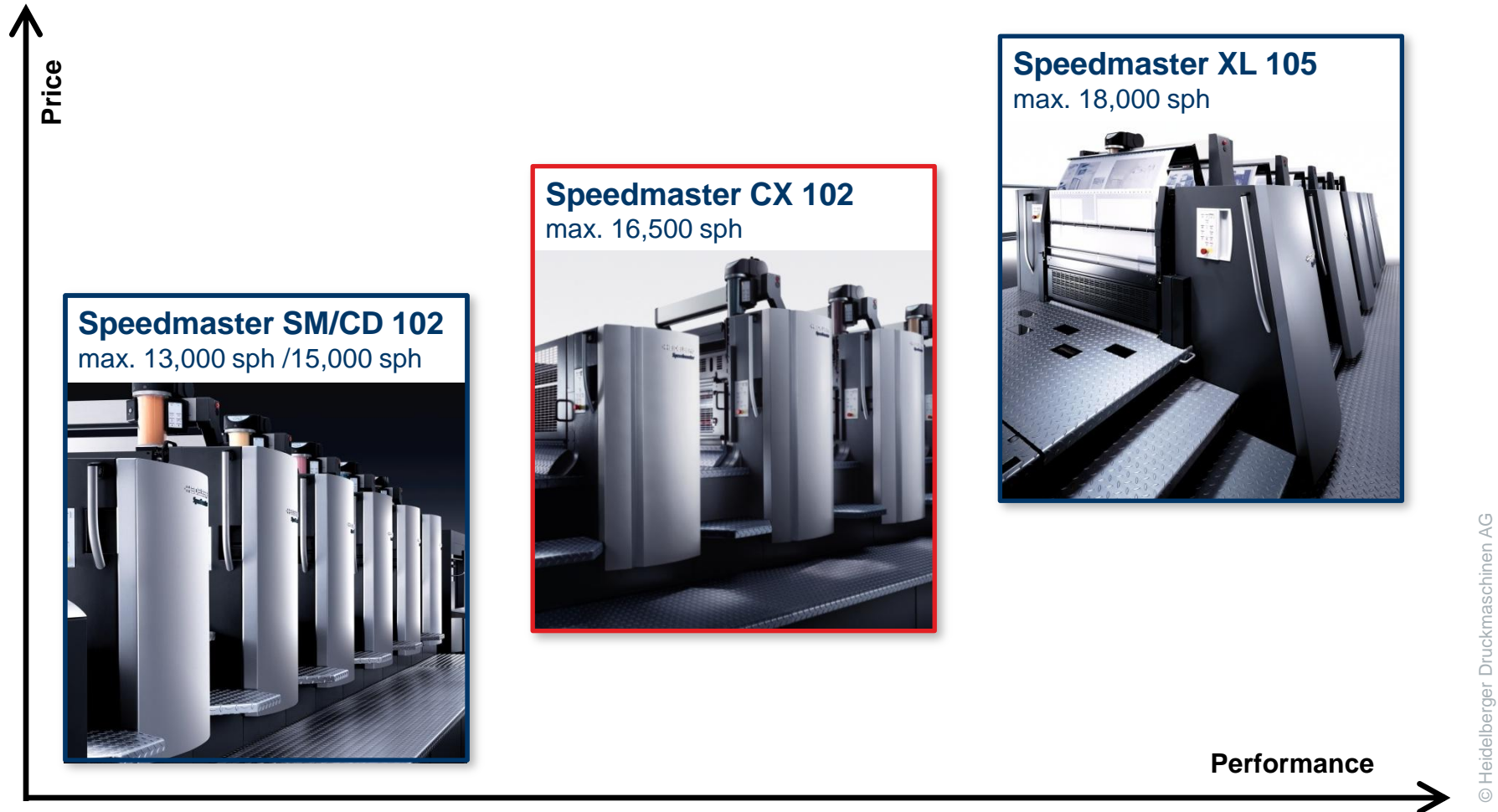
1. Review of the financial year
- 2. Focused strategic alignment**
 - Successful implementation of the new segmentation
 - Focus on growth markets
3. Further stabilization of the capital structure
4. Positive outlook

Successful restructuring of the divisions to improve focus on future growth areas

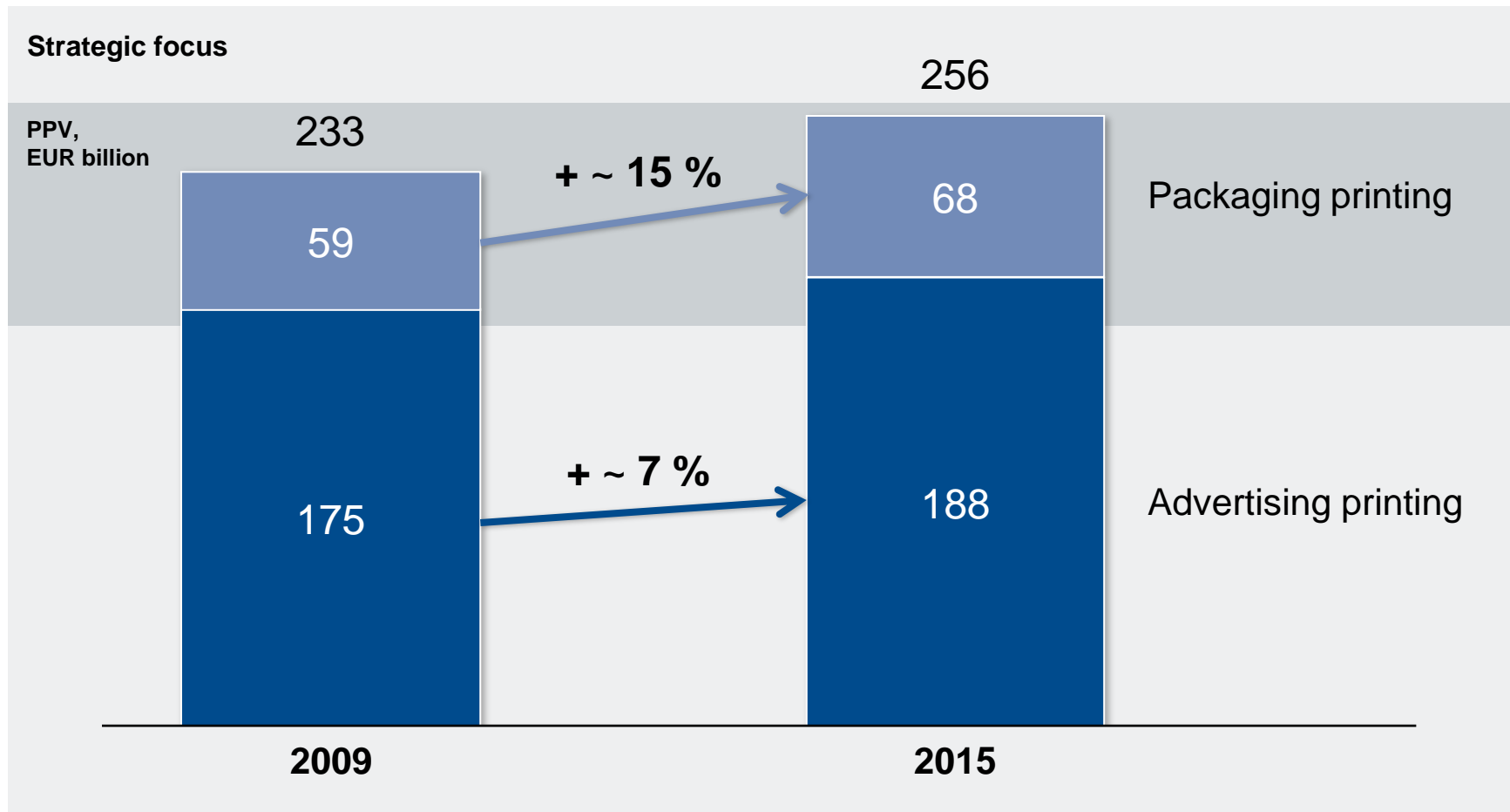
Bernhard Schreier (CEO)		
Stephan Plenz	Marcel Kiessling	Dirk Kaliebe
Heidelberg Equipment	Heidelberg Services	Financial Services
<ul style="list-style-type: none"> • Press • Postpress Commercial • Postpress Packaging • Linoprint 	<ul style="list-style-type: none"> • Systemservice • Service Parts • Saphira Consumables • Prinect Software & CtP • Business Consulting & Print Media Academy • Remarketed Equipment 	<ul style="list-style-type: none"> • Financing Partners • Export Credit Insurance • Heidelberg Print Finance
Provisional calculation FY 09/10:		
Sales: EUR 1,271 million EBIT*: EUR -153 million	Sales: EUR 1,016 million EBIT*: EUR 12 million	Sales: EUR 19 million EBIT*: EUR 11 million

* Before special items

Innovations are complementing the high-performance product portfolio: New Speedmaster CX 102 launched



Clear growth trend in advertising and packaging printing expected



Source: Heidelberg estimate, April 2010 (based on: industry statistics 2009, PIRA 2009, Jakkoo Pöyry 2008, Primir (GAMIS) 2009, Global Insight 2010; calendar years)

Significant potential for services

Heidelberg Technical Services



On-site Services



Remote Services

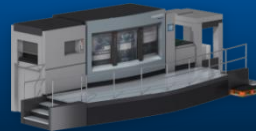
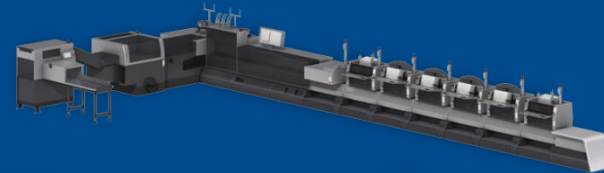


Service Parts



Service Contracts

Heidelberg Equipment



Prepress Press Postpress
for advertising and packaging printing

Heidelberg Performance Services



Performance Check
and Consulting



Coaching, Training
and Certification



Process Improve-
ment and Integration



Print Color
Management



Consumables



Lifecycle
Support

Broad installed base for technical services in focus

- Use broad installed base for growth in service operations
- Boost sales volumes of value-added services in all markets and regions
- Recovery in business with service parts anticipated due to rising print volume and higher capacity utilization in print shops
- **Medium-term target for technical services:** Boost sales volumes to more than 15 percent of total sales



Utilizing the brand and customer access to sell consumables

- Development of consumables business relatively independent of economic cycles
- Direct access to customers worldwide and strong brand
- Increase market share in consumables from 4 to 7 percent by 2015
- **Medium-term target for consumables business:** Boost sales volumes to more than 15 percent of total sales



Focus on anticipated growth in emerging markets

- China largest market in terms of incoming orders in FY 2009/10
- China some 50 % above previous year's quarter in terms of incoming orders in Q1 2010/11
- Planning: Almost double production volume of printing units and folding machines in China in the current FY
- Incoming orders in Brazil three times higher in Q1 2010/11 than same quarter of previous year thanks to ExpoPrint



Trade show booth at ExpoPrint in Brazil

Partnerships will potentially enable Heidelberg to expand its market in digital printing

- Use the strong Heidelberg brand and the Group's direct access to customers worldwide for digital printing portfolio
- Partnership model: Sales and service for digital printing offerings from established manufacturers
- Customers benefit from Heidelberg's global service know-how and service network
- Customer benefit: Integrated solution from a single supplier, including workflow/software, services and consumables



Heidelberg is looking ahead, is stronger, and has a clear focus

1. Review of the financial year
2. Focused strategic alignment
3. **Further stabilization of the capital structure**
 - Successful refinancing under difficult conditions
 - Planned capital increase for further stabilization of the capital structure
4. Positive outlook

Successful refinancing by mid-2012 and stabilization of net financial debt

Figures in EUR million

	FY 2009 March 31, 2009	FY 2010 March 31, 2010
Financial liabilities	760	816 ¹
less: Liquid assets	79	121
Net financial debt	681	695
Reserves for pensions	154	225

**Overall financing
framework of EUR 1.4 billion
secured up to 2012**

EUR 550 million
guaranteed
facilities²

EUR 291 million
KfW facility

EUR 550 million
syndicated
credit facilities

1) Of which approx. EUR 291 million through KfW facilities

2) 90% of the credit facility guaranteed by Federal Government and State authorities

Planned capital increase to repay existing external financing and improve the capital structure

Key data on the planned capital increase

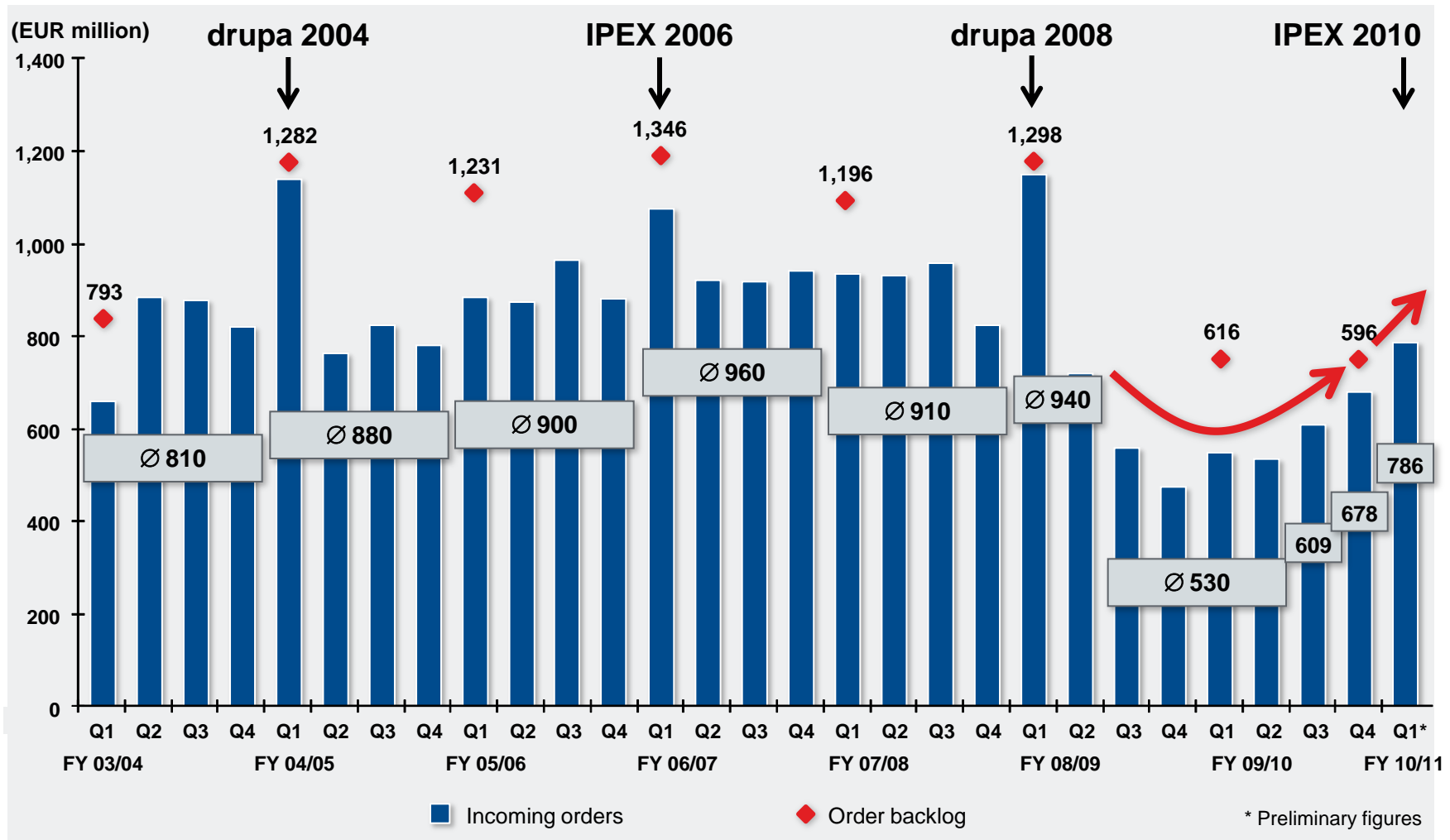
- Anticipated gross proceeds: ~ EUR 420 million
- Issue of new shares: Up to 156.1 million shares
- Minimum subscription price of new shares: EUR 2.70
- Dividend entitlement: April 1, 2010
- Subscription rights: Shareholders receive subscription rights for new shares
- Subscription ratio / subscription price: To be set prior to start of subscription period
- Underwriting banks: Commerzbank, Deutsche Bank

Heidelberg intends to use the planned capital increase to achieve a debt position of $\leq 2.5x$ net liabilities/ EBITDA in the medium term

Heidelberg is looking ahead, is stronger, and has a clear focus

1. Review of the financial year
2. Focused strategic alignment
3. Further stabilization of the capital structure
4. **Positive outlook**
 - Continued market recovery
 - Target: Break-even operating result at the end of the financial year

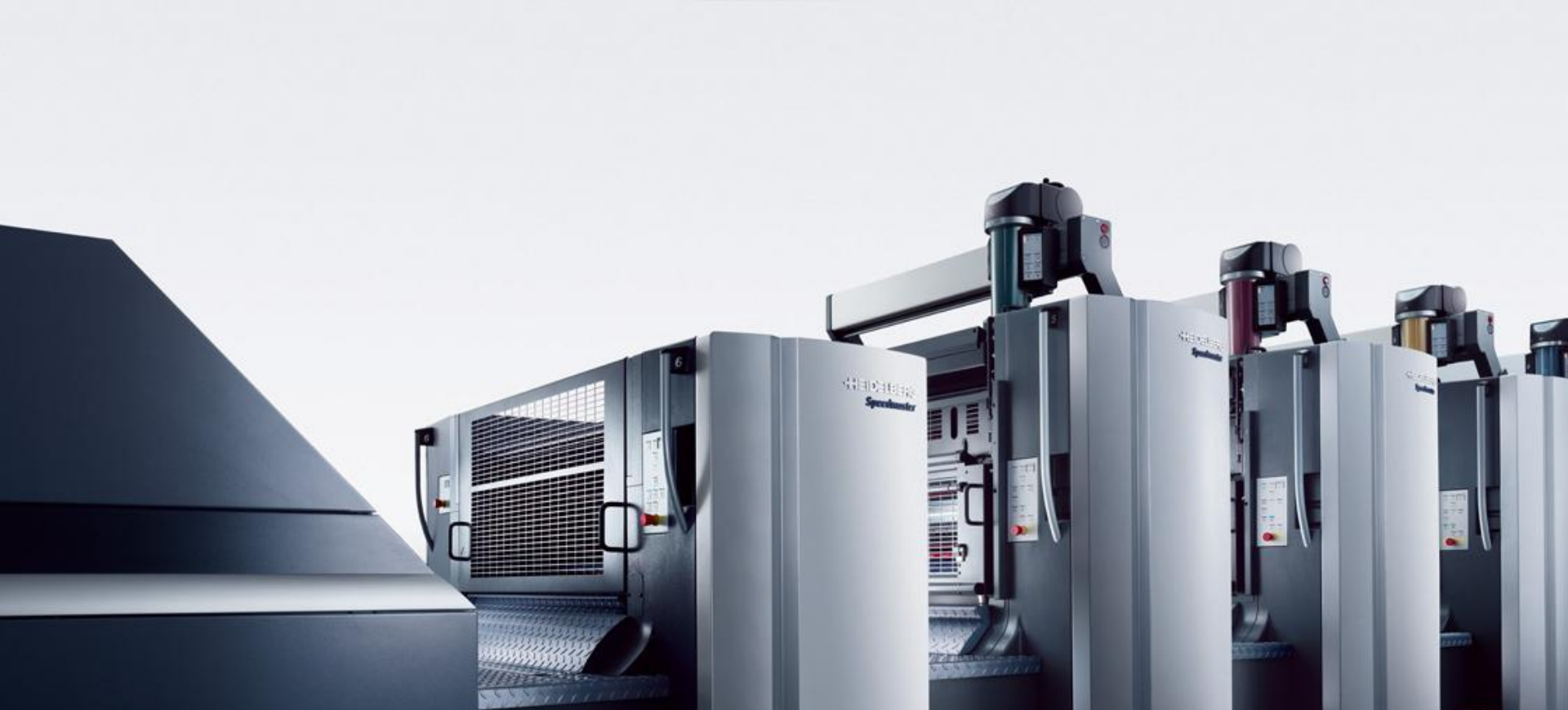
Order situation indicates clear trend toward recovery



Returning Heidelberg to sustainable profitability

FY 2011		Medium-term targets	
Sales	Moderate growth	Sales	EUR 3 billion +
EBIT	Break-even	EBIT margin	>5%
Net result	Net loss	ROCE	~15%
Free cash flow before restructuring and interest ¹	Positive	Net debt / EBITDA	≤ 2.5x

(1) Expectation for FY 2011: Free cash flow after restructuring and interest "negative"



Thank you very much for your attention!

HEIDELBERG